

CENTRA GAS MANITOBA INC.

**Schedule of Sales and Transportation
Services and Rates**

INDEX

I.	Territory Served.....	3
II.	Definition of Terms	4
III.	Description of Available Rates and Services	9
	A) Optional Service Offerings:	9
	1) Western Transportation Service	9
	2) Alternate Supply Service	9
	3) Backstopping Service	10
	4) Short Term Interruptible Transportation Service	10
	B) Service Offerings by Service Classification:.....	10
	1) Small General Class (“SGC”)	10
	2) Large General Class (“LGC”)	10
	3) High Volume Firm (“HVF”) Class	11
	4) Co-op (“Co-op”) Class	11
	5) Interruptible Class (“IC”)	11
	6) Mainline Class (“MLC”)	12
	7) Special Contract Class	12
	8) Power Station Class	12
IV.	General Terms and Conditions	13
	A) Contract for Service	13
	1) General	13
	2) Application for Service	13
	3) Termination	13
	4) Easements and Rights-of-Way	13
	5) Assignment	14
	6) Representation	14
	7) Resale of Gas	14
	8) Rates and Charges	14
	9) The Public Utilities Board Act to Prevail	14
	B) Service Connection and Charges	14
	1) Authority for Work	14
	2) Installation Policy	14
	3) Right of Refusal to Install	15
	4) Location of Service and Meter	15
	5) Service Relocation and Alteration	15
	6) Meters Installed Within Premises	15
	7) Additional Meters Installed Within Premises	15
	8) Access to Property	15
	9) Commencement of Use of Gas	16
	10) Timing of Installation	16
	11) Gratuities	16
	C) Consumer Contributions in Aid of Construction	16
	1) Refundable Contributions	16
	2) Non-Refundable Contributions	16

INDEX

D) Measurement Billing and Payment	17
1) Meters and Regulators	17
2) Testing Measurement Equipment.....	17
3) Meter Reading	17
4) Failure of Measurement Equipment to Register Properly.....	18
5) Billing	18
6) Authorization to Disconnect Other Service and/or Install Load Limiting Devices	19
7) Guarantee Deposit	19
8) Budget Billing Plan	20
9) Returned Cheques	20
10) Taxes.....	20
11) Late Payment Charge.....	20
12) Measurements.....	20
13) Determination of Monthly Billing Demand	22
E) Other Services	22
F) Equipment.....	23
1) Ownership of Equipment	23
2) Measuring Station.....	23
3) Rights of Parties	23
4) Care Required	23
5) Preservation of Metering Records	24
6) Protection of Company -Owned Equipment on Customer's Premises	24
7) Moving Meters	24
8) Access to Premises	24
9) Termination of Service.....	24
10) Rental Equipment	24
G) Discontinuance of Service.....	24
1) Requirement of Notice.....	24
2) Reasons for Discontinuance.....	24
3) Reconnect Fees	25
H) Rules For Transfer of Customers Between Classes or Services	26
I) Responsibility of Parties.....	26
1) Transfer of Risk, Title, and Possession	26
2) Damages to Equipment	26
3) Force Majeure	27
4) Waste of Gas.....	27
J) Consumer Equipment	27
1) Description of Installation	27
2) Customer's Equipment	27
V. Special Terms and Conditions: Transportation Service (T-Service).....	28
VI. Special Terms and Conditions: Interruptible Sales Service and Interruptible Delivery Service.....	32
VII. Special Terms and Conditions: Western Transportation Service	35
VIII. Special Terms and Conditions: Agency Billing and Collection Service (ABC Service).....	46
IX. Rate Schedules (Base Rates Only – No Riders)	49
X. Rate Schedules – Annual Rates (Base Rates Plus Riders)	49
XI. Miscellaneous Charges for Service	49

1 **I. TERRITORY SERVED**

2
 3 This Schedule of Sales and Transportation Services and Rates applies to the following territory:
 4

District	Zone *	Area Definition
Eastman	1	Ste. Anne, Ste. Anne (R.M.), Blumenort, New Bothwell, Niverville, Steinbach (City), Hanover (R.M.), Otterburne, St. Pierre-Jolys (Village), Grunthal, Desalaberry (R.M.), La Broquerie (R.M.), Ritchot (R.M.), Mitchell, St. Malo, Dufrost, Hadashville, La Broquerie, Ste. Agathe, Marchand, Zhoda, Sarto, Kleefeld, Landmark and St. Adolphe for URD locates only; Altona (Town), St. Joseph, Letellier, Montcalm (R.M.), Dominion City, Franklin (R.M.), Elm Creek, Dufferin (R.M.), Carman (Town), Stanley (R.M.), Morden (Town), Winkler (Town), Plum Coulee (Village), Rhineland (R.M.), Rosenort (U.V.D.), Schanzenfeld, Emerson (Town), Gnadenfeld, Gretna (Village), Morris (Town), Reinfeld, Grey (R.M.), Morris (R.M.), St. Jean Baptiste, Beausejour, Chortitz (Village);
Interlake	1	Portage la Prairie (City), Portage la Prairie (R.M.), MacGregor (Village), St. Claude (Village), North Norfolk (R.M.), Grey (R.M.), Southport (C.F.B.), Oakville, Cartier (R.M.), Elie, Starbuck, Dakota TIPI First Nation, Elm Creek;
Parkland	1 2 3 4	Dauphin (Town), Dauphin (R.M.), Gladstone (Town), North Norfolk (R.M.), Westbourne (R.M.); Gilbert Plains, Gilbert Plains (R.M.), Grandview (Town), Grandview (R.M.), St. Lazare (Village), Neepawa (Town), Miniota (R.M.), Miniota, Roblin (Town), Shell River (R.M.), Inglis, Shellmouth (R.M.), Boulten (R.M.), Russell (Town), Russell (R.M.), Harrowby, Binscarth (Village), Minnedosa (Town), Ellice (R.M.), Archie (R.M.), Shoal Lake (Town), Shoal Lake (R.M.);
Westman	3 4	Langford (R.M.), North Cypress (R.M.), Virden, Hartney (Town), Cameron (R.M.), Melita (Town), Arthur (R.M.), Glendwood (R.M.), Pipestone (R.M.), Souris (Town), Odanah (R.M.), Brandon (City), Cornwallis (R.M.), Elton (R.M.), Forrest, Carberry, North Cypress (R.M.), Shilo (C.F.B) Rivers (Town), 00-ZA-WE-KWUN, Odanah (R.M.), Hamiota (R.M), Wallace (R.M.), Boissevain (Town), Morton (R.M.), Killarney (Town), Turtle Mountain (R.M.), Deloraine (Town), Winchester (R.M.), Elkhorn (Village), Hamiota (Village), Minto (R.M.), Kola;
Winnipeg East	1	Winnipeg, Headingley, Ile Des Chênes, LaSalle, Landmark, Lorette, Dugald, Oakbank, Tyndall, Garson, Stonewall, Stony Mountain, Selkirk, Clandeboye, Petersfield, Matlock, Winnipeg Beach (Town), Gimli (R.M.), East St. Paul (R.M.), West St. Paul (R.M.), Lockport, Birds Hill, Oak Bluff, Brokenhead (R.M.), MacDonald (R.M.), Richot (R.M.), Rockwood (R.M.), Rosser (R.M.), Springfield (R.M.), St. Andrews (R.M.), St. Clements (R.M.), Tache (R.M.), Sandy Hook, St. Adolphe, Gimli (Town), Reynolds (L.G.D.), Sanford, Ste. Agathe, Teulon (Town), Dunnottar (Village), Bifrost (R.M.), Arborg (Town), Riverton (Village), Woodlands (R.M.).

5
 6 Note: See Section IV General Terms and Conditions D) 12) b).
 7

1 **II. DEFINITION OF TERMS**
2

3 Except where the context expressly states another meaning, the following terms, when used in
4 this Schedule of Sales and Transportation Services and Rates, shall have the following
5 meanings:
6

- 7 A) "10³m³" means 1,000 Cubic Meters of gas.
8
9 B) "AGENCY AGREEMENT" means an agreement between a Customer and Broker, which
10 at a minimum, authorizes and requires the Broker to act on the Customer's behalf with
11 respect to natural gas service.
12
13 C) "AGENCY BILLING AND COLLECTION SERVICE" (or "ABC SERVICE") means a
14 service wherein the Company bills the Customer for gas sold by the Broker to the
15 Customer.
16
17 D) "AGENT" means a gas supply Broker acting on behalf of a Customer.
18
19 E) "ALBERTA BORDER" means the location(s) in Alberta and Saskatchewan, where
20 natural gas can be accepted into the TransCanada PipeLine system.
21
22 F) "ALTERNATE SUPPLY SERVICE" means any supply or source of gas that the
23 Company may offer from time to time, in lieu of curtailment, to Interruptible Sales Service
24 Customers.
25
26 G) "ANNUAL QUANTITY DIFFERENCE" means, for purposes of Western Transportation
27 Service, the sum of the monthly Quantity Differences for the twelve months of the Gas
28 Year.
29
30 H) "AUTHORIZED SALES VOLUME" means the volume of gas which the Company agrees
31 to sell to the Customer on a given day as specified in a Contract.
32
33 I) "BACKSTOP GAS" means that quantity of gas agreed upon by the Company and the
34 Broker and/or Customer which is to supplement, in whole or in part, an impairment to
35 gas deliveries to the Company by or for the Broker and/or Customer.
36
37 J) "BASE RATE" means the rate charged for a Service, not including any rate riders or
38 other adjustment factors.
39
40 K) "BASIC MONTHLY CHARGE" means a fixed monthly charge that reflects a portion of
41 the costs of being connected to the gas distribution system and is not related to the
42 volume of gas consumed.
43
44 L) "BOARD" means the Public Utilities Board of Manitoba.
45
46 M) "BROKER" means an entity authorized by the Public Utilities Board of Manitoba to sell
47 natural gas commodity.
48

- 1 N) "BROKER'S PRIMARY GAS PRICE" means the retail price charged by a Broker to a
2 Customer for sales of Primary Gas which is used by the Company to bill the Customer
3 under ABC Service.
4
- 5 O) "BUSINESS DAY" means any calendar day exclusive of Saturdays and Sundays and
6 exclusive of days which are statutory or legal holidays under the laws of Manitoba.
7
- 8 P) "COMPANY" means Centra Gas Manitoba Inc. and its successors and assigns.
9
- 10 Q) "CONTRACT YEAR" means a period of 12 or fewer consecutive months ending on
11 October 31.
12
- 13 R) "CONTRACT" means, for the purposes of these Terms and Conditions of Service and
14 the Rate Schedules into which they are incorporated, an agreement to provide service
15 either implied, written, or oral.
16
- 17 S) "CUBIC METER - DAY" ("m³/day") means the maximum volume of gas consumed in a
18 single 24 hour period.
19
- 20 T) "CUBIC METER" ("m³") means the volume of gas which occupies one cubic meter when
21 such gas is at a temperature of 15.56 degrees Celsius, and at a pressure of 101.560
22 kilopascals absolute.
23
- 24 U) "CUSTOMER" (or "Consumer") shall include any person, firm, or corporation to whom
25 gas is delivered or any other goods or services, including attachment to the system, are
26 provided by the Company. No person, firm or corporation is a Customer in relation to
27 services provided under a "shared services agreement" or services received in the
28 recipient's capacity as a Broker.
29
- 30 V) "DAY" means a period of 24 consecutive hours beginning and ending at 9:00 a.m., in the
31 time zone in which deliveries are made. The reference date for any day shall be the
32 calendar date on which the 24 hour period shall commence.
33
- 34 W) "DELIVERY POINT" means the location at which the Company shall deliver gas to the
35 Customer.
36
- 37 X) "DELIVERED SERVICE" means natural gas supply purchased by the Company under
38 an arrangement which includes delivery of the natural gas to the Company's
39 transmission and distribution system.
40
- 41 Y) "DELIVERY SERVICE" means the transmission and distribution of natural gas from the
42 Receipt Point to the designated Delivery Point for the Customer.
43
- 44 Z) "FIRM DAILY CONTRACT DEMAND" means the maximum volume of gas which the
45 Company obligates itself to be ready to deliver and/or sell daily to the Customer's
46 Delivery Point on a Firm Service basis.
47
- 48 AA) "FIRM SERVICE" means gas service at one Delivery Point and separately metered
49 where the service may not be curtailed except for Force Majeure.
50

- 1 BB) "FUEL GAS" means the quantity of gas which is required to transport gas along the
2 TransCanada PipeLine system, or any other pipeline or storage system that is separate
3 from the Company's transmission and distribution system.
4
- 5 CC) "GAS" means natural gas having a gross heating value of not less than 36 megajoules
6 per Cubic Meter (950 Btu per cubic foot).
7
- 8 DD) "GAS LOAN" means the quantity of gas that must be exchanged between each
9 individual Broker on behalf of that Broker's Customer(s) and the Company for purposes
10 of reconciling differences between Primary Gas Billed and Primary Gas Delivered under
11 Western Transportation Service.
12
- 13 EE) "GAS LOAN MECHANISM" means a mechanism for the exchange of Primary Gas and
14 financial payments between each individual Broker on behalf of that Broker's
15 Customer(s) and the Company under Western Transportation Service.
16
- 17 FF) "GAS YEAR" means a period of 365 consecutive days beginning on the first day of
18 November; provided however, that any such year which contains a date of February 29
19 shall consist of 366 days.
20
- 21 GG) "GROSS HEATING VALUE" means the total joules expressed in megajoules per Cubic
22 Meter (MJ/m³) produced by the complete combustion at constant pressure of one (1)
23 Cubic Meter of gas with air, with the gas free of water vapor and the temperature of the
24 gas, air and products of combustion to be at standard temperature and all water formed
25 by combustion reaction to be condensed to the liquid state.
26
- 27 HH) "GROUP" means a group of Customers designated by a Broker in a single agreement
28 under Western Transportation Service or ABC Service.
29
- 30 II) "INTERRUPTIBLE DAILY CONTRACT DEMAND" means the maximum volume of gas
31 which the Company obligates itself to be ready to deliver and/or sell daily to the
32 Customer's Delivery Point on an Interruptible Service basis.
33
- 34 JJ) "INTERRUPTIBLE SERVICE" means gas service at one point of delivery and separately
35 metered where, at any time, the service may be interrupted at the sole discretion of the
36 Company.
37
- 38 KK) "INTERCONNECT POINT" means the point on the TransCanada PipeLine system or
39 any other pipeline designated by such pipelines as their point of receipt.
40
- 41 LL) "JOULE" ("J") is the unit of energy measured as the work done when the point of
42 application of force of one newton is displaced a distance of one meter in the direction of
43 the force. The terms megajoule and gigajoule means 1 x 10⁶ and 1 x 10⁹ joules,
44 respectively.
45
- 46 MM) "LOAN PRICE" means the unit price used in determining the Value of the Gas Loan
47 included under Western Transportation Service.
48
- 49 NN) "MAXIMUM DAILY QUANTITY" means the maximum quantity of gas that the Company
50 will nominate on behalf of a Customer from the Customer's supplier for Primary Gas

- 1 supply on a given day. The Maximum Daily Quantity does not include Fuel Gas and
2 may be more than the Customer's Firm Daily Contract Demand.
3
- 4 OO) "MEDIUM PRESSURE" means the pressure that the Company utilizes in its distribution
5 system that is no greater than 60 pounds per square inch.
6
- 7 PP) "MONTH" means the period beginning at 9:00 a.m. on the first Day of the calendar
8 month and ending at the same hour on the first Day of the next succeeding calendar
9 month.
10
- 11 QQ) "MONTHLY BILLING DEMAND" means the highest daily consumption measured in
12 Cubic Meters on any given day of the month, provided the month is a Winter Month, or in
13 any Winter Month of the preceding eleven months. For Customers without twelve
14 months of demand billing data, the Monthly Billing Demand may be estimated or
15 otherwise specified by the Company.
16
- 17 RR) "MONTHLY DEMAND CHARGE" means a monthly charge that reflects the Customer's
18 use of the capacity of the system. The Monthly Demand Charge is calculated as the
19 Monthly Billing Demand for the month multiplied by the applicable unit demand rate.
20
- 21 SS) "NOMINATED VOLUME" means the quantity of gas expressed in gigajoules which the
22 Customer has arranged to deliver to the Receipt Point, and the Company has agreed to
23 receive, in a given day.
24
- 25 TT) "NORMAL YEAR GAS REQUIREMENTS" means the annual gas requirements that
26 would be required under weather conditions determined from a 25-year rolling average
27 as calculated from time to time by the Company.
28
- 29 UU) "PREMISES" means the location specified in an application for service, or such other
30 location to which the Company delivers gas.
31
- 32 VV) "PRIMARY GAS" means the gas requirements that may be served with gas from
33 Western Canada which is received at the Alberta Border.
34
- 35 WW) "PRIMARY GAS BILLED" means the quantity of Primary Gas calculated to have been
36 consumed, as rendered by the Company on bills to Customers, in accordance with the
37 Company's practices.
38
- 39 XX) "PRIMARY GAS DELIVERED" means the quantity of Primary Gas delivered by the
40 Broker to the Company as part of the Western Transportation Service Agreement.
41
- 42 YY) "QUANTITY DIFFERENCE" means the difference between the Primary Gas Delivered
43 and the Primary Gas Billed under Western Transportation Service expressed in either
44 Cubic Metres or Gigajoules.
45
- 46 ZZ) "RECEIPT POINT" means the interconnection between the Company's transmission and
47 distribution system and TransCanada PipeLines transmission system.
48
- 49 AAA) "SALES SERVICE" means gas service in which the Company procures gas quantities to
50 satisfy the Customer's gas requirements.

- 1
2 BBB) "SERVICE LINE" means that portion of the Company's distribution system used for the
3 delivery of gas from the main to the inlet side of the meter assigned to the Customer.
4
5 CCC) "STANDARD PRESSURE" means an absolute pressure equal to 101.560 kPa at 15.56
6 degrees Celsius.
7
8 DDD) "SUPPLEMENTAL" means the quantity of gas, exclusive of Alternate Supply provided to
9 Interruptible Customers, that is provided by the Company in order to meet gas
10 requirements in excess of the portion of requirements that can be met by Primary Gas.
11
12 EEE) "TRANSCANADA" means TransCanada PipeLines Limited.
13
14 FFF) "TRANSPORTATION SERVICE (T-SERVICE)" means transmission and/or distribution
15 of Customer-owned gas on the Company's system as defined in the Contract between
16 Customer and the Company.
17
18 GGG) "UNAUTHORIZED OVER-RUN GAS" means:
19 a) any and all quantities of natural gas consumed by an Interruptible Class Customer
20 during a period of time that the Company has curtailed service to that customer, and
21 during which that Customer is not receiving Alternate Supply Service, and/or;
22 b) any and all quantities of natural gas consumed by a Customer of a Broker that has
23 failed to supply their requirements, during a period of time that the Company has
24 curtailed service to that Customer because the Company is unable to acquire Backstop
25 Gas.
26
27 HHH) "UNAUTHORIZED OVER-RUN GAS CHARGE" means a volumetric charge per cubic
28 metre for the procurement and supply of Unauthorized Over-run Gas consumed by a
29 Customer.
30
31 III) "UNAUTHORIZED OVER-RUN GAS DELIVERY CHARGE" means a delivery charge
32 per cubic metre for Unauthorized Over-run Gas consumed by a Customer.
33
34 JJJ) "VALUE OF THE GAS LOAN" means the amount of money equal to the quantity of the
35 Gas Loan multiplied by the Loan Price as part of Western Transportation Service.
36
37 KKK) "VOLUMETRIC CHARGE" means a charge based on the volume of natural gas
38 measured over an extended period of time, such as a monthly billing period.
39
40 LLL) "WINTER MONTH" means the months of November, December, January, February, and
41 March.
42
43 MMM) "YEAR" means a period of 365 consecutive days; provided however, that any such year
44 which contains a date of February 29 shall consist of 366 days.
45

1 **III. DESCRIPTION OF AVAILABLE RATES AND SERVICES**

2
3 This section provides general descriptions of the rates and services offered by the Company
4 and other related matters. The descriptions provided in this section are not comprehensive and
5 may be changed by the Company at any time. The characteristics and charges associated with
6 any of the following services may be changed at any time subject to Board Approval.
7

8 The Company offers two basic services. These are Sales Service, where the Company provides
9 some of the Customer's gas requirements, and Transportation Service, where the Company
10 does not provide any of the Customer's gas requirements.
11

12 **Sales Service** is a service in which the Company procures and manages gas supplies, and
13 arranges the delivery of those supplies to the Customer. Sales Service consists of four distinct
14 components: Primary Gas; Supplemental Gas; Transportation to Centra; and Distribution to
15 Customer. **Primary Gas** is natural gas procured at the Alberta Border. Sales Customers may
16 choose to purchase Primary Gas from either the Company or an alternative supplier.
17 **Supplemental Gas** is natural gas procured from all other sources. The Company provides
18 Supplemental Gas to all Sales Customers, regardless of the source of the Customer's Primary
19 Gas. **Transportation to Centra; and Distribution to Customer** includes the management of
20 all gas, including transportation to Manitoba, and the transmission and delivery of that gas to
21 Customers. **Transportation Service** ("T-Service") allows a Customer to procure and deliver its
22 own natural gas supplies to the Company's Receipt Point. The Company's T-Service is the
23 agreement under which the Company delivers that natural gas from the Receipt Point to the
24 Customer's facility. Special Terms and Conditions of Transportation Service are covered in
25 Section V.
26

27 Sections IX and X set out the specific rates for both Sales Service and T-Service.
28

29 **A) OPTIONAL SERVICE OFFERINGS:**

30
31 **1) Western Transportation Service**

32 The Company manages and delivers Broker-provided Primary Gas from the Alberta
33 Border to the Customer's facility. The Company then delivers this gas to the Customer
34 or otherwise as appropriate. An Agency Agreement between the Customer and the
35 Broker, and a separate Western Transportation Service Agreement between the
36 Customer, the Broker and the Company are required to take this service, which may be
37 executed on behalf of the Customer by the Broker as the Customer's agent. Western
38 Transportation Service is subject to the Special Terms and Conditions as set forth in
39 Section VII hereof. Western Transportation Service Customers are eligible for Alternate
40 Supply Service and Backstopping Service as described in the Optional Service Offerings
41 provided herein.
42

43 Agency Billing and Collection ("ABC") Service is offered in conjunction with Western
44 Transportation Service. ABC Service allows the Company to bill the Customer for
45 Primary Gas on behalf of the Broker, using the Broker's Primary Gas Price. The
46 Customer makes a single payment to the Company.
47

48 **2) Alternate Supply Service**

49 The Company may provide, on a best efforts basis, Alternate Supply Service on an
50 interruptible basis to Interruptible Customers requesting such service, who otherwise

1 would be interrupted by the Company for supply reasons. Alternate Supply Service may
2 be arranged by the Company at prices in accordance with the provisions of Section VI
3 hereof.
4

5 **3) Backstopping Service**

6 The Company may provide Backstopping Service, if requested, on a best efforts basis to
7 T- Service and Western Transportation Service Customers whose gas supply fails or
8 cannot be delivered to the Company's distribution system.
9

10 **4) Short Term Interruptible Transportation Service**

11 During periods where curtailment would otherwise be implemented, the Customer may
12 elect to provide its own gas supply delivered to the Company's Receipt Point in lieu of
13 Company provided gas supply. The Customer's gas supply will be transported to the
14 Delivery Point under the Short Term Interruptible Transportation Service.
15

16 **B) SERVICE OFFERINGS BY SERVICE CLASSIFICATION:**

17
18 Customers are classified as either Small General Class, Large General Class, High Volume
19 Firm Class, Co-op Class, Interruptible Class, Mainline Class, Special Contract Class or Power
20 Station Class.
21

22 **1) Small General Class ("SGC")**

23 While meter size does not determine which class a Customer is in, SGC Customers, as
24 general guide, receive gas through one meter of the type and capacity typically installed
25 for individual residences. Sales Service and the Optional Service offerings associated
26 therewith are the only services available to these Customers. T- Service is not available.
27 Service is on a firm basis and the charges include a Basic Monthly Charge, a Primary
28 Gas charge, a Supplemental Gas charge, a Transportation to Centra charge; and a
29 Distribution to Customer Volumetric Charge as described in Sections IX and X of this
30 Schedule of Sales and Transportation Services and Rates. All Customers with annual
31 consumption of less than 680,000 m³ are eligible for this rate.
32

33 Customers that are eligible for this class may elect to be reclassified as Large General
34 Class instead, however, that election will remain in effect until a subsequent election is
35 made and each election must remain effective for a minimum of one year.
36

37 Customers in this class are eligible for Western Transportation Service as described in
38 the Optional Service Offerings as provided herein.
39

40 **2) Large General Class ("LGC")**

41 While meter size does not determine which class a Customer is in, LGC Customers, as
42 a general guide, receive gas through one meter of the type and capacity not commonly
43 installed for individual residences. These Customers receive Firm Sales Service; T-
44 Service is not available. The charges include a Basic Monthly Charge, a Primary Gas
45 charge, a Supplemental Gas charge, a Transportation to Centra charge; and a
46 Distribution to Customer Volumetric Charge as described in Sections IX and X of this
47 Schedule of Sales and Transportation Services and Rates. All Customers with annual
48 consumption of less than 680,000 m³ are eligible for this class. Customers who are
49 eligible for this class may elect to be reclassified as SGC. That election, however, will

1 remain in effect until a subsequent election is made and each election must remain
2 effective for a minimum of one year.

3
4 Sales Customers in this class are eligible for Western Transportation Service as
5 described in the Optional Service Offerings provided herein.
6

7 **3) High Volume Firm (“HVF”) Class**

8 HVF Customers receive gas on a firm basis through one meter, where annual
9 consumption equals or exceeds 680,000 m³. These Customers may elect to receive
10 either Firm Sales Service or Firm Transportation Service. The charges include a Basic
11 Monthly Charge, a Monthly Demand Charge, a Primary Gas charge, a Supplemental
12 Gas charge, a Transportation to Centra charge, and a Distribution to Customer
13 Volumetric Charge as described in Sections IX and X of this Schedule of Sales and
14 Transportation Services and Rates. Customers desiring this service must execute a
15 binding agreement with the Company with a minimum term of one year. Any change in
16 classification from HVF Class to Interruptible Class shall be at the consent of the
17 Company.
18

19 Sales Customers in this class are eligible for Western Transportation Service as
20 described in the Optional Service Offerings provided herein. Transportation Service
21 Customers in this class are eligible for Backstopping Service as described in the
22 Optional Service Offerings provided herein.
23

24 **4) Co-op (“Co-op”) Class**

25 Co-op Customers receive gas through one meter where the Customer is served directly
26 from the Company’s medium pressure transmission system or through dedicated
27 distribution facilities at pressures in excess of medium pressure and whose annual gas
28 requirements are less than 680,000 m³. Co-op customers must distribute gas and be
29 regulated by the PUB. Co-op Customers must contract with the Company for 12 months
30 or longer for firm year-round service, and have a load factor of less than 40%.
31

32 Co-op Customers may elect Firm Sales Service, or Firm Transportation Service. The
33 charges include a Basic Monthly charge, a Monthly Demand charge, a Primary Gas
34 charge, a Supplemental Gas charge, a Transportation to Centra charge, and a
35 Distribution to Customer Volumetric Charge as described in Sections IX and X of this
36 Schedule of Sales and Transportation Services and Rates. This service may be subject
37 to Special Terms and Conditions as specified in sections V and VI.
38

39 Sales Customers in this class are eligible for Western Transportation Service as
40 described in the Optional Service Offerings provided herein. T-Service Customers in
41 this class are eligible for Backstopping Service as described in the Optional Services
42 Offerings provided herein.
43

44 **5) Interruptible Class (“IC”)**

45 Interruptible Customers receive gas through one meter where the service may be
46 interrupted by the Company from time to time upon notice to the Customer.
47 Interruptible Service is available only in situations where, in the sole opinion of the
48 Company, a benefit exists for the Company or other Customers. Interruptible Service is
49 available to Customers whose annual gas requirements equal or exceed 680,000 m³
50 and who contract for such service for a minimum of one year, or to Customers that have

1 received Interruptible Service continuously since December 31, 1996. Sales Service or
2 Transportation Service are available. The charges include a Basic Monthly Charge, a
3 Monthly Demand Charge, a Primary Gas charge, a Supplemental Gas charge, a
4 Transportation to Centra charge, and a Distribution to Customer Volumetric Charge as
5 described in Sections IX and X of this Schedule of Sales and Transportation Services
6 and Rates. Interruptible Service is subject to Special Terms and Conditions of Service
7 as set out in Sections V and VI, which also includes charges for failure to comply with
8 the Terms and Conditions of the service.
9

10 Sales Customers in this class are eligible for Short Term Interruptible Transportation
11 Service, Western Transportation Service, and/or Alternate Supply Service as described
12 in the Optional Service Offerings provided herein. T-Service Customers in this class are
13 eligible for Backstopping Service as described in the Optional Service Offerings provided
14 herein.
15

16 **6) Mainline Class (“MLC”)**

17 Mainline Customers receive gas through one meter where the Customer is served
18 directly from the Company’s transmission system or through dedicated distribution
19 facilities at pressures in excess of medium pressure and whose annual gas
20 requirements equal or exceed 680,000 m³ and who contract for such service for a
21 minimum of one year. Mainline Customers may elect Firm Sales Service, Interruptible
22 Sales Service (in conjunction with Firm Delivery Service), or Firm Transportation
23 Service. The charges include a Basic Monthly Charge, a Monthly Demand Charge, a
24 Primary Gas charge, a Supplemental Gas charge, a Transportation to Centra charge,
25 and a Distribution to Customer Volumetric Charge as described in Sections IX and X of
26 this Schedule of Sales and Transportation Services and Rates. This service may be
27 subject to Special Terms and Conditions as specified in sections V and VI.
28

29 Sales Customers in this class are eligible for Alternate Supply Service, Short Term
30 Interruptible Transportation Service and/or Western Transportation Service as described
31 in the Optional Service Offerings provided herein. T-Service Customers in this class are
32 eligible for Backstopping Service as described in the Optional Service Offerings provided
33 herein.
34

35 **7) Special Contract Class**

36 The Company provides Special Contract service through a written agreement between
37 the Company and a Customer which governs the gas service to the Customer. Special
38 Contract Service may include Sales Service and/or a Transportation Service. This
39 service will be governed by the terms of the individual contract.
40

41 **8) Power Station Class**

42 The Company provides service to electrical generating stations which use natural gas in
43 the production of electricity through a written agreement between the Company and the
44 Customer which governs the gas service to the Customer. Power Station Service may
45 include Sales Service and/or Transportation Service. This service will be governed by
46 the terms of the individual contract.

1 **IV. GENERAL TERMS AND CONDITIONS**

2
3 This Section IV deals with sales, delivery, and transportation services provided by the
4 Company.

5
6 **A) CONTRACT FOR SERVICE**

7
8 **1) General**

9 a) These General Terms and Conditions shall apply to all contracts (howsoever
10 created) for gas service under any of the Company's rate schedules or service
11 classifications, including Special Contracts; provided that, if the provisions of any
12 explicit Contract conflict with these Terms and Conditions, the provisions contained
13 in the explicit Contract shall prevail.

14
15 b) These General Terms and Conditions may, subject to approval by the Board, be
16 added to, altered, or amended by the Company from time to time and any such
17 addition, alteration, or amendment shall become effective upon Order of the Board.

18
19 **2) Application for Service**

20 a) Application for a service line shall be made on a form provided by the Company. The
21 application, when signed by the Customer and accepted by the Company, shall
22 become a contract for gas service.

23
24 b) Verbal application for gas service to premises having existing facilities may be
25 accepted by the Company. In such cases, a contract is deemed to be made
26 between the Company and the Customer.

27
28 c) When two or more rates and/or services are available to a Customer, the Customer
29 may elect the rates and/or services to be provided to the Customer. In the event that
30 an election is not specified, the Company will make an election. The Customer may
31 make an alternative election at any time subject to reasonable notice. The
32 Customer, having made an election, must remain with that rate and/or service for a
33 period of not less than twelve months following the effective date of the election. All
34 elections are prospective only.

35
36 **3) Termination**

37 The Customer may terminate the contract by providing no less than seven (7) days
38 notice to the Company, to be effective on the later of seven (7) days following receipt of
39 such notice by the Company or the date specified in such notice by the Customer.
40 Notwithstanding any such termination, the Company retains its rights of access as noted
41 in Paragraph IV B) 8) to its equipment on or in the Customer's property and the
42 Customer remains liable to the Company for any amounts payable under the contract of
43 service up to the latter of the date of termination, or the remaining period of the contract.
44 Any additional contracts or agreements in place between the Customer and the
45 Company remain subject to the termination provisions contained therein.

46
47 **4) Easements and Rights-of-Way**

48 a) If, before the point of entry at the Premises, a service line must cross property owned
49 by some person other than the Customer, the Company shall obtain from such

1 person a written consent or easement for the installation and maintenance of the
2 service line and related facilities.

- 3
4 b) If the Customer is not the registered owner of the Premises, the Customer shall
5 obtain for the Company from the said owner the necessary consent or easement in
6 writing for the installation and maintenance in said Premises of all necessary facilities
7 for supplying gas; provided that the Company may, at its option, itself acquire such
8 consent or easement.

9
10 **5) Assignment**

11 All contracts for service shall be binding upon, and inure to the benefit of, the parties
12 hereto and their respective successors and assigns, but shall not be assigned or be
13 assignable by the Customer without the consent in writing of the Company first being
14 obtained which consent may be withheld by the Company.

15
16 **6) Representation**

17 No agent, representative, or employee of the Company has the authority to make any
18 promise, agreement, or representation not incorporated within the Company's Schedule
19 of Sales and Transportation Services and Rates or executed through a contract for
20 service, and any such promise, agreement, or representation shall not bind the
21 Company.

22
23 **7) Resale of Gas**

24 Gas taken by a Customer at a delivery point shall not be resold, except as permitted by
25 Law.

26
27 **8) Rates and Charges**

28 In connection with a contract for service, the Customer shall pay the Company at the
29 rates approved from time to time by the Board or other regulatory body having
30 jurisdiction, and shall pay any other charges validly in effect from time to time.

31
32 **9) The Public Utilities Board Act to Prevail**

33 The provisions of these Terms and Conditions of Service are subject at all times to all
34 applicable Federal, Provincial, and Municipal Legislation including The Public Utilities
35 Board Act (Manitoba) as amended from time to time, or such other legislation as may be
36 enacted in replacement thereof and any lawful Orders of the Board. In the event of any
37 conflict between the provisions of these Terms and Conditions, the provisions of the
38 aforesaid Legislation, or any lawful Order of the Board, the provisions of the said
39 Legislation or Order shall prevail.

40
41 **B) SERVICE CONNECTION AND CHARGES**

42
43 **1) Authority for Work**

44 No changes, extensions, replacements, repairs, connections, or disconnections to, of, or
45 from the Company's system shall be made except by the Company's duly authorized
46 employees, agents, or contractors.

47
48 **2) Installation Policy**

49 Subject to IV B) 3) hereof, where the Company's main is adjacent to the Customer
50 Premises, the Company will install, at no additional charge to the Customer, a service

1 line from the main to a meter location selected by the Company, except that where the
2 distance from the property-line crossed by the service line to the entry-point or meter
3 exceeds forty-six meters (150 feet), the Company may invoke and the Customer shall
4 pay an excess distance charge. The Company reserves the right to conduct a feasibility
5 study on each applicant or project and charge an applicable contribution in aid of
6 construction for that Customer and/or any and all Customers in a project, which
7 contribution shall be paid (or suitable arrangements made in lieu thereof to the
8 satisfaction of the Company) prior to commencement of construction.
9

10 **3) Right of Refusal to Install**

11 The Company may refuse to install a service line if, in the Company's opinion, such
12 installation is not reasonable and practical and would not furnish sufficient business to
13 justify the construction and maintenance thereof, and neither acceptance of an
14 application from nor any cash deposit from the Customer shall be construed as a
15 commitment by the Company to install any service line.
16

17 **4) Location of Service and Meter**

18 The Company will designate the location of the service lines, meters, and regulators,
19 and will determine the amount of space that must be left unobstructed for the installation
20 and maintenance of such equipment.
21

22 **5) Service Relocation and Alteration**

23 Where the Customer requests, or where the Customer's conduct requires, that the
24 meter, regulator and/or service line either enter the Premises at a point or follow a route
25 different from that chosen by the Company or alters the existing configuration, it must
26 conform to existing codes and regulations. The Company may charge and the Customer
27 shall pay for all extra costs incurred for the installation or alteration in accordance with
28 the Customer's request, or as made necessary by the Customer's conduct, provided that
29 nothing herein obligates the Company to make the requested or required changes.
30

31 **6) Meters Installed Within Premises**

32 If the Company has designated an inside meter location, the meter will be installed as
33 close to the service entry point as allowed by existing codes and regulations. Where the
34 Customer desires a meter location other than that chosen by the Company, it must
35 conform to existing codes and regulations, and the Customer will be charged the cost of
36 installing all piping in excess of the amount required by the Company's choice of
37 location. All piping, and other equipment if any, between the main and the meter remains
38 the property of the Company.
39

40 **7) Additional Meters Installed Within Premises**

41 Additional meters may be installed on request at the Customer's expense. The Company
42 reserves the right to refuse installation of additional meters where such installation is not
43 reasonably necessary for the Customer's purposes.
44

45 **8) Access to Property**

46 The Customer grants the Company full power, right, and liberty to enter the lands upon
47 which the Premises are situated to break the surface and make necessary excavations
48 for the purpose of locating, installing, repairing, replacing, maintaining, and inspecting all
49 facilities on the said lands. The Company shall do as little damage and cause as little
50 inconvenience as is reasonably possible in doing such work, and shall restore the

1 property as nearly as is reasonably practical, to its former state provided at all times that
2 the Company shall not be obligated to remove its pipelines or other equipment.
3

4 **9) Commencement of Use of Gas**

5 The Customer agrees to commence using gas on the Premises within six (6) months of
6 the date of installation of the facilities. Failing to so commence, after the sixth month the
7 Customer shall pay the Company's approved Basic Monthly Charge, or at the
8 Company's option, shall pay the full cost of the installation and removal of services.
9

10 **10) Timing of Installation**

11 The Company reserves the right to determine the timing of the installation of service
12 when by reason of weather, conditions of excavation, and/or other circumstances
13 beyond its control, it is deemed inadvisable to install facilities.
14

15 **11) Gratuities**

16 Employees of the Company are expressly forbidden to solicit or accept any gratuities
17 from the Customer.
18

19 **C) CONSUMER CONTRIBUTIONS IN AID OF CONSTRUCTION**

20 **1) Refundable Contributions**

21 Where the Company deems anticipated revenue from the Customer insufficient to justify
22 an extension of its distribution system, it may require the Customer to pay a contribution
23 in aid of construction of the extension. The contribution will be refunded after the end of
24 the fifth year under the following circumstances:
25
26
27

- 28 a) Full Refund: if, in the sole opinion of the Company, sufficient new Customers or
29 loads are attached to the extension to make it economically feasible, a full refund of
30 the original contribution will be made.
31
32 b) Partial Refund: if, in the sole opinion of the Company, new Customers or loads are
33 attached to the extension, but total anticipated revenue from the extension is
34 insufficient to prevent it from being a burden to the Company's other existing
35 Customers, the additional loads will be considered in re-evaluating the original
36 contribution and such re-evaluation may enable a refund to the original Customer to
37 a maximum of the original contribution. Any portion of the refundable contribution not
38 refunded at the end of five (5) years will become a non-refundable contribution.
39
40 c) Any refund that may be due to the Customer will first be applied to any outstanding
41 amounts due to the Company by the Customer. Any remaining balance will be
42 refunded to the Customer.
43

44 **2) Non-Refundable Contributions**

45 Where the Company deems that projected revenue from all potential added connections
46 will be inadequate to prevent an undue burden on existing Customers, it may require the
47 Customer to pay a non-refundable contribution in aid of construction of the extension.
48

1 **D) MEASUREMENT BILLING AND PAYMENT**

2
3 **1) Meters and Regulators**

4 The Company shall install on the Customer's Premises, at a point to be selected by the
5 Company, such meter(s), regulator(s), and/or other equipment as the Company deems
6 necessary, which shall be and remain the property of the Company.
7

8 **2) Testing Measurement Equipment**

9 a) In the event that the Customer requests under the Electricity and Gas Inspection Act
10 for the testing of the measurement equipment, and by such testing it is found that the
11 measurement equipment is recording within the allowable tolerances as specified in
12 the Regulations under the said Act, all previous readings shall be deemed to be
13 correct and the Customer shall pay to the Company its charge for testing and
14 changing the equipment. If the measurement equipment is found to be recording
15 outside of allowable tolerances, the cost of testing and changing the meter will be
16 borne by the Company and a correction in billing shall be made as set out in IV D) 4)
17 hereof.
18

19 b) The accuracy of measuring equipment shall be verified by the Company at
20 reasonable intervals, but shall not be required more frequently than once in any
21 thirty-day period. In the event either party shall notify the other that it desires a
22 special test of any measuring equipment the parties shall co-operate to secure a
23 prompt verification of the accuracy of such equipment. The expense of any such
24 special test shall be borne by the requesting party if the equipment tested is found to
25 be in error by not more than 2%.
26

27 c) If, upon test, any measuring equipment is found to be in error by not more than 2%,
28 then previous recordings of such equipment shall be considered accurate in
29 computing deliveries of gas. However, the equipment shall be adjusted at once to
30 read as accurately as possible.
31

32 d) If, for the period since the last preceding test, it is determined that any measuring
33 equipment is found to be inaccurate by an amount exceeding 2% for such period,
34 then the previous readings of measurement equipment shall be corrected for any
35 period during which the measuring equipment was known to be inaccurate. In such
36 situations, corrections for billing purposes shall be in accordance with section IV D)
37 4).
38

39 **3) Meter Reading**

40 Meters shall be read with such frequency as the Company may decide. The Company
41 shall have the right at any time to estimate Customer consumption and to render a bill
42 based upon such estimated consumption. Should the number of consecutive estimated
43 readings exceed five (5), the Company shall, subject to its ability to gain access to the
44 Customer's Premises, read the meter. Notwithstanding the foregoing, the Company
45 may, at its option, require the Customer to read the meter and report such reading in the
46 manner specified by the Company.
47

1 **4) Failure of Measurement Equipment to Register Properly**

2 If the measurement equipment ceases to register properly, the quantity of gas used will
3 be determined by the most appropriate method, as determined in the sole opinion of the
4 Company. Such methods may include but not be limited to:

- 5
- 6 a) mathematical calculations and comparisons including prevailing ratio with a parallel
7 meter,
 - 8
 - 9 b) the use of the Customer's check measuring equipment, and
 - 10
 - 11 c) the amount consumed during the corresponding period of the previous month(s) or
12 year(s), giving due consideration to the weather, processing, and connected load, or
13
 - 14 d) if no such information exists, the Company's best estimate, having regard to the
15 circumstances.
 - 16

17 A correction in billing shall be made for the period that the measurement equipment
18 failed to register properly, not exceeding two (2) years retroactive from the date of
19 discovery.

20

21 **5) Billing**

22 a) **General:** Bills will be rendered monthly or by such other period as the Company may
23 determine and the Customer shall pay rendered accounts by the due date specified on
24 the bill. The Company shall assess, and the Customer shall pay, a late payment charge
25 as specified in the rate schedule on all accounts remaining unpaid after the due date.
26 The Company's records of the date of mailing or delivery of bills shall be conclusive
27 evidence of the date of rendering. For purposes of computing monthly bills, "month" shall
28 mean a billing period of approximately thirty (30) days. Bills computed for periods longer
29 or shorter than one month in this context shall be prorated, including fixed charges such
30 as the Basic Monthly Charge and the Monthly Demand Charge where applicable.

31

32 Where bills have been rendered, and it is subsequently determined that they have been
33 incorrectly calculated for reasons other than Failure of Measurement Equipment to
34 Register Properly, they shall be recalculated and submitted for payment by the
35 Customer or Refund by the Company. In such situations the recalculations may be
36 retroactive for a maximum period of six years. No penalty or interest shall be included on
37 such rebilled amounts during the retroactive period. Interest charges and/or late
38 payment charges may begin after the due date as specified on the bill when rendered for
39 the corrected amounts.

40

41 b) **Application of Payments/Credits to Electricity and Gas Accounts and Other**
42 **Indebtedness:** Where a Customer pays less than the full balance due on an account
43 which is comprised of charges for the supply of natural gas and electricity including
44 related late payment charges and/or an amount for items other than gas or electricity
45 services and related late payment charges (the "Other Indebtedness"), or receives a
46 credit on the account, in the absence of a specific direction from the Customer, such
47 payment/credit shall be applied in the following order:

- 48 i. first to the oldest arrears. Where arrears are of equal vintage,
49 payments shall be applied pro rata to natural gas charges, including
50 related late payment charges, electricity charges, including related

- 1 late payment charges and to the Other Indebtedness, including
2 related late payment charges;
3 ii. where there are payments/credits in excess of the amount required to
4 pay the oldest arrears, payments/credits shall be next applied to the
5 next oldest arrears (pro rata in accordance with subparagraph (i) if
6 there is more than one service with arrears of equal vintage), and so
7 on until all arrears are paid;
8 iii. if there are no other arrears, to current charges, pro rata.
9

10
11 **6) Authorization to Disconnect Other Service and/or Install Load Limiting**
12 **Devices**

13 Where the Customer has an account comprised of charges for electricity and natural gas
14 service, or is the recipient of both electricity and natural gas service at the same address
15 but billed separately, the Customer authorizes the Company to request that Manitoba
16 Hydro disconnect the electric service or alternately install a load limiting device on the
17 electric service where the charges for natural gas service are in arrears and full payment
18 or payment arrangements suitable to the Company have not been made. The
19 installation and removal of the load limiting device and/or disconnection and
20 reconnection of service shall be undertaken in accordance with the procedures as
21 defined in the Gas and Combined Gas/Electric Services Disconnection and
22 Reconnection Policy and Procedure as approved from time to time upon Order of the
23 Board.
24

25 **7) Guarantee Deposit**

26 Applicants for service may, at the option of the Company, be required to provide a
27 guarantee of payment in the form of a deposit, letter of credit, or other guarantee
28 suitable to the Company. The amount of such guarantee shall not normally exceed the
29 total of estimated billings to the Customer for the three (3) month period of maximum
30 consumption. Guarantee amounts may be assessed at the discretion of the Company.
31 The guarantee is security against any outstanding indebtedness of the Customer, and
32 may, at the Company's discretion, be held by the Company until the Customer
33 discontinues the use of gas at the Premises and the contract is terminated, or the
34 guarantee or part thereof may be applied from time to time against the outstanding
35 indebtedness of the Customer and any amount so applied shall forthwith be paid to the
36 Company by the Customer to replenish such guarantee. The amount of such guarantee
37 is not transferable or assignable.
38

39 If the guarantee is provided by way of a deposit, the Company shall annually credit
40 interest on the deposit at the Company's average short-term borrowing cost, as updated
41 from time to time.
42

43 The deposit shall cease to draw interest at the earliest of; the date it is returned to the
44 Customer, the date notice is sent to the Customer's last known address that the
45 guarantee is no longer required, the date the deposit is applied against the outstanding
46 indebtedness of the Customer, or the date when service is final billed.
47

48 In the event of termination of the contract between the Company and the Customer,
49 such deposit plus accrued interest, less any amount owed to the Company, will be
50 refunded.

1
2 **8) Budget Billing Plan**

3 The Company may, at its discretion, permit the Customer to pay fixed monthly
4 installments on account of services and/or gas consumed or to be consumed by the
5 Customer during all or any part of a period.
6

7 The Company shall fix the amount of the monthly installments on the basis that the
8 installments to be paid shall total the sum which would be payable under the Company's
9 rate schedule for the amount of gas or services which the Company estimates would be
10 consumed on the Premises during the period in which the Customer is to pay such
11 installments (herein called, "the budget period").
12

13 The Customer may terminate the Budget Billing Plan at any time by giving seven (7)
14 days' prior notice of termination to the Company and the Company may terminate the
15 Budget Billing Plan at any time in the event that the Customer ceases to be a Customer,
16 or if the Customer has not maintained payment of installments to the Company's
17 satisfaction.
18

19 Upon the expiration of the budget period or its earlier termination as referred to above,
20 the amount that would be payable to the Company by the Customer pursuant to the rate
21 schedule for gas actually consumed from the beginning of the budget period to its end or
22 earlier termination, shall be compared with the aggregate of the monthly installments
23 actually paid by the Customer during such time, and if the amount payable exceeds the
24 aggregate of the amounts actually paid, such excess shall be paid by the Customer to
25 the Company, or if the amount actually paid exceeds the amount payable, such excess
26 shall be paid or credited by the Company to the Customer.
27

28 The Company may, at any time, revise its estimate of a Customer's gas consumption,
29 and accordingly, may increase or decrease the amount of monthly installments payable
30 by the Customer. In addition, the monthly installments may be adjusted to reflect
31 approved rate changes.
32

33 **9) Returned Cheques**

34 When a Customer's cheque is returned by banks or other financial institutions for any
35 reason, a returned cheque charge will be assessed to the Customer. The amount of this
36 charge will be as determined from time to time by the Company, subject to Board
37 approval.
38

39 **10) Taxes**

40 The rates and charges referred to in these Terms and Conditions do not include taxes or
41 other amounts which the Company may be required to collect from Customers.
42

43 **11) Late Payment Charge**

44 A late payment charge shall be charged on the dollar amount owing after each billing
45 due date. The due date will be at least 14 days after the mailing of the bills.
46

47 **12) Measurements**

48 The volume and gross heating value of gas shall be determined as follows:
49

50 a) **Unit of Gas:** The unit of gas sold to or transported for the Customer shall be a

1 volume of gas measured according to Boyle's Law for the measurement of gas under
2 varying pressures and on the measurement basis set out in paragraph b) below.
3 Where appropriate, proper corrections shall be made for the specific gravity and
4 flowing temperatures of the gas and for deviation from Boyle's Law as provided in
5 paragraph b) below.
6

7 b) **Determination of Volume**, for the purpose of measurement, the unit of volume shall
8 be one Cubic Meter of gas at a temperature of 15.56 degrees Celsius and at a
9 pressure of 101.560 kilopascals absolute. For the purpose of measurement of gas
10 delivered by the Company the average absolute atmospheric (barometric) pressure
11 at such delivery points shall be assumed to be constant during the term thereof,
12 regardless of variations in actual barometric pressure from time to time, and shall be
13 assumed to be the following for each delivery point within the applicable Manitoba
14 Sales Districts and Zones (see Section I: Territory Served):
15

<u>Zone</u>	<u>Average Absolute Atmospheric (Barometric) Pressure (PSIA)</u>
1	14.30
2	14.18
3	14.05
4	13.87

16
17
18 c) **The gross heating value** of the gas per Cubic Meter at any delivery point shall be
19 as determined by TransCanada PipeLines Limited ("TCPL").
20

21 d) **The flowing temperature** of the gas shall be, in the case of non-orifice
22 measurement devices, in accordance with the recommendation of the equipment's
23 manufacturer. Integrating devices for automatically correcting volumes for flowing
24 temperature may be used as the Company deems necessary.
25

26 e) **The specific gravity** of the gas delivered shall be as determined by TCPL.
27

28 f) **When gas is measured** by means of an orifice meter or meters, the factor for
29 correction for deviation from Boyle's Law shall be computed in accordance with the
30 American Gas Association's Tables published for that purpose together with
31 amendments and supplements, using the daily arithmetic averages of temperatures,
32 pressure, specific gravity, and a representative gas analysis as required by the
33 tables. When gas is measured by means other than an orifice meter, the factor for
34 correction for deviation from Boyle's Law shall be the square of the factor determined
35 by following the above described method for use with orifice meters.

1
2 **13) Determination of Monthly Billing Demand**

3 The Monthly Billing Demand that will be used to calculate the Customer's Monthly
4 Demand Charge shall be determined as follows:

- 5
6 a) **Monthly Billing Demand** will be the highest daily consumption, subject to sections
7 V F) 3), V G) 7), VI D) 4), and VI E) 7), measured in Cubic Meters on any given day
8 of the month, provided the month is a Winter Month, or in any Winter Month of the
9 preceding eleven months. For Customers without twelve months of demand billing
10 data, the Monthly Billing Demand may be estimated or otherwise specified by the
11 Company.
12
13 b) **Exception:** During the months of November and March, the Company may (at its
14 sole discretion) authorize certain Customers to use gas without invoking a higher
15 Monthly Billing Demand. This flexibility will be available only to those Customers
16 who do not regularly require significant volumes of gas in the Winter season, but
17 whose non-winter requirements may extend into the Winter season for a short
18 duration either at the start or at the end of the Winter season. Such flexibility may be
19 provided at the sole discretion of the Company.
20

21 **E) OTHER SERVICES**

22 The Company may provide the following services:

- 23
24 a) Locate and mark at no direct charge, all Company owned underground plants on
25 request to facilitate excavation or other construction.
26
27 b) Respond, at no charge, on a 24-hour emergency basis to reports of, explosion, fire,
28 gas odour, leaks, fumes, over-pressure, overheating of natural gas space heating
29 equipment or damaged plant, or any other service which, in the Company's opinion,
30 is required for the maintenance and security of Company equipment.
31
32 c) Provide safety inspections, safety related adjustments and/or repairs to the gas
33 burning portion of all residential appliances and commercial appliances under
34 400,000 Btu/h (422 MJ/h). This includes, but is not limited to, repair of minor gas
35 leaks, and the adjustment and replacement of controls and control parts. The Small
36 General Class Customer will be responsible for the cost of parts. All other Customers
37 will be responsible for the cost of parts and labour.
38
39 d) Service to commercial or industrial equipment over 400,000 Btu/h (422 MJ/h) will not
40 normally be undertaken. The Company will respond, however, to commercial
41 emergencies where business might be adversely affected by prolonged interruption
42 of service. The Customer will be responsible for the cost of parts and labour.
43
44 e) Provide customers or customers' agents with basic billing. Routine queries for which
45 a response can be developed with the commitment of 30 minutes or less of staff time
46 will be addressed at no charge. For more complex inquiries, which require more
47 than 30 minutes staff time, the customer will be responsible for the cost of labour,
48 which will be billed at the approved Company Labour Rate (see Section XI,
49 Company Labour Rate).
50

1 All "Other Services" provided by the Company to the Customer shall be charged to the
2 Customer at rates in effect from time to time.
3

4 **F) EQUIPMENT**

5
6 **1) Ownership of Equipment**

7 The title to and ownership of all service lines, meters, regulators, attachments, and other
8 Company equipment placed on the Customer's Premises shall remain in the Company,
9 with right of removal, and no charge shall be made by the Customer for use of Premises
10 occupied thereby. This paragraph shall not apply to equipment sold directly to the
11 Customer by the Company.
12

13 **2) Measuring Station**

14 The Company will install, maintain, and operate, at or near each delivery point, a
15 measuring station properly equipped with a meter or meters and other necessary
16 equipment for properly measuring the gas delivered.
17

18 Positive displacement and turbine meters together with auxiliary equipment shall be of a
19 type approved for use by the Department of Consumer and Corporate Affairs, Standards
20 Branch, pursuant to the Electricity and Gas Inspection Act (Canada). When positive
21 displacement and turbine meters are used they shall be equipped with a counting device
22 for indicating the actual volume of gas passing through the meter. A device for
23 integrating the product of the volume of gas measured multiplied by the pressure and
24 temperature corrections and indicating the volume of gas delivered may be used. If an
25 integrating device is used, correction for the deviation from Boyle's Law may be built into
26 the device; otherwise such correction shall be applied to the volume of gas indicated at
27 the Company's sole discretion.
28

29 The Customer may install, maintain, and operate, at its own expense, such check
30 measuring, pressure, or volume control equipment as desired, provided that such
31 equipment shall be installed and/or operated so as not to interfere with the operation of
32 the Company's equipment.
33

34 **3) Rights of Parties**

35 The measuring equipment so installed by either party together with any building erected
36 by it for such equipment, shall be and remain its property. However, the Company and
37 the Customer shall have the right to have a representative present at the time of any
38 installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or
39 adjusting done in connection with the other's equipment. The records from such
40 equipment shall remain the property of their owner, but upon request each will submit to
41 the other its records and charts, together with calculations therefrom, for inspection and
42 verification, subject to return within ten days after receipt thereof.
43

44 **4) Care Required**

45 All installation of equipment applying to or affecting deliveries of gas shall be made in
46 such manner as to permit an accurate determination of the quantity of gas delivered and
47 ready verification of the accuracy of measurement. Care shall be exercised by both
48 parties in the installation, maintenance, and operation of equipment so as to prevent any
49 inaccuracy in the determination of the volume of gas delivered.
50

1 **5) Preservation of Metering Records**

2 The Company, and where the Customer has installed check equipment, the Customer,
3 shall each preserve for a period of at least six years all test data, charts, and other
4 similar records. Microfilms of the original documents shall be considered true records.
5

6 **6) Protection of Company -Owned Equipment on Customer's Premises**

7 a) Maintenance of service lines, meters, and regulators or any other Company-owned
8 equipment shall be the responsibility of the Company. The Customer shall be
9 responsible for all damage to equipment on the Premises except for deterioration
10 from normal usage.
11

12 b) If the Customer undertakes to renovate, reconstruct, or modify the Premises in such
13 a way as to render Company equipment non-compliant with any existing codes or
14 regulations, the Company will make any corrections necessary to its equipment so
15 that it conforms to the said codes and regulations and the Customer shall be
16 responsible for the cost of such corrections.
17

18 **7) Moving Meters**

19 The Company may charge the Customer the cost of moving a meter from one location to
20 another in the event such move is made at the request of the Customer.
21

22 **8) Access to Premises**

23 In cases of perceived emergency, or for reasons of safety, or if the premises are
24 uninhabited, the Company is authorized to enter upon the Premises in the absence of
25 the Customer and is authorized to use such force as may be necessary to obtain access
26 to its equipment for inspection, disconnection, and repair. All such instances shall be
27 reported to the local police authorities immediately by the Company.
28

29 **9) Termination of Service**

30 If the supply of gas is terminated for any reason, the Company may, but shall not be
31 obligated to, remove any or all Company owned equipment. Where the equipment is not
32 removed, the Company shall effectively seal it off in compliance with applicable codes,
33 regulations, and industry practices.
34

35 **10) Rental Equipment**

36 The title to all equipment supplied by the Company under a Rental Agreement and
37 placed on the Customer's Premises shall remain with the Company with right of removal,
38 and no charge shall be made by the Customer for use of Premises occupied thereby.
39

40 **G) DISCONTINUANCE OF SERVICE**

41 **1) Requirement of Notice**

42 If the Customer desires to discontinue the use of gas or to move from the Premises or in
43 any way to terminate the contract, the Customer shall notify the Company of such
44 intention and provide the Company with reasonable notice of discontinuance.
45
46

47 **2) Reasons for Discontinuance**

48 The Company reserves the right to temporarily or permanently discontinue the supply of
49 and/or delivery of gas and/or to remove its property from the Customer's Premises, for
50 any of the following reasons:

- 1
2 a) Failure, temporary or permanent, of the availability of gas;
3
4 b) Necessary repairs on any point on its system;
5
6 c) Non-payment by the Customer of any indebtedness to the Company when due;
7
8 d) Failure of the Customer to pay any guarantee deposit or increase thereof forthwith
9 on demand;
10
11 e) Bankruptcy or insolvency of the Customer;
12
13 f) Use by the Customer of defective pipe, appliances, gas fittings, or installations
14 contravening prescribed codes and regulations, or the demand by the Customer for
15 the supplying of gas in such a manner as may, in the Company's opinion, be likely to
16 lead to a dangerous situation;
17
18 g) Use of gas contrary to the terms of these Terms and Conditions or to any explicit
19 Contract made with the Customer;
20
21 h) Misrepresentation by the Customer in relation to the use of gas or the amount
22 consumed;
23
24 i) Moving of Customer from the Premises;
25
26 j) Inability of the Company to gain admittance to the Premises to replace the meter as
27 required, or read the meter for a period of six (6) consecutive months;
28
29 k) Termination in any manner of the contract of service;
30
31 l) Discontinuance of the use of gas on the Premises;
32
33 m) Fire, flood, explosion, or other emergency in order to safeguard persons or property
34 against the possibility of injury or damage;
35
36 n) Theft of Company property, services, and/or gas.

37
38 **3) Reconnect Fees**

39 On each occasion when gas service is discontinued at the Customer's request or as a
40 result of failure of the Customer to comply with these Terms and Conditions, and the
41 Customer subsequently requests that service be resumed to the Customer at the same
42 Premises, a reconnect fee may be charged in addition to the Customers Basic Monthly
43 Charge (if applicable) and Monthly Demand Charge (if applicable) for the period of
44 discontinued service. In the event that the meter and regulating equipment and/or
45 service line are removed and replaced on the same Premises within five years of
46 removal, the Company may charge a fee for resetting the meter, regulator and
47 installation of the service line. Until such charges, together with any other indebtedness
48 of the Customer to the Company are paid, the Company may, at its discretion, refuse to
49 reconnect the service or to supply gas.
50

1 **H) RULES FOR TRANSFER OF CUSTOMERS BETWEEN CLASSES OR SERVICES**

2 The following rules shall apply with respect to any customer that may elect to make an
3 eligible change between customer classes or between service offerings.
4

5 **1) Transfers Between Sales and Transportation Service**

6 Customers that are currently receiving Sales Service and that wish to contract for
7 Transportation Service must make a written request to the Company. All requests for
8 such transfer of Service must be made no later than March 15 in any given year. The
9 Customer must execute a Transportation Service agreement with the Company no later
10 than June 30 of the same year. All transfers between Sales and Transportation Services
11 shall become effective no later than November 1 of each year.
12

13 **2) Transfers Between Transportation and Sales Service**

14 Customers that are currently receiving Transportation Service and that wish to contract
15 for Sales Service must make a written request to the Company. All requests for such
16 transfer of Service must be made no later than March 15 in any given year. The
17 Customer must execute an agreement with the Company no later than June 30 of the
18 same year. All transfers between Transportation Service and Sales Service shall
19 become effective no later than November 1 of each year.
20

21 **3) Transfers Between Interruptible Class and Firm Service Classes**

22 Customers that are currently receiving Interruptible Service and that wish to be provided
23 Firm Service must make a written request to the Company. All requests for such
24 transfer of Service must be made no later than March 15 in any given year. The
25 Customer must execute an agreement with the Company no later than June 30 of the
26 same year. All transfers between Interruptible Service and the applicable Firm Service
27 customer class shall become effective no later than November 1 of each year.
28

29 **I) RESPONSIBILITY OF PARTIES**

30
31 **1) Transfer of Risk, Title, and Possession**

32 With the exception of Customer owned gas, title to the gas and all risk in respect thereto
33 shall remain with the Company until the gas is delivered to the Customer at the Delivery
34 Point, at which point title and risk shall pass to the Customer. The Company shall have
35 the right to commingle gas delivered to it by or for a Customer with gas owned by the
36 Company or others.
37

38 **2) Damages to Equipment**

39 The Customer shall be responsible for all damage to Company property on the Premises
40 and agrees to notify the Company immediately of any damage occurring thereto, and
41 shall pay the cost of any repairs to such Company property except where such damage
42 or cost of repairs is attributable to normal usage.
43

1 **3) Force Majeure**

2 Notwithstanding any other term or condition contained within the Company's Schedule of
3 Sales and Transportation Services and Rates or contracts for service, neither party shall
4 be liable to the other for failure to carry out its obligations hereunder when such failure is
5 caused by force majeure as hereunder defined. The term "force majeure" means civil
6 disturbances, industrial disturbances (including strikes and lockouts), arrests and
7 restraints of rulers or people, interruptions by government or court orders, present or
8 future valid orders of any regulatory body having proper jurisdiction, acts of the public
9 enemy, wars, riots, blockades, insurrections, failure or inability to secure materials,
10 permits, or labour by reason of priority regulations or orders of government, serious
11 epidemics, landslides, lightning, earthquakes, fires, storms, flood washouts, explosions,
12 breakage or accident to machinery or lines of pipes or pipelines, temporary failure of gas
13 supply, an act or omission (including failure to deliver gas) of a supplier of gas to the
14 Company, or any other causes or circumstances to the extent that such cause or
15 circumstance was beyond the control of and occurred without negligence on the part of
16 the party prevented from carrying out its obligations by the act of force majeure.

17
18 Any causes or contingencies which entitle a party to claim force majeure shall not relieve
19 it from liability in the event of its concurring negligence, or in the event of its failure to use
20 due diligence to remedy the situation or remove the cause in an adequate manner and
21 with all reasonable dispatch, nor shall such causes and contingencies affecting the
22 performance of the obligations hereunder relieve either party from the obligations to
23 make payments of amounts then due or thereafter accruing due hereunder. It is
24 understood and agreed that the settlement of strikes and lockouts shall be entirely within
25 the discretion of the party affected.

26
27 Provided always however, that when the Customers consumption or ability to consume
28 is not affected, the Customer shall not be entitled to rely upon the aforesaid Force
29 Majeure provisions.

30
31 **4) Waste of Gas**

32 The Customer shall use due care to prevent any waste of gas and will immediately notify
33 the Company in case of failure or deficiency of supply or leakage of gas.

34
35 **J) CONSUMER EQUIPMENT**

36
37 **1) Description of Installation**

38 In those cases where the Company deems it necessary, the Customer shall present, in
39 writing, complete specifications of equipment, loads, location plans, piping, regulators,
40 and other data required.

41
42 **2) Customer's Equipment**

43 Gas piping, fixtures, and appliances on the Customer's Premises must be installed at the
44 expense of the Customer or owner of the property.

45
46 The Company may delay the construction of an extension and/or service until the
47 Customer has completed the piping and installation of equipment necessary to receive
48 and use service.

49

V. SPECIAL TERMS AND CONDITIONS: TRANSPORTATION SERVICE (T-SERVICE)

- 1
2
3 A) A Transportation Service agreement setting out Customer specific information shall be
4 established between the Company and the Customer for Transportation Service under
5 the High Volume Firm Class, Mainline Class, or Interruptible Class, having a minimum
6 term of one year. The agreement shall remain in effect for successive periods of one
7 year, unless written notice of termination is given by either party to the other at least 90
8 days prior to the expiration of the agreement or any renewal thereof.
9
10 B) Subject to the conditions set out in subsection V. A) hereof, High Volume Firm Class,
11 Mainline Class, or Interruptible Class customers may elect to receive Transportation
12 Service where the customer's daily nomination equals or exceeds 200 GJ under normal
13 operating conditions, excluding shut-downs for routine maintenance activities and
14 holidays.
15
16 C) The T-Service Customer shall deliver to the Company at the designated Receipt Point(s)
17 and the Company shall receive from the T-Service Customer and transport a volume of
18 gas, as determined in accordance with subsection D) hereof, from said Receipt Point(s)
19 to the designated Delivery Point(s).
20
21 D) The volume of gas delivered by the T-Service Customer and received and transported
22 by the Company shall, on each day, equal the quantity of gas consumed by the
23 Customer at its facility on such day as determined by the Company's measuring stations
24 located at or near the Delivery Point, less the volume of Backstop Gas (if any) sold to the
25 Customer by the Company on such day pursuant to subsection G) hereof.
26
27 E) The Company shall not be obligated to transport, in any one day, any gas in excess of
28 the Daily Contract Demand designated for delivery to each designated Delivery Point for
29 each type of service.
30
31 F) The T-Service Customer shall pay for all gas delivered by the T-Service Customer and
32 received and transported by the Company at the T-Service Rates approved from time to
33 time by the Board.
34
35 G) In the event that a T-Service Customer fails or anticipates failure to deliver the
36 necessary volume of gas to the designated Receipt Point:
37
38 1) The T-Service Customer shall promptly notify the Company if the Customer has
39 reason to believe that deliveries of gas by or for the Customer to the Company at the
40 Receipt Point(s) will be impaired in whole or in part. At such time, the Customer shall
41 indicate whether it will require gas from the Company and the volume required during
42 such period of impairment. If the Company is unable to provide Backstop Gas as
43 requested by the Customer, the Customer shall be obligated to restrict its
44 consumption to the volume of gas it can deliver into the system.
45
46 2) On any day when, as a result of impairment, the T-Service Customer requires gas
47 from the Company, the Company may, subject to availability of supply, sell to the
48 Customer such quantity of Backstop Gas as is agreed between the parties, and the
49 Customer shall pay for any Backstop Gas the greater of:
50

- 1 a) its appropriate share pro-rata with other T-Service Customers purchasing
2 Backstop Gas, on such day, of the total cost, including all costs associated with
3 purchasing and having that supply delivered to the Receipt Point. These charges
4 are in addition to the normal T-Service Volumetric Charges; or
5
6 b) the equivalent Sales Service Volumetric Rate.
7
8 On such day, the Backstop Gas shall be deemed to be the first volumes delivered to
9 the Customer.
10
11 3) Volumes delivered to the Customer as Backstop Gas shall be included in the
12 determination of the Monthly Billing Demand.
13
14 H) The provisions of this paragraph shall only be applicable if service hereunder is pursuant
15 to one of the Company's Interruptible Transportation services.
16
17 1) The Company may, at its sole option, on notice to the T-Service Customer, curtail or
18 discontinue service hereunder down to the level of Firm Transportation Service (if
19 any) to which the T-Service Customer is entitled. Such notice shall be made by
20 telephone, electronic, or other communication device, or in person, and the
21 Customer shall curtail its consumption of gas to the extent requested by the
22 Company within two (2) hours of receipt of notice.
23
24 2) In recognition of the curtailable nature of Interruptible Service the Customer agrees,
25 at their sole expense, to:
26
27 a) Install, maintain and have ready to operate at all times a stand-by fuel source of
28 sufficient size and capacity to satisfactorily replace the natural gas energy supply
29 furnished by the Company, and to,
30
31 b) Ensure that sufficient supplies of stand-by fuel are available at all times, and that
32 the Customer has sufficient personnel resources available to operate the stand-
33 by fuel system at any time upon notice from the Company, and to,
34
35 c) Utilize the stand-by fuel source in the event that the Company gives notice to the
36 Customer of a curtailment of service.
37
38 3) In recognition of the Customer's service as Interruptible Transportation Service
39 furnished by the Company hereunder, the Company shall not be liable for damages
40 to person or property resulting from curtailment of service, or the Customer's failure
41 to provide adequate stand-by equipment and fuel, or to use such equipment properly
42 and sufficiently.
43
44 4) In the event that the T-Service Customer fails to comply with any such notice of
45 curtailment, then the Company may at its option:
46
47 a) Physically discontinue Transportation Service hereunder during any period of
48 curtailment; and/or
49
50

- 1 b) Charge and collect from the Customer for all gas received and transported
2 hereunder during any such period at the Unauthorized Over-Run Delivery
3 Charge, or such lesser amount per m³ as the Company, in its sole discretion,
4 may decide upon.
5
6 c) Charge and collect from the Customer the Firm T-Service Delivery rates for a 12
7 month period subsequent to the failure to interrupt. This provision shall not
8 relieve the Customer from continuing to operate as, and meet all of the
9 obligations of, an Interruptible Customer during this 12 month period. Continued
10 failure to abide by the terms of Interruptible Service shall entitle the Company to
11 return the Customer to Firm Transportation Service on a permanent basis.
12
13 5) The Company shall have the further right to curtail the transportation of gas
14 hereunder without notice and without any liability whatsoever for any resultant
15 damage to the Customer for any one or more of the following reasons:
16
17 a) Repairs to its distribution system; or
18
19 b) Transportation of gas being prevented or interrupted for any cause reasonably
20 beyond the control of the Company.
21
22 c) For breach by the Customer of any of the terms and conditions hereof.
23
24 6) With respect to each Delivery Point(s), the T-Service Customer shall be subject to a
25 monthly bill equal to the Basic Monthly Charge, the applicable Monthly Demand
26 Charge, and Volumetric Charges for volumes delivered.
27
28 7) Volumes taken by the Customer in contravention of curtailment notice shall be
29 included in the determination of the Monthly Billing Demand.
30
31 I) Where the T-Service Customer is entitled to both Firm and Interruptible Transportation
32 Service to a particular Delivery Point, the volume of gas transported by the Company to
33 such Delivery Point on any day shall be deemed to be transported firstly under Firm
34 Service up to the level of Firm Daily Contract Demand, and secondly under Interruptible
35 Service; provided, however, that if on any day, the Customer's Interruptible Service is
36 curtailed, the gas under Firm Service shall be deemed to have been transported, up to
37 the time of curtailment, at an even hourly flow at a rate equal to the Firm Daily Contract
38 Demand, divided by 24.
39
40 J) The T-Service Customer shall notify the Company by e-mail or fax, no later than 2:00
41 p.m. Winnipeg time on the day prior to delivery (except during periods when the
42 Customer has advised the Company that no transportation service is required) of:
43
44 1) The Customer's nomination for the following day with TCPL; and,
45
46 2) The Customer's forecasted gas consumption and Nominated Volume for the
47 following day.
48
49 Such Nominated Volume and forecasted consumption shall be deemed to remain in
50 effect from day to day unless changed by the Customer and notice of such change is

1 given to the Company in the manner aforesaid. If on any day in the event that the T-
2 Service Customer's actual gas consumption for that day is to deviate from the forecasted
3 gas consumption and Nominated Volume identified in J) 2. above the Customer shall
4 notify the Company at the earliest opportunity of any such deviation, and the T-Service
5 Customer shall make reasonable efforts to make the necessary forecast and nomination
6 adjustments required with TCPL and the Company.
7
8

9 K) Prior to 10:00 a.m. Winnipeg time each day, the T-Service Customer will advise the
10 Company by telephone, fax or e-mail of the meter reading at each Delivery Point as at
11 9:00 a.m. Winnipeg time on that day.
12

13 L) The T-Service Customer shall provide notice to the Company advising of the particulars
14 of any authorized agent at law it has appointed to carry forth its obligations pursuant to
15 the Transportation Service agreement identified in sub-section A.) hereof. Until further
16 notice is provided by the T-Service Customer to the Company advising of any change to
17 or termination of such agency appointment, the Company shall be entitled to rely upon
18 any act or thing done, or document executed by the authorized agent pursuant to the
19 Transportation Service agreement in the same manner and as though such act or thing
20 had been done, or such document has been executed by the T-Service Customer. The
21 T-Service Customer shall indemnify and hold the Company harmless against any and all
22 claims relating to, arising out of or resulting from the actions of the authorized agent
23 pursuant to the Transportation Service agreement.
24

25 M) In the event that a Sales Service Customer elects to become a T-Service Customer, the
26 Customer will indemnify and save the Company harmless against any costs incurred by
27 the Company upstream of the Receipt Point for which the Company is unable to obtain
28 relief. The Company reserves the right to determine the level of capacity that may be
29 released to the Customer or his agent.
30

31 N) The T-Service Customer hereby releases the Company from the Company's obligation
32 to supply gas (except in accordance herewith) to the Customer for so long as the
33 Transportation Service Agreement remains in force. If the Customer wishes to
34 recommence purchasing gas from the Company, the Customer acknowledges and
35 agrees that it will be treated in the same manner as a new Customer applying for Sales
36 Service and will be subject to the provisions in Section IV. H) 2. hereof regarding
37 requests for transfer from Transportation Service to Sales Service.
38

39 O) If the T- Service Customer or its authorized agent causes delivery imbalances relating to
40 the delivery of gas to the Company's distribution system, the Company may impose any
41 imbalancing costs or charges on the Customer.
42

1 **VI. SPECIAL TERMS AND CONDITIONS: INTERRUPTIBLE SALES SERVICE AND INTERRUPTIBLE**
2 **DELIVERY SERVICE**

3 The provisions of this Section VI pertains to Interruptible Sales Customers (taking
4 corresponding Interruptible Delivery Service) and Mainline Customers electing
5 Interruptible Sales (in conjunction with Firm Delivery Service) provided by the Company.
6

7 A) A contract setting out Customer specific information shall be established between the
8 Company and the Customer having a minimum term of one year. The agreement shall
9 remain in effect for successive periods of one year, unless written notice of termination is
10 given by either party to the other at least 90 days prior to the expiration of the agreement
11 or any renewal thereof.
12

13 B) In recognition of the curtailable nature of Interruptible Service the Customer agrees, at
14 their sole expense, to:

15
16 1) Install, maintain and have ready to operate at all times a stand-by fuel source of
17 sufficient size and capacity to satisfactorily replace the natural gas energy supply
18 furnished by the Company; and to,
19

20 2) Ensure that sufficient supplies of stand-by fuel are available at all times, and that the
21 Customer has sufficient personnel resources available to operate the stand-by fuel
22 system at any time upon notice from the Company; and to,
23

24 3) Utilize the stand-by fuel source in the event that the Company gives notice to the
25 Customer of a curtailment of service.
26

27 C) Subject to subsection VI D) hereof, the Company shall sell and deliver to the Customer
28 and the Customer shall purchase from the Company at the Delivery Point, natural gas
29 for consumption by the Customer at its premises; provided that the Company shall not
30 be obligated to sell or deliver to the Customer, on any one day, any gas in excess of the
31 Interruptible Daily Contract Demand as specified in a separate agreement, or in any one
32 hour, any gas in excess of the Maximum Hourly Flow.
33

34 D) In the event that the Company determines, in its sole discretion, that it cannot provide
35 Interruptible Sales Service from its available supplies, the following provisions will apply:
36

37 1) If, prior to the commencement of any day or at any time during any day, the
38 Company reasonably believes that it will, on that day, be curtailing Interruptible Sales
39 and/or offering Alternate Supply gas at a price higher than the Base Rate for
40 Supplemental Gas to Interruptible Customers, it shall notify the Customer to this
41 effect and of the sale price of such Alternate Supply gas. The Customer may elect to
42 purchase Alternate Supply gas on that day or decline service for that day, or portion
43 thereof, and the Customer shall promptly notify the Company of its decision. If the
44 Customer declines service for that day or portion thereof it shall cease consuming
45 gas on such day or portion thereof.
46

47 2) If the Company is able to offer Alternate Supply gas to the Interruptible Customer at
48 a price that is equal to or less than the Base Rate for Supplemental Gas to
49 Interruptible Customers, the Company may provide Alternate Supply service without

- 1 notice to the Interruptible Customer, and the Customer shall pay the sale price of that
2 gas supply plus the Alternate Supply Service Delivery Rate.
3
- 4 3) If, on any day, the Customer elects to purchase the Alternate Supply gas, the
5 Customer shall pay the sale price of that gas supply plus the Alternate Supply
6 Service Delivery Rate.
7
- 8 4) If, on any day, the Customer elects to purchase Alternate Supply the volumes
9 delivered on that day shall not be included in the determination of the Monthly Billing
10 Demand.
11
- 12 5) If, on any day, the Company is providing Alternate Supply Service and the Customer,
13 having declined such service, continues to consume gas on that day, the Customer
14 shall be subject to section E) 3) below.
15
- 16 E) The following provisions shall apply to the interruption of service under these Services:
17
- 18 1) The Company may, at its sole option, on notice to the Customer, curtail or
19 discontinue service hereunder down to the level of firm service to which the
20 Customer is entitled (if any). Such notice shall be made by telephone, electronic or
21 other communication device, or in person, and the Customer shall curtail its
22 consumption of gas to the extent requested by the Company within two (2) hours of
23 the Company's issuance of the notice;
24
- 25 2) In recognition of the Customer's service as Interruptible Service furnished by the
26 Company hereunder, the Company shall not be liable for damages to person or
27 property resulting from curtailment of service, or the Customer's failure to provide
28 adequate stand-by equipment and fuel, or to use such equipment properly and
29 sufficiently;
30
- 31 3) In the event that the Customer shall fail to comply with any such notice of
32 curtailment, then the Company may, at its option:
33
- 34 a) Physically discontinue service hereunder during such period of curtailment; or,
35
- 36 b) Charge and collect from the Customer for all Unauthorized Over-Run Gas
37 delivered to the Customer during any such period at the Unauthorized Over-Run
38 Gas Charge and/or Unauthorized Over-Run Delivery Charge, or such lesser
39 amount per m³ as the Company, in its sole discretion, may decide;
40
- 41 c) Charge and collect from the Interruptible Customer the High Volume Firm
42 Service rates or other Firm Service rates as decided by the Company, for a 12
43 month period subsequent to the failure to interrupt. This provision shall not
44 relieve the Customer from continuing to operate as, and meet all of the
45 obligations of, an Interruptible Customer during this 12 month period;
46
- 47 d) Continued failure to abide by the terms of Interruptible Service shall entitle the
48 Company to reclassify the Customer to Firm Sales Service on a permanent
49 basis;
50

- 1 e) Return the Customer to Firm Service on a permanent basis if in the sole
2 discretion of the Company, the Customer does not provide evidence and proof of
3 the installation, maintenance and/or capability to reliably provide a stand-by fuel
4 source sufficient to satisfactorily replace the natural gas energy supply provided
5 by the Company. The Company reserves the right to make such a determination
6 and to advise the Customer of the effective date of any such return to Firm
7 Service.
8
- 9 4) The Company shall have the further right, without notice to the Customer, to curtail
10 service hereunder for any of the following reasons:
11
- 12 a) For repairs to its distribution system;
13
- 14 b) By reason of service hereunder being prevented or interrupted for any cause
15 reasonably beyond the control of the Company; or
16
- 17 c) For breach by the Customer of any of the terms and conditions hereof;
18
- 19 5) With respect to each delivery point, the Customer shall pay a monthly bill equal to
20 the Basic Monthly Charge, the applicable Monthly Demand Charge, and Volumetric
21 Charges for any and all volumes delivered;
22
- 23 6) The Company shall not be liable for damages, costs, loss or expense, whether
24 direct, consequential, or otherwise, to person or property, resulting from curtailment
25 of service hereunder or the Customer's failure to provide adequate stand-by
26 equipment and/or fuel, or to use such equipment properly and sufficiently.
27
- 28 7) Volumes taken by the Customer in contravention of curtailment shall be included in
29 the determination of the Monthly Billing Demand.
30
- 31 F) The provisions of these "Special Terms and Conditions" may be superseded by any
32 requirements contained in the Interruptible Service Contract as required in paragraph A)
33 herein.
34
- 35 G) Where the Customer is entitled to both Firm and Interruptible Sales and/or Delivery
36 Service hereunder to a particular Delivery Point, the volume of gas transported by the
37 Company to such Delivery Point on any day shall be deemed to be transported firstly
38 under Firm Service up to the level of Firm Daily Contract Demand as specified in a
39 separate agreement, and secondly under Interruptible Service; provided, however, that if
40 on any day, the Customer's Interruptible Service is curtailed, the gas under Firm Service
41 shall be deemed to have been transported, up to the time of curtailment, at an even
42 hourly flow at a rate equal to the Firm Daily Contract Demand, divided by 24.
43

1 **VII. SPECIAL TERMS AND CONDITIONS: WESTERN TRANSPORTATION SERVICE**

2
3 A) Western Transportation Service provides for the transportation, storage, transmission,
4 and distribution as appropriate, of Customer-owned Primary Gas from the Alberta border
5 to the Customer's premises. The Company provides mandatory Supplemental Gas in
6 conjunction with this service.

7
8 B) An executed Western Transportation Service Agreement is required to take this service.
9 Customers in all classes are eligible for this service.

10
11 1) The Customer must be represented by a Broker authorized by the Board to sell
12 natural gas.

13
14 2) The Customer must sign an Agency Agreement to be represented by that Broker.
15 The Agency Agreement must, at a minimum, appoint the Broker as the Customer's
16 sole and exclusive Agent to contract for the Customer's Primary Gas Supply,
17 authorize the Broker to execute an Agreement for Western Transportation Service on
18 behalf of the Customer, and where ABC Service is desired, authorize the Broker to
19 execute an Agency Billing & Collection Agreement with the Company on behalf of
20 the Customer. In the event that a Customer has signed multiple Agency Agreements
21 with different Brokers, the Company shall accept the Broker firstly appointed by the
22 Customer.

23
24 3) The Broker must sign and execute an Agreement for Western Transportation Service
25 on behalf of the Customer and on its own behalf.

26
27 4) In the event that the Broker does not maintain Standard & Poor's BBB grade credit
28 rating (or its equivalent of B++ or Baa) or better, ABC Service is mandatory.

29
30 5) Customers that wish to act as their own Broker must have estimated annual
31 consumption of equal to or greater than 680,000 m³ and must be authorized by the
32 Board.

33
34 C) Participation in Western Transportation Service will commence on the first day of each
35 calendar month.

36
37 1) Brokers will submit enrollment applications on behalf of Customers. The Company
38 will notify the Broker if a Customer enrollment application is unacceptable to the
39 Company.

40
41 2) Enrollment applications must be submitted using a format acceptable to the
42 Company, acting reasonably. Enrollment applications must include a field that
43 clearly identifies the date that each Customer executed their respective Agency
44 Agreements with the Broker.

45
46 3) The Company reserves the right to accumulate enrollment applications in such a
47 manner as to efficiently process and administer the enrollment of customers onto this
48 service. In the event that the Company elects to accumulate multiple applications
49 from a Broker, it shall process those applications no less frequently than once each
50 week.

- 1 4) Brokers may submit enrollment applications no earlier than 75 days prior to the
2 requested date for commencement of service.
3
- 4 5) Enrollment applications must be received by the Company no less than 45 days prior
5 to the requested date for commencement of service.
6
- 7 6) A Customer's participation in Western Transportation Service with one Broker must
8 be terminated by that Broker before the Customer can participate in that Service with
9 a different Broker.
10
- 11 7) The Company will send a confirmation letter to each Customer whose enrollment is
12 acceptable to the Company.
13
- 14 D) Brokers who choose to participate in Western Transportation Service must do so
15 through to the end of each Gas Year.
16
- 17 E) A Customer's enrollment in Western Transportation Service is subject to the following:
18
 - 19 1) A Customer may return to the Company's Sales Service for Primary Gas effective
20 with the start of any calendar month, subject to the Company's ability to provide
21 Backstop Gas on a best efforts basis and the Customer's requirement to pay any
22 and all incremental costs related to the Company's provision of that Backstop Gas.
23
 - 24 2) The Company will provide Backstop Gas on a best-efforts basis to any Customer
25 whose Western Transportation Service Agreement is terminated, through the end of
26 the current calendar month, after which time the Customer may return to the
27 Company's Sales Service for Primary Gas in accordance with Article VII F) 1), or to
28 Western Transportation Service.
29
 - 30 3) A Customer may switch Brokers effective with the start of any calendar month,
31 subject to the terms of their Agency Agreement.
32
 - 33 4) A Customer may, through the enrollment process, switch between Western
34 Transportation Service Agreements with the same Broker effective with the start of
35 any calendar month.
36
- 37 F) The Broker is responsible for securing firm supply of Primary Gas and transportation to
38 the Alberta Border.
39
 - 40 1) The firm supply and necessary transportation to the Alberta Border must be
41 adequate to meet the Maximum Daily Quantity established by the Company for
42 Primary Gas, plus the amount needed to supply related Fuel Gas on the
43 TransCanada PipeLine from the Alberta Border to the Company's distribution
44 system. The ability to supply and transport the Maximum Daily Quantity must be
45 maintained for every day that service is provided.
46
 - 47 2) The Company may direct, dispatch or dispose of the firm supply in any manner it
48 sees fit, consistent with prudent utility practice, and shall be entitled to pass good title
49 in such gas.

- 1 3) The Company is not responsible for the cost of the firm supply or related
2 transportation to the Alberta Border, or for any financial or other performance
3 penalties that may be associated with such firm supply or related transportation.
4
- 5 G) The Company shall on each day nominate a quantity of Primary Gas (plus Fuel Gas) to
6 be delivered on the next day by the Broker and accepted by the Company at the Alberta
7 Border or at a designated point(s) of receipt acceptable to the Company in its sole
8 discretion in accordance with the following terms:
9
- 10 1) Prior to any deliveries being made in accordance with the terms of this Service, the
11 Broker shall provide the Company with the name, address, telephone number,
12 facsimile number and e-mail address(es) of the Supplier[s], and the point[s] of receipt
13 for deliveries. Such information shall be immediately updated as changes occur.
14
- 15 2) Where there are two or more Suppliers, the Broker shall indicate to the Company
16 what percentage of total daily nominations is to be made to each supplier. Such
17 information shall be immediately updated as changes occur.
18
- 19 3) The Company shall nominate by 12:00 noon Winnipeg time each day. The quantity
20 that is nominated will be determined by the Company, taking into account the total
21 gas requirements of the Broker (on behalf of the Broker's Customer(s)), its Maximum
22 Daily Quantity, system operating conditions, the quantity of Fuel Gas required to
23 transport Primary Gas from the Alberta Border to the Receipt Point, the availability of
24 transportation on TransCanada and nominations required under its system supply
25 contracts and other gas purchase agreements under which the Company obtains
26 gas. The required quantity of Fuel Gas will be determined in accordance with the
27 applicable TransCanada fuel ratio in effect from time to time, as approved by the
28 National Energy Board of Canada. Such nomination may be changed from time to
29 time during the Day, and the Broker shall promptly adjust its deliveries to
30 accommodate such changes.
31
- 32 4) The Company will nominate directly to the Supplier. The Broker agrees to inform the
33 Supplier in writing that all nominations made in accordance with this Service by the
34 Company to the Supplier for the delivery of gas to the Company, shall be received by
35 the Supplier as if made by the Broker, and that all gas delivered by the Supplier to
36 the Company pursuant to such nominations shall be to the account of the Broker. If
37 for any reason the Supplier is unwilling or unable to accept such nominations, the
38 Company shall be entitled to make in its discretion such nominations directly to the
39 Broker.
40
- 41 5) The Company will nominate the Broker's supplies in approximately the same
42 proportion to the total gas requirements of the Broker (on behalf of the Broker's
43 Customer(s)) as the Company's nominations of Primary Gas in relation to total
44 requirements for the Company's Sales (including Western Transportation Service)
45 Customers.
46
- 47 6) Unless otherwise agreed to by the Broker (on behalf of the Broker's Customer(s)),
48 the maximum quantity of gas that the Company may nominate on any day is the
49 Maximum Daily Quantity, plus Fuel Gas.

- 1 7) The Broker shall immediately notify the Company if the anticipated quantity of gas to
2 be consumed by the Broker's Customer(s) significantly changes for any reason.
3
4 8)
5 a) The Broker or its Supplier shall notify the Company as soon as possible, after
6 receipt of the nomination, or change in nomination, if such nomination cannot be
7 satisfied. In addition, the Broker shall notify the Company immediately upon
8 becoming aware of any event that will alter or affect the deliveries of gas under
9 this Service.
10
11 b) Notice provided in accordance with paragraph a) above does not relieve the
12 Broker from their obligations hereunder.
13
14 9) All such confirmations or notifications shall be made by telephone, facsimile or e-
15 mail, and if given orally, shall be effective only if they are confirmed the same day in
16 writing by way of facsimile or e-mail.
17
18 10) Where a Supplier notifies the Company that nominations relating to more than one
19 such Broker will not be wholly satisfied, the Company shall allocate the shortfall
20 among such Brokers in accordance with the instructions of that Supplier. Where the
21 Supplier does not provide such instructions to the Company, the Company shall
22 allocate the shortfall among the Brokers in proportion to each Broker's respective
23 share of the total nomination made by the Company to that Supplier.
24
25 11) If, with respect to any day, a nomination is not accepted or if for any other reason,
26 the Broker fails to deliver any of the nominated gas, then the special provisions for
27 Backstop Gas under Western Transportation Service shall apply.
28
29 H) A monthly Gas Loan Mechanism will provide for cash payments between the Company
30 and each Broker for the value of the difference between Primary Gas Delivered by a
31 Broker and Primary Gas Billed to that Broker's Customers. The Gas Loan will be
32 reconciled for each Gas Year, within two months following the end of that Gas Year,
33
34 1) The Gas Loan will be tracked separately for each Broker.
35
36 2) For each Broker, the Company will calculate the Quantity Difference between
37 Primary Gas Delivered and Primary Gas Billed for each month.
38
39 a) Primary Gas Delivered in the month will be measured as the quantity of gas
40 received from Brokers at the Alberta Border during the month, but not including
41 Fuel Gas provided by the Brokers.
42
43 b) Primary Gas Billed in the month will be measured as the quantity of Primary Gas
44 reported on bills issued by the Company to the Broker's Customers during that
45 calendar month. Primary Gas Billed in the month may include consumption in a
46 prior period, in accordance with the Company's billing practices.
47
48 c) Where Primary Gas is measured in Gigajoules, the quantity of Primary Gas in
49 Cubic Meters will be determined using the Gross Heating Value as determined
50 by TransCanada.

- 1 3) The Value of the Gas Loan for each month will be calculated as the Quantity
2 Difference in each month multiplied by the Company's average unit cost of Primary
3 Gas in storage inventory at the commencement of the gas year.
4
- 5 4) The Value of the Gas Loan shall be payable each month.
6
- 7 a) If the quantity of Primary Gas Delivered in a month exceeds the quantity of
8 Primary Gas Billed in that month, the Company shall pay the Value of the Gas
9 Loan to the Broker.
10
- 11 b) If the quantity of Primary Gas Delivered in a month is less than the quantity of
12 Primary Gas Billed in that month, the Broker shall pay the Value of the Gas Loan
13 to the Company.
14
- 15 c) The Company will issue a statement for the amount payable by the Company or
16 the Broker, as the case may be, on the 15th day of the month following the
17 month in which gas is delivered. If such day is not a Business day, such
18 statement shall be issued on the first Business Day following such day.
19
- 20 d) Remittances will be due and payable on the 20th day of the month following the
21 month in which gas is delivered. If such day is not a Business day, such amount
22 shall be due and payable on the first Business day following such day.
23
- 24 5) Following the end of each Gas Year, the Company will perform a reconciliation on
25 the Gas Loan.
26
- 27 a) The Annual Quantity Difference will be calculated by the Company as the sum of
28 the differences between Primary Gas delivered and Primary Gas consumed
29 during the Gas Year, plus or minus any Annual Quantity Difference carried over
30 from the prior Gas Year. A net under-delivered position will be reflected as a
31 negative Annual Quantity Difference, and a net over-delivered position will be
32 reflected as a positive Annual Quantity Difference.
33
- 34 b) For purposes of the annual reconciliation, the value of the gas loan security
35 deposit remaining on account with the Company will be calculated as the sum of
36 the monthly security deposits withheld from or repaid to brokers, plus the value of
37 any Annual Quantity Differences carried over from the prior Gas Year.
38
- 39 c) At the conclusion of each Gas Year, Brokers can elect one of two options: the
40 Annual Quantity Difference may either be carried over into the following Gas
41 Year, or settled financially.
42
- 43 d) If Brokers elect to carry over the Annual Quantity Difference into the following
44 Gas Year, that reconciliation is subject to the following conditions:
45
- 46 i) The annual financial reconciliation will consist of a final payment that
47 completely offsets the remaining net value of the Security Deposits withheld
48 from and repaid to Brokers throughout the Gas Year, plus a final payment
49 equal to the value of the Annual Quantity Difference;
50

- 1 ii) The value of the Annual Quantity Difference carried over into the following
2 year will be calculated by multiplying the Annual Quantity Difference for the
3 current Gas Year being reconciled, by the Company's average unit cost of
4 Primary Gas in storage inventory at the commencement of the Gas Year
5 following the Gas year being reconciled;
6
7 iii) The Company will include the Annual Quantity Difference carried over from
8 the prior Gas Year in the determination of the next Gas Year's annual supply
9 requirements;
10
11 iv) The Company will nominate, and the Broker will deliver, appropriate
12 quantities to satisfy current Gas Year consumption requirements as well as
13 any Annual Quantity Difference (positive or negative) carried over from the
14 prior Gas Year; and,
15
16 v) If, for any reason, the Broker will not be providing Primary Gas in the
17 following Gas Year, the Annual Quantity Difference will not be carried over
18 into the following Gas Year, and the Broker will be required to settle the
19 Annual Quantity Difference as described below in Sub-section (e).
20
21 e) If, for any reason, the Annual Quantity Difference will not be carried over into the
22 following Gas Year, or if the broker will not be providing Primary Gas in the
23 following Gas Year, then;
24
25 i) The annual financial reconciliation will consist of a final payment that
26 completely offsets the remaining net value of the Security Deposits withheld
27 from and repaid to brokers throughout the Gas Year, plus a final payment
28 equal to the Value of the Annual Quantity Difference; and,
29
30 ii) The value of the Annual Quantity Difference will be calculated by multiplying
31 the Annual Quantity Difference for the Gas Year by the Company's average
32 unit cost of Primary Gas in storage inventory at the commencement of the
33 Gas Year being reconciled.
34
35 f) If the remaining Value of the Gas Loan indicates an overpayment by the Broker,
36 the Company shall pay that amount to the Broker with the next scheduled
37 monthly transaction following completion of the reconciliation calculations.
38
39 g) If the remaining Value of the Gas Loan indicates an underpayment by the Broker,
40 the Broker shall pay that amount to the Company with the next scheduled
41 monthly transaction following completion of the reconciliation calculations.
42
43 6) With respect to the Gas Loan Mechanism, no interest will be charged or credited by
44 the Company for the Value of the Gas Loan, except for interest that will be calculated
45 on late payments.
46

- 1 I) BILLING AND PAYMENT
2
3 1) Sales Customers will be billed monthly for Supplemental Gas, Transportation to
4 Centra, and Distribution to Customer at rates, as approved by the Board from time to
5 time. Bills will be issued on the regular billing cycle established by the Company.
6 Subject to the provision of Agency Billing and Collection Service as noted later
7 herein, unless the Broker signs an Agency Billing and Collection Agreement with the
8 Company, the Broker shall be responsible for billing the Customer for Primary Gas.
9 Failure by the Customer who does not utilize the ABC service to pay that Broker's bill
10 will not result in termination of service by the Company.
11
12 2) The Customer is responsible for all charges related to Western Transportation
13 Service, including charges incurred by their Broker when acting as the agent for the
14 Customer. Such charges include:
15
16 a) Gas supplies nominated by the Company at the Alberta Border, or at designated
17 point(s) of receipt as acceptable to the Company in its sole discretion, on behalf
18 of the Customer.
19
20 b) Payments for gas loaned to the Broker by the Company under the Gas Loan
21 Mechanism, including interest where applicable.
22
23 c) Payments for Backstop Gas provided to the Broker by the Company, including
24 interest where applicable.
25
26 d) Reimbursement of any penalties or charges imposed on the Company as a result
27 of the Broker's malfeasance or nonperformance.
28
29 e) Service fees charged to the Broker by the Company.
30
31 3) The liability of a Broker's Customers in relation to an obligation of their Broker shall
32 be prorated by the Company among the Customers of that Broker, based upon the
33 Company's determination of any relevant factors and circumstances. Each
34 Customer's liability will be limited to its pro rata share, so determined.
35
36 4) Should the Broker fail to pay all of the amount of the Gas Loan Mechanism as herein
37 provided when such an amount is due, interest shall accrue on the unpaid portion of
38 the statement at a rate per annum equal to the Company's average short-term
39 borrowing cost, as updated from time to time. If such failure to pay continues for ten
40 days after such amount is due, the Company may use any financial security provided
41 by the Broker to meet that obligation and may deduct and set-off such amounts from
42 and against Primary Gas revenues collected by the Company on behalf of the
43 Broker.
44
45 5) All remittances for the Gas Loan Mechanism will be accomplished via Electronic
46 Funds Transfer. Remittances related to the Gas Loan Mechanism may be added to
47 or netted against remittances related to ABC Service in order to accomplish a single
48 transaction on the scheduled day in each month.
49

- 1 6) In the event an error is discovered in the amount billed for the Gas Loan in any
2 statement deemed to be rendered, such error shall be adjusted within thirty (30) days
3 of the determination thereof, provided that such claim shall have been made within
4 sixty (60) days from the date of discovery of the error.
5
6 a) Errors discovered within the same Gas Year will be included in the monthly
7 Quantity Difference and Value of the Gas Loan during that Gas Year.
8
9 b) Errors discovered after the close of the Gas Year will be treated as an Annual
10 Quantity Difference, subject to the same conditions as specified for the Gas Loan
11 Mechanism.
12
13 J) Broker participation in Western Transportation Service is subject to the following:
14
15 1) Only Brokers licensed and registered to do business in the Province of Manitoba,
16 and authorized by the Manitoba Public Utilities Board to operate as a Broker in
17 Manitoba are eligible to participate;
18
19 2) The Agency Agreement creating a valid agency relationship between the Broker and
20 the Customer must be retained as set out by the PUB in the Code of Conduct for
21 Direct Purchase Transactions, as may be amended from time to time upon Order of
22 the PUB;
23
24 3) The Agency Agreement must authorize the Broker to fulfill all requirements otherwise
25 required to be met by the Customer under this Part VII Special Terms and
26 Conditions: Western Transportation Service and be enforceable;
27
28 4) The Broker must execute a Western Transportation Service Agreement with the
29 Company on behalf of the Customer;
30
31 5) Brokers must obtain, and maintain in good standing, firm supply contracts and
32 transportation to the Alberta Border, or at designated point(s) of receipt as
33 acceptable to the Company in its sole discretion, sufficient to meet the Maximum
34 Daily Quantity requirements, plus Fuel Gas on TCPL from the Alberta Border to the
35 interconnect between TCPL and the Company, and the allowed annual Primary Gas
36 requirements for each Customer as determined by the Company;
37
38 6) Representations and warranties, satisfactory to the Company, that the Broker
39 complies with the licensing requirements of the Board, including regulation relating to
40 gas supply and transportation, as may be amended from time to time;
41
42 7) The Company may reject service elections from Brokers whose supply is not
43 documented or confirmed to the Company's satisfaction;
44
45 8) The Company is not responsible for damages to the Customer should the Broker fail
46 to perform; and
47
48 9)
49 a) The Broker must have a Standard & Poor's BBB grade credit rating (or its
50 equivalent of either B++ or Baa) or better, or alternatively, or in addition to, a form

- 1 of guarantee acceptable to the Company from a parent corporation with a
2 Standard & Poor's BBB grade credit rating (or its equivalent of either B++ or Baa)
3 or better, from a Canadian or United States credit rating agency recognized by
4 the Company.
5
- 6 b) Alternatively, if the Broker is unable to meet the requirements set out in
7 subparagraph 9 a) above, the Broker must provide credit support as reasonably
8 determined and requested by the Company from time to time.
9
- 10 c) The Broker shall immediately notify the Company in writing in the event that such
11 credit rating of either the Broker or its parent, whatever the case may be, falls
12 below the aforementioned minimum credit standard.
13
- 14 K) The Company will remain the natural gas provider of last resort.
- 15
- 16 1) The Company will provide Backstop Gas on a best-efforts basis to Customers of
17 Brokers whose registrations are revoked or whose Western Transportation Service
18 Agreements are terminated.
19
- 20 2) Both the Customer and the Broker remain responsible for all obligations that arise by
21 virtue of their participation in the Western Transportation Service, prior to the
22 Customer's return to either the Company's Sales Service for Primary Gas, or to
23 Western Transportation Service with a different Broker.
24
- 25 L) The Company will provide Backstop Gas in case of a failure of Broker supply on a best-
26 efforts basis as follows:
27
- 28 1) If on any day, a nomination is not accepted or if for any other reason, the Broker fails
29 to deliver gas to the Alberta Border, or at designated point(s) of receipt as acceptable
30 to the Company in its sole discretion, then the Company shall use its best efforts to
31 acquire gas to replace the failed supply with Backstop Gas.
32
- 33 2) In this event, the Company shall, in its discretion, charge the Broker and the Broker
34 shall pay for all Backstop Gas acquired on its behalf at a rate which shall not exceed
35 two times the incremental cost of the gas. The Broker and Customer acknowledge
36 that this is not a penalty, but a reasonable pre-estimate of liquidated damages and
37 organizational costs incurred by the Company.
38
- 39 3) If the Company is unable to acquire Backstop Gas then the Customer, on notice from
40 the Company, shall immediately curtail the use of gas at its facility. Customers who
41 continue to consume gas after notice from the Company will be subject to the
42 Unauthorized Over-Run Gas Charge and the Unauthorized Over-Run Delivery
43 Charge as defined in the Schedule of Sales and Transportation Services and Rates.
44
- 45 4) All obligations of the Broker and Customer to make up used but undelivered
46 quantities of gas remain in place and other obligations and amounts due to the
47 Company remain due and payable.
48
- 49 5) The Company shall report all instances where Backstop Gas is supplied, or
50 requested but not supplied, to the Public Utilities Board.

1 M) SUSPENSION AND TERMINATION

- 2
- 3 1) The Company may, without prejudice to its right of termination, suspend its
4 obligations hereunder with respect to any Customer which itself or through its Broker
5 falls into arrears in any payments required under this Service by more than sixty (60)
6 days, such suspension to last until payment is made to the Company of any
7 outstanding amount. During such period of suspension, the Company shall, subject
8 to its right to disconnect service to the Customer under the provisions of The Public
9 Utilities Board Act, use its best efforts to acquire and sell gas to the Customer as
10 Backstop Gas, with any alterations as may be necessary.
- 11
- 12 2) Except as otherwise provided in the Terms and Conditions of this Service, the
13 Company may terminate its obligations if there is a material breach or default of any
14 representation, warranty, or obligation of the Customer or Broker under the Terms
15 and Conditions of this Service or any Western Transportation Service Agreement,
16 which is not remedied within 10 days of the Company giving written notice of the
17 breach or default to the Customer or Broker.
- 18
- 19 3) The Company may immediately terminate its obligations under this Service if one of
20 the following events occurs:
- 21
- 22 a) Performance by the Company of its obligations hereunder would be in
23 contravention of any law or regulation or any order or decision of a regulatory
24 body or governmental authority having jurisdiction; or
- 25
- 26 b) The Broker shall be declared or adjudged bankrupt, or if an application is made
27 in respect of the Broker under the Companies Creditors Arrangements Act
28 (Canada), or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver
29 and manager, moderator or any other officer with similar powers shall be
30 appointed in place of or for the Broker, or if the Broker shall commit any act of
31 bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or
32 consents to the appointment or the institution of such proceedings or admits in
33 writing to an inability to pay debts generally as they become due or becomes an
34 insolvent person as such term is defined in the Bankruptcy and Insolvency Act
35 (Canada); or if the Broker shall have liquidated, dissolved, wound up its affairs or
36 otherwise ceased doing business.
- 37
- 38 4) In the event that the Company exercises its rights of termination under paragraph 2
39 or 3 of these provisions, the Company shall concurrently with the termination, or as
40 soon as reasonably possible thereafter, give written notice to the Customer of the
41 termination.
- 42
- 43 5) In the event that this Service or the Agreement under which it is provided is
44 terminated, all outstanding obligations incurred under this Service by the Company,
45 the Broker and/or the Customer which arise by virtue of the Broker's or the
46 Customer's participation in this Service prior to such termination remain in full force
47 and effect. The Company and the Broker shall have the right to withhold any
48 payments due to the other party until its obligations accruing from the terminating
49 Customer are met. As between the Company and the Broker, each shall have the
50 right to set off any payments due to it by virtue of the Termination of the WTS

1 Agreement against amounts owing to the other pursuant to any Western
2 Transportation Service/Agency Billing and Collection Agreement, or the Gas Loan
3 Mechanism operated thereunder.

4
5 6) No waiver by either party or any default by the other party under this Service shall
6 operate as a waiver of any future default, whether of a like or different nature.
7

1 **VIII. SPECIAL TERMS AND CONDITIONS: AGENCY BILLING AND COLLECTION SERVICE (ABC**
2 **SERVICE)**
3

4 A) ABC Service allows a Broker to assign to the Company the right to render bills to
5 Western Transportation Service Customers in respect of the amount payable by the
6 Customers to the Broker for Primary Gas, and to collect from Western Transportation
7 Service Customers the amounts so billed. The Company will provide a single bill to
8 Customers that includes charges for volumes consumed by the Customer as Primary
9 Gas, as well as the Company's charges for services provided by the Company.

10
11 1) In the event that the Broker does not maintain Standard & Poor's BBB grade credit
12 rating (or its equivalent of B++ or Baa) or better, ABC Service is mandatory.

13
14 2) The Broker must sign an ABC Service Agreement with the Company in order to
15 receive this Service.

16
17 3) Provision of this Service in no way makes the Company liable for any obligation
18 incurred by a Broker.

19
20 4) The Company will be entitled to deal with Primary Gas charges collected from
21 Western Transportation Service Customers in the same manner as it deals with its
22 own funds. These funds shall not, at any time, be construed to be trust funds.

23
24 B) The Broker will provide to the Company the Broker's Primary Gas Price to be charged to
25 the Broker's Customers.

26
27 1) The Broker's Primary Gas Price must be expressed in dollars per Cubic Meter of
28 Primary Gas consumed by the Broker's Customers.

29
30 2) The Broker's Primary Gas Price for Customers may be changed effective with the
31 beginning of each calendar month.

32
33 3) Changes to the Broker's Primary Gas Price must be provided to the Company 45
34 days prior to the effective date of such change.

35
36 C) Brokers may enroll Customers in ABC Service at the same time the Customers are
37 enrolled in Western Transportation Service. Enrollment in ABC Service will automatically
38 end when Western Transportation Service is terminated by the Customer, the Broker or
39 the Company.

40
41 1) Brokers must group Customers such that all Customers in the Group are charged the
42 same Broker's Primary Gas Price.

43
44 2) Changes in enrollment for ABC Service may be requested using the enrollment
45 process for Western Transportation Service. The Company will inform the Broker
46 whether it can accommodate the change in enrollment.

47
48 3) The Company will bill the Customer for gas sold by the Broker to the Customer. A
49 tariff of \$0.25 per customer per month will be paid by the Broker to the Company for
50 the provision of this service.

- 1 D) Bills to any Customer will be issued according to the Company's billing cycle applicable
2 to that Customer.
3
- 4 1) The Company will include the Broker's charges for Primary Gas on every bill for
5 natural gas service which the Company renders to the Customer.
6
- 7 2) The Company will calculate the Broker's charges for Primary Gas in the same
8 manner as it calculates its own Charges for Primary Gas, including the provisions for
9 pro-ration of price changes during billing periods.
10
- 11 3) The Customer will make a remittance to the Company based on the total amount of
12 charges on the bill.
13
- 14 4) The Company will be responsible for collecting the total amount of charges on the
15 bill.
16
- 17 5) Payments made by Customers to the Company pursuant to bills rendered by the
18 Company shall be made without any right of deduction or set-off and regardless of
19 any rights the Customers may have against the Broker.
20
- 21 6) Nonpayment of any amounts designated as Primary Gas charges on the bill shall
22 entitle the Company to the same recourse as non-payment of the Company's
23 charges, and may result in termination of service by the Company.
24
- 25 7) The Company's late payment charges to Customers will apply equally to Primary
26 Gas charges and other charges contained on the bill. No portion of these late
27 payment charges will be remitted to the Broker.
28
- 29 E) The Company will remit to the Broker an amount equivalent to the Broker's charges for
30 Primary Gas subject to the Company's right to deduct and set off any amounts owing to
31 the Company by the Broker. Remittance shall be made by the Company to the Broker
32 for a calendar month on or before the 20th day of the month following such calendar
33 month. If such day is not a Business Day, such amount shall be due and payable on the
34 first Business Day following such day.
35
- 36 1) Remittances will be based on the total Broker's charges for Primary Gas billed by the
37 Company to the Broker's Customers in that calendar month. The remittance payable
38 by the Company to the Broker for any calendar month will be calculated as the sum
39 of total Broker charges for Primary Gas and any amounts payable for that month by
40 the Company to the Broker under the Gas Loan Mechanism, less any amounts
41 payable by the Broker to the Company, including but not limited to payments
42 required pursuant to the Gas Loan Mechanism.
43
- 44 2) Where the amounts to be deducted under subparagraph (1) are greater than the sum
45 of Primary Gas charges billed to the Broker's Customers and Gas Loan payments
46 due from the Company to the Broker, the Company will invoice the Broker for the net
47 amount to be paid by the Broker to the Company. Remittance shall be made by the
48 Broker to the Company for a calendar month on or before the 20th day of the month
49 following such calendar month. If such day is not a Business Day, such amount shall
50 be due and payable on the first Business Day following such day.

- 1 3) Remittance under ABC Service will be made regardless of the payment status on the
2 Customer's bill.
- 3
- 4 4) Remittance shall be made via electronic funds transfer.
- 5
- 6 5) The Company will issue a statement of the Primary Gas charges billed to the
7 Broker's Customers on the 15th day of the month following the month in which gas is
8 delivered. If such day is not a Business day, such statement shall be issued on the
9 first Business Day following such day.
- 10
- 11 6) Any amount to be remitted hereunder and not remitted on or before the date on
12 which it is due (the "due date") shall thereafter bear interest at an annual rate equal
13 to the cost of the Company's average short-term borrowing cost, as updated from
14 time to time.
- 15
- 16 7) Any taxes (other than the Company's income taxes) and other charges which may
17 become payable on or in respect of any Billing Service Fee payable by the Broker
18 hereunder shall be borne and paid by the Broker.
- 19
- 20 8) Nothing contained in these Special Terms and Conditions of Agency Billing and
21 Collection Service shall operate to assign to the Company, or require the Company
22 to bill or collect or remit, any amounts payable as between the Customer and the
23 Broker, save and except such charges for Primary Gas as the Company shall
24 calculate hereunder using the Broker's Primary Gas Price effective pursuant to this
25 Service.
- 26
- 27 9) The Company may terminate service under this Service for reasons other than
28 Customer non-payment if the Broker shall be declared or adjudged bankrupt, or if an
29 application is made in respect of the Broker under the Companies Creditors
30 Arrangements Act (Canada), or if a liquidator, trustee in bankruptcy, custodian,
31 receiver, receiver and manager, moderator or any other officer with similar powers
32 shall be appointed in place of or for the Broker, or if the Broker shall commit any act
33 of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or
34 consents to sue, appointment or the institution of such proceedings or admits in
35 writing to an inability to pay debts generally as they become due or becomes an
36 insolvent person as such term is defined in the Bankruptcy and Insolvency Act
37 (Canada); or if the Broker shall have liquidated, dissolved, wound up its affairs or
38 otherwise ceased doing business. In addition, the Company may immediately
39 terminate this Service in the event of a breach of the Agency Billing and Collection
40 Service Agreement that is not remedied within ten (10) days of the notice of such
41 breach being provided. Notwithstanding the termination of ABC Service, each party
42 shall continue to be liable to pay, on the terms herein specified, any amount accrued
43 or accruing due by such party to the other at the time of termination, regardless of
44 when such amount becomes payable.
- 45

IX. RATE SCHEDULES (BASE RATES ONLY – NO RIDERS)

Please see pages 1 and 2 of Appendix A as attached.

X. RATE SCHEDULES – ANNUAL RATES (BASE RATES PLUS RIDERS)

Please see pages 3 and 4 of Appendix A as attached.

XI. MISCELLANEOUS CHARGES FOR SERVICE

ABC SERVICE FEE

\$0.25 per customer per month

COMPANY LABOUR RATES:

Please see Appendix B as attached.

DAMAGE TO COMPANY EQUIPMENT:

Materials, labour, equipment and cost of gas.

EQUIPMENT RENTAL RATE:

Various rates depending on equipment and customer class.

FINANCE EQUIPMENT INTEREST:

12.9%

FURNACE SAFETY CHECK:

The charge for a safety check and tune-up of a natural gas furnace will be \$50. There is no charge for the Company to investigate a situation involving the potential leakage of gas.

INSPECTION/REINSPECTION FEES:

Inspection or reinspection of a single replacement or additional residential appliance will be \$35.00. All other inspections or reinspections (minimum charge of 1 hour) will be \$55.00 per hour.

LATE PAYMENT CHARGE:

A late payment charge of 1 ¼% per month shall be charged on the dollar amount owing after each billing due date. The due date will be at least 14 days after the mailing of the bills.

MATERIALS:

Manufacturer's listed price plus freight and taxes.

METER RELOCATIONS:

Various rates depending on size of meter.

1 METER TEST:

2 When a Customer requests a test for the meter, the charge will be \$35 for a Residential
3 Meter or \$130 for a Commercial Meter. This charge includes the cost of the test
4 performed, and the removal and replacement of the natural gas meter.
5

6 UNAUTHORIZED OVER-RUN DELIVERY CHARGE:

7 For delivery service taken in contravention of the Company's notice of curtailment, the
8 applicable Unauthorized Over-Run Delivery Charge shall be equal to the greater of: firm
9 LGS volumetric rate for Transportation to Centra and Distribution to Customer Service,
10 or; a pro rata share with any other Customers in contravention of the Company's notice
11 of curtailment of any incremental costs incurred directly or indirectly as a result of such
12 contravention.
13

14 UNAUTHORIZED OVER-RUN GAS CHARGE:

15 For Unauthorized Over-Run Gas taken in contravention of any conditions set forth in
16 these terms and conditions of service, the Company may charge the applicable delivery
17 charge, plus the greater of either:

- 18 a) 1.5 times the settled maximum daily NGX AB-NIT Same Day Index (High) as
19 reported in the Canadian Gas Price Reporter (CGPR) during the time period that
20 the Customer was curtailed, or
21 b) the natural gas rate in dollars per cubic metre equivalent to 1.5 times the
22 maximum daily terminal unbranded rack price for Furnace Fuel Oil in dollars per
23 litre that was reported in Winnipeg during the time period that the Customer was
24 curtailed, or
25 c) the cost to the Company of obtaining replacement gas for delivery to the
26 designated receipt point on that day.
27

28 RECONNECT FEES:

29
30 On each occasion when gas service is discontinued and subsequently resumed to the
31 same Consumer at the same Premises, a reconnect fee will be charged in addition to:
32 (a) the Basic Monthly Charge, except where a customer is disconnected in accordance
33 with Section G) 2) of the Terms and Conditions of Service; and (b) the Demand Charge
34 (if applicable) for the period of disconnection. For purposes of establishing the Monthly
35 Demand Charge, the Demand Charge billed during the last month that service was
36 provided will apply.
37

38 Where a service reconnection takes place during regular business hours, a reconnect
39 fee of \$50 (plus GST) shall be charged. Where a service reconnection takes place
40 outside of regular working hours a reconnect fee of \$65 (plus GST) shall be charged.
41

42 In the event that the meter, regulation equipment and/or service line are removed and
43 replaced on the same Premises within five years of removal, the Company may charge
44 an additional fee equal to the cost of resetting the meter and regulator and installation of
45 the new service line.
46

47 RETURNED CHEQUE CHARGE:

48 When a Consumer's cheque is returned by banks or other financial institutions for
49 reasons beyond the control of the Company, a returned cheque charge of \$20.00 will be
50 assessed to the Customer.

- 1 SECURITY DEPOSITS:
- 2 Three highest months consumption to a maximum of \$225.
- 3
- 4 TEMPORARY DISCONNECTION:
- 5 In situations where a Premise is renovated, demolished or altered such that temporary
- 6 removal of the Company's equipment is required, the Company may charge a cost
- 7 based fee for re-establishing the natural gas service.
- 8
- 9 SERVICE RELOCATIONS AND ALTERATIONS
- 10 Where a customer requests, or where the customer's conduct requires, that an existing
- 11 meter, regulator and/or service line be altered or relocated (so that it follows a different
- 12 route from that chosen by the Company when it was initially installed or alters the
- 13 existing configuration), the Company may require and the Customer shall pay all costs
- 14 associated with the alteration or relocation, including the material, labour, and equipment
- 15 required to perform the alteration or relocation.
- 16
- 17 YARD SERVICES:
- 18 Materials plus 40% plus labour.
- 19