

CONDITIONS OF SERVICE

AND

TARIFF

April 1, 2014

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INTRODUCTORY NOTE

The content of the present document has been set by the Régie de l'énergie pursuant to the *Act Respecting the Régie de l'énergie* (R.S.Q., c. R-6.01). Any customer that disagrees with the application of the present document by the distributor may submit a complaint to the distributor in accordance with the complaint review procedure established by the distributor and approved by the Régie de l'énergie in Decision D-98-25, File R-3392-97, May 13, 1998, Appendix B. If the customer does not agree with the distributor's decision concerning its complaint, it may then ask the Régie to review it in accordance with the provisions of Chapter 7 of the aforementioned Act (Sections 86 to 101).

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SECTION I

APPLICATION

1. APPLICATION

1.1 APPLICATION

The provisions hereof establish the conditions of service and rates of Gazifère Inc. (the distributor) in its exclusive distribution territory.

1.2 INFORMATION

The distributor shall inform its customers of these conditions of service and the application of the various services and rates. In addition, when new conditions of service and rates come into effect, the distributor shall inform its customers of them in writing. It shall also inform them of the availability of different rates, of their right to avail themselves of the most advantageous distribution rate and to obtain free of charge copy of the *Conditions of Service and Tariff*.

1.3 DEFINITIONS

In this document, the following terms shall have the meaning ascribed to them:

AUTHORIZED VOLUME

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

BILLING ADDRESS

Address to which the customer's bill is sent.

BUSINESS DAY

Monday to Friday with exception of public holidays.

CALORIFIC VALUE

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

CONNECTION

Connection of a new service address to the distribution system.

CONNECTION PIPELINE

Underground line belonging to the distributor connecting the distribution main to the connection point at the service address.

CONNECTION POINT

Point where the distributor's connection pipeline connects to the customer's pipes at the service address.

CONTRACT

Agreement between a customer and the distributor for one or more natural gas services supplied by the distributor to a service address.

CONTRACT PERIOD

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

CONTRACT YEAR

Period of 12 months beginning on the date agreed upon in the written contract.

CUBIC METRE OF NATURAL GAS (m³)

Quantity of natural gas contained in one cubic metre at an absolute pressure of 101.325 kilopascals and at a temperature of 15 degrees Celsius.

CUSTOMER

Any individual or legal person, partnership or body that has entered into a contract with the distributor.

CUSTOMER DELIVERY POINT

Point, immediately after the distributor's metering device, at which the distributor makes the natural gas available to the customer.

DAY

A 24-hour period beginning at 10:00 a.m. Eastern Standard Time (EST), in the absence of an agreed time.

DEFICIENCY IN MINIMUM VOLUME

Portion of minimum volume not withdrawn by a customer.

DELIVERY CHARGE

A component of Rates 1 to 9 through which the distributor recovers its operating costs and the cost of load-balancing.

DISTRIBUTION SYSTEM

Natural gas distribution system as provided in the *Act Respecting the Régie de l'énergie* (R.S.Q., c. R-6.01).

DOMESTIC USE

Utilization of the natural gas service for applications related exclusively to the occupation of a personal residence or of apartments in a housing cooperative or non-profit housing organization, or to the use of common areas in a condominium, each containing no more than six dwelling units.

FIRM SERVICE

Uninterrupted natural gas service.

INTERRUPTIBLE SERVICE

Natural gas service, provided by the distributor or obtained by the customer itself, and subject to curtailment or discontinuance at the option of the distributor for either capacity or supply reasons.

LOAD FACTOR

Comparison of average annual daily load with peak daily load (can be determined by using the subscribed volume under Rates 3, 4, 5, 6, 8 and 9).

MEAN DAILY VOLUME

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

METERING DEVICE

Any device or combination of devices used to measure the natural gas withdrawn by the customer, including in particular a meter, with or without a remote reading device.

METERING POINT

One metering device, or more than one if the distributor deems appropriate to use more than one, measuring the natural gas withdrawn by a single customer and serving one or more buildings or facilities located at a single site occupied by that customer.

MINIMUM ANNUAL OBLIGATION

Minimum annual volume of natural gas, for each contract year, that the customer agrees to pay, in accordance with the *Conditions of Service and Tariff*, whether or not it withdraws the natural gas.

MONTHLY FIXED CHARGE

A fixed amount billed monthly to the customer.

MULTIPLIER FACTOR

The coefficient applied to the measurement of the natural gas volume withdrawn by a customer in order to account for the characteristics of the metering device.

NATURAL GAS SERVICE

One or more of the distributor's following services: natural gas supply service, natural gas compressor fuel service, transportation service, load-balancing service and distribution service.

NATURAL GAS SUPPLY CHARGE

A component of Rates 1 to 9 through which the distributor recovers the cost of commodity and the compressor fuel cost.

OVERRUN GAS

The amount of natural gas withdrawn at a customer delivery point exceeding the authorized volume.

PAYMENT AGREEMENT

Agreement between a customer and the distributor to spread the payment of unpaid amounts owing on the due date over a period of time and to provide for full payment of the bills issued during the period covered by the agreement.

POINT OF ACCEPTANCE

Point at which the distributor's supplier accepts delivery of a supply of natural gas for purchase from the customer or transportation to the distributor's franchise area for the latter to deliver, via its distribution system, to the customer.

PRESSURE FACTOR

The coefficient applied to the measurement of the natural gas volume withdrawn by a customer in order to account for the atmospheric pressure and the delivery pressure.

SERVICE ADDRESS

Address that is or will be connected to the distribution system.

SUBSCRIBED VOLUME

The volume of natural gas stipulated in every Rate 3, 4, 5, 6, 8 and 9 written 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.

TARIFF

The schedule of rates and rate conditions applicable to the customer and the distributor, as set out in Sections III and IV.

TRANSPORTATION CHARGE

A component of Rates 1 to 9 through which the distributor recovers its costs of transporting the customer's natural gas on upstream pipelines.

WESTERN CANADA BUY PRICE

The price per cubic metre, such price being referenced in the rate charged to the distributor by its supplier, which the distributor's supplier would pay for natural gas (with a heating value of 37.69 megajoules/cubic metre) under its gas purchase agreements which provide for the purchase of natural gas from customers that deliver natural gas to that supplier in Western Canada and where such deliveries are effected at the intersection of the Alberta Border (Empress) and the facilities of TransCanada PipeLines Limited.

SECTION II

CONDITIONS OF SERVICE

2. DISTRIBUTION SYSTEM

2.1 DISTRIBUTION SYSTEM

The distributor shall determine the location of its distribution system.

The distributor shall own the distribution system and shall supply, install, operate and maintain the distribution system up to the connection point.

No one other than the distributor or its authorized agent may at any time or in any way modify or alter its distribution system.

2.1.1 ACCESSIBILITY

The customer shall make the distribution system accessible to the distributor at any time and shall maintain the premises in a manner that permits the distributor to operate the distribution system in accordance with the applicable legislation.

2.1.2 RELOCATION OR MODIFICATION

A person who requests a relocation or modification of the distribution system must be the owner of the property where the service address is located or declare and warrant having, for this purpose, all the authorizations and permissions required from the owner of the premises. The applicant shall provide the distributor, upon request, with any evidence so attesting.

If the distributor relocates or modifies its distribution system following a request made under the preceding paragraph, the distributor may bill the applicant for the cost of work, in accordance with an estimate it has provided to it in advance or in accordance with the actual cost of work. The method of billing the cost of work shall be determined when the relocation or modification request is made.

If a request to relocate or modify the distribution system is withdrawn, the distributor may bill the applicant if work has already been undertaken or completed. The amount shall then be based on the actual cost of work.

3. SERVICES

3.1 NATURAL GAS SERVICES

The distribution service shall be offered exclusively by the distributor in its territory, as provided in the *Act Respecting the Régie de l'énergie*.

The load-balancing service is automatically provided to all customers by the distributor.

The following services may, at the option of the customer, be obtained from the distributor, or subject to Section III of the present document, obtained by the customer itself from one or more suppliers:

- 1° gas supply service;
- 2° compressor fuel service;
- 3° transportation service.

The distributor shall provide the services mentioned in the previous paragraph by default, in accordance with Section III of the present document, unless the customer notifies the distributor of its intention to provide certain of these services itself.

3.2 CHOICE OF SERVICES

The conditions relating to a customer's obtaining services from the distributor or providing them itself are specified in Section III of the present document.

4. NATURAL GAS SERVICE REQUEST AND CONTRACT

4.1 NATURAL GAS SERVICE REQUEST

4.1.1 SERVICE REQUEST PROCEDURE

4.1.1.1 Address connected to the distribution system

The service request may be made to the distributor by telephone, mail, e-mail or fax or on the distributor's Internet site.

Following acceptance of the request for natural gas service, the distributor shall bill the customer the amount set out in Article 23.1.1.1 for opening an account in its name at the service address.

4.1.1.2 Address not connected to the distribution system

The service request shall be made to the distributor in writing on the prescribed form.

The applicant must be the owner of the property where the service address is located or declare and warrant having, for this purpose, all the authorizations and permissions required from the owner of the property. The applicant shall provide the distributor, upon request, any evidence so attesting.

Following acceptance of the request for natural gas service, the distributor shall bill the customer the amount set out in Article 23.1.1.1 for opening an account in its name at the service address.

4.1.2 CONDITIONS FOR ACCEPTANCE OF A SERVICE REQUEST

Acceptance of a service request by the distributor may be subject to:

- 1° payment of a deposit required in accordance with Article 8.1;
- 2° payment, in accordance with Chapter 7, of the amounts owing to the distributor by a customer if the customer continues to occupy the service address covered by the request after the date the natural gas is required.

4.2 INFORMATION TO BE PROVIDED FOR NATURAL GAS SERVICE REQUEST

4.2.1 INDIVIDUAL

- 1° Mandatory information
 - a) Family name and given name
 - b) Service address covered by the natural gas service request

- c) Billing address, if different from address covered by the natural gas service request
- d) Telephone number(s)
- e) Date for which service is requested
- f) Date of birth
- g) Other active accounts with the distributor
- h) Last address occupied during the 12 months preceding the request

2° Optional information

- a) Fax number
- b) E-mail address
- c) Reading of the metering device

4.2.2 OTHER THAN AN INDIVIDUAL

1° Mandatory information

- a) Name
- b) Business name
- c) Service address covered by the natural gas service request
- d) Billing address, if different from the address covered by the natural gas service request
- e) Telephone number(s)
- f) Name of contact person
- g) Date for which service is requested
- h) Other active accounts with the distributor
- i) Last address occupied during the 12 months preceding the request

2° Optional information

- a) Fax number
- b) E-mail address
- c) Reading of the metering device

4.3 SERVICE CONNECTION

4.3.1 COST OF WORK AND ECONOMIC INVESTMENT

If the service address is not connected to the distribution system, the distributor shall estimate the cost of the work required and the revenues generated by connection of the service address to the distribution system.

If a connection request is withdrawn, the distributor may bill the applicant if the work has already been undertaken or completed. The amount shall then be based on the actual cost of the work.

4.3.2 CHARGE FOR NON-STANDARD SERVICE CONNECTION

The charges for the connection of a service address set out in Article 23.1.1.2 shall be required from the applicant:

- 1° if the connection point is located more than two metres from the front corner of the building, or;
- 2° if the length of the connection pipeline between the property line on which the building is located and the connection point exceeds 50 linear metres.

4.3.3 FINANCIAL CONTRIBUTION FROM THE CUSTOMER

If the revenues generated from connection of the service address to the distribution system do not allow the distributor to earn a return on its investment, based on the estimated cost of the work required, in accordance with the conditions approved by the Régie de l'énergie, the distributor may, on entering into the contract, agree with the customer on a financial contribution payable by the customer. It may also agree with the customer on a minimum annual obligation.

If a financial contribution is required, it shall be payable in a single payment or in instalments before the work is started. The distributor shall provide the customer with the details of the financial contribution required.

If a financial contribution is required, the distributor and the customer shall agree before the work is started on matters including:

- 1° the amount of the financial contribution requested from the customer;
- 2° the terms of payment of the financial contribution requested from the customer;
- 3° the conditions for repayment, in whole or in part, of the contribution requested from the customer, where applicable.

The distributor may repay, in whole or in part, in accordance with certain profitability conditions set out in writing when the contract is entered into, the financial contribution paid by the customer to make the investment economic.

Notwithstanding the payment of a financial contribution by the customer, the distributor shall remain the exclusive owner of the distribution system.

4.4 LEAD TIMES REQUIRED BY THE DISTRIBUTOR TO PROVIDE NATURAL GAS DISTRIBUTION SERVICE

4.4.1 ADDRESS CONNECTED TO THE DISTRIBUTION SYSTEM

Natural gas shall be made available to the customer immediately if the metering device is not turned off or sealed.

If the metering device is turned off or sealed, the distributor will generally require one to five business days to establish service. However, the time required may be longer if the customer so requests or if there are constraints relating to the metering device. In the case of metering device related constraints, the time required shall be determined for each case and the customer shall be notified of it.

If the service request is made following a service interruption requested by the customer, the distributor shall bill the customer the reconnection charges set out in Article 23.1.1.3.

4.4.2 ADDRESS NOT CONNECTED TO THE DISTRIBUTION SYSTEM

If the service connection requires only a connection pipeline to connect the service address to the existing distribution system, the time between the acceptance of the service request and the natural gas being made available to the customer shall be 30 business days.

However, the time may be longer if required by the applicant or if there are constraints relating to construction. In the case of construction-related constraints, the distributor shall notify the applicant.

If, in addition to the connection pipeline, the service connection requires work on the existing distribution system, the time required by the distributor shall be determined for each case and the applicant shall be notified.

4.5 FORM, FORMATION ET EFFECTIVE DATE OF CONTRACT

4.5.1 FORM

The contract shall be in writing in the following cases:

- 1° the customer is billed under Rates 3 to 9;
- 2° the customer is a T-Service customer or a Western Buy/Sell customer;
- 3° the customer has to pay a financial contribution to the distributor;

4.5.2 FORMATION AND EFFECTIVE DATE

The contract is formed when the distributor informs the new customer that it accepts the natural gas service request or for a written contract, at the moment of the signature. Service shall start on the agreed date.

If there is no natural gas service request, the occupant shall be deemed to have entered into a contract when it starts to occupy the service address where the natural gas is made available to it. The occupant is the person who has use of the property or the premises located at the service address.

If a contract with a customer has ended and no contract has been formed with a new customer for the service address, the owner of the property where the service address is located shall be deemed to have entered into a contract if it fails to inform the distributor of its intentions with respect to the natural gas service within 15 days following delivery by the distributor of written notice to that effect.

4.6 CONFIRMATION OF ACCEPTANCE OF THE NATURAL GAS SERVICE REQUEST

Following acceptance of the service request, the distributor shall provide to the customer in writing the mandatory information obtained, excluding the list of the customer's other active accounts, with an explanation that the meter reading provided by the customer, if any, may differ from the meter reading used for billing.

The distributor shall also provide the following information in writing:

- 1° the applicable rate(s);
- 2° the amount and the terms and conditions of the financial contribution, if required;
- 3° information regarding payment methods available to the customer for paying its bill;
- 4° the fact that all customers at the same service address are solidarily liable for full payment of the bills on which they are identified by name;
- 5° the fact that a contract that is not in writing shall remain in effect until resiliated by the customer or, as the case may be, by the distributor;
- 6° the requirement for a deposit, if applicable, and the conditions for repayment thereof.

4.7 CONTRACT TERM

If the contract is not in writing, it shall remain in force and effect until resiliated.

If the contract is in writing, its term shall be stated therein.

The distributor may require that the contract term be the same for all the services it provides.

The minimum term of a written contract shall be the term stated in Article 11.1.3 according to the applicable rate.

4.8 CONTRACT AMENDMENT

The customer shall be responsible for notifying the distributor of any change in the information provided since the natural gas service request.

The customer may also submit a request for a contract amendment. If the request complies with the *Conditions of Service and Tariff* and if it is economic and operationally possible for the distributor to accept it, the contract may be amended or replaced by a new contract.

A written contract may not be amended verbally.

In each case provided for in this article, the confirmation referred to in Article 4.6 shall not be sent to the customer.

4.9 CONTRACT TERMINATION

4.9.1 WRITTEN CONTRACT

The contract is terminated on the date specified.

Notwithstanding the foregoing, the distributor may resiliate the contract if the customer has interfered with the distributor's pipes, mains, metering device or other device, or used the distributor's natural gas service without its consent.

4.9.2 OTHER CONTRACT

The customer may resiliate the contract by informing the distributor that it ceases or will cease receiving natural gas service. It may do so verbally, except between December 1 and March 1 when resiliation shall be in writing, and shall specify the time after which natural gas service is no longer required.

Where the customer does not inform the distributor that it ceases or will cease receiving natural gas service, the distributor may resiliate the contract at one of the following times:

- 1° when it sees the customer has ceased receiving natural gas service and that no other contract has been entered into for the service address; or
- 2° on the effective date of a new contract with a person requesting natural gas service for the service address in question, except in the case of a customer that owes an amount of money to the distributor and will continue to occupy the service address after the date the natural gas is required.

Notwithstanding the foregoing, the distributor may resiliate the contract if the customer has interfered with the distributor's pipes, mains, metering device or other device, or used the distributor's natural gas service without its consent.

4.10 FORCE MAJEURE

When the distributor suffers from a force majeure, it is relieved of its obligation to serve the customer and the customer is relieved of its minimum obligations for the duration of the force majeure. Under all other circumstances, the customer must assume its minimum obligations, including situations where it suffers from a force majeure.

When the customer is the victim of a force majeure, the distributor, except where the customer permanently ceases its operations, shall make all efforts necessary to mitigate the financial consequences of the customer's minimum obligations, and shall credit the customer with all benefits resulting from such efforts. These efforts include taking steps to obtain from its transporters relief from its own obligations and drawing on storage, other distributors, exports or other customers.

4.11 CHANGES TO *CONDITIONS OF SERVICE AND TARIFF*

Every contract shall comply with the *Conditions of Service and Tariff*, shall be subject to amendments to this document by the Régie de l'énergie and shall be deemed amended by such amendments.

5. MEASUREMENT

5.1 METERING DEVICE

5.1.1 METERING DEVICE BELONGING TO THE DISTRIBUTOR

The distributor shall determine the type of metering device to be used at the metering point. It shall install, operate and maintain metering device to measure the natural gas withdrawn by the customer.

The customer may not modify or tamper with the distributor's metering device.

5.1.2 LOCATION OF AND ACCESS TO THE METERING DEVICE

The distributor shall determine the location of its metering device.

The distributor shall hold, at no cost, all rights of entry, rights-of-way and rights of access to its metering device. The customer shall take the necessary steps to enable the distributor to exercise those rights at the following times:

- 1° at any time for reasons of safety;
- 2° between 7:00 a.m. and 9:00 p.m. from Monday to Friday except for statutory holidays or at any other time agreed with the customer, for any other reason.

The customer shall not interfere with access to the distributor's metering device.

5.1.3 METERING DEVICE BELONGING TO THE CUSTOMER

The customer may install, operate and maintain on pipes belonging to it its own metering device at its own expense.

However, the customer's metering device shall be installed downstream from the distributor's metering device.

Customer's metering device shall be installed, operated and maintained in a manner that does not interfere with the distributor's activities.

5.2 MEASUREMENT OF VOLUME OF NATURAL GAS WITHDRAWN

The metering device shall indicate the volume of natural gas withdrawn by the customer, in either metric or imperial units. For billing purposes, imperial units shall be converted to metric units.

Depending on the type of metering device used, a multiplier factor and a pressure factor may also be applied.

5.3 READING OF METERING DEVICE

5.3.1 READING BY THE DISTRIBUTOR

The distributor shall choose the reading method to be used. The reading of the metering device may be done on site or by a remote device.

However, if the customer requests a reading method other than the one chosen by the distributor, the distributor may bill the customer for the actual costs incurred as a result of using the reading method requested by the customer.

5.3.2 FREQUENCY OF READINGS

The distributor shall read the metering device with all reasonable diligence using a method consistent with the efficient operation of its business.

The distributor shall read the metering device every two months.

To the extent possible, however, the distributor shall read the metering device daily for customers that take charge of their transportation service, or monthly for customers served under Rates 3 to 9.

When the distributor does not have access to the metering device for more than four months from the date of the last reading, the distributor shall take the necessary steps to have the metering device read as soon as possible.

5.3.3 READING BY THE CUSTOMER

When the distributor has not obtained a reading in accordance with Article 5.3.2, it shall forward a meter reading card to the customer, who is then required to call in the reading to the distributor by telephone.

In addition, upon arriving at the service address and at the termination of the contract, the customer shall provide to the distributor, at the distributor's request, a reading of the metering device. Otherwise, the distributor shall estimate the volume withdrawn and the distributor may revise that estimate when the distributor obtains a reading of the metering device.

5.4 VOLUME OF NATURAL GAS WITHDRAWN BY THE CUSTOMER

The volume of natural gas withdrawn shall be calculated by determining the difference between two consecutive readings of the metering device. If the distributor does not obtain a reading of the metering device before the bill is issued, the distributor shall estimate the volume of natural gas withdrawn by the customer.

5.5 DEFECTIVE METERING DEVICE

If the customer doubts the accuracy of the distributor's metering device, it shall so notify the distributor as soon as possible.

If the distributor determines that there is a defect in the metering device that may have an impact on the billing, it shall so inform the customer as soon as possible.

The customer and the distributor may, at any time, request verification of the metering device in accordance with the *Electricity and Gas Inspection Act* (R.S.C. 1985, c. E-4).

If the customer initiates a request for verification of the metering device and the distributor does not doubt its accuracy, the distributor shall so inform the customer and shall be authorized to bill it the fee stipulated in Article 23.1.1.4 if the metering device proved to be accurate within the allowable limits.

6. BILLING

6.1 BILLING METHODS

6.1.1 VOLUME OF NATURAL GAS BILLED

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.

The distributor shall bill the customer monthly for the actual or estimated volume of natural gas withdrawn at the service address.

The billing shall be based on the actual or estimated volume at each metering device. However, if the distributor uses more than one metering device at a single metering point, the billing shall be based on the sum of the volumes withdrawn at those metering devices as though there were only one.

When a customer billed at a rate other than Rate 1 or 2 is billed on the basis of an estimated volume, its bill shall be revised and sent to it when the actual volume is known.

When a billing period under Rates 1 and 2 has less than 24 days or more than 36 days, or a billing period under other rates has more or less than one month, the monthly 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.

When a customer withdraws natural gas under the Seasonal Service - Rate 8 or under the Interruptible Service - Rate 9 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.

6.1.2 CONTRACTUAL OBLIGATIONS

If applicable, the distributor shall bill the customer a minimum annual obligation or a financial contribution in accordance with Article 4.3.3 or both.

If the customer asks the distributor to turn off and seal the metering device temporarily, it shall continue to be billed the monthly fixed charge set out in Section III of the present document.

6.1.3 CORRECTION OF ERROR

If the customer notes an error in its bill, it shall so inform the distributor.

If the distributor notes or is informed of an error on the customer's bill, it shall analyse the bill and notify the customer of the results. If a correction is required, it shall issue a corrected bill. The corrected bill shall replace any other bill issued for the billing period in question.

If the correction results in an amount owing to the distributor by the customer, the customer may agree on a payment agreement with the distributor to pay the amount owing, without any late payment charge or interest as long as it complies with the agreed payment dates.

6.1.4 BILLING PERIOD COVERED BY THE CORRECTION

If the correction results in an amount owing to the distributor by the customer, the period covered by the retroactive correction may not exceed three years from the issue date of the corrected bill arising from the analysis referred to in Article 6.1.3.

However, the retroactive correction shall apply to the entire period affected by the error in the following cases:

- 1° the distributor was unable to read the metering device because it was unable to exercise its rights of access thereto and was also unable to obtain the reading from the customer in accordance with Article 5.3.3;
- 2° the customer has interfered with the distributor's pipes, mains, metering device or other device, or used the distributor's natural gas without its consent;
- 3° the error is the result of intentional damage to the distributor's metering device;
- 4° the customer was aware of the billing error or the defect in the metering device and failed to inform the distributor thereof.

If the retroactive correction results in an amount owing to the customer by the distributor, it shall cover the entire period affected.

6.2 BILLS

6.2.1 ISSUE

Except when a contract ends, the distributor shall issue a bill within a maximum of six business days following:

- 1° the last day of the month; or
- 2° the date the metering device was read.

6.2.2 TRANSMITTAL

The bill shall be sent to the customer the business day after it is issued.

6.2.3 DELIVERY

The distributor shall send the bill to the customer monthly in accordance with Article 6.1.1.

The bill shall be sent by any means selected by the distributor, including by mail, unless the customer asks the distributor to send it electronically.

The customer may ask the distributor to group its bills for delivery. The distributor may bill the customer the actual costs of that service. If it does, the distributor shall notify the customer of the cost of that service before grouping the bills.

6.2.4 INFORMATION APPEARING ON THE BILL

The bill shall include at least the following items:

- 1° Distributor's telephone number(s)
- 2° Telephone number in case of emergency
- 3° Billing date
- 4° Name of customer
- 5° Account number
- 6° Number of the metering device
- 7° Service address
- 8° Billing address
- 9° Applicable rate
- 10° Period billed
- 11° Consumption, specifying whether actual or estimated
- 12° Total amount
- 13° Amount in arrears and late payment charge
- 14° Due date
- 15° Consumption history available, if applicable
- 16° Monthly fixed charge, if applicable
- 17° Minimum annual obligation, if applicable
- 18° Amount and date of last payment
- 19° Amount of financial contribution requested from customer to make investment economic, if applicable
- 20° Amount of deposit and interest paid, if applicable.

7. PAYMENT

7.1 DUE DATE

There shall be at least 15 days between the billing date and the due date indicated on the bill.

The customer shall pay the total amount billed that appears on the bill no later than the due date shown thereon.

The customer may contact the distributor at any time to propose a payment agreement as provided in Article 9.1.

7.2 TERMS

7.2.1 PAYMENT METHODS

The customer shall pay its bill in Canadian dollars in one of the following ways:

- 1° through its financial institution, in particular by automatic withdrawal or by Internet;
- 2° by mail (for cheques and money orders);
- 3° in person at the distributor's head office.

Regardless of the method of payment selected, the payment date shall be the date the distributor receives the payment from the customer.

The distributor shall bill the customer the charge provided in Article 23.1.1.5 for each payment not honoured by a financial institution, except in the case of an error for which the distributor is responsible.

7.2.2 COMPENSATION PROHIBITION

The customer may not, without the distributor's written consent, deduct from its payment an amount owed to the customer by the distributor or a customer claim against the distributor.

7.2.3 BUDGET BILLING PLAN

The customer using natural gas for heating under Rate 1 or 2 and who, when it so requests, does not have an unpaid balance at the due date, may avail itself, at any time and at no additional cost, of the budget billing plan.

The distributor shall determine the amount of the monthly instalments when the customer opts for the budget billing plan. The amount shall be based on the consumption history at the service address, on variation of temperature, on the applicable rate and on the number of monthly instalments between the date the customer opts for the plan and the following month of August. When a consumption history is not available, the amount shall be based on an estimate of consumption.

The budget billing plan shall run for 12 months, from September of the current year through August of the following year.

The amount of the monthly instalment shall be revised twice a year: in March or April and on the September renewal date.

Any balance in the budget billing plan shall be debited or credited on the August bill. The budget billing plan begins again in September of each year.

The distributor shall inform the customer of the amount of the monthly instalment when it is established or revised, as applicable, by indicating it on the bill.

The budget billing plan is terminated when a customer moves. Any balance in the plan is debited or credited on the customer's next bill.

A customer who no longer wishes to avail itself of the budget billing plan shall so inform the distributor and may do so at any time without prior notice. Termination of the budget billing plan shall take effect on the customer's next bill.

The distributor may terminate a customer's budget billing plan if the unpaid balance at the due date is equal to or greater than two monthly payments. The customer shall be informed of the termination of the budget billing plan by means of the bill.

7.3 LIABILITY

7.3.1 WRITTEN CONTRACT

All customers who have entered into a given contract shall be solidarily liable for full payment of the natural gas bills.

7.3.2 OTHER CONTRACT

All customers at the same service address shall be solidarily liable for full payment of the natural gas bills on which they are identified by name.

8. DEPOSIT

8.1 REQUIREMENT

If the distributor requires a deposit for natural gas service at a service address, it shall inform the customer of the reasons for it.

The customer may satisfy the deposit requirement by paying a cash amount or by providing equivalent security in order to guarantee payment for natural gas services.

If the deposit is paid in cash and the customer is an individual, the individual shall provide its social insurance number. The distributor may use the social insurance number for tax purposes only.

8.1.1 DOMESTIC USE

8.1.1.1 Natural gas service request

When service is requested, the distributor may require a deposit in the following cases:

- 1° the applicant has in the past unduly neglected to regularly pay its natural gas bills on time;
- 2° the applicant fails to provide the following mandatory information in accordance with Article 4.2.1: family name and given name, date of birth and last address occupied in the 12 months preceding the request;
- 3° the applicant has in the past interfered with the distributor's pipes, mains, metering device or other device, or has used the distributor's natural gas without its consent;
- 4° the applicant chooses the option to become a T-Service customer under Chapter 10.

8.1.1.2 During the term of the contract

The distributor may require a deposit in the following cases:

- 1° the customer's natural gas service has been interrupted by the distributor for non-payment of a bill on the due date.
However, the distributor shall not require a deposit from a customer using natural gas for space heating if the service interruption for non-payment and the reconnection both occur between December 1 and March 1 of the following year;
- 2° the customer has in the past interfered with the distributor's pipes, mains, metering device or other device, or has used the distributor's natural gas without its consent;

3° the customer is a T-Service customer under Chapter 10.

8.1.2 OTHER USES

8.1.2.1 Natural gas service request

When service is requested, the distributor may require a deposit.

8.1.2.2 During the term of the contract

The distributor may require a deposit in the following cases:

- 1° the customer has failed to pay a natural gas bill on the due date during the previous 12 months;
- 2° the customer has in the past interfered with the distributor's pipes, mains, metering device or other device, or has used the distributor's natural gas without its consent;
- 3° at some point during the previous 24 months, the customer has availed itself of or was under the protection of the provisions of the *Bankruptcy and Insolvency Act* (R.S.C. 1985, c. B-3), the *Companies' Creditors Arrangement Act* (R.S.C. 1985, c. C-36), or the *Farm Debt Mediation Act* (S.C. 1997, c. 21);
- 4° the customer is a T-Service customer under Chapter 10.

8.2 AMOUNT

The amount of the deposit required by the distributor shall be based on estimated or historical volumes withdrawn at the service address during a 12-month period.

8.2.1 DOMESTIC USE

If the customer's service is interrupted for non-payment, in accordance with Article 9.4.2, for the first time in 12 months, the amount of the deposit shall not exceed the amount of the highest bill during a 12-month period.

In any other situation, the amount of the deposit shall not exceed the sum of the amounts of the highest two consecutive bills during a 12-month period.

8.2.2 OTHER USES

The amount of the deposit shall not exceed the sum of the amounts of the highest two consecutive bills during a 12-month period.

8.2.3 T-SERVICE CUSTOMERS

In addition to the amount determined under Article 8.2.1 or Article 8.2.2, the amount of the deposit related to the banked natural gas account for a T-Service customer will be

determined with the customer based on a set volume in accordance with one of the following options:

- 1° volume negotiated between the distributor and the customer, or
- 2° for an existing customer, the equivalent of the highest volumetric debit balance of the banked gas account over the past two years or, for a new customer, an estimate of the highest volumetric debit balance forecast given the projected annual volumes and the consumption profile provided by the customer.

The rate applied to this volume to determine the dollar amount of the deposit will be the sum of the natural gas supply charge and the transportation charge, according to the distributor's applicable rates at the time.

8.3 PAYMENT

The cash deposit shall be paid to the distributor in accordance with the payment methods specified in Article 7.2.1. The remittance of any other security shall be made in accordance with the terms and conditions thereof. The distributor shall confirm in writing the payment of the deposit.

If the metering device is turned off and sealed, the deposit shall be paid before the metering device is unsealed and turned on by the distributor.

If the metering device is not turned off or sealed, the deposit shall be paid within the time indicated by the distributor, in accordance with Article 7.1.

The distributor shall transfer any cash deposit to a trust account.

8.4 RETENTION PERIOD

A deposit may be initially retained for:

- 1° 12 consecutive months or as long as the mandatory information set out in Article 4.2.1 has not been provided, if it involves a customer who uses natural gas for domestic use;
- 2° 36 consecutive months if it involves a customer who uses natural gas for any other use.

During the deposit retention period, if the customer fails to pay one or more than one natural gas bill by its due date, the distributor shall renew the deposit retention period for a period equal to the initial retention period.

For T-Service customers, the deposit related to the banked natural gas account is retained by the distributor as long as the customer remains a T-Service customer. The amount of the deposit may be revised at the time of the contract renegotiation in accordance with Article 8.2.3.

8.5 INTEREST ON CASH DEPOSIT

8.5.1 INTEREST RATE

The deposit shall produce interest that belongs to the customer.

The annual interest rate on the deposit shall be established on January 1 of each year as follows: 97% multiplied by the prime rate of the distributor's banker at that date less 2.5%.

The distributor shall submit to the Régie de l'énergie, no later than January 30 of each year, a report showing the rate and the source of the information used to establish it.

8.5.2 PAYMENT OF INTEREST

During the deposit retention period, the distributor shall credit the interest produced by the deposit on the first bill issued at the beginning of each calendar year.

8.6 USE OR RETURN TO THE CUSTOMER

8.6.1 USE OF THE DEPOSIT

8.6.1.1 During the term of the contract

During a contract term and notwithstanding a customer's request to that effect, the distributor may not apply the deposit to a natural gas bill.

However, in the case of a service interruption for non-payment, as provided in Article 9.4.2, if the bill issued following the interruption for non-payment is unpaid on the due date, the distributor may, without prejudicing its other rights and recourses, apply the cash deposit or the proceeds from the realization of any other security provided by the customer to a bill unpaid by its due date.

8.6.1.2 On termination of the contract

When the contract is terminated as provided in Article 4.9, the distributor may, without prejudicing its other rights and recourses, apply the cash deposit or the proceeds from the realization of any other security provided by the customer to any bill unpaid by its due date.

After application to the unpaid bill, any balance from the cash deposit or other security shall be returned to the customer.

8.6.2 RETURN OF THE DEPOSIT

No more than 30 days after the deposit retention period has expired or the mandatory information set out in Article 8.1.1.1 has been complied with, the distributor shall refund to the customer its total cash deposit with interest not yet credited or return the security it holds to the customer. The refund may be made by cheque if the customer so requests.

However, when a contract expires, the period for returning the deposit may be extended up to 10 business days to ensure payment is honoured.

9. COLLECTION

9.1 PAYMENT AGREEMENT

The customer may contact the distributor at any time to propose a payment agreement to spread the payment of the unpaid amounts owing on the due date over a period of time and to provide for full payment of the bills issued during the period covered by the agreement.

The distributor shall inform the customer of this possibility on any collection notice sent to it.

9.2 PAYMENT DEFAULT

The customer shall immediately pay in full any unpaid amount on the due date.

9.3 LATE PAYMENT CHARGE

A late payment charge for which the rate is set out in Article 23.1.1.6 shall be added each month to the unpaid balance from the day following the due date.

9.4 COLLECTION PROCEDURES

With the exception of the cases specifically covered by the *Act respecting the mode of payment for electric and gas service in certain buildings* (R.S.Q., c. M-37), the collection procedures for non-payment on the due date shall be as follows.

9.4.1 COLLECTION NOTICES

1° Reminder:

If a bill remains unpaid after the due date, a reminder shall appear on the customer's next bill.

2° Initial notice:

If a bill remains unpaid following the reminder, the distributor shall send a written notice under separate cover to the billing address. The notice shall inform the customer that failing payment, natural gas service may be interrupted.

The distributor shall bill the notice charge as set out in Article 23.1.1.7.

3° Final notice

If a bill remains unpaid after the reminder and the initial notice have been sent, the distributor shall deliver a final notice to a domestic-use customer at the billing address, using a method that provides proof the notice was delivered. The final notice shall inform the customer that unless payment is made, natural gas service may be interrupted.

Before interrupting service for non-payment between December 1 and March 1 of the following year, the distributor shall contact a domestic-use

customer who uses natural gas for space heating in order to propose a payment agreement.

In the case of customers using natural gas for other uses, the distributor shall deliver a final notice to the service address, or send a final notice under separate cover to the billing address, using a method that provides proof the notice was delivered or sent.

The distributor shall bill the notice charge as set out in Article 23.1.1.7.

9.4.2 INTERRUPTION FOR NON-PAYMENT

If the amount required in the final notice or agreed to under a payment agreement remains unpaid, the distributor may interrupt natural gas service. In that event, the distributor shall ask the customer to notify the owner of the property affected by the interruption, if applicable.

However, between December 1 and March 1 of the following year, the distributor may interrupt the natural gas service of a domestic-use customer who uses natural gas for space heating only in the following cases:

- 1° the customer and the distributor have not entered into a payment agreement; or
- 2° the customer is not complying with the payment agreement entered into with the distributor.

9.5 RECONNECTION

Following a service interruption for non-payment, the distributor shall reconnect the service when the customer pays the amounts due and the reconnection charge set out in Article 23.1.1.3 and provides any deposit required.

SECTION III

TARIFF

10. OPTIONS AVAILABLE TO CUSTOMERS

10.1 SERVICE OPTIONS

The service options to customers, as provided in Chapter 3, are subject to certain restrictions.

A customer who uses the distributor's natural gas supply service must use all of the distributor's natural gas services. This type of customer is a Sales Service customer.

A customer who supplies to the distributor the natural gas it withdraws at its facilities must at the same time supply the compressor fuel needed to transport the natural gas. In such event, the customer shall use the distribution service and all of the distributor's other natural gas services, except that the distributor's supplier shall buy the natural gas from the customer or its supplier, at the Western Canada Buy Price, at a point of acceptance of the distributor's supplier, and the distributor shall sell it back to the customer at the customer delivery point. This type of customer is a Western Buy/Sell customer.

A customer who provides, at a point of acceptance of the distributor's supplier in Western Canada, the natural gas it withdraws at its facilities, without transferring ownership to the distributor's supplier, must at the same time supply the compressor fuel needed to transport the natural gas. In such event, the distribution, the load-balancing and the transportation services are provided by the distributor. This type of customer is a Western T-Service customer. The general provisions applicable to this type of customer are set out in Article 11.2.

A customer who provides its own transportation service must at the same time provide the natural gas it withdraws at its facilities, without transferring ownership to the distributor's supplier, and the compressor fuel needed to transport the natural gas. The distribution and the load-balancing services are provided by the distributor. This type of customer is an Ontario T-Service customer. The general provisions applicable to this type of customer are set out in Article 11.2.

11. GENERAL PROVISIONS

11.1 GENERAL PROVISIONS

11.1.1 RIGHT TO MOST ADVANTAGEOUS RATE

A customer is entitled to the most advantageous rate according to the following conditions:

- 1° the rate must be agreed upon for the entire term of the written contract, subject to subsequent amendments, agreed to by the parties, to the subscribed volume, the minimum annual obligation and the agreed upon price;
- 2° a customer that has a verbal contract may change rates subject to agreement with the distributor.

11.1.2 DEFAULT RATE

Rate 1 applies by default.

11.1.3 CONTRACT TERM

The term for a written contract must be a minimum of 12 months, except for Rates 8 and 9 where it shall be for a term at least equal to the contract period.

11.1.4 SUBSEQUENT ADJUSTMENT

The present rates are subject to subsequent adjustments approved by the Régie de l'énergie to reflect any increase or decrease ordered by a competent authority (legislators, governments, public bodies) in the cost of natural 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 competent authority ("fait du prince").

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

11.2 GENERAL PROVISIONS – T-SERVICE ARRANGEMENT

11.2.1 APPLICATION

Any customer, at the time of the natural gas service request, may elect, in and for the term of the contract, to deliver its own natural gas requirements to the distributor, including compressor fuel and, if Ontario T-Service option is elected, transportation. In such event, the distributor shall deliver natural gas to the customer delivery point according to the customer's needs, subject to the terms and conditions contained in Section III of the present document and the contract. Any differences between the customer's actual consumption and deliveries are recorded by the distributor in the banked natural gas account as provided for in Article 11.2.9. The following terms and

conditions shall apply to, and only to, a T-Service customer.

Any reference to the contract in Article 11.2 means a written contract, as provided in Article 4.5.1, and this contract is also named T-Service arrangement in this document.

11.2.2 RATE

The amount billed on a monthly basis to a Western T-Service customer shall be the sum of the monthly fixed charge, the delivery charge and the transportation charge under the applicable rate. The amount billed on a monthly basis to an Ontario T-Service customer shall be the sum of the monthly fixed charge and the delivery charge under the applicable rate.

11.2.3 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 mean daily volume. The customer shall deliver natural gas at a point of acceptance in Western Canada under the Western T-Service option and at a point of acceptance in Ontario under the Ontario T-Service option.

In the event that a customer's supply of natural gas is not available for delivery to the distributor, a service whereby alternative supply of natural gas may be available subject to the distributor's ability to provide such a service using reasonable commercial efforts. The charge billed to the customer for such service shall not be greater than the charge incurred by the distributor.

11.2.4 NOMINATIONS

A customer delivering natural gas to the distributor pursuant to a T-Service arrangement is responsible for advising the distributor (or its contractually specified agent), by means of a contractually specified nomination procedure, of the daily volume of natural 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 natural 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 period unless specifically varied by written notice to the distributor.

The contract may specify certain 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 mean daily volume, as specified in the contract, will not be accepted except as specifically provided for in the contract.

11.2.5 OBLIGATION TO DELIVER

During any period of curtailment or discontinuance of service of a T-Service customer under the interruptible rate as ordered by the distributor, this customer must, on each day of that period, deliver to the distributor the mean daily volume of natural gas specified in the contract.

11.2.6 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.

11.2.7 UNAUTHORIZED OVERRUN GAS

If, on any day, a T-Service customer under Rates 1, 2 or 7, delivers less than the mean daily volume to the distributor, the volume of natural gas by which the mean daily volume applicable to such day exceeds the volume of natural gas delivered by the customer to the distributor on such day shall constitute unauthorized overrun gas and shall be deemed to have been withdrawn and purchased on such day. The rate applicable to such volumes shall be the rate charged to the distributor by its supplier on such day.

Unauthorized overrun gas for a given day, applicable to a T-Service customer under Rates 3, 4, 5, 6, 8, or 9, is equal to the sum of 1 and 2 below:

- 1° the volume of natural gas by which the daily gas withdrawn on such day exceeds the authorized volume for such day; and
- 2° if the day is a day on or in respect of which the customer has been requested, in accordance with the contract, to curtail or discontinue the use of natural gas and the customer is in whole or in part a T-service customer under the interruptible rate, the volume of natural gas, if any, by which
 - (i) the mean daily volume that applies to the interruptible rate stipulated in the contract and is applicable to such day exceeds
 - (ii) the volume of natural gas delivered by the customer to the distributor on such day.

Such excess volume of natural gas shall be deemed to have been withdrawn 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 Rates 3, 4, 5, 6, 8 or 9, at the applicable Rate.

11.2.8 DIVERSION RIGHTS

Subject to compliance with the terms and conditions of all orders necessary to carry into effect a T-Service arrangement or arrangements, a customer whose contract or

contracts provide(s) for deliveries to the distributor for more than one customer delivery point shall have the right, on such terms and only on such terms as are specified in the applicable T-Service arrangement or arrangements, to divert deliveries from one or more contractually specified customer delivery points to other contractually specified customer delivery points.

11.2.9 BANKED NATURAL GAS ACCOUNT

For T-Service customers, the distributor shall keep a record ("Banked Natural Gas Account") of the volume of natural gas delivered by the customer to the distributor in respect of a customer delivery point (credits) and of the volume of natural gas withdrawn by the customer at the customer delivery point (debits). The volume of natural gas delivered by the customer and the volume of natural gas consumed by the customer will be adjusted to a calorific value of 37.89 MJ/m³. (Any volume of natural gas sold by the distributor to the customer in respect of the customer delivery point shall not be debited to the banked natural gas account.) The distributor shall periodically report to the customer the net balance in the customer's banked natural gas account.

11.2.10 DISPOSITION OF BANKED NATURAL GAS ACCOUNT BALANCES

- 1° At the end of each contract period, disposition of any net debit balance in the banked natural gas account shall be made as follows:

The customer, by written notice to the distributor within thirty days of the end of the contract period, may elect to return to the distributor, in kind, during the one hundred and eighty days ("adjustment period") following the end of the contract period, that portion of any debit balance in the banked natural gas account at the end of the contract period which does not exceed a volume of twenty 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 (or agent) and the customer ("adjustment days"), a volume of natural gas greater than the mean daily volume, if any, applicable to such day under a T-Service arrangement. Any volume of natural gas returned to the distributor as aforesaid shall not be credited to the banked natural gas account in the subsequent contract period. Any debit balance in the banked natural gas account as at the end of the contract period 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 days of the rendering of a bill therefor. The rate applicable to such gas shall be:

- 1) for Western T-Service option, 120% of the average price over the contract period, based on the published index price for the Monthly Alberta Border (Empress) One-Month Average Spot Firm (100% LF) Supply Price, adjusted for compressor fuel costs.
- 2) for Ontario T-Service option, 120% of the average price over the contract period, based on the published index price for the Monthly Alberta Border (Empress) One-Month Average Spot Firm (100% LF)

Supply Price, adjusted for compressor fuel costs, plus the distributor's average transportation cost to its exclusive distribution territory over the contract period.

At no time during the term of the contract, shall the debit balance of the banked natural gas account exceed the lesser of: the volume used to determine the deposit according to Article 8.2.3 plus 5% of the annual volumetric contract; or the volume used to determine the deposit according to Article 8.2.3 plus 1,000,000 m³. In the event that the debit balance of the banked natural gas account exceeds this limit during the term of the contract, the customer must deliver to the distributor, within thirty days after receipt of a written notice from the distributor, an additional volume of natural gas corresponding to this excess. Any volume of natural gas that has not been returned in kind by the customer within the above time limit will be deemed to have been sold to the customer at the rate provided in the preceding paragraph, and the latter will be required to pay for this natural gas within fifteen days of billing.

2° A credit balance in the banked natural gas account as at the end of the contract period must be eliminated in one or more of the following manners:

- (i) Subject to clause (ii), if the customer continues to take service from the distributor pursuant to T-Service arrangement and the customer so elects (by written notice to the distributor within thirty days of the end of the contract period), that portion of such balance which the customer stipulates in such written notice and which does not exceed twenty times the customer's mean daily volume may be carried forward as a credit to the banked natural gas account for the next succeeding contract period. 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 days ("adjustment period") immediately following the contract period, 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 natural gas less than the mean daily volume applicable to such day under a T-Service arrangement. Subject to the foregoing, the credit balance in the banked natural 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 natural 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 natural 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 days of the end of the contract period) to sell under this

present clause, shall be deemed to have been tendered for sale to the distributor and the distributor shall purchase such portion at:

- 1) for Western T-service option, a price per cubic metre of eighty percent (80%) of the average price over the contract period, based on the published index price for the Monthly Alberta Border (Empress) One-Month Average Spot Firm (100% LF) Supply Price, adjusted for compressor fuel costs, less the distributor's average transportation cost to its exclusive distribution territory over the contract period.
- 2) for Ontario T-service option, a price per cubic metre of eighty percent (80%) of the average price over the contract period, based on the published index price for the Monthly Alberta Border (Empress) One-Month Average Spot Firm (100% LF) Supply Price, adjusted for compressor fuel costs.

Any volume of natural gas deemed to have been so tendered for sale shall be deemed to have been eliminated from the credit balance of the banked natural gas account.

During the adjustment period the distributor shall use reasonable efforts to accept the customer's reduced natural gas deliveries. Any credit balance in the banked natural 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 natural gas shall be debited to the banked natural gas account as at the end of the adjustment period.

12. RATE 1 – GENERAL SERVICE

12.1 APPLICATION

For any withdrawal of natural gas in firm service with the exception of withdrawal of natural gas for domestic use measured at one metering point.

This rate is not applicable to a customer that withdraws natural gas under another rate at the same metering point while its contract is in effect.

12.2 RATES PER METERING POINT

12.2.1 MONTHLY FIXED CHARGE

\$17.13

12.2.2 UNIT RATES

12.2.2.1 Delivery charge

21.29 ¢/m ³ for the first 100 m ³	(from 0 to 100 m ³);
20.14 ¢/m ³ for the next 220 m ³	(from 100 to 320 m ³);
19.03 ¢/m ³ for the next 680 m ³	(from 320 to 1,000 m ³);
17.86 ¢/m ³ for the next 2,200 m ³	(from 1,000 to 3,200 m ³);
15.61 ¢/m ³ for the next 6,800 m ³	(from 3,200 to 10,000 m ³);
13.91 ¢/m ³ in excess of 10,000 m ³	

12.2.2.2 Transportation charge

4.95 ¢/m³ for all volumes sold

12.2.2.3 Natural gas supply charge

17.78 ¢/m³ for all volumes sold

13. RATE 2 – RESIDENTIAL SERVICE

13.1 APPLICATION

For any withdrawal of natural gas in firm service measured at one metering point where the volume withdrawn for domestic use is measured by means of a single metering device.

13.2 RATES PER METERING POINT

13.2.1 MONTHLY FIXED CHARGE

\$10.05

13.2.2 UNIT RATES

13.2.2.1 Delivery charge

27.11 ¢/m ³ for the first 50 m ³	(from 0 to 50 m ³);
26.31 ¢/m ³ for the next 50 m ³	(from 50 to 100 m ³);
25.53 ¢/m ³ for the next 220 m ³	(from 100 to 320 m ³);
24.76 ¢/m ³ for the next 680 m ³	(from 320 to 1,000 m ³);
23.96 ¢/m ³ in excess of 1,000 m ³	

13.2.2.2 Transportation charge

4.95 ¢/m³ for all volumes sold

13.2.2.3 Natural gas supply charge

17.78 ¢/m³ for all volumes sold

14. RATE 3 – LOW VOLUME FIRM SERVICE

14.1 APPLICATION

For any withdrawal of natural 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 metering device with an automatic daily volume recorder, the variable daily volume is at least 300 m³/day but less than 2,800 m³/day.

14.2 RATES PER METERING POINT

14.2.1 UNIT RATES

14.2.1.1 Monthly fixed charge

20.68 ¢/m³ of the subscribed volume or, as the case may be, of the variable daily volume

14.2.1.2 Delivery charge

8.91 ¢/m³ for all volumes withdrawn

14.2.1.3 Transportation charge

4.95 ¢/m³ for all volumes sold

14.2.1.4 Natural gas supply charge

17.78 ¢/m³ for all volumes sold

14.2.1.5 Overrun gas rate

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

14.2.1.6 Authorized overrun

Volumes justified under the last paragraph of Article 6.1.1 or otherwise authorized by the distributor are not subject to Article 14.2.1.5. T-Service customers will be subject to Article 11.2.6.

14.2.2 MINIMUM ANNUAL OBLIGATION

14.2.2.1 Minimum annual volume

Subscribed volume or variable daily volume of the twelfth natural gas bill x 365 (366) days x load factor of at least 50%. The load factor used in this calculation is provided for in the contract.

14.2.2.2 Billing of the deficiency in minimum annual volume

Minimum annual volume less annual volume withdrawn, multiplied by:

6.92 ¢/m³ for Ontario T-Service customers.

6.92 ¢/m³ for Western Buy/Sell, Sales Service and Western T-Service customers plus the prorated share of any amount billed to the distributor by virtue of a minimum annual obligation, up to 13.87 ¢/m³.

14.2.3 CALCULATION OF THE VARIABLE DAILY VOLUME

For customers that do not have metering device with an automatic daily volume recorder the variable daily volume is the highest of:

- 1° the subscribed volume;
- 2° 4% of the largest monthly volume of natural gas withdrawn during the previous eleven months; or,
- 3° the highest daily volume of natural gas during the previous eleven months as measured by the distributor's metering device.

15. RATE 4 – MODERATE VOLUME FIRM SERVICE

15.1 APPLICATION

For any withdrawal of natural 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 metering device with an automatic daily volume recorder, the variable daily volume is at least 2,800 m³/day but less than 28,000 m³/day.

15.2 RATES PER METERING POINT

15.2.1 UNIT RATES

15.2.1.1 Monthly fixed charge

20.94 ¢/m³ of the subscribed volume or, as the case may be, of the variable daily volume

15.2.1.2 Delivery charge

7.05 ¢/m³ for all volumes withdrawn with a load factor less or equal to 70%; or

6.00 ¢/m³ for all volumes withdrawn with a load factor higher than 70%.

15.2.1.3 Transportation charge

4.95 ¢/m³ for all volumes sold

15.2.1.4 Natural gas supply charge

17.78 ¢/m³ for all volumes sold

15.2.1.5 Overrun gas rate

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

15.2.1.6 Authorized overrun

Volumes justified under the last paragraph of Article 6.1.1 or otherwise authorized by the distributor are not subject to Article 15.2.1.5. T-Service customers will be subject to Article 11.2.6.

15.2.2 MINIMUM ANNUAL OBLIGATION

15.2.2.1 Minimum annual volume

Subscribed volume or variable daily volume of the twelfth natural gas bill x 365 (366) days x load factor of at least 50%. The load factor used in this calculation is provided for in the contract.

15.2.2.2 Billing of the deficiency in minimum annual volume

Minimum annual volume less annual volume withdrawn, multiplied by:

For Ontario T-Service customers:

4.92 ¢/m³ for customers with a load factor less or equal to 70%.

3.87 ¢/m³ for customers with a load factor higher than 70%.

For Western Buy/Sell, Sales Service and Western T-Service customers:

4.92 ¢/m³ for customers with a load factor less or equal to 70% plus the prorated share of any amount billed to the distributor by virtue of a minimum annual obligation, up to 12.00 ¢/m³.

3.87 ¢/m³ for customers with a load factor higher than 70% plus the prorated share of any amount billed to the distributor by virtue of a minimum annual obligation, up to 10.96 ¢/m³.

15.2.3 CALCULATION OF THE VARIABLE DAILY VOLUME

For customers that do not have metering device with an automatic daily volume recorder the variable daily volume is the highest of:

- 1° the subscribed volume;
- 2° 4% of the largest monthly volume of natural gas withdrawn during the previous eleven months; or,
- 3° the highest daily volume of natural gas during the previous eleven months as measured by the distributor's metering device.

16. RATE 5 – LARGE VOLUME FIRM SERVICE

16.1 APPLICATION

For any withdrawal of natural 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.

16.2 RATES PER METERING POINT

16.2.1 UNIT RATES

16.2.1.1 Monthly fixed charge

31.76 ¢/m³ times the subscribed volume

16.2.1.2 Delivery charge

3.79 ¢/m³ for all volumes withdrawn

16.2.1.3 Transportation charge

4.95 ¢/m³ for all volumes sold

16.2.1.4 Natural gas supply charge

17.78 ¢/m³ for all volumes sold

16.2.1.5 Overrun gas

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

16.2.1.6 Authorized overrun

Volumes justified under the last paragraph of Article 6.1.1 or otherwise authorized by the distributor are not subject to Article 16.2.1.5. T-Service customers will be subject to Article 11.2.6.

16.2.2 MINIMUM ANNUAL OBLIGATION

16.2.2.1 Minimum annual volume

Subscribed volume x 365 (366) days x load factor of at least 50%. The load factor used in this calculation is provided for in the contract.

16.2.2.2 Billing of the deficiency in minimum annual volume

Minimum annual volume less annual volume withdrawn, multiplied by:

1.94 ¢/m³ for Ontario T-Service customers.

1.94 ¢/m³ for Western Buy/Sell, Sales Service and Western T-Service customers plus the prorated share of any amount billed to the distributor by virtue of a minimum annual obligation, up to 8.75 ¢/m³.

17. RATE 6 – VERY LARGE VOLUME FIRM SERVICE

17.1 APPLICATION

For any withdrawal of natural 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.

17.2 RATES PER METERING POINT

17.2.1 UNIT RATES

17.2.1.1 Monthly fixed charge

20.94 ¢/m³ times the subscribed volume

17.2.1.2 Delivery charge

For all volumes withdrawn:

Maximum 4.02 ¢/m³

Minimum 0.68 ¢/m³

17.2.1.3 Transportation charge

4.95 ¢/m³ for all volumes sold

17.2.1.4 Natural gas supply charge

17.78 ¢/m³ for all volumes sold

17.2.1.5 Overrun gas rate

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

17.2.1.6 Authorized overrun

Volumes justified under the last paragraph of Article 6.1.1 or otherwise authorized by the distributor are not subject to Article 17.2.1.5. T-Service customers will be subject to Article 11.2.6.

17.2.2 MINIMUM ANNUAL OBLIGATION

17.2.2.1 Minimum annual volume

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

17.2.2.2 Billing of the deficiency in minimum annual volume

Minimum annual volume less annual volume withdrawn, multiplied by:

For Ontario T-Service customers: the difference between the negotiated delivery charge and the load-balancing charge.

For Western Buy/Sell, Sales Service and Western T-Service customers: the difference between the negotiated delivery charge and the load-balancing charge, plus the prorated share of any amount billed to the distributor by virtue of a minimum annual obligation, up to a maximum charge equivalent to the negotiated delivery charge.

18. RATE 7 – NATURAL GAS FOR VEHICLES

18.1 APPLICATION

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

18.2 RATES PER METERING POINT

18.2.1 MONTHLY FIXED CHARGE

\$21.42 per metering device

18.2.2 UNIT RATES

18.2.2.1 Delivery charge

22.45 ¢/m ³ for the first 100 m ³	(from 0 to 100 m ³);
21.31 ¢/m ³ for the next 220 m ³	(from 100 to 320 m ³);
20.16 ¢/m ³ for the next 680 m ³	(from 320 to 1,000 m ³);
19.04 ¢/m ³ for the next 2,200 m ³	(from 1,000 to 3,200 m ³);
16.75 ¢/m ³ for the next 6,800 m ³	(from 3,200 to 10,000 m ³);
15.04 ¢/m ³ in excess of 10,000 m ³	

18.2.2.2 Transportation charge

4.95 ¢/m³ for all volumes sold

18.2.2.3 Natural gas supply charge

17.78 ¢/m³ for all volumes sold

19. RATE 8 – SEASONAL SERVICE

19.1 APPLICATION

For any withdrawal of natural 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.

19.2 RATES PER METERING POINT

19.2.1 UNIT RATES

19.2.1.1 Delivery charge

For all volumes withdrawn:

Maximum 10.57 ¢/m³

Minimum 2.00 ¢/m³

19.2.1.2 Transportation charge

4.95 ¢/m³ for all volumes sold

19.2.1.3 Natural gas supply charge

17.78 ¢/m³ for all volumes sold

19.2.1.4 Overrun gas rate

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

19.2.1.5 Authorized overrun

Volumes justified under the last paragraph of Article 6.1.1 or otherwise authorized by the distributor are not subject to Article 19.2.1.4. T-Service customers will be subject to Article 11.2.6.

19.2.2 MINIMUM OBLIGATION FOR THE CONTRACT PERIOD

19.2.2.1 Minimum volume

Subscribed volume x number of days in the contract period x load factor of at least 50%. The load factor used in this calculation is provided for in the contract.

19.2.2.2 Billing of the deficiency in minimum volume

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

For Ontario T-Service customers: the difference between the negotiated delivery charge and the load-balancing charge.

For Western Buy/Sell, Sales Service and Western T-Service customers: the difference between the negotiated delivery charge and the load-balancing charge, plus the prorated share of any amount billed to the distributor by virtue of a minimum annual obligation, up to a maximum charge equivalent to the negotiated delivery charge.

19.2.3 SPECIFIC PROVISION

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 natural gas available to supply firm gas customers.

20. RATE 9 – INTERRUPTIBLE SERVICE

20.1 APPLICATION

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

20.2 RATES PER METERING POINT

20.2.1 UNIT RATES

20.2.1.1 Monthly fixed charge

3.15 ¢/m³ times the subscribed volume.

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

20.2.1.2 Delivery charge

2.65 ¢/m³ for the first 1,000,000 m³

2.46 ¢/m³ in excess of 1,000,000 m³

20.2.1.3 Transportation charge

4.95 ¢/m³ for all volumes sold

20.2.1.4 Natural gas supply charge

17.78 ¢/m³ for all volumes sold

20.2.1.5 Curtailment credit

The rate for 2 hours of notice per cubic metre applicable to the annual contracted volumes / 365 (366) days or the Mean Daily Volume from December to March is \$1.1058.

20.2.1.6 Overrun gas rate

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

20.2.1.7 Authorized overrun

Volumes justified under the last paragraph of Article 6.1.1 or otherwise authorized by the distributor are not subject to Article 20.2.1.6. T-Service customers will be subject to Article 11.2.6.

20.2.1.8 Unauthorized withdrawals contrary to a notice of interruption

Any material instance of failure to curtail in any contract year may result in the customer forfeiting the right to receive interruptible service under this rate schedule.

Any customer taking a material volume of Unauthorized Overrun Gas, during a period of ordered curtailment, may forfeit its curtailment credits for the respective winter season, December through March inclusive.

Service shall continue to be available to the customer under Rate 1 until a new contract pursuant to another applicable rate is executed.

20.2.2 MINIMUM OBLIGATION FOR THE CONTRACT PERIOD**20.2.2.1 Minimum volume**

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

20.2.2.2 Billing of the deficiency in the minimum volume

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

1.17 ¢/m³ for Ontario T-Service customers.

1.17 ¢/m³ for Western Buy/Sell, Sales Service and Western T-Service customers plus prorated share of any amount billed to the distributor by virtue of a minimum annual obligation, up to 7.41 ¢/m³.

20.2.3 INTERRUPTIBLE SERVICE

20.2.3.1 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 natural gas to the extent determined by the distributor and until otherwise informed by the distributor.

20.2.3.2 The supply of natural gas under this rate shall be interrupted for a period of at least one full day a year.

20.2.3.3 For a T-Service customer, the natural gas delivered during the period of curtailment shall be purchased by the distributor for the distributor's use. The purchase price for such gas will be equal to the price that is reported

for the month, in the first issue of the Canadian Gas Price Reporter (CGPR) published by Canadian Enerdata Ltd. during the month, as the “Alberta Border (Empress) One-Month Average Spot Firm (100% LF) Price” in the table entitled “Canadian Natural Gas Supply Prices” adjusted for compressor fuel costs, plus, if Ontario T-Service option is elected, the transportation charge per article 20.2.1.3.

20.2.4 CURTAILMENT DELIVERED SUPPLY SERVICE (« CDS »)

CDS service is available under this Rate, at the distributor's sole discretion, to deliver customer-owned natural gas to the customer delivery point 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 natural gas not exceeding the customer's subscribed 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 Western 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 natural 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 20.2.1.8 as unauthorized withdrawals contrary to a notice of interruption.

The rate per cubic metre 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 the distributor for CDS service by its supplier, Enbridge Gas Distribution Inc., under its Rate 300, plus the Rate 9 tailblock delivery rate minus the allocated Rate 9 unit load-balancing costs.

21. NATURAL GAS COST ADJUSTMENT RIDER

21.1 NATURAL GAS COST ADJUSTMENT

The following adjustment is applicable to all natural gas sold and delivered during the period of April 1st, 2014 to March 31, 2015.

Rates	Sales Service and Western Buy/Sell Service (¢/m³)	T-Service (¢/m³)
1 to 9	3.34	0.00

22. GREEN FUND DUTY RIDER

22.1 GREEN FUND DUTY

The Green Fund duty is an annual duty levied pursuant to Order in Council 1049-2007 of the Government of Quebec.

A charge of 0.79 ¢/m³ to recover the duty payable to the Green Fund in accordance with Quebec government regulations is applied to all natural gas delivered and sold from January 1st, 2014 to December 31, 2014 excluding the following volumes:

- 1° volumes of biogas distributed by pipe used solely for biogas distribution;
- 2° volumes of natural gas if they are used as raw materials without combustion of natural gas as declared by the customer; and
- 3° volumes withdrawn by an emitter that is required to cover its greenhouse gas emissions with emission allowances within the meaning of the second paragraph of section 46.6 of the *Environment Quality Act* (chapter Q-2) and that is registered in accordance with the *Regulation respecting a cap-and-trade system for greenhouse gas emission allowances* (chapter Q-2, r. 46.1), as well as, if applicable, the perpetrators of those emissions. This exemption applies until December 31, 2014.

23. OTHER CHARGES

23.1.1.1 Charge for New Account

The charge provided for in Articles 4.1.1.1 and 4.1.1.2 shall be \$20.

23.1.1.2 Charge for Non-Standard Connection

The charges provided for in Article 4.3.2 shall be as follows:

- 1° in the case of a customer for domestic use, \$69 per linear metre;
- 2° in all other cases, the price determined by the distributor on the basis of an estimate of the costs.

23.1.1.3 Reconnection Charge

The charges provided for in Articles 4.4.1 and 9.5 shall be as follows:

- 1° \$135 for customers under Rate 1;
- 2° \$50 for customers under Rate 2;
- 3° estimate of actual costs for all other customers.

23.1.1.4 Charge Following a Request for Verification of the Metering Device

The charges provided for in Article 5.5 shall be as follows:

- 1° \$185 in the case of an S6 - S20 type meter;
- 2° in all other cases, the charge shall be determined by the distributor based on actual costs.

23.1.1.5 Charge for Non Honoured Payment

The charge provided for in Article 7.2.1 shall be \$20.

23.1.1.6 Late Payment Charge

The rate of the late payment charge provided for in Article 9.3 shall be 1.5 %.

23.1.1.7 Notice Charge

The charge provided for in Article 9.4.1 shall be \$3.

23.1.1.8 Administration Charge for any T-Service Customer

Base Charge	\$ 50 per month
Maximum Charge	\$ 600 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 arrangement.

SECTION IV

EFFECTIVE DATE AND TRANSITIONAL

PROVISION

24. EFFECTIVE DATE AND TRANSITIONAL PROVISION

24.1 EFFECTIVE DATE

24.1.1 APPLICATION

The present *Conditions of Service and Tariff* shall take effect on April 1st, 2014 and shall apply to services supplied and volumes withdrawn effective from that date, subject to Article 24.2.1.

24.2 TRANSITIONAL PROVISION

24.2.1 MINIMUM ANNUAL OBLIGATION AND MINIMUM OBLIGATION FOR THE CONTRACT PERIOD

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