

INTERRUPTIBLE SERVICE HUB CONTRACT dated as of the [] day of [Month, year],

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

- and -

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

WHEREAS, Union owns and operates a natural gas transmission and storage system in south-western Ontario, through which Union offers services including natural gas transportation, exchange, balancing, and name change services, collectively referred to as the “**Services**”, as defined in Article II herein;

AND WHEREAS Shipper wishes to retain Union to provide one or more of the Services, as set out herein, and Union has agreed, subject to the terms and conditions of this Contract, to provide the Services requested, on an interruptible basis;

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 the main body of this Contract and those of Schedules 1 and 2 and the MPSS or the C1 Rate Schedule, the provisions of the MPSS or the C1 Rate Schedule (as applicable) shall prevail over the main body of this Contract and Schedules 1 and 2, and Schedules 1 and 2 shall prevail over the main body of this Contract.

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

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

Schedule 1 - Contract Parameters (attached hereto)

Schedule 2 - Pricing Provisions (posted to Union's website)

1.07 Measurements: Units set out in SI (metric) measurement are the governing units for the purposes 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 Rate and Price Schedules:

(a) **"C1 Rate Schedule"** or **"Union's C1 Rate Schedule"** or **"C1"** shall mean Union's C1 Rate Schedule, including the Cross Franchise Transportation Rates, Schedule "A 2010" (General Terms and Conditions), Schedule "B 2010" (Nominations), and Schedule "C 2010" (Receipt and Delivery Points and Pressures), or such other replacement rate schedule which may be applicable to the Transportation and Exchange Services in Section 2.01 (a) provided hereunder as approved by the Ontario Energy Board, and shall apply hereto, as amended from time to time, as if incorporated into this Contract.

(b) **"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 such other replacement price schedule which may be applicable to the Balancing and Name Change Services in Section 2.01 (b) provided hereunder 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.

ARTICLE II - SERVICES

2.01 (a) Transportation and Exchange Services: Shipper agrees to the terms and conditions set out herein for the provision of one or more of the following Services, pursuant to Union's available daily capacity, and subject to Union's C1 Rate Schedule as follows:

A. Transportation:

Union agrees, on any day, to receive on Shipper's behalf at the Receipt Point, any quantity of gas which Shipper nominates and which Union has authorized for transportation service, and to deliver that quantity of gas to Shipper at the Delivery Point.

B. Exchange Services:

(i) Union agrees, on any day, to receive on Shipper's behalf at an agreed to point located outside the Service Hub (“**Exchange Point**”), or at a Receipt Point, any quantity of gas which Shipper nominates and which Union has authorized for exchange service, and to deliver that quantity of gas to Shipper at an Exchange Point or a Delivery Point.

(ii) The parties agree that any quantity of gas to be delivered by Union to any upstream or downstream transporter (the “**Transporter**”) for delivery to Shipper may be subject to acceptance by the Transporter, and to the extent that the Transporter is unable or unwilling to deliver such quantities, this shall not be deemed a failure to deliver by Union.

(b) Balancing and Name Change Services: Shipper agrees to the terms and conditions set out herein for the provision of one or more of the following Services, pursuant to Union's available daily capacity, and subject to Union's MPSS as follows:

C. Balancing:

Union agrees, on any day, to either receive a quantity of gas from Shipper and credit Shipper's Balancing Account, or to deliver a quantity of gas to Shipper and debit Shipper's Balancing Account. Such quantity of gas as Shipper nominates and Union has authorized for Balancing Service shall not exceed the limits as posted on the secured portion of Union's website (the secured portion of Union's website is known as “*Unionline*”) under the following terms and conditions:

(i) The Parking Service is authorized for a “**Parking Period**” of up to sixty (60) days, except between August 1 and December 15 of each year when Parking Service will only be authorized for a Parking Period of up to ten (10) days. However, Shipper shall ensure that Shipper's Balancing Account, when in a credit position, is reduced to zero (0), at each point on the Service Hub: at least once every sixty (60) days between December 16 and July 31, inclusive; on July 31; and at least once every ten (10) days for gas delivered between August 1 and December 15, inclusive, of each year.

(ii) The Loan Service is authorized for a “**Loan Period**” of up to sixty (60) days, except between December 15 and April 30 of each year, when Loan Service will only be authorized for a Loan Period of up to ten (10) days. However, Shipper shall ensure that Shipper's Balancing Account, when in a debit position, is reduced to zero (0), at each point on the Service Hub: at least once every sixty (60) days between May 1 and December 14,

inclusive; on December 14; and at least once every ten (10) days for gas delivered between December 15 and April 30, inclusive, of each year.

(iii) Should Shipper fail to comply with the requirements of Subsections 2.01 C (i) and (ii), in obtaining a zero (0) balance as stipulated therein, then Union shall automatically extend the Parking Service or Loan Service from the day that such Balancing Account should have been brought to zero (0) for an “**Extension Period**”, which shall equal the authorized Parking Period or Loan Period as defined above, at rates and under terms as set out in Schedule 2, hereof. During any Extension Period where a zero (0) balance is required every ten (10) days, Shipper shall use due diligence to either take delivery of the Parking Service gas quantities from or return the Loan Service gas quantities to Union promptly.

(iv) Notwithstanding any other term of the Contract, including all applicable schedules, at any time during the term of this Contract, Union, at its sole discretion, with forty-eight (48) hours’ verbal notice to Shipper (to be followed in writing), may require Shipper to take action to bring balance in Shipper’s Balancing Account to zero (0) by the end of such forty-eight (48) hour period. To the extent such balance has not been brought to zero (0) within the required period, any such remaining balance shall be treated as if it were a quantity in the Shipper’s Excess Storage Balance or Drafted Storage Balance, as applicable, pursuant to the posted MPSS prices and the MPSS Schedule B Nominations. In such case, Union shall be entitled to all of the remedies and Shipper shall pay all of the charges that apply accordingly.

(v) All gas quantities must be either received by Shipper in the Parking Service, or delivered by Shipper in the Loan Service, at the same point where the Shipper's Balancing Account for such quantities is held, however, should Shipper nominate a different point, Union shall make reasonable efforts to accommodate such change and Shipper shall be responsible for any and all additional costs or charges applicable at the time.

D. Name Change:

(i) Union agrees, on any day, to effect a name change at a point on the Service HUB for any quantity of gas which Shipper nominates and which Union has authorized for Name Change Service. Shipper and/or its designate shall ensure that Union is notified of the names of the parties underlying this transaction, which name change(s) Union shall confirm to all relevant Transporters (including Union).

(ii) Union will not accommodate any name changes unless the party for which the name change is being made has executed a valid and approved Interruptible Service Hub Contract and made a Service Hub nomination with Union, or has properly nominated under other contracts in place with Union.

2.02 Accounting for Services: All quantities of gas handled by Union shall be accounted for on a daily basis. Services provided hereunder shall be in accordance with the prescribed nominations procedures herein, and shall be interruptible in nature and subordinate to any and all firm services supplied by Union.

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 Imbalances: The parties hereto recognize that with respect to Section 2.01 (b) C, on any Day, receipts of gas by Union and deliveries of gas by Union may not always be exactly equal, but each party shall cooperate with the other in order to balance as nearly as possible the quantities transacted on a daily basis, and any imbalances arising shall be allocated to the Balancing Service at the relevant Receipt or Delivery Point where Shipper was to provide or take the gas, and shall be subject to the terms and charges of the Balancing Service as per Section 2.01 (b) C, and shall be resolved in a timely manner.

ARTICLE III - CHARGES AND RATES

Except as otherwise stated herein, the charges to be billed by Union and paid by Shipper for the Services will be those of Schedule 2 Pricing Provisions, as posted on Union's website, www.uniongas.com, which Schedule, as revised from time to time by Union, is hereby incorporated by reference into this Contract, plus applicable Taxes.

ARTICLE IV - POINTS AND PRESSURES

Receipt and delivery points and pressures shall be as defined in Schedule "C 2010" of the C1 Rate Schedule.

Exchange points shall be any mutually agreed upon point, and shall have the definition as per the appropriate Transporter's tariff.

ARTICLE V - NOMINATIONS

Services provided pursuant to Section 2.01 (a) hereunder shall be in accordance with the prescribed nominations procedure set out in Schedule "B 2010" of Union's C1 Rate Schedule, except that nominations for Exchange Services must be received by Union's Gas Management Services on or before 10:30 am in the Eastern time zone, unless otherwise agreed to in writing by the parties, on the Day immediately preceding the Day for which service is requested, and Services provided pursuant to Section 2.01 (b) hereunder shall be in accordance with the prescribed nominations procedure set out in Schedule "B" of Union's MPSS.

ARTICLE VI - CONDITIONS PRECEDENT

6.01 Conditions Benefiting Union: The obligations of Union to provide the 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 obtained all internal approvals that are necessary or appropriate to provide the Services; and,
- (b) 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.

6.02 Union and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in Section 6.01 (b). Union shall notify Shipper forthwith in writing of the satisfaction or waiver of each condition precedent. If Union concludes that it will not be able to satisfy a condition precedent it 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 VII - MISCELLANEOUS PROVISIONS

7.01 Assignment: Shipper may not assign this Contract.

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 *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 and Article X of Schedule "A

2010” of the C1 Rate Schedule, 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.

7.04 Entire Contract: This Contract (including Schedule 1 and Schedule 2), all applicable rate schedules and price schedules, and any applicable enhancement to the Contract, 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 Amendments: Union may from time to time amend this Contract, excluding Schedule 2, by posting the amendment on Union’s website, with such amendment to take effect six (6) months after such posting. Such amendments are applicable to all of Union’s shippers on a non-discriminatory basis. Union may also amend the Pricing Provisions in Schedule 2 of this Contract on a periodic basis. The new Pricing Provisions and effective date will be posted on Union’s website.

7.08 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.

7.09 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.

7.10 Balancing on Termination: In the event that this Contract is terminated pursuant to Section 1.01 of Schedule 1, any quantities in Shipper’s Balancing Account will be subject to the term of the Balancing Service of such quantities, which period of time shall not exceed sixty (60) days.

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

By: _____
Authorized Signatory

[SHIPPER NAME]

By: _____
Authorized Signatory

SAMPLE

CONTRACT PARAMETERS

1. Term

1.01 This Contract shall be effective as of the date of execution hereof, however, the obligations, terms and conditions hereunder shall commence on the later of:

- [Month day, year]; and
- the day following the date that all of the conditions precedent set out in Section 6.01 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 on a month to month basis, subject to notice of termination being given by either party to the other at least one calendar month in advance, in accordance with the provisions of this Contract and subject to Section 7.10.

1.02 Without limiting the generality of the foregoing, this Contract may be terminated in accordance with Article XII of Schedule “A” of the MPSS or Article XII of Schedule “A 2010” of the C1 Rate Schedule, as applicable.

2. Shipper’s Representations and Warranties

If Shipper requests Union to zero rate the GST/HST on any gas transportation or storage charges, Shipper must provide Union with an executed declaration, for the appropriate service(s), in the form provided by Union.