

TRANSPORTATION CONTRACT TEMPORARY ASSIGNMENT AGREEMENT dated as of the ___ day of [Month, year].

This Assignment between:

[Shipper #1] (“Assignor”)

and

[Shipper #2] (“Assignee”)

for the assignment of certain firm transportation service quantities (as provided below) provided pursuant to a firm transportation service contract between Union Gas Limited (“Union”) and Assignor (Contract No. _____) (the “Transportation Contract”).

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:

1. Subject to the terms and conditions set out herein, during the operative term of this Assignment, Assignor assigns to Assignee, and Assignee accepts from Assignor, that portion of Assignor's Contract Demand and corresponding service entitlement under the Transportation Contract, as specified in section 2 below, together with the corresponding rights and obligations of Assignor as shipper under the Transportation Contract.
2. The service assigned herein to Assignee consists of the following:
 - a) Quantity Assigned: _____ GJ/Day (the “Assigned Quantity”);
 - b) Term of Assignment: Commencing [Month day, year], and terminating on the earlier of:
 - (i) the date of the termination of the Transportation Contract;
 - (ii) the date of the termination of Assignee’s Interruptible Service HUB Contract; and,
 - (iii) termination of this Assignment in accordance with section 4 below;
 - Optional (iv) – use when end date is known* (iv) [Month day, year].
3. During the operative term of this Assignment, Assignee shall perform and observe the covenants and obligations of Assignor as shipper contained in the Transportation Contract insofar as they pertain to the Assigned Quantity, to the same extent as Assignee would be obligated so to do were Assignee a party to the Transportation Contract as Shipper, with a service entitlement thereunder equal to the Assigned Quantity.

4. In the event that Assignee fails to comply with section 3 hereof, Assignor shall have the right to terminate this Assignment. Such termination shall take effect two (2) business days after Union and Assignee have received notice of termination of this Assignment from Assignor.
5. Assignor acknowledges that it is and will remain obligated to Union to perform and observe the covenants and obligations of Shipper that are contained in the Transportation Contract in regard to the Assigned Quantity insofar as Union is concerned. Assignee hereby indemnifies Assignor for, and holds Assignor harmless from, all charges that Union may be entitled to collect from Assignor under the assigned portion of the Transportation Contract in regard to the Assigned Quantity in the event that Assignee fails to pay them.
6. Assignee agrees to enter into an Interruptible Service HUB Contract with Union as a condition to the Assignment taking effect and agrees to maintain such contract in place during the operative term of this Assignment.
7. Notwithstanding anything to the contrary herein set forth or implied, Assignor reserves and retains for itself exclusively the option or right to renew or otherwise extend the operative term of the Transportation Contract.
8. This Assignment and the rights and obligations of the parties hereunder are subject to all valid and applicable present and future laws, rules, regulations, and orders of any governmental or regulatory authority having jurisdiction or control over the parties hereto to either of them, or over the Transportation Contract, and the assignment of the service entitlement thereunder.
9. Assignee acknowledges that it has been made aware of the relevant terms and conditions in Assignor's Transportation Contract.
10. This Assignment shall be construed in accordance with and governed by the laws of the Province of Ontario applicable therein.
11. This Assignment shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
12. Assignor and Assignee will use reasonable efforts to work with Union to transfer to Assignee any gas imbalance, and/or energy adjustment(s) incurred by Assignee under this Assignment. Assignee shall be liable for all penalties and costs associated with any quantity or energy imbalances caused by Assignee. Assignee shall hold Assignor harmless and indemnify Assignor for said matters.
13. No amendment or modification of this Assignment shall be binding unless in writing and signed by all parties hereto.
14. If the Assignee requests Union to zero rate the GST/HST on any gas transportation charges for the Assigned Quantity, Assignee must provide Assignor and Union with an executed declaration in the form attached at Schedule 1.

15. **IN WITNESS WHEREOF** the parties hereto have duly executed and delivered this Assignment as of the day, month, and year first above written.

[Shipper #1]
(ASSIGNOR)

[Shipper #2]
(ASSIGNEE)

By: _____

By: _____

Title: _____

Title: _____

Authorized Signatory

Authorized Signatory

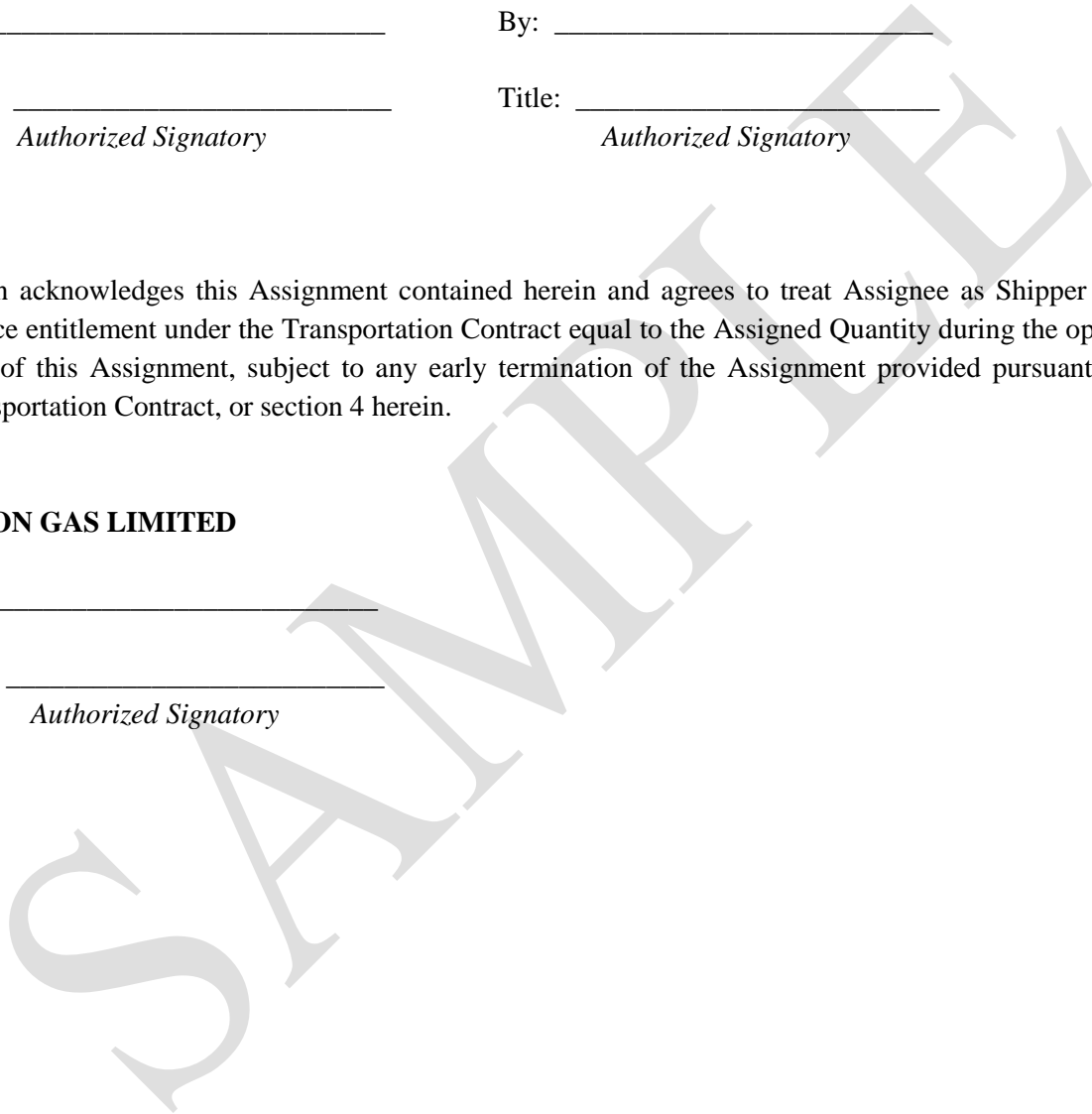
Union acknowledges this Assignment contained herein and agrees to treat Assignee as Shipper with a service entitlement under the Transportation Contract equal to the Assigned Quantity during the operative term of this Assignment, subject to any early termination of the Assignment provided pursuant to the Transportation Contract, or section 4 herein.

UNION GAS LIMITED

By: _____

Title: _____

Authorized Signatory



Schedule 1

DECLARATION

Zero Rate Goods and Services Tax (“GST”) and Harmonized Sales Tax (“HST”)

[Shipper #2] (“Assignee”) hereby represents, warrants and covenants that throughout the term of the Transportation Contract Temporary Assignment Agreement between [Shipper #1] and Assignee, dated [Month day, year] (including all amendments thereto) (the “Assignment”) that, in consideration of Union Gas Limited (“Union”) zero rating the GST/HST on any gas transportation charges pursuant to the Assignment,:

1. All gas under the Assignment shall be shipped for export outside of Canada and the gas transportation service to be supplied by Union is part of a continuous outbound freight movement (within the meaning of Part VII of Schedule VI to the *Excise Tax Act*) in respect of the gas.
2. Assignee acknowledges and agrees that Union will zero rate the GST/HST on any gas transportation charges only if *all* gas shipped under the Assignment is exported outside of Canada.
3. Should any quantities of gas shipped under the Assignment be directed to any other party in Canada, Assignee shall immediately notify Union of same.
4. Assignee shall be liable to and shall indemnify and hold harmless Union for any expenses, costs, (including legal costs on a solicitor-client basis) taxes, penalties or interest which may be incurred by or assessed against Union as a result of this Declaration or Union zero rating the GST/HST on any gas transportation charges under the Assignment.
5. This Declaration is valid, binding upon and enforceable against the Assignee.
6. This Declaration is made by the Assignee with full knowledge that Union is relying on it and Assignee acknowledges and agrees that absent such Declaration, Union would charge the current applicable GST and/or HST rate as set by the Canada Revenue Agency on all gas transportation charges under the Assignment.
7. Assignee acknowledges and agrees that the provisions of this Declaration shall survive any cancellation, termination or expiration of this Assignment.

IN WITNESS WHEREOF this Declaration is made effective the [] day of [], [].

ASSIGNEE

By: _____

Title: _____

Authorized Signatory