



The Rates

**Effective
February 1st
2007**

These Rates have been approved by the "Régie de l'énergie" in the French language and translated by the Company into the English language. In the event of a conflict between the French text and the English text, the French text shall prevail.

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|-----------------------------------|
| RATE 1 GENERAL SERVICE |
|-----------------------------------|

1.0 APPLICABILITY

- 1.1 For any withdrawal of gas in firm service measured at one metering point.
- 1.2 This rate is not applicable to a customer who withdraws gas under another rate at the same metering point while his contract is in effect.

2.0 RATES BY METERING POINT

2.1 Monthly fixed charge

\$16.00

2.2 Unit rates

2.2.1 Delivery charge:

| | | |
|--------------------------------------|-------------------------|---|
| 21.72 ¢/m ³ for the first | 100 m ³ | (from 0 to 100 m ³); |
| 20.72 ¢/m ³ for the next | 220 m ³ | (from 100 to 320 m ³); |
| 19.72 ¢/m ³ for the next | 680 m ³ | (from 320 to 1,000 m ³); |
| 18.72 ¢/m ³ for the next | 2,200 m ³ | (from 1,000 to 3,200 m ³); |
| 16.72 ¢/m ³ for the next | 6,800 m ³ | (from 3,200 to 10,000 m ³); |
| 15.22 ¢/m ³ in excess of | 10,000 m ³ . | |

2.2.2 Gas supply charge:

31.66 ¢/m³ for all volumes sold.

| |
|---|
| RATE 2 RESIDENTIAL AND INSTITUTIONAL SERVICE |
|---|

1.0 APPLICABILITY

For any withdrawal of gas in firm service measured at one metering point in a residential or institutional dwelling or building where the volume withdrawn is measured by means of a single meter.

2.0 RATES PER METER

2.1 Monthly fixed charge

\$9.00

2.2 Unit rates

2.2.1 Delivery charge:

| | | |
|--------------------------------------|------------------------|--------------------------------------|
| 20.86 ¢/m ³ for the first | 50 m ³ | (from 0 to 50 m ³); |
| 20.36 ¢/m ³ for the next | 50 m ³ | (from 50 to 100 m ³); |
| 19.86 ¢/m ³ for the next | 220 m ³ | (from 100 to 320 m ³); |
| 19.36 ¢/m ³ for the next | 680 m ³ | (from 320 to 1,000 m ³); |
| 18.86 ¢/m ³ in excess of | 1,000 m ³ . | |

2.2.2 Gas supply charge:

31.66 ¢/m³ for all volumes sold.

| |
|---|
| RATE 3 LOW VOLUME FIRM SERVICE |
|---|

1.0 APPLICABILITY

For any withdrawal of gas in firm service, with a load factor of at least 50%, measured at one metering point and for which the subscribed volume or, if the customer does not have a meter with automatic daily volume recorder, the variable daily volume is at least 300 m³/day but less than 2 800 m³/day.

2.0 RATES PER METERING POINT

2.1 Unit rates

2.1.1 Monthly fixed charge:

20.00 ¢/m³ of the subscribed volume, or as the case may be, of the variable daily volume.

2.1.2 Delivery charge:

| | <u>Winter</u> (December-March) ¢/m ³ | <u>Summer</u> (April-November) ¢/m ³ |
|---------------------------|---|---|
| For all volumes delivered | 12.15 | 11.15 |

2.1.3 Gas supply charge:

| | | |
|-----------------------|-------|-------|
| For all volumes sold. | 31.66 | 31.66 |
|-----------------------|-------|-------|

2.1.4 Overrun gas rate:

The rate applicable for any volume of overrun gas, in substitution for the gas supply charge shall be 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Iroquois export point.

2.1.5 Authorized overrun:

Volumes justified under article 5 of the General Provisions or otherwise authorized by the distributor are not subject to article 2.1.4. T-Service customers will be subject to article 6 of the General Provisions - Transportation Service Arrangements.

2.2 Minimum annual obligation

2.2.1 Minimum annual volume:

Subscribed volume or variable daily volume of the twelfth gas bill x 365 (366) days x load factor of at least 50%.

2.2.2 Billing of the deficiency in minimum annual volume:

Minimum annual volume less annual volume withdrawn, multiplied by:

6.68 ¢/m³ for T-Service and Eastern Buy/Sell Service.

6.68 ¢/m³ for Western Buy/Sell and Sales Service plus prorated share of any annual minimum bill incurred by Gazifère up to 11.48 ¢/m³.

3.0 CALCULATION OF THE VARIABLE DAILY VOLUME

For customers who do not have a meter with an automatic daily volume recorder the variable daily volume is the highest of:

- the subscribed volume;
- 4% of the largest monthly volume of gas withdrawn during the previous eleven months; or,
- the highest daily volume of gas during the previous eleven months as measured by the distributor's metering equipment.

| |
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| RATE 4 MODERATE VOLUME FIRM SERVICE |
|--|

1.0 APPLICABILITY

For any withdrawal of gas in firm service, with a load factor of at least 50%, measured at one metering point and for which the subscribed volume or, if the customer does not have a meter with automatic daily volume recorder, the variable daily volume is at least 2 800 m³/day but less than 28,000 m³/day.

2.0 RATES PER METERING POINT

2.1 Unit rates

2.1.1 Monthly fixed charge:

20.00 ¢/m³ of the subscribed volume, or as the case may be, of the variable daily volume.

2.1.2 Delivery charge:

| | <u>Winter</u> (December-March) ¢/m ³ | <u>Summer</u> (April-November) ¢/m ³ |
|-------------------------------------|--|--|
| For all volumes delivered. | | |
| load factor less or equal to 70% | 9.82 | 8.82 |
| load factor higher than 70% | 8.82 | 7.82 |

2.1.3 Gas supply charge:

| | | |
|-----------------------|-------|-------|
| For all volumes sold. | 31.66 | 31.66 |
|-----------------------|-------|-------|

2.1.4 Overrun gas rate:

The rate applicable for any volume of overrun gas, in substitution for the gas supply charge shall be 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Iroquois export point.

2.1.5 Authorized overrun:

Volumes justified under article 5 of the General Provisions or otherwise authorized by the distributor are not subject to article 2.1.4. T-Service customers will be subject to article 6 of the General Provisions - Transportation Service Arrangements.

2.2 Minimum annual obligation

2.2.1 Minimum annual volume:

Subscribed volume or variable daily volume of the twelfth gas bill x 365 (366) days x load factor of at least 50%.

2.2.2 Billing of the deficiency in minimum annual volume:

Minimum annual volume less annual volume withdrawn, multiplied by:

For T-Service and Eastern Buy/Sell service

4.19 ¢/m³ for customer with a load factor less or equal to 70%.

3.19 ¢/m³ for customer with a load factor higher than 70%.

For Western Buy/Sell and Sales Service

4.19 ¢/m³ for customer with a load factor less or equal to 70% plus prorated share of any annual minimum bill incurred by Gazifère, up to 9.15 ¢/m³.

3.19 ¢/m³ for customer with a load factor higher than 70% plus prorated share of any annual minimum bill incurred by Gazifère, up to 8.15 ¢/m³.

3.0 CALCULATION OF THE VARIABLE DAILY VOLUME

For customers who do not have a meter with an automatic daily volume recorder the variable daily volume is the highest of:

- the subscribed volume;
- 4% of the largest monthly volume of gas withdrawn during the previous eleven months; or,
- the highest daily volume of gas during the previous eleven months as measured by the distributor's metering equipment.

| |
|---|
| RATE 5 LARGE VOLUME FIRM SERVICE |
|---|

1.0 APPLICABILITY

For any withdrawal of gas in firm service, with a load factor of at least 50%, measured at one metering point, and for which the subscribed volume is at least 28,000 m³/day but less than 280,000 m³/day.

2.0 RATES PER METERING POINT

| | <u>Winter</u> (December-March) ¢/m ³ | <u>Summer</u> (April-November) ¢/m ³ |
|------------------------------------|---|---|
| 2.1 <u>Unit rates</u> | | |
| <i>2.1.1 Monthly fixed charge:</i> | | |
| Times the subscribed volume. | 30.00 | 30.00 |
| <i>2.1.2 Delivery charge:</i> | | |
| For all volumes delivered. | 6.45 | 6.25 |
| <i>2.1.3 Gas supply charge:</i> | | |
| For all volumes sold | 31.66 | 31.66 |

2.1.4 Overrun gas rate:

The rate applicable for any volume of overrun gas, in substitution for the gas supply charge shall be 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Iroquois export point.

2.1.5 Authorized overrun:

Volumes justified under article 5 of the General Provisions or otherwise authorized by the distributor are not subject to article 2.1.4. T-Service customers will be subject to article 6 of the General Provisions - Transportation Service Arrangements.

2.2 Minimum annual obligation

2.2.1 Minimum annual volume:

Subscribed volume x 365 (366) days x load factor of at least 50%.

2.2.2 Billing of the deficiency in minimum annual volume:

Minimum annual volume less annual volume withdrawn, multiplied by:

1.68 ¢/m³ for T-Service and Eastern Buy/Sell Service.

1.68 ¢/m³ for Western Buy/Sell and Sales Service plus prorated share of any annual minimum bill incurred by Gazifère up to 6.32 ¢/m³.

| |
|--|
| RATE 6 VERY LARGE VOLUME FIRM SERVICE |
|--|

1.0 APPLICABILITY

For any withdrawal of gas in firm service, with a load factor of at least 50%, measured at one metering point, and for which the subscribed volume is at least 280,000 m³/day.

2.0 RATES PER METERING POINT

2.1 Unit rates €/m³

2.1.1 Monthly fixed charge:

| | |
|------------------------------|-------|
| Times the subscribed volume. | 20.00 |
|------------------------------|-------|

2.1.2 Delivery charge:

For all volumes delivered.

| | |
|---------|------|
| Maximum | 6.46 |
| Minimum | 3.74 |

2.1.3 Gas supply charge:

| | |
|-----------------------|-------|
| For all volumes sold. | 31.66 |
|-----------------------|-------|

2.1.4 Overrun gas rate:

The rate applicable for any volume of overrun gas, in substitution for the gas supply charge shall be 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Iroquois export point.

2.1.5 Authorized overrun:

Volumes justified under article 5 of the General Provisions or otherwise authorized by the distributor are not subject to article 2.1.4. T-Service customers will be subject to article 6 of the General Provisions - Transportation Service Arrangements.

2.2 Minimum annual obligation

2.2.1 Minimum annual volume:

Volume that the customer has committed to withdraw during the contract period.

2.2.2 Billing of the deficiency in minimum annual volume:

Minimum annual volume less annual volume withdrawn, multiplied by:

For T-Service and Eastern Buy/Sell Service: the difference between the negotiated price and the T-Service Credit.

For Western Buy/Sell and Sales Service: the difference between the negotiated price and the T-Service Credit, plus the prorated share of any annual minimum bill incurred by Gazifère, up to a maximum incremental charge of the negotiated delivery charge.

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| RATE 7 NATURAL GAS FOR VEHICLES |
|--|

1.0 APPLICABILITY

For any withdrawal of gas of at least 30 m³/day in firm service measured at one metering point for the purpose of fueling motor vehicles. Withdrawal of gas for fueling motor vehicles is allowed only under the present Rate 7.

2.0 RATES

2.1 Monthly fixed charge

\$20.00 per meter.

2.2 Unit rates

2.2.1 Delivery charge:

| | | |
|--------------------------------------|-------------------------|---|
| 22.73 ¢/m ³ for the first | 100 m ³ | (from 0 to 100 m ³); |
| 21.73 ¢/m ³ for the next | 220 m ³ | (from 100 to 320 m ³); |
| 20.73 ¢/m ³ for the next | 680 m ³ | (from 320 to 1,000 m ³); |
| 19.73 ¢/m ³ for the next | 2,200 m ³ | (from 1,000 to 3,200 m ³); |
| 17.73 ¢/m ³ for the next | 6,800 m ³ | (from 3,200 to 10,000 m ³); |
| 16.23 ¢/m ³ in excess of | 10,000 m ³ . | |

2.2.2 Gas supply charge:

31.66 ¢/m³ for all volumes sold.

| |
|------------------------------------|
| RATE 8 SEASONAL SERVICE |
|------------------------------------|

1.0 APPLICABILITY

For any withdrawal of gas between April 1 and October 31 under firm service, with a load factor of at least 50%, measured at one metering point and for which the subscribed volume is at least 2,800 m³/day.

2.0 RATES PER METERING POINT

2.1 Unit rates

2.1.1 Delivery charge:

| | |
|----------|------------------------|
| Maximum: | 11.65 ¢/m ³ |
| Minimum: | 4.85 ¢/m ³ |

2.1.2 Gas supply charge:

31.66 ¢/m³ for all volumes sold.

2.1.3 Overrun gas rate:

The rate applicable for any volume of overrun gas, in substitution for the gas supply charge shall be 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Iroquois export point.

2.1.4 Authorized overrun:

Volumes justified under article 5 of the General Provisions or otherwise authorized by the distributor are not subject to article 2.1.3. T-Service customers will be subject to article 6 of the General Provisions - Transportation Service Arrangements.

2.2 Minimum obligation for the contract period

2.2.1 Minimum volume:

Subscribed volume x number of days in the contract period x load factor of at least 50%.

2.2.2 Billing of the deficiency in the minimum volume:

The delivery charge multiplied by the deficiency volume of the contract period.

3.0 SPECIFIC PROVISIONS

At the customer's request, the distributor may, for any given year, extend the service period beginning as early as March 1 or ending as late as November 30, as long as the distributor has enough gas available to supply firm gas customers.

| |
|---|
| RATE 9 INTERRUPTIBLE SERVICE |
|---|

1.0 APPLICABILITY

For any withdrawal of gas in interruptible service measured at one metering point for which the maximum daily volume is at least 28,000 m³/day and the minimum contracted volume is at least 2,000,000 m³.

2.0 RATES PER METERING POINT

2.1 Unit rates

2.1.1 Monthly fixed charge:

3.00 ¢/m³ times the maximum daily volume.

The fixed monthly charge shall be billed prorata to the number of days service was available under this rate.

2.1.2 Delivery charge:

| | <u>Winter</u> (December-March) | <u>Summer</u> (April-November) |
|-------------------------------------|--|--|
| First 1,000,000 m ³ : | 5.69 ¢/m ³ | 5.24 ¢/m ³ |
| All over 1,000,000 m ³ : | 5.42 ¢/m ³ | 4.97 ¢/m ³ |

2.1.3 Gas supply charge:

31.66 ¢/m³ for all volumes sold.

2.1.4 Curtailment credit:

The rate for 2 hours of notice per cubic metre of Mean Daily Volume from December to March is 1.1058 \$.

2.1.5 Overrun gas rate:

The rate applicable for any volume of overrun gas, in substitution for the gas supply charge shall be 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Iroquois export point.

2.1.6 Authorized overrun:

Volumes justified under article 5 of the General Provisions or otherwise authorized by the distributor are not subject to article 2.1.4. T-Service customers will be subject to article 6 of the General Provisions - Transportation Service Arrangements.

2.1.7 Unauthorized withdrawals contrary to a notice of interruption:

Penalty of 25.00 ¢/m³ for the first withdrawal contrary to a notice for interruption or reduction of service in a contract period.

Penalty of 50.00 ¢/m³ for the second withdrawal contrary to a notice for interruption or reduction of service in a contract period.

The third instance of such failure in any contract period shall result in the customer forfeiting the right to be served under this rate schedule and service hereunder shall cease, notwithstanding any service contract between the distributor and the customer. Gas supply and/or transportation service shall continue to be available to the customer under Rate 1 until a service contract pursuant to another applicable rate schedule is executed.

2.2. Minimum obligation for the contract period

2.2.1 Minimum volume:

Volume that the customer has committed to withdraw during the contract period.

2.2.2 Billing of the deficiency in the minimum volume:

Minimum volume of the contract period less volume withdrawn during the contract period, multiplied by:

0.98 ¢/m³ for T-Service and Eastern Buy/Sell Service.

0.98 ¢/m³ for Western Buy/Sell and Sales Service plus prorated share of any annual minimum bill incurred by Gazifère up to 5.12 ¢/m³.

3.0 INTERRUPTIBLE SERVICE

- 3.1 After the distributor has given at least two hours notice to a customer, the customer must cease or, as the case may be, reduce the withdrawal of gas to the extent determined by the distributor and until otherwise informed by the distributor.

- 3.2 The supply of gas under this rate shall be interrupted for a period of at least one full day a year.
- 3.3 As of October 1, 2001, the purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas Market Report published by Canadian Enerdata Ltd. during the month, as the “current” “Avg.” (i.e. average) “Alberta One-Month Firm Spot Price” for “AECO ‘C’ and Nova Inventory Transfer” in the table entitled “Domestic spot gas prices”.

4.0 CURTAILMENT DELIVERED SUPPLY SERVICE ("CDS")

CDS service is available under this Rate, at the distributor's sole discretion, to deliver customer-owned gas to the customer's terminal location on days when curtailment has been ordered by the distributor. Under CDS service, the customer is entitled to arrange at its own expense the supply and transportation of a volume of gas not exceeding the customer's maximum daily volume to the TCPL Eastern Delivery Area ("EDA"). CDS volumes delivered by the customer will be in addition to any obligation on the customer's part under Buy/Sell or T-Service arrangements to deliver to the distributor a Mean Daily Volume, and CDS volumes will not be recognized as delivered until the Mean Daily Volume is delivered in full.

On a day of curtailment, customers will be entitled to consume a volume of gas up to but not exceeding the CDS volume they delivered to the EDA. Any excess of CDS deliveries over consumption will be credited to the customer's Banked Gas Account. Any excess of consumption over CDS deliveries will be subject to article 2.1.6. as Unauthorized withdrawals contrary to a notice of interruption.

The rate per cubic meter for CDS service shall be as determined by the distributor and shall be equal to the average unit rate charged in a billing month to Gazifère for CDS service by Enbridge Gas Distribution under its Rate 300, plus the Rate 9 tailblock delivery rate for the months of December through March, minus the allocated Rate 9 unit load balancing costs.

The distributor may at its discretion require a customer desiring CDS service to execute a contract with the distributor governing the terms and conditions of CDS service.

TRANSPORTATION SERVICE RIDER

1.0 APPLICABILITY

This rider is applicable to any customer who enters into a Gas Transportation Agreement with the distributor.

2.0 ADMINISTRATION FEE

| | |
|------------------|-------------------------------|
| Base Charge | \$ 50.00 per month |
| Maximum Charge | \$600.00 per month |
| Account Charge | |
| New Accounts | \$ 0.50 per month per account |
| Renewal Accounts | \$ 0.15 per month per account |

The above basic charge shall be increased up to the maximum charge by the new account charge for each new account and by the renewal charge for each renewal account in a T-Service contract.

3.0 T-SERVICE CREDIT

In T-Service arrangements between the distributor and a customer, and with a contractually specified point of acceptance in Ontario, the distributor shall pay the customer 3.54 cents per cubic meter for any volume of natural gas owned by the customer and received by the distributor at the point of acceptance.

GAS INVENTORY ADJUSTMENT RIDER

1.0 GAS INVENTORY ADJUSTMENT

An adjustment of (1.1052) ¢/m³ is applicable to all gas sold during the period of January 1st, 2007 to December 31st, 2007.

RATE ADJUSTMENT

1.0 RATE ADJUSTMENT

The following rate adjustment is applicable to all gas sold or delivered during the period of January 1st, 2006 to January 1st, 2007.

According to the decision D-2007-03 of the Régie de l'énergie, this adjustment will be reflected in the May 2007 invoice.

| <u>Rates</u> | <u>Sales Service</u> (¢/m ³) | <u>Transportation Service</u> (¢/m ³) |
|---------------------|--|---|
| 1 | 0.90 | 0.76 |
| 2 | 1.44 | 1.31 |
| 3 | 0.15 | - |
| 4 | 0.28 | 0.15 |
| 5 | - | (0.40) |
| 9 | - | 0.22 |

DEFINITIONS

Affiliated gas customers

A customer for distribution services which is related to other gas customers through the ownership of shares to which are attached more than fifty percent of the voting rights attached to all outstanding securities of each gas customer.

Authorized volume

The net of the subscribed volume or maximum daily volume less the volume by which the customer has been ordered to curtail or discontinue the use of gas, multiplied by 102%. In respect to a T-Service arrangement under the Rates 3,4,5,6,8 and 9, the authorized volume determined above will be reduced by the amount by which the customer's mean daily volume exceeds the volume of gas delivered to the distributor.

Back-stopping

A service whereby alternative supplies of gas may be available in the event that a customer's supply of gas is not available for delivery to the distributor.

Contract

Written agreement.

Contract period

Period of one year or less included between two dates agreed upon.

Contract year

Twelve month period commencing at the date agreed upon in the contract.

Cubic metre of gas (m³)

The amount of gas contained in a cubic metre at an absolute pressure of 101.325 kilopascals and a temperature of 15 degrees Celsius.

Curtailement

An interruption in a customer's gas supply at a terminal location resulting from compliance with a request or an order by the distributor to discontinue or curtail the use of gas.

Curtailment delivered supply

An additional volume of gas, in excess of the customer's mean daily volume and determined by mutual agreement between the customer and the distributor, which is nominated and delivered by or on behalf of the customer to the TCPL Eastern Delivery Area on a day of curtailment.

Customer

The party who makes application to the distributor for one or more of the services of the distributor and such term includes any party receiving one or more of the services of the distributor.

Daily gas quantity

The volume of natural gas taken on a day at a terminal location as measured by daily metering equipment or, where the distributor does not own and maintain daily metering equipment at a terminal location, the volume of gas taken within a billing period divided by the number of days in the billing period.

Day

A period of twenty-four (24) consecutive hours beginning at the Eastern Standard Time (EST) agreed upon or in the absence of agreement, beginning at 8 a.m. EST.

Deficiency volume

Portion of the minimal volume not withdrawn by the customer.

Distributor

Gazifère

Diversión

Delivery of gas on a day to a delivery point different from the normal delivery point specified in a service contract.

Firm service

A service for a continuous supply of gas without curtailment, except under extraordinary circumstances.

Gas

Natural gas.

Higher calorific value

The total number of joules, produced by the complete combustion, at a constant pressure, of one (1) cubic metre of gas upon contact with air, in conditions such that the gas is free of steam; that the gas, air and combustion products are at normal temperature and all water produced by the combustion is condensed to a liquid state.

Institution

A governmental, paragonmental, religious or non-profit organization carrying on its affairs in the public or the parapublic sectors of education, health or welfare.

Interruptible service

Gas service which is subject to curtailment for either capacity and/or supply reasons, at the option of the distributor.

Load-balancing

The balancing of the gas supply to meet demand. Storage and other peak supply sources, curtailment of interruptible services, and diversions from one delivery point to another may be used by the distributor.

Load factor

The relation between the volume of gas withdrawn during a period and the subscribed volume multiplied by the number of days included in the same period.

Mean daily volume

The volume of gas which a customer who delivers gas to the distributor, under a T-Service arrangement, agrees to deliver to the distributor each day in the term of the arrangement.

Metering point

One meter, or more than one meter if the distributor deems it appropriate to install more than one, measuring the gas withdrawn by one customer and serving one or more buildings or facilities located at one location.

Nominated volume

The volume of gas which a customer has advised the distributor it will deliver to the distributor in a day.

Nominate, nomination

The procedure of advising the distributor of the volume which the customer will be delivering on a daily basis to the distributor.

Nominations

Statements by customers of the volume of gas they expect to deliver to the distributor in a day.

Overrun gas

That amount of gas taken at a terminal location exceeding the authorized volume.

Point of acceptance

The point at which the distributor's supplier accepts delivery of a supply of natural gas for transportation to the customer.

Régie

Régie de l'énergie.

Removal permit

A permit issued by a producing Province and authorized by the Government of such Province that allows the removal of gas from the Province.

Required orders

Such orders or other evidence of authorization necessary to carry into effect a T-Service arrangement.

Sales service

A service of the distributor in which the distributor acquires and sells to the customer the customer's natural gas requirements.

Service contract

An agreement between the distributor and the customer which describes the responsibilities of each party in respect to the arrangements for the distributor to provide Sales Service or Transportation Service to one or more terminal locations.

Subscribed volume

The volume of gas stipulated in every Rate 3, 4, 5, 6 or 8 contract which the distributor undertakes to make available to the customer every day and to deliver according to the terms and conditions of the contract.

T-Service

Transportation Service.

Terminal location

The building or other facility of the customer at or in which natural gas will be used by the customer.

Transportation Service

A service in which the distributor does not own the gas to be delivered to a customer at a terminal location.

Western Canada Buy Price

The price per cubic metre, such price being referenced in the rate charged to Gazifère by its supplier, which the distributor's supplier would pay for gas (with a heating value of 37.69 megajoules/cubic metre) under its Gas Purchase Agreements which provide for the purchase of gas from customers who deliver gas to that supplier in Western Canada and where such deliveries are effected at the interconnection (at or nearest to Burstall, Saskatchewan) of the facilities of NOVA Corporation of Alberta and TransCanada PipeLines Limited.

GENERAL PROVISIONS

1.0 GAS QUALITY

The gas delivered shall have a minimum average monthly calorific value of 36.0 MJ/m³ but, for billing purposes, the volume will be adjusted to a calorific value of 37.89 MJ/m³.

2.0 CHOICE OF RATE

2.1. Publication of the Rates

Upon the implementation of new Rates, the distributor shall:

2.1.1. send a bill insert informing its customers of the availability of various rates, of their right to benefit from the most advantageous rate and to obtain a copy of the Rates;

2.1.2 send a copy of the Rates to all customers under Rates 3, 4, 5, 6, 7, 8 and 9.

2.2. Right to the most advantageous rate

The customer is entitled to benefit from the most advantageous rate under the following terms and conditions:

2.2.1. the customer under contract shall agree to a rate for the entire duration of the contract, subject to modifications by agreement between the parties with respect to the subscribed volume and the agreed upon price;

2.2.2. customers without a contract may, by prior written notice to the distributor, change rate once per year.

2.3. Default rate

Rate 1 shall apply by default.

3.0 CONTRACT PROVISIONS

3.1. Requirement of a contract

The distributor may require that the customer sign a contract prior to being serviced.

3.2. *Minimum term*

Contracts shall be for a minimum term of one year with the exception of Rates 8 and 9 where it shall be for a term at least equal to the contract period.

3.3. *Rate changes*

All contracts shall be deemed to contain a clause subjecting it to any rate changes approved by the Régie and shall be deemed to amend the contract accordingly.

3.4. *Uneconomical capital expenditures*

When the revenues generated by a new customer do not allow the distributor to recover its capital expenditures, at a rate approved by the Régie, the distributor may ask for a contribution payable before the start of the work or calculated on a per m³ basis and recovered over the term of the contract. If no agreement is possible, the customer may appeal to the Régie.

4.0 METER READING SCHEDULE

4.1. *Frequency of reading*

The distributor shall, with all due diligence commensurate with the operation of its business, read meters at regular intervals of two months or less.

When a meter reader does not have access to the customer's meter for a period of more than four months from the date of the last reading, the distributor shall take the necessary steps to ensure that the meter is read within a reasonable period of time.

4.2. *Reading by the customer*

When a reading can not be made, the distributor must provide a dial card to the customer who is then required to call in the meter reading in conformity with the terms and conditions established by the distributor.

5.0 CLASSIFICATION OF VOLUMES WITHDRAWN

When a customer withdraws gas under an interruptible or seasonal rate and under a firm service rate at a single metering point, the volume withdrawn during one day is first accounted for under the firm service rate up to the daily subscribed volume.

The volume is then considered withdrawn first under seasonal service and then under interruptible service.

6.0 BILLING PROVISIONS

6.1. *Frequency*

The distributor must forward every month to all customers a detailed invoice based on actual or estimated volume used.

6.2. *Revision of the bill*

When a customer under rates other than Rate 1 or 2 is billed for an estimated volume, his invoice shall be amended and forwarded to him as soon as the real volume is known.

6.3. *Prorated billing*

When a billing period under Rates 1 and 2, has less than 24 or more than 36 days and under other rates more or less than a month, the fixed charge and the volume in each block shall be prorated to the number of days in the billing period on the basis of a normal billing period of 30 days.

6.4. *Several meters*

When the distributor deems appropriate to use more than one meter at one metering point, billing is then calculated by applying the rate as if only one meter had been used.

6.5 *Pressure factor*

The elevation factor shall be applicable to metered volumes measured by a meter that does not correct for atmospheric pressure.

7.0 PAYMENT OF INVOICES

7.1. *Due date*

The customer shall pay the amount invoiced no later than the due date.

7.2. *Term*

At least fifteen (15) days shall be allowed between the billing date and the due date.

7.3. *Late payment charge*

A late payment charge of 1 ½% is added each month to the unpaid balance starting on the day following the due date.

7.4. *Collection costs*

The distributor will only absorb the collection costs when invoices are paid at its office.

7.5. *Notice charges*

Notice charges of three dollars (\$3.00) will be added to the following bill for each collection notice sent separately from the billing. The first notice, for this purpose, can be sent to the customer only after the due date of the first bill.

7.6. *Charge for returned cheque*

A charge of thirteen dollars and fifty cents (\$13.50) shall be billed each time the customer's bank refuses to cash a cheque for reasons that could not have been foreseen by the distributor prior to cashing.

7.7. *Reconnection charges*

Following a disconnection at the customer's request or for non payment in accordance with the Gas, Water and Electricity Companies Act, the distributor may collect from the customer the cost of reconnection up to a maximum of, for Rates 1 and 2:

\$135.00 for Rate 1

\$ 50.00 for Rate 2

The distributor may collect the same reconnection fees when, following an audit request by the customer to Industry Canada, the metering devices prove accurate within the allowable limits.

7.8. *Charge for new accounts*

A charge of twenty dollars (\$20.00) shall be billed to the customer to open a new account.

7.9. *Equal payment*

Customers using gas for heating under Rate 1 or 2 may benefit, without additional charges, from an equal payment schedule under terms and conditions determined by the distributor.

8.0 ACT OF GOD

8.1. *Acts of God at the distributor's*

When the distributor is victim of an Act of God, he is exempted from his obligation

to provide service to the customers and they are exempted from their minimum obligations for the duration of the Act of God.

8.2. *Acts of God at the customer's*

The customer shall meet his minimum obligations under all circumstances including when he is victim of an Act of God.

8.3. *Relief from minimum obligations*

The distributor must, when the customer is victim of an Act of God and except if the customer permanently terminates its operation, make all of the efforts necessary to provide relief from the financial consequences of the minimum obligations and shall credit the customer with all of the benefits derived from such efforts.

These efforts include taking the necessary steps to obtain from the transporter relief of its own obligations and using measures such as storage, export, sale to other distributors or customers.

9.0 SUBSEQUENT ADJUSTMENTS

The present rates are subject to the subsequent adjustments approved by the Régie to reflect any increase or decrease ordered by a governing body (legislators, governments, public organisms).

The unit rates indicated in section 2 of the different rates are revised as required to reflect any increase or decrease ordered by a governing body in the cost of gas directly or indirectly borne by the distributor and any increase or decrease in the operating expenses of the distributor arising from a decision of a governing body.

The variances in the cost of gas which are not reflected in the unit rates, by way of the pass-on procedure, will be charged to the gas cost variance account which will be cleared annually.

10.0 IMPLEMENTATION DATE

The present Rates become effective and apply to volumes withdrawn by customers on or after February 1st, 2007.

GENERAL PROVISIONS - TRANSPORTATION SERVICE ARRANGEMENTS

1.0 QUALIFICATION

Any customer, at the time of applying for service, may elect, in and for the term of any service contract, to deliver its own natural gas requirements to the distributor and the distributor shall deliver gas to a terminal location as required by the customer, subject to the terms and conditions contained in the applicable Rates and in the service contract. The following terms and conditions shall apply to, and only to, Transportation Service.

2.0 RATE

The monthly charge for Transportation Service shall be the sum of the monthly fixed charge and the delivery charge for the applicable rate.

3.0 SUPPLY ARRANGEMENTS

Deliveries by the customer to the distributor shall be to a contractually specified point of acceptance and shall be at the customer's estimated mean daily volume.

Back-stopping of a customer's natural gas supply for Transportation Service arrangements will be available subject to the distributor's ability to do so using reasonable commercial efforts. The charge to the customer shall not be greater than the charge incurred by the distributor.

4.0 NOMINATIONS

A customer delivering gas to the distributor pursuant to a contract is responsible for advising the distributor (and/or its contractually specified agent), by means of a contractually specified nomination procedure, of the daily volume of gas to be delivered to the distributor by or on behalf of the customer.

An initial daily volume must be nominated by a contractually specified time on the day before the first day on which gas is to be delivered to the distributor. Any nomination, once accepted by the distributor or its agent, shall be considered as a standing nomination applicable to each subsequent day in a contract term unless specifically varied by written notice to the distributor.

A contract may specify certain contractual provisions that are applicable in the event that a customer either fails to advise of a revised daily nomination or fails to deliver the daily volume so nominated.

A nominated volume in excess of the customer's maximum delivery volume as specified in the service contract will not be accepted except as specifically provided in any contract.

5.0 OBLIGATION TO DELIVER

During any period of curtailment or discontinuance of interruptible Transportation Service as ordered by the distributor, any customer supplying its own gas requirements must, on such day, deliver to the distributor the mean daily volume of gas specified in any service contract.

6.0 AUTHORIZED OVERRUN GAS

If a customer requests permission to exceed the authorized volume for a day, and such authorization is granted, such gas shall constitute authorized overrun gas and shall be sold by the distributor to the customer at the rate available to the distributor from its supplier on such day.

7.0 UNAUTHORIZED OVERRUN GAS

If a Transportation Service customer pursuant to the Rates 1, 2 or 7 on any day delivers to the distributor less than the mean daily volume, the volume of gas by which the mean daily volume applicable to such day exceeds the volume of gas delivered by the customer to the distributor on such day shall constitute unauthorized overrun gas and shall be deemed to have been taken and purchased on such day. The rate applicable to such volume shall be the rate charged to the distributor by its supplier on such day as specified in the Gas Supply Agreement with its supplier.

Unauthorized overrun gas for a day applicable to a service contract with a customer for service under Rates 3, 4, 5, 6, 8, and 9 is:

- (a) the volume of gas by which the daily gas quantity under the service contract on such day exceeds the authorized volume for such day

plus

- (b) if the day is a day on or in respect of which the customer has been requested in accordance with the service contract to curtail or discontinue the use of gas and the service contract is in whole or in part for interruptible Transportation Service, the volume of gas, if any, by which
 - (i) the mean daily volume that applies to the interruptible rate stipulated in the service contract and is applicable to such day exceeds
 - (ii) the volume of gas delivered by the customer to the distributor on such day, which excess volume of gas shall be deemed to have been taken and purchased by the customer on such day.

The customer shall pay the distributor for unauthorized overrun gas at the rate applicable to overrun gas as provided for in the Rates applicable to the service contract.

8.0 DIVERSION RIGHTS

Subject to compliance with the terms and conditions of all required orders, a customer who has entered into a Transportation Service Agreement or Agreements which provide(s) for deliveries to the distributor for more than one terminal location shall have the right, on such terms and only on such terms as are specified in the applicable Transportation Service Agreement, to divert deliveries from one or more contractually specified terminal locations to other contractually specified terminal locations.

9.0 BANKED GAS ACCOUNT

For T-Service customers, the distributor shall keep a record ("Banked Gas Account") of the volume of gas delivered by the customer to the distributor in respect of a terminal location (credits) and of the volume of gas taken by the customer at the terminal location (debits). (Any volume of gas sold by the distributor to the customer in respect to the

terminal location shall not be debited to the banked gas account.) The distributor shall periodically report to the customer the net balance in the customer's banked gas account.

10.0 OFFSET OF BANKED GAS ACCOUNTS

If the distributor maintains two or more banked gas accounts (each of which is in respect of a contract year ending on the same date) for a customer, or one or more banked gas accounts (each of which is in respect of a contract year ending on the same date) for affiliated gas customers, then in respect of any or all such banked gas accounts as the customer chooses, by written notice to the distributor within thirty (30) days of the end of such contract year or any later date which the distributor accepts or agrees to in writing, the customer, subject to the terms hereof, shall combine

- (i) the net debit balances, if any, of such banked gas accounts in a combined banked gas account as a debit and
- (ii) the net credit balances, if any, of such banked gas accounts in such combined banked gas account as a credit.

and for purposes of applying the provisions which follow and appear under the heading "DISPOSITION OF BANKED GAS ACCOUNT BALANCES", all such banked gas accounts (other than the combined banked gas account) shall be deemed to have no net debit balance or net credit balance and the combined banked gas account shall be deemed to be a banked gas account of the customer. Under no circumstances shall the combined bank gas account balance to be carried forward exceed twenty (20) times the aggregate of the mean daily volumes applicable to the terminal locations identified in the customer's notice to the distributor requesting the combination of such banked gas accounts. Notwithstanding the foregoing, without the written consent of the distributor, the provisions of this paragraph shall not be applicable to the customer unless

- (i) all applicable required orders are in effect and all the provisions hereof relating to banked gas accounts may be applied and performed without contravening any such required order or applicable law and
- (ii) if a combined banked gas account reflects the net debit balance or net credit balance of a banked gas account of an affiliate of a customer, such affiliate consents to the same and agrees, in such form as the distributor requires, that the balance in such banked gas account has been eliminated and that such affiliate

releases all rights that such affiliate had, or may have had, with respect to such banked gas account.

11.0 DISPOSITION OF BANKED GAS ACCOUNT BALANCES

- (a) At the end of each contract year, disposition of any net debit balance in the banked gas account shall be made as follows:

The customer, by written notice to the distributor within thirty (30) days of the end of the contract year, may elect to return to the distributor, in kind, during the one hundred and eighty (180) days ("adjustment period") following the end of the contract year that portion of any debit balance in the banked gas account as at the end of the contract year not exceeding a volume of twenty (20) times the customer's mean daily volume. Such volume may be returned by the customer by delivering to the distributor on days agreed upon by the distributor and/or agent and the customer ("adjustment days") a volume of gas greater than the mean daily volume, if any, applicable to such day under a service contract. Any volume of gas returned to the distributor as aforesaid shall not be credited to the banked gas account in the subsequent contract year. Any debit balance in the banked gas account as at the end of the contract year which is not both elected to be returned, and actually returned, to the distributor as aforesaid shall be deemed to have been sold to the customer and the customer shall pay for such gas within fifteen (15) days of the rendering of a bill therefor. The rate applicable to such gas shall be 120% of the Western Buy/Sell Price with fuel, in effect at the end of the contract year.

- (b) A credit balance in the banked gas account as at the end of the contract year must be eliminated in one or more of the following manners, namely:
- (i) Subject to clause (ii), if the customer continues to take service from the distributor under a contract pursuant to which the customer delivers gas to the distributor and the customer so elects (by written notice to the distributor within thirty (30) days of the end of the contract year), that portion of such balance which the customer stipulates in such written notice and which does not exceed twenty (20) times the customer's mean daily volume may be carried forward as a credit to the banked gas account for the next succeeding contract year. Any volume duly elected to be carried forward under this clause shall, and may only, be reduced within the period of one hundred and eighty (180) days ("adjustment period") immediately following the contract

year, by the customer delivering to the distributor, on days in the adjustment period agreed upon by the distributor or its agent and the customer ("adjustment days"), a volume of gas less than the mean daily volume applicable to such day under a service contract. Subject to the foregoing, the credit balance in the banked gas account shall be deemed to be reduced on each adjustment day by the volume ("daily reduction volume") by which the mean daily volume applicable to such day exceeds the greater of the volume of gas delivered by the customer on such day and the nominated volume for such day which was accepted by the distributor.

- (ii) Any portion of a credit balance in the banked gas account which is not eligible to be eliminated in accordance with clause (i), or which the customer elects (by written notice to the distributor within thirty (30) days of the end of the contract year) to sell under this clause, shall be deemed to have been tendered for sale to the distributor and the distributor shall purchase such portion at a price per cubic metre of eighty percent (80%) of the Western Canada Buy Price, less the Transportation Service credit, both in effect at the end of the contract year. Any volume of gas deemed to have been so tendered for sale shall be deemed to have been eliminated from the credit balance of the banked gas account.

During the adjustment period the distributor shall use reasonable efforts to accept the customer's reduced gas deliveries. Any credit balance in the banked gas account not eliminated as aforesaid in the adjustment period shall be forfeited to, and be the property of, the distributor, and such volume of gas shall be debited to the banked gas account as at the end of the adjustment period.

TRANSITIONAL PROVISIONS

1.0 APPLICABILITY

Notwithstanding the express provisions of section 2.0, all customers are subject to the provisions of the present Rates which become effective February 1st, 2007.

2.0 MINIMUM ANNUAL OBLIGATION

At the end of a contract year during which more than one Rate was effective, the calculation of the minimum annual obligation will be made according to the provisions of each Rate prorated to the number of days during which each Rate was in effect.