

HIGH DELIVERABILITY STORAGE CONTRACT dated as of the [REDACTED] day of [REDACTED], [REDACTED],

**UNION GAS LIMITED**, a company existing under the laws of the Province of Ontario,  
(hereinafter referred to as “**Union**”)

- and -

**SHIPPER** a company existing under the laws of [REDACTED],  
(hereinafter referred to as “**Shipper**”)

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

AND WHEREAS, Shipper wishes to retain Union to provide such Storage Services, as set out herein, and Union 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 (including Schedules 1, 2, and 3 and those of the MPSS, the provisions of this Contract shall prevail over the MPSS.

1.05 Currency: All reference to dollars in this Contract shall mean Canadian dollars unless otherwise indicated.

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

Schedule 1 Points and Pressures  
Schedule 2 Pricing Provisions  
Schedule 3 F24-S Service

1.07 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.

1.08 Price Schedule: “**Market Price Service Schedule**” or “**Union’s MPSS**” or “**MPSS**” shall mean Union’s Market Price Service Schedule, including the Market Price Service Schedule prices, Schedule “A” (General Terms and Conditions) and Schedule “B” (Nominations), or other such replacement schedule as last adopted by Union and posted to Union’s website with at least 30 days prior notice, and shall apply hereto, as amended from time to time, as if incorporated into this Contract.

1.09 Definitions: Capitalized terms and certain other terms used in this Contract and not specifically defined shall have the meaning set forth in the MPSS unless the context hereof otherwise clearly requires. The following definitions shall be read and interpreted as though included in the aforementioned:

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

## ARTICLE II - STORAGE SERVICES

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

- (a) Maximum Storage Balance, Maximum Daily Injection Demand, Maximum Daily Withdrawal Demand, Hourly Injection Quantity, Hourly Withdrawal Quantity, Receipt Points and Delivery Points, F24-S Service, shall be as set out in Schedule 1.
- (b) Gas Stored by Union:
  - i) Union agrees, on any Day and subject to Subsections 2.01(b)(ii) and (iii), 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 Union has authorized for Storage Service;
  - ii) Under no circumstances shall Union be obligated to receive a quantity of gas in excess of the lesser of (1) the firm portion of the Maximum Daily Injection Demand; and (2) the firm portion of the Maximum Daily Injection Demand that would cause the Storage Account to exceed the Maximum Storage Balance. Union 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 Union's sole discretion; and
  - iii) Union shall under no circumstances be obligated to deliver a quantity of gas in excess of the lesser of (1) the firm portion of the Maximum Daily Withdrawal Demand; and (2) the firm portion of the Maximum Daily Withdrawal Demand that would cause the

Contract No. HDS

Storage Account balance to be reduced below zero (0). Union 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 Union's sole discretion.

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

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

2.04 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 Union without further recourse, unless transferred to an additional service that Shipper has contracted for with Union.

### ARTICLE III - CHARGES AND RATES

3.01 Except as otherwise stated herein, the charges to be billed by Union and paid by Shipper for the Storage Services will be those specified in Schedule 2, plus applicable Taxes.

### ARTICLE IV - PRESSURES

4.01 All gas tendered by or on behalf of Shipper to Union shall be tendered at the Receipt Point(s) 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.

4.02 All gas tendered by or on behalf of Union to Shipper shall be tendered at the Delivery Point(s) 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.

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

### ARTICLE V - NOMINATIONS

5.01 Services provided hereunder shall be in accordance with the prescribed nominations procedure set out in Schedule "B" of Union's MPSS.

Contract No. HDS

ARTICLE VI - CONDITIONS PRECEDENT

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

- (a) Union 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 Union;
- (b) Shipper and Union shall have entered into an Interruptible Service HUB Contract (the "**Facilitating Agreement**") with Union;
- (c) Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders, and authorizations that are required to:
  - i) provide the Storage Services; and
  - ii) construct any facilities necessary to provide the Storage Services (the "**Expansion Facilities**");
- (d) Union shall have obtained all internal approvals that are necessary or appropriate to
  - i) provide the Storage Services; and
  - ii) construct the Expansion Facilities; and,
- (e) Union shall have completed and placed into service the Expansion Facilities.

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

- (a) Shipper shall, as required, have entered into the necessary contracts with Union and/or others to facilitate the Storage Services contemplated herein, including contracts for upstream and downstream transportation, and shall specifically have an executed and valid Facilitating Agreement; and shall, as required, have entered into the necessary contracts to purchase the gas quantities handled under this Contract;
- (b) Shipper shall have obtained, in form and substance satisfactory to Shipper, and all conditions shall have been satisfied under, all governmental, regulatory, and other third party approvals, consents, orders, and authorizations, that are required from federal, state, or provincial authorities for the gas quantities handled under this Contract; and
- (c) Shipper shall have obtained all internal approvals that are necessary or appropriate for the Shipper to execute this Contract.

6.03 Union and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in Sections 6.01 and 6.02. Each party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such party's benefit. If a party concludes that it will not be able to satisfy a condition precedent that is for its benefit, such party may, upon written notice to the other party, 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.

6.04 If any of the conditions precedent in this Section 6.01 or 6.02 are not satisfied or waived by the party entitled to the benefit of that condition by the Conditions Date as specified in Schedule 1 of this Contract, then either party may, upon written notice to the other party, 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 VII - MISCELLANEOUS PROVISIONS

7.01 Assignment: Shipper may not assign this Contract unless:

- (a) the written consent of Union is obtained, such consent not to be unreasonably delayed or withheld; and
- (b) any financial assurances as required by Union are provided to Union.

7.02 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 electronic communication, charges prepaid, to the applicable address 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. Shipper contact information, as provided to Union, shall be found on the secured portion of Union's website (the secured portion of Union's website is known as "*Unionline*"). Union's contact information shall be displayed on the unsecured portion of Union's website. 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 electronic communication 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.

Notwithstanding the above, nominations shall be made by facsimile or other recorded electronic means, subject to execution of an agreement for use of *Unionline*, or such other agreement, satisfactory to Union, and will be deemed to be received on the same Day and same time as sent. 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.

7.03 Law of Contract: Union and Shipper agree that this Contract is made in the Province of Ontario and that, subject to Article X of Schedule "A" of the MPSS, the courts of the Province of Ontario shall

Contract No. HDS

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.

7.04 Entire Contract: This Contract (including Schedule 1, Schedule 2, Schedule 3, and Schedule 4), all applicable rate schedules and price schedules 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.

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

7.06 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 or other electronic communication and this procedure shall be as effective as signing and delivering an original copy.

7.07 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.

7.08 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.

*[signature page follows]*

Contract No. HDS

**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** this Contract has been properly executed by the parties hereto by their duly authorized officers as of the date first above written.

**UNION GAS LIMITED**

Per: \_\_\_\_\_  
*Authorized Signatory*

**SHIPPER**

Per: \_\_\_\_\_  
*Authorized Signatory*

SAMPLE

Contract No. HDS

**CONTRACT PARAMETERS**

**Maximum Storage Balance**

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

**Maximum Daily Injection Demand**

From [REDACTED] through and including [REDACTED], a daily quantity equal to [REDACTED] GJ/day ([REDACTED]% of the Maximum Storage Balance) on a firm basis.

**Maximum Daily Withdrawal Demand**

From [REDACTED] through and including [REDACTED], a daily quantity equal to [REDACTED] GJ/day ([REDACTED]% of the Maximum Storage Balance) on a firm basis.

**Hourly Injection Quantity**

From [REDACTED] through and including [REDACTED], an hourly quantity equal to [REDACTED] GJ/day ([REDACTED]% of the Maximum Daily Injection Demand) on a firm basis.

**Hourly Withdrawal Quantity**

From [REDACTED] through and including [REDACTED], an hourly quantity equal to [REDACTED] GJ/day ([REDACTED]% of the Maximum Daily Withdrawal Demand) on a firm basis.

**Receipt Points and Delivery Points**

- (a) A “**Receipt Point**” shall mean the point(s) where Union shall receive gas from Shipper as follows:
- Dawn (Facilities)
- which points are more particularly described below.
- (b) A “**Delivery Point**” shall mean the point(s) where Union shall deliver gas to Shipper as follows:
- Dawn (Facilities)
- which points are more particularly described below.

**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. This point is applicable for quantities of gas that have been previously transported or stored under other contracts that Shipper may have in place with Union.

**F24-S Service**

F24-S Service (as such service is more particularly described in Schedule 3) has been selected with respect to the quantity of gas immediately below:

- (a) if Shipper has nominated receipts into the Storage Account, the lesser of:
  - (i) [REDACTED] GJ/day; and
  - (ii) that portion of the Maximum Daily Injection Demand available on a firm basis; and
  
- (b) if Shipper has nominated deliveries into the Storage Account, the lesser of:
  - (i) [REDACTED] GJ/day; and
  - (ii) that portion of the Maximum Daily Withdrawal Demand available on a firm basis;

such quantity being referred to as the “**F24-S Quantity**”, commencing on the Commencement Date and continue for the term of this Contract.

**Fuel Requirements**

Fuel charges shall be as per Schedule 2 Pricing Provisions.

**Term**

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) [REDACTED]; and
  
- (b) the day following the date that the conditions precedent set out in Sections 6.01 and 6.02 of this Contract 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 [REDACTED] (the “**Termination Date**”).

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

**Conditions Date**

As referred to in Section 6.02: [REDACTED].

**Special Provisions**

*Intentionally blank*

**PRICING PROVISIONS**

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

- (a) **Monthly Demand Charge:** A monthly demand charge of \$ \_\_\_\_\_ per month.
- (b) **Demand Charge Escalation:** (if applicable or *Intentionally blank*)
- (c) **Variable Storage Charges:** (includes firm, interruptible, authorized overrun, and dehydration charges if applicable or *Intentionally blank*)
- (d) **Fuel:** (if applicable or *Intentionally blank*)
- (e) **Late Season Balance Charge and Early Season Balance Charge:** (if applicable or *Intentionally blank*)
- (f) **Shortfall Charge:** (if applicable or *Intentionally blank*)
- (g) **Other Charges:** Any and all other charges as may be set out in this Contract, and any charges relating to Unauthorized Overrun, Drafted Storage Balance and Overrun of Maximum Storage Balance as set out in the MPSS.