

Contract ID	
Contract Name	

**Schedule 2
Terms And Conditions
Northern Bundled T**

1. UPSTREAM TRANSPORTATION COSTS

If Gas is nominated by Union and not delivered by Customer for any reason including Force Majeure, Customer shall be responsible to Union for all direct and indirect upstream transportation costs from the Point of Receipt to Union’s system. Where actual quantities and costs are not available by the date when Union performs its billing, Union’s reasonable estimate will be used and the appropriate reconciliation will be done the following month.

2. OBLIGATIONS TO DELIVER AND RECEIVE

Subject to the provisions of this Contract, Union shall nominate to Customer each Day the quantity of Gas to be received from Customer on the following Day. Customer accepts the obligation to deliver the nominated quantity (not to exceed the Obligated DCQ parameters in Schedule 1 to Union on a Firm basis. On days when an Authorization Notice is given, the DCQ parameters are defined in the Authorization Notice.

3. BANKED GAS ACCOUNT

The Banked Gas Account (“BGA”) will be used to accumulate the daily differences between the total quantities of Gas received by Union from the Customer, and the total quantity of Gas distributed by Union to the End Use locations listed in Schedule 3, plus any BGA transactions permitted by Authorization Notice. Where the cumulative quantities received by Union exceed the cumulative quantities distributed by Union, the resulting BGA balance shall be positive. Where the cumulative quantities distributed by Union exceed the cumulative quantities received by Union, the resulting BGA balance shall be negative.

3.01 BGA Imbalance During the Contract Year

Subject to the terms of the Contract, Union’s nominations to Customer shall be adjusted periodically to reflect a planned zero BGA balance at the end of the Contract Year. The adjustment shall first be applied to the Point of Receipt with the highest contracted Obligated DCQ. Union shall not be liable for any damages, losses, costs or expenses incurred by Customers as a consequence of said adjusting of receipts.

Customer’s ability to manage the BGA balance through changes in its supply arrangements will require authorization from Union.

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3.02 Disposition of Gas at Contract Expiry

At the end of each Contract Year, or contract termination for any reason, the BGA balance will be settled financially to a zero balance. If the BGA balance is positive, the quantity required to bring the BGA balance to zero shall be sold to Union by Customer. If the BGA balance is negative, the quantity required to bring the BGA balance to zero shall be purchased by Customer from Union. The price for the sale or purchase shall reflect the applicable OEB-approved reference price.

3.03 Energy Conversion

The balancing of receipt by Union with delivery to Customer is calculated in energy. The distribution to Customer is converted from volume to energy using Union’s standard practices.

4. CHANGES TO CONTRACT PARAMETERS (SCHEDULE 1)

Each year, Union will evaluate its transportation capacity portfolio used to transport gas from the Alberta border and/or Dawn Receipt Points to each delivery zone. If changes are required, Union will provide Notice to Customer of the new Obligated DCQ parameters.

4.01 Contracts with monthly read meters (non-telemetered)

Section 4.01 shall apply to Contracts comprised entirely of end use locations where meter(s) are read monthly. Any changes to the list of end use locations or consumption patterns may have a corresponding change to the parameters in Schedule 1 as determined by Union.

If there is a change, Customer will receive a revised Schedule 1 from Union prior to the effective date of the change. If Customer does not acknowledge and agree to the revised Schedule 1 in writing at least 25 days prior to the effective date of the change then the Contract will be terminated.

4.02 Contracts with daily read meters (telemetered)

Section 4.02 shall apply to Contracts comprised of at least one end use location where the meter(s) are read daily.

During the period prior to 25 days before the beginning of the next Contract Year, Union and Customer agree to negotiate, in good faith, new Schedule 1 parameters reflecting Customer’s expected consumption profile for the next Contract Year. If the parties cannot reach agreement, then the existing parameters shall apply.

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5. CUSTOMER'S FAILURE TO DELIVER GAS

If on any Day, for any reason, including an instance of Force Majeure, Customer fails to deliver the nominated DCQ to Union then such event shall constitute a "Failure to Deliver". The upstream transportation charges (if any) referenced in Section 1 shall apply and be payable by Customer.

For Gas that should have been received from Customer, Union may make reasonable attempts, but is not obligated to acquire an alternate supply of Gas. Customer shall indemnify and hold Union harmless with respect to the costs and expenses associated with acquiring the said alternate supply of Gas.

In addition to any rights of interruption in the Gas Distribution Contract(s), Union may immediately suspend distribution of Gas to the Point(s) of Consumption or Union may direct Customer to immediately curtail or cease consumption of Gas at the Point(s) of Consumption.

Customer shall immediately comply with such direction. Such suspension or curtailment shall not constitute an Interruption under the Gas Distribution Contract(s).

Union shall not be liable for any damages, losses, costs or expenses incurred by Customer as a consequence of Union exercising its rights under this Section.

Each Party shall advise the other by the most expeditious means available as soon as it becomes aware that such failure has occurred or is likely to occur. Such Notice may be verbal, provided it is followed by written Notice.