

Contract No. [contract reference]

STORAGE CONTRACT

BETWEEN

HURON TIPPERARY LIMITED PARTNERSHIP I

AND

[SHIPPER]

DATED [Month day, year]

Schedule A General Terms and Conditions
Schedule B Pricing Provisions
Schedule C Points and Pressures
Schedule D Nominations

STORAGE CONTRACT

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THIS STORAGE CONTRACT dated as of the [day] day of [Month], [year],

BETWEEN:

HURON TIPPERARY LIMITED PARTNERSHIP I, a company
existing under the laws of the Province of Ontario,
(hereinafter referred to as “HTLP”)

- and -

[SHIPPER], a company [] under the laws of the
[Province, State, Country of],
(hereinafter referred to as “Shipper”)

WHEREAS, HTLP owns and operates a natural gas storage system in south-western Ontario, through which HTLP offers “Storage Services”, as defined in Article V herein;

AND WHEREAS, Shipper wishes to retain HTLP to provide such Storage Services, as set out herein, and HTLP has agreed, subject to the terms and conditions of this Contract, to provide the Storage Services requested;

NOW THEREFORE, this Contract witnesses that, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE I - INTERPRETATION AND DEFINITIONS

1.01 Divisions, Headings and Index: The division of this Contract into Articles, Sections and Subsections, and the insertion of headings and any table of contents or index provided are for convenience of reference only, and shall not affect the construction or interpretation hereof.

1.02 Industry Usage: Words, phrases or expressions which are not defined herein and which, in the usage or custom of the business of the transportation, storage, and distribution or sale of natural gas, have an accepted meaning shall have that meaning.

1.03 Extended Meaning: Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. The words “herein” and “hereunder” and words of similar import refer to the entirety of this Contract, including the Schedules incorporated into this Contract, and not only to the Section in which such use occurs.

1.04 Conflict: In the event of any conflict between the provisions of this Contract and those of the Schedule A or Schedule D, the provisions of this Contract shall prevail.

1.05 Measurements: Units set out in SI (metric) measurement are the governing units for the purpose of this Contract. Units set out in Imperial measurement in parentheses beside their SI (metric)

equivalent are for reference only and in the event of a conflict between SI (metric) and Imperial measurement herein, SI (metric) shall prevail.

1.06 Currency: All reference to dollars in this Contract shall mean Canadian dollars, unless stated otherwise.

1.07 Schedules: Refers to the schedules attached hereto which are specifically included as part of this Contract, and include:

Schedule A - General Terms and Conditions

Schedule B - Pricing Provisions

Schedule C - Points and Pressures

Schedule D - Nominations

1.08 Definitions: Capitalized terms and certain other terms used in this Contract and not specifically defined shall have the meaning set forth in Schedule A or Schedule D, as applicable. The following definitions shall be read and interpreted to have the following meaning:

(a) “**Authorized Overrun**” shall mean the amount on any day by which Shipper’s Authorized Quantity exceeds Maximum Daily Injection Demand or Maximum Daily Withdrawal Demand, as the case may be.

(b) “**Daily Firm Quantity**” shall, on any gas day, mean the firm portion of the Maximum Daily Injection Demand if Shipper has nominated injections into the Storage Account for that gas day, or the firm portion of the Maximum Daily Withdrawal Demand if Shipper has nominated withdrawals from the Storage Account for that gas day.

(c) “**Drafted Storage Balance**” shall mean the amount by which the Storage Account is less than zero.

(d) “**Shipper Quantity**” shall, on any gas day, be equal to the greater of: (i) the Authorized Quantity for that gas day; and (ii) the nomination duly made by Shipper in good faith prior to the nomination deadline for the first nomination window applicable for that gas day; provided that in no event shall the Shipper Quantity exceed the Daily Firm Quantity.

(e) “**Storage Account**” shall mean the gas balance held by HTLP for Shipper and shall equal the quantity of gas received by HTLP for Shipper’s account minus the quantity of gas delivered to Shipper by HTLP. Where the Storage Account is zero or a positive number, HTLP is deemed to be providing a Storage Service for Shipper.

(f) “**Union**” shall mean Union Gas Limited.

ARTICLE II - Intentionally blank

ARTICLE III - CONDITIONS PRECEDENT

3.01 The obligations of HTLP to provide Storage Services hereunder are subject to the following conditions precedent, which are for the sole benefit of HTLP and which may be waived or extended in whole or in part in the manner provided for in this Contract:

- (a) HTLP shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of this Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by HTLP and will be up to a maximum of 12 times the Monthly Demand Charge (as such term is defined in Schedule B); and
- (b) Shipper shall have entered into the necessary contracts with HTLP and/or others to facilitate the Storage Services contemplated herein, including contracts for upstream and downstream transportation, and shall have executed an Interruptible HUB Service Contract, or equivalent with Union (the "**Facilitating Agreements**").

3.02 HTLP and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in Section 3.01. HTLP shall notify Shipper forthwith in writing of the satisfaction or waiver of the condition precedent in Section 3.01(a). Shipper shall notify HTLP forthwith in writing of the satisfaction of the condition precedent in Section 3.01(b). If HTLP concludes that it will not be able to satisfy the condition precedent in Section 3.01(a) by [Month day, year], or if Shipper has not satisfied the condition precedent in Section 3.01(b) by [Month day, year], then HTLP may, upon written notice to Shipper, terminate this Contract and upon the giving of such notice, this Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder; provided that any rights or remedies that a party may have for breaches of this Contract prior to such termination and any liability a party may have incurred before such termination shall not thereby be released.

ARTICLE IV - TERM OF CONTRACT

4.01 This Contract shall be effective as of the date of execution hereof; however, the Storage Service obligations, terms, and conditions hereunder shall commence on the later of

- (a) [Month day, year] (the "**Reference Date**"); and
- (b) the day following the date that all of the conditions precedent set out in Article III have been satisfied or waived by the party entitled to the benefit thereof;

(such later date being referred to as the "**Commencement Date**") and shall continue in full force and effect until [Month day, year] (the "**Termination Date**").

4.02 Without limiting the generality of the foregoing, this Contract may be terminated in accordance with Article XII of Schedule A.

4.03 For the purpose of completing a final determination of the actual quantities of gas handled in any of the Storage Services to Shipper, the parties shall have the right to amend their statements for a period equal to the time during which the Interconnecting Pipeline retains the right to amend their statements, which period of time shall not exceed three (3) years from the date of termination of this Contract.

ARTICLE V - STORAGE SERVICES

5.01 Services: Shipper agrees to the terms and conditions set out herein upon nomination to HTLP for the provision of the following services (collectively, the “**Storage Services**”):

A/ Storage Services:

(a) HTLP agrees, on any gas day and subject to Sections 5.01 B and C, to either receive a quantity of gas from Shipper at the Receipt Point and credit the Storage Account, or to deliver a quantity of gas to Shipper at the Delivery Point and debit the Storage Account, such quantity of gas as Shipper may nominate and HTLP has authorized for Storage Service; and

(b) The quantity of gas in the Storage Account shall not exceed [] GJ (the “**Maximum Storage Balance**”); and

[contract specific terms with regard to Storage Services]

B/ Maximum Daily Injection Demand:

HTLP shall not be obligated to receive a quantity of gas in excess of the firm portion of the “**Maximum Daily Injection Demand**” as hereinafter defined:

[contract specific terms with regard to Maximum Daily Injection Demand]

HTLP agrees that it shall, upon the request of Shipper, use reasonable efforts to accept receipt of greater daily quantities, on an interruptible basis, if present or possible future operating conditions permit in HTLP's sole discretion.

C/ Maximum Daily Withdrawal Demand:

HTLP shall not be obligated to deliver a quantity of gas in excess of the firm portion of the “**Maximum Daily Withdrawal Demand**” hereinafter defined as:

[contract specific terms with regard to Maximum Daily Withdrawal Demand]

HTLP agrees that it shall, upon the request of Shipper, use reasonable efforts to deliver greater daily quantities, on an interruptible basis, if present or possible future operating conditions permit in HTLP's sole discretion.

D/ Receipt and Delivery Point:

(i) “**Receipt Point**” shall mean the point where HTLP shall receive gas from Shipper as follows:

- Dawn (Facilities)

which point is more particularly described in Schedule C.

(ii) “**Delivery Point**” shall mean the point where HTLP shall deliver gas to Shipper as follows:

- Dawn (Facilities)

which point is more particularly described in Schedule C.

E/ Fuel:

Fuel charges shall be as per Schedule B.

F/ Stabilization Period:

Notwithstanding any other provision of this Agreement, HTLP shall have no obligation to deliver gas to Shipper or to receive gas from Shipper for a period determined solely by HTLP and not to exceed thirty (30) calendar days after seasonal injections by Shipper have been substantially completed and after seasonal withdrawals by Shipper have been substantially completed (the “**Stabilization Period**”).

Two Stabilization Periods shall be required between each April 1 and the following March 31, the commencement of which shall be agreed to by Shipper and HTLP.

5.02 Accounting for Storage Services: All quantities of gas handled by HTLP shall be accounted for on a daily basis.

5.03 Commingling: HTLP shall have the right to commingle the quantity of gas referenced herein with gas owned by HTLP or gas being stored and/or transported by HTLP for third parties.

5.04 Termination: The Storage Account shall be zero as of the Termination Date. It is Shipper’s responsibility to schedule its deliveries to ensure that the Storage Account is zero on the Termination Date. Any gas remaining in the Storage Account as of the Termination Date shall be immediately forfeited to HTLP without further recourse, unless transferred to an additional service that Shipper has contracted for with HTLP.

ARTICLE VI - FORCE MAJEURE

6.01 An event of force majeure on HTLP’s system, as defined in Article XI of Schedule A, will excuse the failure to deliver gas by HTLP or the failure to accept gas by HTLP hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.

6.02 If: (i) HTLP is prevented by reason of an event of force majeure on HTLP's system from receiving or delivering the Shipper Quantity; and (ii) Shipper agrees to accept delayed receipts or deliveries as contemplated by this Section; then HTLP shall make all reasonable efforts to receive or deliver the Shipper Quantity as soon as practicable and on such day or days as are agreed to by Shipper and HTLP. To the extent that HTLP receives or delivers the Shipper Quantity on this basis, Shipper shall not receive any demand charge relief as contemplated in Section 6.03.

6.03 Subject to Section 6.02, if on any gas day HTLP fails to receive or deliver the Shipper Quantity by reason of force majeure on HTLP's system, then for that gas day HTLP shall credit to Shipper's invoice an amount equal to one-half of the applicable Daily Demand Rate, as defined in this Section, divided by the Daily Firm Quantity, and multiplied by the difference between the Shipper Quantity and (i) the amount by which the Storage Account increased that gas day if Shipper nominated receipts into the Storage Account, or (ii) the amount by which the Storage Account decreased that gas day if Shipper nominated deliveries from the Storage Account. In no event shall Shipper be entitled to a credit in any month that exceeds one-half of the Monthly Demand Charge for that month. The term "**Daily Demand Rate**" shall mean the Monthly Demand Charge divided by the number of days in the month for which such rate is being calculated.

6.04 An event of force majeure upstream or downstream of HTLP's system shall not relieve Shipper of any payment obligations.

ARTICLE VII - SERVICE CURTAILMENT

7.01 Capacity Sharing: Where requests for interruptible service hereunder exceeds the capacity available for such Storage Service, HTLP will authorize nominations from shippers and allocate capacity as per HTLP's procedures and policies and shippers shall be so advised. Any interruptible service provided herein is subordinate to any and all firm services supplied by HTLP and subordinate to HTLP's own operational or system requirements.

7.02 Capacity Procedures: HTLP reserves the right to change its procedures for allocating interruptible services capacity and will provide Shipper with two (2) months prior notice of any such change.

7.03 Maintenance: HTLP's facilities from time to time may require maintenance or construction. If such maintenance or construction is required, and in HTLP's sole opinion, acting reasonably, such maintenance or construction may impact HTLP's ability to meet Shipper's requirements, HTLP shall provide at least ten (10) days notice to Shipper, except in the case of an emergency. In the event the maintenance impacts HTLP's ability to meet Shipper's requirements, HTLP shall not be liable for any damages and shall not be deemed in breach of this Contract.

To the extent that HTLP's ability to receive or deliver gas is impaired, the Monthly Demand Charge shall be reduced in accordance with Sections 6.02 and 6.03.

HTLP shall use reasonable efforts to determine a mutually acceptable period during which such maintenance or construction will occur and also to limit the extent and duration of any impairments. HTLP will endeavour to schedule and complete the maintenance and construction which would normally be expected to impact on HTLP's ability to meet Shipper's requirements, during the period from April 1 through to November 1.

ARTICLE VIII - CHARGES AND RATES

8.01 Except as otherwise stated herein, the charges to be billed by HTLP and paid by Shipper for the Storage Services will be those specified in Schedule B.

8.02 Prices exclude, and Shipper shall pay, any applicable Harmonized Sales Tax or other taxes, royalties or levies (including but not limited to charges under any form of cap and trade, carbon tax, or similar system), charged on provisioning of services or on services themselves, imposed currently or subsequent to the execution of this Contract.

8.03 Set Off: If either party shall, at any time, be in arrears under any of its payment obligations to the other party, then the party not in arrears shall be entitled to reduce the amount payable by it to the other party in arrears under the Contract, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to the other party. In addition to the foregoing remedy, HTLP may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under this Contract and any enhancements to this Contract, which shall be deemed to have been assigned to HTLP, to reduce such arrears or other indebtedness to HTLP. For each GJ of Shipper's gas that is deemed to be assigned to HTLP, the value shall be determined as the lowest weighted average price, for NGX Union-Dawn Day Ahead Index, as published on the NGX website (currently located at www.ngx.com), or a successor publication acceptable to HTLP, for the day of, day prior, and day after the date the gas is deemed assigned to HTLP.

ARTICLE IX - PRESSURES

9.01 Schedule C of this Contract shall govern receipt and delivery pressures which may be revised from time to time by HTLP upon written notice to Shipper.

Under no circumstances shall HTLP be obligated to receive or deliver gas hereunder at pressures exceeding the maximum allowable operating pressures prescribed under any applicable governmental regulations; nor shall HTLP be required to make any physical deliveries or to accept any physical receipts which its existing facilities cannot accommodate.

ARTICLE X – QUALITY AND MEASUREMENT

10.01 For Storage Services provided pursuant to Article V hereof:

(a) The quality of the gas and the measurement of the gas to be received by HTLP hereunder is to be of a merchantable quality and in accordance with the quality standards and measurement standards as set out in Schedule A but, HTLP will also accept gas of a quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Schedule A.

(b) Upon request by HTLP, Shipper shall obtain measurement of the total quantity of gas received by HTLP hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between HTLP and the Interconnecting Pipeline.

10.02 In the event of an error in the Interconnecting Pipeline's metering or an Interconnecting Pipeline's meter failure, (such error or failure being determined through check measurement or any other available method), Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

ARTICLE XI - NOMINATIONS

11.01 Services provided hereunder shall be in accordance with the prescribed nominations procedure set out in Schedule D.

ARTICLE XII - SHIPPER'S REPRESENTATIONS AND WARRANTIES

12.01 Shipper's Warranty: Shipper warrants that it will, if required, maintain, or have maintained on its behalf, all external approvals including the governmental, regulatory, import/export permits, and other approvals or authorizations that are required from any federal, state, or provincial authorities for the gas quantities to be handled under this Contract. Shipper further warrants that it shall maintain in effect the Facilitating Agreements.

12.02 Financial Representations: Shipper represents and warrants that the financial assurances (including the Initial Financial Assurances and Security) (if any) shall remain in place throughout the term hereof, unless Shipper and HTLP agree otherwise. Shipper shall notify HTLP in the event of any changes to the financial assurances throughout the term hereof. Should HTLP have reasonable grounds to believe that Shipper will not be able to perform or continue to perform any of its obligations under this Contract as a result of one of the following events ("**Material Event**"):

- (a) Shipper is in default, which default has not been remedied, of this Contract or is in default of any other material contract with HTLP or another party; or,
- (b) Shipper's corporate or debt rating falls below investment grade according to at least one nationally recognized rating agency; or,
- (c) Shipper ceases to be rated by a nationally recognized agency; or,
- (d) Shipper has exceeded credit available as determined by HTLP from time to time,

then Shipper shall within fourteen (14) days of receipt of such written notice by HTLP, obtain and provide to HTLP a letter of credit or other security in the form and amount reasonably required by HTLP (the "**Security**"). The Security plus the Initial Financial Assurances shall not exceed twelve (12) times the Monthly Demand Charges. In the event that Shipper does not provide to HTLP such Security within such fourteen (14) day period, HTLP may deem a default under Article XII of Schedule A.

In the event that Shipper in good faith, reasonably believes that it should be entitled to reduce the amount of or value of the Security previously provided, it may request such a reduction from HTLP and to the extent that the Material Event has been mitigated or eliminated, HTLP shall return all or a portion of the Security to Shipper within fourteen (14) business days after receipt of the request.

ARTICLE XIII - MISCELLANEOUS PROVISIONS

13.01 Assignment: Shipper may not assign this Contract unless:

- (a) the written consent of HTLP is obtained; and
- (b) any financial assurances as required by HTLP are provided to HTLP.

13.02 Notices: All communications provided for or permitted hereunder shall be in writing, personally delivered to an officer or other responsible employee of the addressee or sent by registered mail, charges prepaid, or by facsimile or other means of recorded telecommunication, charges prepaid, to the applicable address set forth below or to such other address as either party hereto may from time to time designate to the other in such manner, provided that no communication shall be sent by mail pending any threatened, or during any actual, postal strike or other disruption of the postal service. Any communication personally delivered shall be deemed to have been validly and effectively received on the date of such delivery. Any communication so sent by facsimile or other means of telecommunication shall be deemed to have been validly and effectively received on the business day following the day on which it is sent. Any communication so sent by mail shall be deemed to have been validly and effectively received on the seventh business day following the day on which it is postmarked.

Communications to the parties hereto shall be directed as follows:

IF TO SHIPPER: [Shipper Name]
[Shipper Address]
[City, Province Postal Code]

Nominations: Attention: [NOM Contact Name]
Telephone: - -
Facsimile: - -

Shipper Rep: Attention: [Shipper Rep Contact Name]
Telephone: - -
Facsimile: - -

IF TO HTLP: Huron Tipperary Limited Partnership I,
50 Keil Drive North,
CHATHAM, Ontario N7M 5M1

Nominations: Attention: [Position Title]
Telephone: - -
Facsimile: - -

Notwithstanding the above, nominations shall be provided in accordance with the prescribed nominations procedure set out in Schedule D. Each party may from time to time change its address for the purpose of this Section by giving notice of such change to the other party in accordance with this Section.

13.03 Law of Contract: HTLP and Shipper agree that this Contract is made in the Province of Ontario and that, subject to Article X of Schedule A, the courts of the Province of Ontario shall have exclusive jurisdiction in all matters contained herein. The parties further agree this Contract shall be construed exclusively in accordance with the laws of the Province of Ontario.

13.04 Possession of Gas:

(a) HTLP accepts no responsibility for any gas prior to such gas being delivered to HTLP at the Receipt Point or after its delivery by HTLP at the Delivery Point. As between the parties hereto, HTLP shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters HTLP's system until such gas is delivered to Shipper. Title to the gas shall not transfer to HTLP when it takes possession to the gas, or at any other time, unless the parties specifically agree otherwise, such as, including without limitation, under section 8.03 of the Contract.

(b) Shipper agrees that HTLP is not a common carrier and is not an insurer of Shipper's gas, and that HTLP shall not be liable to Shipper or any third party for loss of gas in HTLP's possession except to the extent such loss is caused entirely by HTLP's negligence or wilful misconduct.

13.05 Title to Gas: Shipper represents and warrants to HTLP that, Shipper shall have good and marketable title to, or legal authority to deliver to HTLP, all gas delivered to HTLP hereunder. Furthermore, Shipper hereby agrees to indemnify and save HTLP harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all third parties to such gas or on account of royalties, taxes, license fees, or other charges thereon.

13.06 Entire Contract: This Contract (including the schedules attached hereto) constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. This Contract supersedes any prior or contemporaneous agreements, understandings, negotiations or discussions, whether oral or written, of the parties in respect of the subject matter hereof.

13.07 Time of Essence: Time shall be of the essence hereof.

13.08 Counterparts: This Contract may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original but all of which together shall constitute one and the same agreement. This Contract may be executed by facsimile.

13.09 Amendments and Waivers: Except for Schedule A, Schedule C and Schedule D which may be amended at any time by HTLP in its sole discretion, and subject to Article XV of Schedule A, no amendment or modification of this Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and HTLP. No waiver of any provision of this Contract shall be effective unless the same shall be in writing and signed by the party entitled to the benefit of such provision and then such waiver shall be effective only in the specific instance and for the specified

purpose for which it was given. No failure on the part of Shipper or HTLP to exercise, and no course of dealing with respect to, and no delay in exercising any right, power or remedy under this Contract shall operate as a waiver thereof.

13.10 Severability: If any provision hereof is invalid or unenforceable in any jurisdiction, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be construed in order to carry out the intention of the parties as nearly as possible and (b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of any provision in any other jurisdiction.

13.11 General Liability: The liability of the parties hereunder is limited to direct damages only and all other remedies or damages are waived. In no event shall either party be liable for consequential, incidental, punitive, or indirect damages, in tort, contract or otherwise.

THIS CONTRACT SHALL BE BINDING UPON and shall enure to the benefit of the parties hereto and their respective successors and permitted and lawful assigns.

IN WITNESS WHEREOF the parties hereto have caused this Contract to be executed by their respective, duly authorized officers.

HURON TIPPERARY LIMITED PARTNERSHIP I

By: _____

Date: _____

[SHIPPER]

By: _____

Date: _____

By: _____

Date: _____

GENERAL TERMS & CONDITIONS

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

1. "Contract" shall refer to the contract to which these General Terms & Conditions shall apply, and into which they are incorporated;
2. "cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
3. "day" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Standard time. The reference date for any day shall be the calendar date upon which the twenty-four (24) hour period shall commence;
4. "delivery" shall mean any gas that is delivered by HTLP into Shipper's possession, or to the possession of Shipper's agent;
5. "firm" shall mean service not subject to curtailment or interruption except under Articles XI and XII of this Schedule A;
6. "gas" shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time;
7. "gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
8. "HTLP Facilities" means the natural gas storage facilities owned and operated by HTLP.
9. "interruptible service" shall mean service subject to curtailment or interruption, after notice, at any time;
10. "Interconnecting Pipeline" shall mean a pipeline that directly connects to HTLP's Facilities and/or a pipeline that directly connects to the Union Gas Limited pipeline system and any related interconnection facilities;
11. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term

- "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
12. "limited interruptible service" shall mean gas service subject to interruption or curtailment on a limited number of days as specified in the Contract;
 13. "m³" shall mean cubic metre of gas and "10³m³" shall mean 1,000 cubic metres of gas;
 14. "month" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
 15. "OEB" means the Ontario Energy Board;
 16. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
 17. "receipt" shall mean any gas that is delivered into HTLP's possession, or the possession of HTLP's agent;
 18. "Shipper", shall have the meaning as defined in the Contract and shall also include Shipper's agent(s);
 19. "TCPL" means TransCanada Pipelines Limited;

II. GAS QUALITY

1. Natural Gas: The minimum gross heating value of the gas delivered to/by HTLP hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by HTLP hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to HTLP may be a commingled supply from Shipper's natural gas sources of supply. The gas to be delivered by HTLP may be a commingled supply from HTLP's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons except methane may be removed prior to delivery to Shipper. Further, HTLP may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. Freedom from objectionable matter: The gas to be delivered to/by HTLP hereunder,
 - a. shall be commercially free from sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to or interference with the proper operation of the lines, regulators, meters or other appliances through which it flows,
 - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas as determined by standard methods of testing,

- c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
 - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
 - e. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
 - f. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
 - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
 - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of the gas,
 - i. shall not have a hydrocarbon dewpoint exceeding minus ten (-10) degrees Celsius at five thousand five hundred (5500) kPa pressure,
 - j. shall not contain less than one point zero (1.0) molar percent by volume of ethane in the gas,
 - k. shall at all times be interchangeable with other pipeline gas such that the yellow tipping, flashback and lifting factors shall be within the range permitted for gas according to AGA Research Bulletin No. 36.
3. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Section 2.

III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: ("The Unit") The Unit of the gas delivered to HTLP shall be a megajoule or a gigajoule. The unit of gas transported or stored by HTLP shall be a megajoule or a gigajoule. The unit of gas delivered by HTLP shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at HTLP's discretion.
2. Determination of Volume and Energy:
 - a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), assented to 31 March, 1982 and the Electricity and Gas Inspection Regulations, P.C. 1986-116, 16 January, 1986, and any documents issued under the authority of the Act and Regulations and any amendments thereto.

- b. The super compressibility factor shall be determined in accordance with either the "Manual for Determination of Super Compressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at HTLP's discretion, all as amended from time to time.
- c. The volume and/or energy of the gas delivered to/by HTLP hereunder shall be determined by the measurement equipment designated in Article VII - Measuring Equipment, of this schedule.

IV. RECEIPT POINT AND DELIVERY POINT

1. Unless otherwise specified in the Contract, the point or points of receipt for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in the Contract, where HTLP takes possession of the gas.
2. Unless otherwise specified in the Contract, the point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection as specified in the Contract where Shipper takes possession of the gas.

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

Intentionally blank

VI. FACILITIES ON SHIPPER'S PROPERTY

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VII. MEASURING EQUIPMENT

1. Metering by HTLP: HTLP will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III subparagraph 2.a of this Schedule A.
2. Metering by Others: In the event that all or any gas delivered to/by HTLP hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then HTLP and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by HTLP on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by HTLP hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by their regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the redelivery point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of HTLP's measuring

equipment at or near the delivery point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to HTLP's metering facilities.

4. Rights of Parties: The measuring equipment installed by either party, together with any building erected by it for such equipment, shall be and remain its property. However, HTLP and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas to/by HTLP under the Contract. Either party will give the other party reasonable notice of its intention to carry out the acts herein specified. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten days after receipt thereof.
5. Calibration and Test of Measuring Equipment: The accuracy of HTLP's measuring equipment shall be verified by HTLP at reasonable intervals, and if requested, in the presence of representatives of Shipper, but HTLP shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party shall notify the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing redeliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two per cent (2%), the financial adjustment, if any, shall be calculated in accordance with the Electricity and Gas Inspection Act (1982) and regulations thereunder, as may be amended from time to time and in accordance with any successor statutes and regulations.
6. Preservation of Metering Records: HTLP and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.

VIII. BILLING

1. Monthly Billing Date: HTLP shall render bills on or before the 10th day of each month for all services furnished during the preceding month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. HTLP shall provide, in a succeeding month's billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the 10th day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both HTLP and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.

IX. PAYMENTS

1. Monthly payments: Shipper shall, unless otherwise directed by HTLP, pay directly into HTLP's account at the (bank name, city and province) by electronic funds transfer to transit (transit number), account (account number) in Canadian funds, so that HTLP shall receive payment from Shipper, on or before the twentieth (20th) day of each month, payment on the bill provided by HTLP. If the payment date is not a business day, then payment must be received in HTLP's account on the first business day preceding the twentieth (20th) day of the month.
2. Remedies for non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,
 - a. Shipper shall pay to HTLP interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of HTLP's principal banker in effect from time to time from the due date until the date of payment.
 - b. If such failure to pay continues for thirty (30) days after payment is due, HTLP, in addition to any other remedy it may have under the Contract, may suspend service(s) until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue hereunder as if such suspension were not in place.

If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall pay to HTLP such amounts as it concedes to be correct. At any time thereafter, within twenty (20) days of a demand made by HTLP, Shipper shall furnish financial assurances satisfactory to HTLP, guaranteeing payment to HTLP of the amount ultimately found due upon such bill after a final determination. Such a final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case. HTLP shall not be entitled to suspend service(s) because of such non-payment unless and until default occurs in the conditions of such financial assurances or default occurs in payment of any other amount due to HTLP hereunder.

Notwithstanding the foregoing paragraph(s), Shipper is not relieved from the obligation to continue its deliveries of gas to HTLP under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to HTLP.

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, HTLP shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of HTLP's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event HTLP renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by HTLP, such error shall be adjusted by HTLP. Such overcharge, undercharge or error shall be adjusted by HTLP on the bill next following its determination (where the term "**bill**" next following shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within six (6) years from

the date of the incorrect billing. In the event any refund is issued with Shipper's gas bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.

X. ARBITRATION

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act of the Province of Ontario, or any Act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

XI. FORCE MAJEURE

1. The term "force majeure" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightening, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. In the event that either the Shipper or HTLP is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not as soon as possible after determining or within a period within which it should acting reasonably have determined that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract give to the other party the notice required hereunder.

4. The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.

XII. DEFAULT AND TERMINATION

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by HTLP hereunder occasioned by any of the reasons provided for in Article XI hereof) which has not been waived by the other party, then and in every such case and as often as the same may happen, the Non-defaulting party may give written notice to the Defaulting party requiring it to remedy such default and in the event of the Defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the Non-defaulting party may at its sole option declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

XIII. MODIFICATION

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XIV. NON-WAIVER AND FUTURE DEFAULT

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XV. LAWS, REGULATIONS AND ORDERS

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

**PRICING PROVISIONS
STORAGE SERVICES**

Shipper agrees to pay HTLP the following for the Storage Services:

- (a) **Monthly Demand Charge:** A monthly demand charge of CDN \$[] per month.
- (b) **Demand Charge Escalation:** (if applicable or *Intentionally blank*)
- (c) **Variable Storage Charge:** (if applicable or *Intentionally blank*)
- (d) **Fuel:** (if applicable or *Intentionally blank*)
- (e) **Authorized Overrun Charges:** (if applicable or *Intentionally blank*)
- (f) **Late Season Balance Charge and Early Season Balance Charge:** (if applicable or *Intentionally blank*)
- (g) **Dehydration Charge:** (if applicable or *Intentionally blank*) The Dehydration Charge is applicable to all quantities withdrawn from the Storage Account on any gas day that HTLP is operating a dehydration unit.
- (h) **Shortfall Charges:** (if applicable or *Intentionally blank*)
- (i) **Other Charges:** Any and all other charges as may be set out in this Contract, and any charges relating to Authorized Overrun, Unauthorized Overrun, Drafted Storage Balance, and Overrun of Maximum Storage Balance.

POINTS AND PRESSURES

The following defines each Receipt and Delivery Point:

DAWN (FACILITIES): Union's Compressor Station site situated in the northwest corner of Lot Twenty-Five (25), Concession II, in the Township of Dawn-Euphemia, in the County of Lambton.

RECEIPT & DELIVERY PRESSURES

- (a) All gas tendered by or on behalf of Shipper to HTLP shall be tendered at the Receipt Point at Union's prevailing pressure at that Receipt Point, or at such pressure as per operating agreements between Union and the applicable Interconnecting Pipeline as amended or restated from time to time.
- (b) All gas tendered by or on behalf of HTLP to Shipper shall be tendered at the Delivery Point at Union's prevailing pressure at that Delivery Point or at such pressure as per agreements between Union and the applicable Interconnecting Pipeline as amended or restated from time to time.
- (c) Under no circumstances shall HTLP be obligated to receive or deliver gas hereunder at pressures exceeding the maximum allowable operating pressures prescribed under any applicable governmental regulations; nor shall HTLP be required to make any physical deliveries or to accept any physical receipts which its existing facilities cannot accommodate.

NOMINATIONS

1. For Storage Services required on any day under this Contract, Shipper shall provide HTLP with a nomination(s) providing Shipper’s requested Receipt Point, Delivery Point, contract numbers, the applicable service, the quantity of gas to be injected/withdrawn, and such additional information as HTLP determines to be necessary (a “**Nomination**”).
2. All Nominations shall be made by facsimile or other recorded electronic means, subject to execution of any necessary agreements, satisfactory to HTLP, and will be deemed to be received on the same day and same time as sent. All nomination communications and notices shall be directed as follows:

If to HTLP: Attention: [Position Title]
 Telephone: - -
 Facsimile: - -

If to SHIPPER: Attention:
 Telephone:
 Facsimile:

Each party may from time to time change its address for nominations by giving notice of such change to the other party in writing by the means noted within this Section.

3. HTLP, in its sole discretion, may amend or modify the nominating procedures at any time. Nominations shall be submitted so as to be received by HTLP in accordance with timelines established by HTLP, which reflect the NAESB standard nomination cycles. HTLP will accept all nominations on each of the nomination cycles. Nominations made after the applicable deadline shall not be accepted except at the sole discretion of HTLP. All times referred to herein are Eastern Clock Time. For greater certainty, NAESB nomination cycle timelines are as follows:
 - a. The Timely Nomination Cycle: 12:45 pm for Nominations leaving control of the nominating party; 3:30 pm for receipt of Quantities Available by Shipper; 4:30 pm for receipt of completed confirmations by HTLP from upstream and downstream connected parties; 5:30 pm for receipt of Scheduled Quantities by Shipper (day prior to flow).
 - b. The Evening Nomination Cycle: 7:00 pm for Nominations leaving control of the nominating party; 9:00 pm for receipt of Quantities Available by Shipper; 10:00 pm for receipt of completed confirmations by HTLP from upstream and downstream connected parties; 11:00 pm for receipt of Scheduled Quantities by Shipper (day prior to flow).

- c. The Intra-day 1 Nomination Cycle: 11:00 am for Nominations leaving control of the nominating party; 1:00 pm for receipt of Quantities Available by Shipper; 2:00 pm for receipt of completed confirmations by HTLP from upstream and downstream connected parties; 3:00 pm for receipt of Scheduled Quantities by Shipper, on that day. Quantities Available resulting from Intra-day 1 Nominations should be effective at 6:00 pm on the same day.
- d. The Intra-day 2 Nomination Cycle: 6:00 pm for Nominations leaving control of the nominating party; 8:00 pm for receipt of Quantities Available by Shipper; 9:00 pm for receipt of completed confirmations by HTLP from upstream and downstream connected parties; 10:00 pm for receipt of Scheduled Quantities by Shipper on that day. Quantities Available resulting from Intra-day 2 Nominations should be effective at 10:00 pm on the same day.

HTLP shall determine whether or not all or any portion of the Nomination will be scheduled at each nomination cycle. With respect to each nomination cycle, in the event HTLP determines that it will not schedule such Nomination, HTLP shall advise Shipper of the reduced quantity (the “**Quantities Available**”) for Storage Services at the applicable points as outlined in each nomination cycle. After receiving such advice from HTLP, but no later than one half hour after the Quantities Available deadline, as outlined in each nomination cycle, Shipper shall provide a revised nomination (“**Revised Nomination**”) to HTLP which shall be no greater than the Quantity Available. If such Revised Nomination is not provided within the time allowed as required above or such Revised Nomination is greater than the Quantities Available, then the Revised Nomination shall be deemed to be the Quantities Available. If the Revised Nomination (delivered with the time allowed as required above) is less than the Quantity Available, then such lesser amount shall be the Revised Nomination.

- 4. For Storage Services requiring Shipper to provide compressor fuel in kind, the nominated fuel requirements will be calculated by rounding to the nearest whole GJ.
- 5. All Timely Nominations shall have rollover options. Specifically, Shipper shall have the ability to nominate for several days, Months or Years, provided the Nomination start date and end date are both within the term of this Contract.
- 6. Nominations received after the nomination deadline shall, if accepted by HTLP, be scheduled after Nominations received before the nomination deadline.
- 7. All Storage Services are required to be nominated in whole gigajoules.
- 8. To the extent HTLP is unable to complete a Nomination confirmation due to inaccurate, untimely or incomplete data involving an Interconnecting Pipeline entity, HTLP shall undertake reasonable efforts to confirm the transaction on a non-discriminatory basis until such time that the transaction is adequately verified by the parties, or until such time that HTLP determines that the Nomination is invalid at which time HTLP shall reject the Nomination.

9. That portion of Nomination or Revised Nomination, as set out in paragraphs 1 and 3 above, which HTLP shall schedule for Storage Services hereunder, shall be known as Shipper's "**Authorized Quantity**".
10. If on any day the actual quantities handled by HTLP, for the Storage Services authorized, exceed Shipper's Authorized Quantity, and such excess was caused by either Shipper's incorrect nomination or by its delivering or receiving too much gas, then the amount by which the actual quantities handled for each of the Storage Services exceed Shipper's Authorized Quantity shall be deemed "**Unauthorized Overrun**".
11. The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however, HTLP shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth ($1/20^{\text{th}}$) of the quantity received for that day. HTLP shall have the right to limit Storage Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth ($1/20^{\text{th}}$) of the quantity handled for that day, for the Storage Services.
12. Shipper may designate a third party as agent for purposes of providing a Nomination, and for giving and receiving notices related to Nominations, and HTLP shall only accept Nominations from the agent. Shipper shall provide HTLP with written notice of such designation, such notice to be acceptable to HTLP. Any such designation, if acceptable to HTLP, shall be effective starting the Month following the receipt of the written notice and will remain in effect until revoked in writing by Shipper.