

DAWN LONG TERM FIXED PRICE TRANSPORTATION SERVICE

DAWN LTFP TOLL SCHEDULE

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1. DEFINITIONS

1.1 Capitalized terms utilized herein, but not otherwise defined, shall have the meanings attributed to such terms in the General Terms and Conditions. For the purpose of this Toll Schedule, the following terms shall be defined:

- (a) "Conversion Option" shall have the meaning attributed to it in Section 10.1;
- (b) "Conversion Provisions" shall have the meaning attributed to it in Subsection 10.1(c);
- (c) "Dawn LTFP Contract" shall have the meaning attributed to it in Subsection 2.1(a);
- (d) "Dawn LTFP End Date" shall mean the date Shipper's Dawn LTFP Contract ends, as set out in Section 3.1 of Shipper's Dawn LTFP Contract or as may be amended for all or a portion of the Contract Demand pursuant to Section 3.2 of Shipper's Dawn LTFP Contract, as applicable;
- (e) "Dawn LTFP Service" shall mean transportation service provided pursuant to this Toll Schedule;
- (f) "Default" shall have the meaning attributed to it in Section 3.1;
- (g) "Default Quantity" shall have the meaning attributed to it in Section 3.1;
- (h) "Early Conversion and Term-up Notice" shall have the meaning attributed to it in Section 10.3;
- (i) "Expansion Facilities" shall have the meaning attributed to it in Section 10.3;
- (j) "FT Contract" shall mean a Firm Transportation Service Contract;
- (k) "FT Service" shall mean firm transportation service provided pursuant to the FT Toll Schedule;
- (l) "General Terms and Conditions" means the General Terms and Conditions of TransCanada's Canadian Mainline Gas Transportation Tariff;
- (m) "List of Tolls" means the List of Tolls of TransCanada's Canadian Mainline Gas Transportation Tariff; and
- (n) "Secondary Delivery" shall have the meaning attributed to it in Section 1 of the General Terms and Conditions.

2. AVAILABILITY

- 2.1 Any Shipper shall be eligible to receive service pursuant to this Toll Schedule provided that Shipper:
- (a) has entered into a Dawn Long Term Fixed Price Transportation Service Contract ("Dawn LTFP Contract") with TransCanada through a Dawn LTFP open season process, held by TransCanada in its sole discretion; and
 - (b) has provided TransCanada with financial assurances as required by TransCanada pursuant to Section XXIII of the General Terms and Conditions.

3. APPLICABILITY AND CHARACTER OF SERVICE

- 3.1 On each day during the term of the Dawn LTFP Contract, Shipper shall be entitled to request service hereunder. Nominations for service shall be made pursuant to Section XXII of the General Terms and Conditions. Service hereunder shall not be subject to curtailment or interruption except as provided in Section XI, XIV, and XV of the General Terms and Conditions; PROVIDED HOWEVER, that if Shipper fails to provide on an ongoing and timely basis to TransCanada satisfactory evidence of its right to remove from the province of production all or any part of the quantities of gas to be transported by TransCanada under the Dawn LTFP Contract, Shipper shall be in default hereunder (the "Default") to the extent of the daily quantity not authorized for removal from the province of production as aforesaid (the "Default Quantity"), and TransCanada shall be entitled to immediately suspend service for a quantity up to, and including, the Default Quantity until such time as Shipper remedies the Default. TransCanada shall terminate any such suspension and resume service as to that part of the Default Quantity in respect of which the Default has been remedied.
- 3.2 Dawn LTFP Service is only available for long haul transportation service with a receipt point at Empress and a delivery point at the Union SWDA.

4. MONTHLY BILL

- 4.1 The monthly bill payable to TransCanada for service hereunder shall include the aggregate of the demand charge in effect during the billing month for transportation service and any applicable surcharge, and shall be calculated by applying, as follows, the applicable tolls as approved by the NEB (as set forth in the List of Tolls):

(a) **Demand Charge**

For each month, the demand charge for transportation service shall be equal to the sum of the products of the applicable Monthly Demand Toll multiplied by Shipper's Contract Demand subject to each applicable Monthly Demand Toll pursuant to Sections 6.2 and 6.3 of Shipper's Dawn LTFP Contract. The Monthly Demand Toll for Dawn LTFP Service is inclusive of any applicable Delivery Pressure Monthly Demand Toll and the Monthly Abandonment Surcharge which shall be equal to the Monthly Abandonment Surcharge from Empress to Emerson 2. The said demand charge is payable by Shipper notwithstanding any failure by Shipper during such month, for any reason whatsoever including force majeure or a default by Shipper under Section 3.1 hereof, to deliver Shipper's Authorized Quantity to TransCanada at the receipt point.

(b) **Fuel**

For each month, a Shipper shall provide, on a daily basis, a quantity of fuel in accordance with Subsection IV (1)(a) of the General Terms and Conditions.

(c) **Surcharges**

For each month, Shipper shall pay any surcharge authorized by the NEB to account for the costs of complying with domestic or foreign laws, rules or regulations that were not in effect or applicable to TransCanada on October 13, 2016.

5. MINIMUM BILL

5.1 The minimum monthly bill for service hereunder shall be the sum of the charges determined in Subsections 4.1 (a) and 4.1 (c), after giving effect to any adjustment pursuant to Section 6 hereof.

6. DEMAND CHARGE ADJUSTMENTS

6.1 If during any day, TransCanada fails to deliver the quantity of gas requested by Shipper up to the Contract Demand, for any reason related solely to TransCanada's operations, including an event of force majeure occurring on any of the pipeline systems of TransCanada and Other Pipelines, then the monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Toll multiplied by the difference between the quantity of gas which TransCanada actually delivered to Shipper on such

day, and the quantity of gas which such Shipper in good faith nominated hereunder on such day. Both of these quantities shall be deemed to have occurred in the same proportion as that of the portion of the Contract Demand at each applicable Daily Demand Toll. If TransCanada refuses to accept deliveries of Shipper's gas or curtails receipts from or deliveries to Shipper pursuant to Paragraph 8 (Energy Imbalance Recovery) of Section XXII of the General Terms and Conditions, then there shall be no corresponding reduction in the monthly demand charge to Shipper. Notwithstanding the foregoing, if the quantity of gas which TransCanada fails to deliver is the subject of an accepted nomination for a Secondary Delivery, then TransCanada shall only be obligated to reduce the monthly demand charge if such Secondary Delivery is of the nature described in subsection (e)(ii) in Section XV of the General Terms and Conditions and in all other cases there shall be no reduction in the monthly demand charge.

7. SECONDARY DELIVERY POINTS

- 7.1 (a) TransCanada will post on its website the eligible Secondary Delivery point(s).
- (b) Subject to the provisions herein, Shipper shall have the right to nominate to Secondary Delivery points posted pursuant to Subsection 7.1(a).
- (c) The aggregate of all nominations for delivery hereunder shall not exceed the Contract Demand under Shipper's Dawn LTFFP Contract.
- (d) For the purpose of Section XVI of the General Terms and Conditions, service to Secondary Delivery points shall be equivalent to service under an STS Contract.
- 7.2 Any nomination by Shipper to a Secondary Delivery point under Shipper's Dawn LTFFP Contract must be received by TransCanada's Gas Control Department in Calgary by the times posted on TransCanada's website.
- 7.3 TransCanada shall have the right to not accept a nomination made pursuant to Section 7.2 hereof or to accept only a portion of the quantities so nominated if the Secondary Delivery nominated would negatively impact TransCanada's ability to provide those transportation services which, pursuant to Section XV of the General Terms and Conditions, have a priority of service which is higher than that of the Secondary Delivery nominated by Shipper or if such Secondary Delivery would otherwise be immediately curtailed pursuant to Paragraph (c) of Section XV of the General Terms and Conditions. TransCanada shall have the right to curtail Secondary Delivery in accordance with Section XV of the General Terms and Conditions.

8. ASSIGNMENT

- 8.1 Any company which shall succeed by purchase, merger or consolidation to the properties, substantially or in entirety, of Shipper or of TransCanada, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under any Dawn LTFP Contract into which this Toll Schedule is incorporated and any related contracts. Further, either Shipper or TransCanada may, without relieving itself of its obligations under any Dawn LTFP Contract into which this Toll Schedule is incorporated (unless consented to by the other party which consent shall not be unreasonably withheld), assign any of its rights and obligations thereunder to another party. Nothing herein shall in any way prevent either party to such Dawn LTFP Contract from pledging or mortgaging its rights thereunder as security for its indebtedness. Such Dawn LTFP Contract shall be binding upon and shall inure to the benefit of the respective successors and assignees of the parties thereto.
- 8.2 Assignments at a discount negotiated between assignors and assignees are permitted, provided that the approved toll continues to be paid to TransCanada.
- 8.3 Save as herein provided, assignment of a Dawn LTFP Contract into which this Toll Schedule is incorporated is expressly prohibited.

9. TERM REDUCTION RIGHTS

- 9.1 Shipper may, for all or a portion of the Contract Demand, elect to reduce the 120 month term of the Dawn LTFP Contract by sixty (60), forty-eight (48), thirty-six (36), twenty-four (24) or twelve (12) months. Shipper's election must be provided to TransCanada by way of an executed Exhibit "A" Addendum to Shipper's Dawn LTFP Contract setting out the amended Dawn LTFP End Date for the portion of the Contract Demand subject to a reduction in term. Shipper's election must be provided to TransCanada a minimum of twenty-four (24) months prior to such amended Dawn LTFP End Date. Upon receipt of Shipper's election, TransCanada shall provide Shipper with a counter-executed Exhibit "A" Addendum to the Dawn LTFP Contract.

10. CONVERSION RIGHTS

10.1 Subject to Sections 10.3 and 10.4, Shipper shall have the option of converting its Contract Demand under Dawn LTFP Service to an FT Contract (the "Conversion Option") provided that:

- (a) the conversion shall be effective the first day after the applicable Dawn LTFP End Date for a period of either: i) one or more annual periods ending on the same calendar date as the applicable Dawn LTFP End Date or ii) if Shipper requests a service termination date of October 31, one or more annual periods of twelve (12) consecutive full months plus the number of consecutive days necessary to the requested October 31;
- (b) the requested FT Service Contract Demand shall be at a level no greater than the portion of Contract Demand eligible for conversion at the applicable Dawn LTFP End Date;
- (c) TransCanada receives written notice from Shipper of Shipper's election to exercise the Conversion Option which sets out the term and Contract Demand of such conversion (the "Conversion Provisions") no less than twenty-four (24) consecutive months before the applicable Dawn LTFP End Date;
- (d) Shipper supplies TransCanada at the time of such notice with evidence satisfactory to TransCanada that Shipper will meet the availability provisions of the FT Toll Schedule in respect of the Conversion Provisions prior to the commencement of FT Service; and
- (e) TransCanada may accept late notice of Shipper's election to exercise the Conversion Option if TransCanada, in its sole discretion, determines that TransCanada will have the required capacity available after providing capacity for all of TransCanada's obligations pursuant to prior outstanding requests from Shipper and/or others, that such conversion will not adversely impact TransCanada's system operations and that all of the costs for providing this service will be covered by TransCanada's tolls.

10.2 All conversions shall be stated in GJ.

10.3 If at any time TransCanada determines, acting reasonably, that:

- (a) new or additional pipeline facilities are required to increase the Combined Capacity or capabilities of the system ("Expansion Facilities"); and

(b) the estimated cost of such Expansion Facilities will exceed \$20 million;

TransCanada will provide an early conversion and term-up notice ("Early Conversion and Term-up Notice") to Shipper entitled to the Conversion Option if TransCanada determines Shipper's Dawn LTFP Contract may impact the design of the Expansion Facilities.

10.4 Upon receipt of the Early Conversion and Term-up Notice, Shipper may elect, within sixty (60) days of receipt of the Early Conversion and Term-up Notice, to exercise its Conversion Option for all or a portion of the applicable Contract Demand, subject to the FT Contract having a termination date no earlier than five (5) years after the expected New Service Start Date (as defined in Subsection 1.1 of TAPs) of the Expansion Facilities. If Shipper does not elect to exercise its Conversion Option for the required term set out in the Early Conversion and Term-up Notice within such sixty (60) day period, then Shipper shall no longer be entitled to a Conversion Option for the applicable Contract Demand.

11. MISCELLANEOUS PROVISIONS

11.1 The General Terms and Conditions and the List of Tolls, as amended from time to time, are applicable to this Toll Schedule and are hereby made a part hereof. If there is any conflict between the provisions of this Toll Schedule and the General Terms and Conditions, the provisions of this Toll Schedule shall prevail.

11.2 This Toll Schedule, the List of Tolls and the General Terms and Conditions are subject to the provisions of the National Energy Board Act or any other legislation passed in amendment thereof or substitution therefor.

11.3 This Toll Schedule together with the provisions of the General Terms and Conditions supercedes and replaces all previous Toll Schedules applicable to the Dawn LTFP Contract.