

M12 TRANSPORTATION CONTRACT

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

- and -

<**SHIPPER NAME**>, a <type of entity> <location of incorporation>,
(hereinafter referred to as “**Shipper**”)

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

AND WHEREAS, Shipper wishes to retain Union to provide such Transportation Services, as set out herein, and Union has agreed, subject to the terms and conditions of this Contract, to provide the Transportation 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 the main body of this Contract (including Schedule 1) and Union’s M12 Rate Schedule, as defined below, the provisions of Union’s M12 Rate Schedule shall prevail over the main body of this Contract.

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

1.06 Schedules: Refers to the schedules attached hereto which are specifically included as part of

this Contract, and include:

Schedule 1 – Contract Parameters

1.07 Rate Schedule: “**Union's M12 Rate Schedule**” or the “**M12 Rate Schedule**” or “**M12**” shall mean Union’s M12 Rate Schedule, (including the Storage and Transportation Rates, Schedule “A 2010” (General Terms and Conditions), Schedule “B 2010” (Nominations), Schedule “C” (Monthly Fuel Rates and Ratios) and Schedule “D 2010”(Receipt and Delivery Points and Pressures)), or such other replacement rate schedule which may be applicable to the Transportation Services provided hereunder as approved by the Ontario Energy Board, and shall apply hereto, as amended from time to time, and which is incorporated into this Contract pursuant to Section 5.03 hereof.

1.08 Measurements: Units set out in SI (metric) 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.

ARTICLE II - TRANSPORTATION SERVICES

2.01 Transportation Services: Union shall, subject to the terms and conditions herein, transport Shipper’s gas on a firm basis on Union’s system (the “**Transportation Services**”). Shipper agrees to the following upon nomination to Union for the provision of the Transportation Services:

(a) Contract Demand, and Receipt Points, Delivery Points and Transportation Service Paths shall be as set out in Schedule 1.

(b) Gas Transported by Union:

- (i) Union agrees, on any Day, and subject to Sections (b) ii) and (b) iii), 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 as per Shipper’s nomination;
- (ii) Under no circumstances shall Union be required to transport a quantity of gas in excess of the Contract Demand;
- (iii) Union agrees that it shall, upon the request of Shipper, use reasonable efforts to transport gas in excess of the Contract Demand, as Authorized Overrun, on an interruptible basis; and
- (iv) Union agrees that it shall, upon request of Shipper, use reasonable efforts to accommodate changes to either the Receipt Point or Delivery Point, after the Timely Nomination Cycle, on an interruptible basis.

(c) Fuel:

Shipper shall provide the fuel requirements per the M12 Rate Schedule based on the Authorized Quantity.

2.02 Accounting for Transportation 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 Imbalances: The parties hereto recognize that with respect to Section 2.01, 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 Facilitating Agreements and shall be subject to the respective terms and charges contained therein, and shall be resolved in a timely manner.

ARTICLE III - CHARGES AND RATES

3.01 Except as otherwise stated herein, the charges and rates to be billed by Union and paid by Shipper for the Transportation Services provided under this Contract will be those specified in Union's M12 Rate Schedule.

ARTICLE IV - NOMINATIONS

4.01 Transportation Services provided hereunder shall be in accordance with the prescribed nominations procedure as set out in Schedule "B 2010" of Union's M12 Rate Schedule.

ARTICLE V - MISCELLANEOUS PROVISIONS

5.01 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.

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

5.03 Entire Contract: This Contract (including Schedule 1), all applicable rate schedules and price schedules, and any applicable Precedent Agreement 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.

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

5.05 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.

5.06 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.

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

<SHIPPER NAME>

Authorized Signatory

UNION GAS LIMITED

Authorized Signatory

By: _____

By: _____

Title: _____

Title: _____

CONTRACT PARAMETERS

Contract Demand

Union shall transport a quantity of gas, on a firm basis, on any one Day, of up to <QUANTITY> GJ (<converted QUANTITY> MMBtu) (the “**Contract Demand**”).

Receipt Points, Delivery Points and Transportation Services Paths

A “**Receipt Point**”, as noted in the chart below, shall mean the point where Union shall receive gas from Shipper on a firm basis and a “**Delivery Point**”, as noted in the chart below, shall mean the point where Union shall deliver gas to Shipper on a firm basis, which points are more particularly described in the M12 Rate Schedule.

The Transportation Services are available for the following paths:

Path	Receipt Point(s)	Delivery Point(s)
1	<POINT>	<POINT>
2	<POINT>	<POINT>

Term

This Contract shall be effective as of the date of execution hereof; however, the obligations, terms and conditions for the Transportation Services herein shall commence on the later of:

- <DATE>; and
- the day following the date that all of the conditions precedent set out in Article XXI of Schedule “A 2010” of Union’s M12 Rate Schedule have been satisfied or waived by the party entitled to the benefit thereof;

where applicable for Expansion Facilities or Precedent Agreement:

- and the day following the date that all of the conditions precedent set out in the agreement setting out certain construction and related conditions (“**Precedent Agreement**”) dated <DATE> 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 <DATE> (the “**Initial Term**”).

Conditions Date

As referred to in Article XXI of Schedule “A 2010”: <DATE>

Shipper's Representations and Warranties

If Shipper requests Union to zero rate the GST/HST on any gas transportation charges, Shipper must provide Union with an executed declaration in the form provided by Union.

Special Provisions

Insert here any special provisions applicable to this Contract

SAMPLE