MANITOBA

Order No. 195/02

THE PUBLIC UTILITIES BOARD ACT November 13, 2002

BEFORE: G. D. Forrest, Chairman M. Girouard, Member Mario J. Santos, Member

AN APPLICATION BY CENTRA GAS MANITOBA INC. REGARDING THE APPROVAL OF THE TERMS AND CONDITIONS OF SERVICE

WHEREAS Board Order No. 135/02 approved certain changes to the Terms and Conditions of Service of Centra Gas Manitoba Inc.;

AND WHEREAS the said Order required Centra Gas to file with the Board the Terms and Conditions of Service incorporating those changes which filing was done by Centra Gas on September 12, 2002.

The Board hereby approves the Terms and Conditions of Service dated September 12, 2002 and attached as Appendix "A".

THE PUBLIC UTILITIES BOARD

<u>"G. D. FORREST"</u> Chairman

<u>"H. M. SINGH"</u> Acting Secretary

> Certified a true copy of Order No. 195/02 issued by The Public Utilities Board

Acting Secretary

CENTRA GAS MANITOBA INC.

Schedule of Sales and Transportation Services and Rates

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I. TERRITORY SERVED

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

District	Zone *	Area Definition
Brandon	В	Brandon (City), Cornwallis (R.M.), Elton (Forrest) (R.M.), Carberry, North Cypress (R.M.), Shilo (C.F.B);
Parkland	Α	Dauphin (Town), Dauphin (R.M.),
	В	Gilbert Plains, Gilbert Plains (R.M.), Grandview, Grandview (R.M.), St. Lazare,
	С	Roblin (Town), Shell River (R.M.), Inglis, Shellmouth (R.M.), Boulten (R.M.), Russell (Town), Russell (R.M.), Harrowby, Binscarth;
Portage	A	Portage la Prairie (Town), Portage la Prairie (R.M.), MacGregor, St. Claude, North Norfolk (R.M.), Gray (R.M.), Southport (C.F.B.), Oakville, Cartier (R.M.), Elie, Starbuck, Dakota TIPI First Nation;
Steinbach	A	Ste. Anne, Ste. Anne (R.M.), Blumenort, New Bothwell, Niverville, Steinbach (Town), Hanover (R.M.), Otterburne, St. Pierre, Grunthal, Desalaberry (R.M.), La Broquerie (R.M.), Ritchot (R.M.), Mitchell, St. Malo, Dufrost, Hadashville, La Broquirie;
Westman	В	Blanchard (R.M.), Rivers (Town), 00-ZA-WE-KWUN, Odanah (R.M.), Minnedosa (Town), Hamiota (R.M), Wallace (R.M.), Daly (R.M.), Boissevain, Morton (R.M.), Killarney, Turtle Mountain (R.M.), Deloraine, Winchester (R.M.), Elkhorn, Hamiota,
	С	Neepawa (Town), Langford (R.M.), North Cypress (R.M.), Virden, Miniota (R.M.), Miniota, Hartney, Cameron (R.M.), Melita, Arthur (R.M.), Brenda (R.M.), Glendwood (R.M.), Pipestone (R.M.), Souris, Odanah (R.M.),
Winkler	A	Altona, St. Joseph, Letellier, Montcalm (R.M.), Dominion City, Franklin (R.M.), Elm Creek, Dufferin (R.M.), Carman, Roland (R.M.), Stanley (R.M.), Morden (Town), Winkler, Plum Coulee, Rhineland (R.M.), Rosenort (U.V.D.), Schanzenfeld, Emerson, Gnadenfeld, Gretna, Morris, Reinfeld, Gray (R.M.), Morris (R.M.), St. Jean Baptiste;
Winnipeg	A	Winnipeg, Headingley, Ile Des Chênes, LaSalle, Landmark, Lorette, Dugald, Oakbank, Beausejour, Tyndall, Garson, Stonewall, Stony Mountain, Selkirk, Clandeboye, Petersfield, Matlock, Winnipeg Beach, Gimli, 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, Reynolds (L.G.D.).

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Note: See Section IV General Terms and Conditions D) 11) b).

II. DEFINITION OF TERMS

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

- 7 A) (10^3m^{3}) means 1,000 Cubic Meters of gas.
- 8
 9 B) "AGENCY AGREEMENT" means an agreement between a Customer and Broker, which at a minimum, authorizes and requires the Broker to act on the Customer's behalf with respect to natural gas service.
- C) "AGENCY BILLING AND COLLECTION SERVICE" (or "ABC SERVICE") means a
 service wherein the Company bills the Customer for gas sold by the Broker to the
 Customer.
- 17 D) "AGENT" means a gas supply Broker acting on behalf of a Customer.
- 19 E) "ALBERTA BORDER" means the location(s) in Alberta and Saskatchewan, where 20 natural gas can be accepted into the TransCanada PipeLine system.
- F) "ALTERNATE SUPPLY SERVICE" means any supply or source of gas that the
 Company may offer from time to time, in lieu of curtailment, to Interruptible Sales Service
 Customers.
- G) "ANNUAL VOLUME DIFFERENCE" means, for purposes of Western Transportation
 Service, the sum of the monthly Volume Differences for the twelve months of the Gas
 Year.
- 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.
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- 33 I) "BACKSTOP GAS" means that quantity of gas agreed upon by the Company and the
 34 Customer which is to supplement, in whole or in part, an impairment to gas deliveries to
 35 the Company by or for the Customer.
- 37 J) "BASE RATE" means the rate charged for a Service, not including any rate riders or
 38 other adjustment factors.
- 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.
- 44 L) "BOARD" means the Public Utilities Board of Manitoba.
- 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 "CONTRACT YEAR" means a period of 12 or fewer consecutive months ending on Q) 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 "CUBIC METER" ("m³") means the volume of gas which occupies one cubic meter when 20 T) 21 such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 22 kilopascals absolute. 23 U) 24 "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 W) 34 "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

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- BB) "FUEL GAS" means the quantity of gas which is required to transport gas along the
 TransCanada PipeLine system, or any other pipeline or storage system that is separate
 from the Company's transmission and distribution system.
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 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 the Customer and the Company for purposes of reconciling differences between Primary Gas Billed and Primary Gas Delivered under Western Transportation Service.
- EE) "GAS LOAN MECHANISM" means a mechanism for the exchange of Primary Gas and financial payments between Brokers and the Company under Western Transportation Service.
- FF) "GAS YEAR" means a period of 365 consecutive days beginning on the first day of
 November; provided however, that any such year which contains a date of February 29
 shall consist of 366 days.
- GG) "GROSS HEATING VALUE" means the total joules expressed in megajoules per Cubic
 Meter (MJ/m³) produced by the complete combustion at constant pressure of one (1)
 Cubic Meter of gas with air, with the gas free of water vapor and the temperature of the
 gas, air and products of combustion to be at standard temperature and all water formed
 by combustion reaction to be condensed to the liquid state.
- 26 HH) "GROUP" means a group of Customers designated by a Broker in a single agreement
 27 under Western Transportation Service or ABC Service.
 28
- II) "INTERRUPTIBLE DAILY CONTRACT DEMAND" means the maximum volume of gas
 which the Company obligates itself to be ready to deliver and/or sell daily to the
 Customer's Delivery Point on an Interruptible Service basis.
- JJ) "INTERRUPTIBLE SERVICE" means gas service at one point of delivery and separately
 metered where, at any time, the service may be interrupted at the sole discretion of the
 Company.
- KK) "INTERCONNECT POINT" means the point on the TransCanada PipeLine system or any other pipeline designated by such pipelines as their point of receipt.
- 40 LL) "JOULE" ("J") is the unit of energy measured as the work done when the point of
 41 application of force of one newton is displaced a distance of one meter in the direction of
 42 the force. The terms megajoule and gigajoule means 1 x 106 and 1 x 109 joules,
 43 respectively.
- MM) "LOAN PRICE" means the unit price used in determining the Value of the Gas Loan
 included under Western Transportation Service.
- 48 NN) "MAXIMUM DAILY QUANTITY" means the maximum quantity of gas that the Company
 49 will nominate on behalf of a Customer from the Customer's supplier for Primary Gas

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- supply on a given day. The Maximum Daily Quantity does not include Fuel Gas and may be more than the Customer's Firm Daily Contract Demand.
- 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
- PP) "MONTH" means the period beginning at 9:00 a.m. on the first Day of the calendar month and ending at the same hour on the first Day of the next succeeding calendar month.
- QQ) "MONTHLY BILLING DEMAND" means the highest daily consumption measured in Cubic Meters on any given day of the month, provided the month is a Winter Month, or in any Winter Month of the preceding eleven months. For Customers without twelve months of demand billing data, the Monthly Billing Demand may be estimated or otherwise specified by the Company.
- 17 RR) "MONTHLY DEMAND CHARGE" means a monthly charge that reflects the Customer's use of the capacity of the system. The Monthly Demand Charge is calculated as the Monthly Billing Demand for the month multiplied by the applicable unit demand rate.
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- SS) "NOMINATED VOLUME" means the quantity of gas expressed in gigajoules which the
 Customer has arranged to deliver to the Receipt Point, and the Company has agreed to
 receive, in a given day.
- TT) "NORMAL YEAR GAS REQUIREMENTS" means the annual gas requirements that
 would be required under weather conditions determined from a ten-year rolling average
 as calculated from time to time by the Company.
- UU) "PREMISES" means the location specified in an application for service, or such other
 location to which the Company delivers gas.
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- WV) "PRIMARY GAS" means the gas requirements that may be served with gas from
 Western Canada which is received at the Alberta Border.
- WW) "PRIMARY GAS BILLED" means the quantity of Primary Gas calculated to have been consumed, as rendered by the Company on bills to Customers, in accordance with the 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
- YY) "RECEIPT POINT" means the interconnection between the Company's transmission and distribution system and TransCanada PipeLines transmission system.
 44
- 45 ZZ) "SALES SERVICE" means gas service in which the Company procures gas volumes to 46 satisfy the Customer's gas requirements.
- 47
 48 AAA) "SERVICE LINE" means that portion of the Company's distribution system used for the
 49 delivery of gas from the main to the inlet side of the meter assigned to the Customer.
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1 BBB) "STANDARD PRESSURE" means an absolute pressure equal to 101.325 kPa at 15 2 degrees Celsius. 3 4 CCC) "SUPPLEMENTAL" means the quantity of gas, exclusive of Alternate Supply provided to 5 Interruptible Customers, that is provided by the Company in order to meet gas 6 requirements in excess of the portion of requirements that can be met by Primary Gas. 7 8 DDD) "TRANSCANADA" means TransCanada PipeLines Limited. 9 10 EEE) "TRANSPORTATION SERVICE (T-SERVICE)" means transmission and/or distribution 11 of Customer-owned gas on the Company's system as defined in the Contract between 12 Customer and the Company. 13 14 FFF) "VALUE OF THE GAS LOAN" means the amount of money equal to the quantity of the 15 Gas Loan multiplied by the Loan Price as part of Western Transportation Service. 16 17 GGG) "VOLUME DIFFERENCE" means the difference between the Primary Gas Delivered and 18 the Primary Gas Billed under Western Transportation Service expressed in Cubic 19 Meters. 20 21 HHH) "VOLUMETRIC CHARGE" mean a charge based on the volume of natural gas 22 measured over an extended period of time, such as a monthly billing period. 23 24 III) "WINTER MONTH" means the months of November, December, January, February, and 25 March. 26 27 "YEAR" means a period of 365 consecutive days; provided however, that any such year JJJ) 28 which contains a date of February 29 shall consist of 366 days. 29

III. DESCRIPTION OF AVAILABLE RATES AND SERVICES

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

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.

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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.

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

A) OPTIONAL SERVICE OFFERINGS:

1) Western Transportation Service

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

- Agency Billing and Collection ("ABC") Service is offered in conjunction with Western Transportation Service. ABC Service allows the Company to bill the Customer for Primary Gas on behalf of the Broker, using the Broker's Primary Gas Price. The Customer makes a single payment to the Company. ABC Service is mandatory for Western Transportation Service Customers in the SGC and LGC classes, and optional for Customers in the High Volume Firm, Mainline and Interruptible classes, as agreed to between the Customer, the Broker and the Company.
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2) Alternate Supply Service

The Company may provide, on a best efforts basis, Alternate Supply Service on an interruptible basis to Interruptible Customers requesting such service, who otherwise would be interrupted by the Company for supply reasons. Alternate Supply Service may be arranged by the Company at prices in accordance with the provisions of Section VI hereof.

3) Backstopping Service

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

4) Short Term Interruptible Transportation Service

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

18 19 B) SERVICE OFFERINGS BY SERVICE CLASSIFICATION: 20

21 Customers are classified as either Small General Class, Large General Class, High Volume 22 Firm Class, Mainline Class, Interruptible Class, or Special Contract Class. 23

1) Small General Class ("SGC")

While meter size does not determine which class a Customer is in, SGC Customers, as general guide, receive gas through one meter of the type and capacity typically installed for individual residences. Sales Service and the Optional Service offerings associated therewith are the only services available to these Customers. T- Service is not available. Service is on a firm basis and the charges include a Basic Monthly Charge, a Primary Gas charge, a Supplemental Gas charge, a Transportation to Centra charge; and a Distribution to Customer Volumetric Charge as described in Sections IX and X of this Schedule of Sales and Transportation Services and Rates. All Customers with annual consumption of less than 680,000 m^3 are eligible for this rate.

34 35 Customers that are eligible for this class may elect to be reclassified as Large General 36 Class instead, however, that election will remain in effect until a subsequent election is 37 made and each election must remain effective for a minimum of one year. 38

Customers in this class are eligible for Buy/Sell Service or Western Transportation Service as described in the Optional Service Offerings as provided herein.

2) Large General Class ("LGC")

While meter size does not determine which class a Customer is in, LGC Customers, as 43 44 a general guide, receive gas through one meter of the type and capacity not commonly 45 installed for individual residences. These Customers may elect to receive either Firm 46 Sales Service or Firm Transportation Service. The charges include a Basic Monthly 47 Charge, a Primary Gas charge, a Supplemental Gas charge, a Transportation to Centra 48 charge; and a Distribution to Customer Volumetric Charge as described in Sections IX and X of this Schedule of Sales and Transportation Services and Rates. All Customers 49 with annual consumption of less than 680,000 m³ are eligible for this class. Customers 50

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who are eligible for this class may elect to be reclassified as SGC. That election, however, will remain in effect until a subsequent election is made and each election must remain effective for a minimum of one year.

Sales Customers in this class are eligible for Buy/Sell Service or Western Transportation Service as described in the Optional Service Offerings provided herein. Transportation Service Customers in this class are eligible for Backstopping Service as described in the Optional Service Offerings provided herein.

3) High Volume Firm ("HVF") Class

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HVF Customers receive gas on a firm basis through one meter, where annual consumption equals or exceeds 680,000 m³. These Customers may elect to receive either Firm Sales Service or Firm Transportation Service. The charges include a Basic Monthly Charge, a Monthly Demand Charge, a Primary Gas charge, a Supplemental Gas charge, a Transportation to Centra charge, and a Distribution to Customer Volumetric Charge as described in Sections IX and X of this Schedule of Sales and Transportation Services and Rates. Customers desiring this service must execute a binding agreement with the Company with a minimum term of one year.

Sales Customers in this class are eligible for Buy/Sell Service or Western Transportation Service as described in the Optional Service Offerings provided herein. Transportation Service Customers in this class are eligible for Backstopping Service as described in the Optional Service Offerings provided herein.

4) Interruptible Class ("IC")

26 Interruptible Customers receive gas through one meter where the service may be 27 interrupted by the Company from time to time upon notice to the Customer. 28 Interruptible Service is available only in situations where, in the sole opinion of the 29 Company, a benefit exists for the Company or other Customers. Interruptible Service is available to Customers whose annual gas requirements equal or exceed 680,000 m³ 30 and who contract for such service for a minimum of one year, or to Customers that have 32 received Interruptible Service continuously since December 31, 1996. Sales Service or 33 Transportation Service are available. The charges include a Basic Monthly Charge, a 34 Monthly Demand Charge, a Primary Gas charge, a Supplemental Gas charge, a 35 Transportation to Centra charge, and a Distribution to Customer Volumetric Charge as described in Sections IX and X of this Schedule of Sales and Transportation Services 36 37 and Rates. Interruptible Service is subject to Special Terms and Conditions of Service 38 as set out in Sections V and VI, which also includes penalties for failure to comply with 39 the Terms and Conditions of the service.

41 Sales Customers in this class are eligible for Buy/Sell Service, Short Term Interruptible 42 Transportation Service, Western Transportation Service, and/or Alternate Supply 43 Service as described in the Optional Service Offerings provided herein. T-Service 44 Customers in this class are eligible for Backstopping Service as described in the 45 Optional Service Offerings provided herein.

5) Mainline Class ("MLC")

48 Mainline Customers receive gas through one meter where the Customer is served 49 directly from the Company's transmission system or through dedicated distribution facilities at pressures in excess of medium pressure and whose annual gas 50

requirements equal or exceed 680,000 m³ and who contract for such service for a 1 2 minimum of one year. Mainline Customers may elect Firm Sales Service. Interruptible 3 Sales Service (in conjunction with Firm Delivery Service), or Firm Transportation 4 Service. The charges include a Basic Monthly Charge, a Monthly Demand Charge, a 5 Primary Gas charge, a Supplemental Gas charge, a Transportation to Centra charge, 6 and a Distribution to Customer Volumetric Charge as described in Sections IX and X of 7 this Schedule of Sales and Transportation Services and Rates. This service may be 8 subject to Special Terms and Conditions as specified in sections V and VI. 9

Sales Customers in this class are eligible for Buy/Sell Service, Alternate Supply Service, Short Term Interruptible Transportation Service and/or Western Transportation Service as described in the Optional Service Offerings provided herein. T-Service Customers in this class are eligible for Backstopping Service as described in the Optional Service Offerings provided herein.

6) Special Contract Class

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

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IV. GENERAL TERMS AND CONDITIONS

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

A) CONTRACT FOR SERVICE

1) General

- a) These General Terms and Conditions shall apply to all contracts (howsoever created) for gas service under any of the Company's rate schedules or service classifications, including Special Contracts; provided that, if the provisions of any explicit Contract conflict with these Terms and Conditions, the provisions contained in the explicit Contract shall prevail.
- b) These General Terms and Conditions may, subject to approval by the Board, be added to, altered, or amended by the Company from time to time and any such addition, alteration, or amendment shall become effective upon Order of the Board.

2) Application for Service

- a) Application for a service line shall be made on a form provided by the Company. The application, when signed by the Customer and accepted by the Company, shall become a contract for gas service.
- b) Verbal application for gas service to premises having existing facilities may be accepted by the Company. In such cases, a contract is deemed to be made between the Company and the Customer.
- c) When two or more rates and/or services are available to a Customer, the Customer may elect the rates and/or services to be provided to the Customer. In the event that an election is not specified, the Company will make an election. The Customer may make an alternative election at any time subject to reasonable notice. The Customer, having made an election, must remain with that rate and/or service for a period of not less than twelve months following the effective date of the election. All elections are prospective only.

3) Termination

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

4) Easements and Rights-of-Way

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

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

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

5) Assignment

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

6) Representation

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

7) Resale of Gas

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

8) Rates and Charges

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

9) The Public Utilities Board Act to Prevail

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

41 B) SERVICE CONNECTION AND CHARGES 42

1) Authority for Work

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

2) Installation Policy

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

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

3) Right of Refusal to Install

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

4) Location of Service and Meter

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

5) Service Relocation Charge

Where the Customer requests, or where the Customer's conduct requires, that the service line enter the Premises at a point or follow a route different from that chosen by the Company, it must conform to existing codes and regulations, and the Company may charge and the Customer shall pay for all extra costs incurred in installing the service line in accordance with the Customer's request, provided that nothing herein obligates the Company to install the service line to such alternate point or along such alternate route.

6) Meters Installed Within Premises

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

7) Additional Meters Installed Within Premises

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

8) Access to Property

The Customer grants the Company full power, right, and liberty to enter the lands upon which the Premises are situated to break the surface and make necessary excavations for the purpose of locating, installing, repairing, replacing, maintaining, and inspecting all facilities on the said lands. The Company shall do as little damage and cause as little inconvenience as is reasonably possible in doing such work, and shall restore the property as nearly as is reasonably practical, to its former state provided at all times that the Company shall not be obligated to remove its pipelines or other equipment.

9) Commencement of Use of Gas

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

10) Timing of Installation

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

11) Gratuities

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

19 C) CONSUMER CONTRIBUTIONS IN AID OF CONSTRUCTION

1) Refundable Contributions

Where the Company deems anticipated revenue from the Customer insufficient to justify an extension of its distribution system, it may require the Customer to pay a contribution in aid of construction of the extension. The contribution will be refunded within five (5) years under the following circumstances:

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

2) Non-Refundable Contributions

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

49 D) MEASUREMENT BILLING AND PAYMENT

1) Meters and Regulators

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

2) Testing Measurement Equipment

- a) In the event that the Customer requests under the Electricity and Gas Inspection Act for the testing of the measurement equipment, and by such testing it is found that the measurement equipment is recording within the allowable tolerances as specified in the Regulations under the said Act, all previous readings shall be deemed to be correct and the Customer shall pay to the Company its charge for testing and changing the equipment. If the measurement equipment is found to be recording outside of allowable tolerances, the cost of testing and changing the meter will be borne by the Company and a correction in billing shall be made as set out in IV D) 4) hereof.
 - b) The accuracy of measuring equipment shall be verified by the Company at reasonable intervals, but shall not be required more frequently that once in any thirty-day period. In the event either party shall notify the other that it desires a special test of any measuring equipment the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test shall be borne by the requesting party if the equipment tested is found to be in error by not more than 2%.
 - c) If, upon test, any measuring equipment is found to be in error by not more than 2%, then previous recordings of such equipment shall be considered accurate in computing deliveries of gas. However, the equipment shall be adjusted at once to read as accurately as possible.
 - d) If, for the period since the last preceding test, it is determined that any measuring equipment is found to be inaccurate by an amount exceeding 2% for such period, then the previous readings of measurement equipment shall be corrected for any period during which the measuring equipment was known to be inaccurate. In such situations, corrections for billing purposes shall be in accordance with section IV D) 4).

3) Meter Reading

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

4) Failure of Measurement Equipment to Register Properly

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

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

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

5) Billing

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

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

6) Guarantee Deposit

37 Applicants for service may, at the option of the Company, be required to provide a 38 guarantee of payment in the form of a deposit, letter of credit, or other guarantee 39 suitable to the Company. The amount of such guarantee shall not normally exceed the total of estimated billings to the Customer for the three (3) month period of maximum 40 41 consumption. Guarantee amounts may be assessed at the discretion of the Company. 42 The guarantee is security against any outstanding indebtedness of the Customer, and 43 may, at the Company's discretion, be held by the Company until the Customer 44 discontinues the use of gas at the Premises and the contract is terminated, or the 45 guarantee or part thereof may be applied from time to time against the outstanding 46 indebtedness of the Customer and any amount so applied shall forthwith be paid to the 47 Company by the Customer to replenish such guarantee. The amount of such guarantee 48 is not transferable or assignable. 49

If the guarantee is provided by way of a deposit, the Company shall annually credit interest on the deposit at the Board-approved short-term cost of debt.

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

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

7) Budget Billing Plan

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

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

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

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

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

8) Returned Cheques

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

50 9) Taxes

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

10) Late Payment Charge

A late payment charge 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.

11) Measurements

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

- a) Unit of Gas: The unit of gas sold to or transported for the Customer shall be a volume of gas measured according to Boyle's Law for the measurement of gas under varying pressures and on the measurement basis set out in paragraph b) below. Where appropriate, proper corrections shall be made for the specific gravity and flowing temperatures of the gas and for deviation from Boyle's Law as provided in paragraph b) below.
- b) Determination of Volume, for the purpose of measurement, the unit of volume shall be one Cubic Meter of gas at a temperature of 15 degrees Celsius and at a pressure of 101.325 kilopascals absolute. For the purpose of measurement of gas delivered by the Company the average absolute atmospheric (barometric) pressure at such delivery points shall be assumed to be constant during the term thereof, regardless of variations in actual barometric pressure from time to time, and shall be assumed to be the following for each delivery point within the applicable Manitoba Sales Districts and Zones (see Section I: Territory Served):

<u>Zone</u>	Average Absolute Atmospheric (Barometric) <u>Pressure</u> (PSIA)
A	14.30
B	14.05
C	13.87

- c) **The gross heating value** of the gas per Cubic Meter at any delivery point shall be as determined by TransCanada PipeLines Limited ("TCPL").
- d) **The flowing temperature** of the gas shall be, in the case of non-orifice measurement devices, in accordance with the recommendation of the equipment's manufacturer. Integrating devices for automatically correcting volumes for flowing temperature may be used as the Company deems necessary.
- e) The specific gravity of the gas delivered shall be as determined by TCPL.
- f) **When gas is measured** by means of an orifice meter or meters, the factor for correction for deviation from Boyle's Law shall be computed in accordance with the

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

12) Determination of Monthly Billing Demand

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

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

E) OTHER SERVICES

The Company may provide the following services:

- a) Locate and mark at no direct charge, all Company owned underground plants on request to facilitate excavation or other construction.
- b) Respond, at no charge, on a 24-hour emergency basis to reports of, explosion, fire, gas odour, leaks, fumes, over-pressure, overheating of natural gas space heating equipment or damaged plant, or any other service which, in the Company's opinion, is required for the maintenance and security of Company equipment.
- c) Provide safety inspections, safety related adjustments and/or repairs to the gas burning portion of all residential appliances and commercial appliances under 400,000 Btu/h (422 MJ/h). This includes, but is not limited to, repair of minor gas leaks, and the adjustment and replacement of controls and control parts. The Small General Class Customer will be responsible for the cost of parts. All other Customers will be responsible for the cost of parts and labour.
- d) Service to commercial or industrial equipment over 400,000 Btu/h (422 MJ/h) will not normally be undertaken. The Company will respond, however, to commercial emergencies where business might be adversely affected by prolonged interruption of service. The Customer will be responsible for the cost of parts and labour.

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

F) EQUIPMENT

1) Ownership of Equipment

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

2) Measuring Station

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

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

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

3) Rights of Parties

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

4) Care Required

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

5) Preservation of Metering Records

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

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

- a) Maintenance of service lines, meters, and regulators or any other Company-owned equipment shall be the responsibility of the Company. The Customer shall be responsible for all damage to equipment on the Premises except for deterioration from normal usage.
- b) If the Customer undertakes to renovate, reconstruct, or modify the Premises in such a way as to render Company equipment non-compliant with any existing codes or regulations, the Company will make any corrections necessary to its equipment so that it conforms to the said codes and regulations and the Customer shall be responsible for the cost of such corrections.

7) Moving Meters

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

8) Access to Premises

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

9) Termination of Service

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

10) Rental Equipment

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

40 G) DISCONTINUANCE OF SERVICE

1) Requirement of Notice

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

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:

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- 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 Moving of Customer from the Premises; 25 26 i) 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 I) 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 against the possibility of injury or damage; 34 35 36 n) Theft of Company property, services, and/or gas. 37 38 3) Reconnect Fees On each occasion when gas service is discontinued at the Customer's request or as a 39 result of failure of the Customer to comply with these Terms and Conditions, and the 40 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 are removed 45 and replaced on the same Premises within one year of removal, the Company may 46 charge a fee for resetting the meter and regulator. Until such charges, together with any 47 other indebtedness of the Customer to the Company are paid, the Company may, at its
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50 H) RESPONSIBILITY OF PARTIES

discretion, refuse to reconnect the service or to supply gas.

1) Transfer of Risk, Title, and Possession

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

2) Damages to Equipment

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

3) Force Majeure

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

32 Any causes or contingencies which entitle a party to claim force majeure shall not relieve 33 it from liability in the event of its concurring negligence, or in the event of its failure to use 34 due diligence to remedy the situation or remove the cause in an adequate manner and 35 with all reasonable dispatch, nor shall such causes and contingencies affecting the 36 performance of the obligations hereunder relieve either party from the obligations to 37 make payments of amounts then due or thereafter accruing due hereunder. It is 38 understood and agreed that the settlement of strikes and lockouts shall be entirely within 39 the discretion of the party affected.

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

4) Waste of Gas

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

49 I) CONSUMER EQUIPMENT

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1) Description of Installation

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

2) Customer's Equipment

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

10 The Company may delay the construction of an extension and/or service until the 11 Customer has completed the piping and installation of equipment necessary to receive 12 and use service.

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

- A) A contract setting out Customer specific information shall be established between the Company and the Customer for Transportation Service under the Large General Class, High Volume Firm Class, Mainline Class, or Interruptible Class, having a minimum term of one year. The agreement shall remain in effect for successive periods of one year. unless written notice of termination is given by either party to the other at least 90 days 8 prior to the expiration of the agreement or any renewal thereof. 9
- 10 B) The T-Service Customer shall deliver to the Company at the designated Receipt Point(s) 11 and the Company shall receive from the T-Service Customer and transport a volume of 12 gas, as determined in accordance with subsection C) hereof, from said Receipt Point(s) 13 to the designated Delivery Point(s).
- 15 C) The volume of gas delivered by the T-Service Customer and received and transported 16 by the Company shall, on each day, equal the quantity of gas consumed by the 17 Customer at its facility on such day as determined by the Company's measuring stations 18 located at or near the Delivery Point, less the volume of Backstop Gas (if any) sold to the 19 Customer by the Company on such day pursuant to subsection F) hereof. 20
- 21 D) The Company shall not be obligated to transport, in any one day, any gas in excess of 22 the Daily Contract Demand designated for delivery to each designated Delivery Point for 23 each type of service.
- 25 E) The T-Service Customer shall pay for all gas delivered by the T-Service Customer and 26 received and transported by the Company at the T-Service Rates approved from time to 27 time by the Board. 28
- 29 F) In the event that a T-Service Customer fails or anticipates failure to deliver the 30 necessary volume of gas to the designated Receipt Point: 31
 - 1) The T-Service Customer shall promptly notify the Company if the Customer has reason to believe that deliveries of gas by or for the Customer to the Company at the Receipt Point(s) will be impaired in whole or in part. At such time, the Customer shall indicate whether it will require gas from the Company and the volume required during such period of impairment. If the Company is unable to provide Backstopping Gas as requested by the Customer, the Customer shall be obligated to restrict it's consumption to the volume of gas it can deliver into the system.
 - 2) On any day when, as a result of impairment, the T-Service Customer requires gas from the Company, the Company may, subject to availability of supply, sell to the Customer such quantity of gas as is agreed between the parties (herein referred to as "Backstop Gas"), and the Customer shall pay for any Backstop Gas the greater of;
 - a) its appropriate share pro-rata with other T-Service Customers purchasing Backstop Gas, on such day, of the total cost, including all costs associated with purchasing and having that supply delivered to the Receipt Point. These charges are in addition to the normal T-Service Volumetric Charges; or
 - b) the equivalent Sales Service Volumetric Rate.

On such day, the Backstop Gas shall be deemed to be the first volumes delivered to the Customer.

- 3) Volumes delivered to the Customer as Backstopping Gas shall be included in the determination of the Monthly Billing Demand.
- G) The provisions of this paragraph shall only be applicable if service hereunder is pursuant to one of the Company's Interruptible Transportation services.
 - The Company may, at its sole option, on notice to the T-Service Customer, curtail or discontinue service hereunder down to the level of Firm Transportation Service (if any) to which the T-Service Customer is entitled. Such notice shall be made by telephone, electronic, or other communication device, or in person, and the Customer shall curtail its consumption of gas to the extent requested by the Company within two (2) hours of receipt of notice.
 - 2) In recognition of the Customer's service as Interruptible Transportation Service furnished by the Company hereunder, the Company shall not be liable for damages to person or property resulting from curtailment of service, or the Customer's failure to provide adequate stand-by equipment and fuel, or to use such equipment properly and sufficiently.
 - 3) In the event that the T-Service Customer fails to comply with any such notice of curtailment, then the Company may at its option:
 - a) Physically discontinue Transportation Service hereunder during any period of curtailment; and/or
 - b) Charge and collect from the Customer for all gas received and transported hereunder during any such period at the Penalty Delivery Charge, or such lesser amount per m³ as the Company, in its sole discretion, may decide upon.
 - c) Charge and collect from the Customer the Firm T-Service Delivery rates for a 12 month period subsequent to the failure to interrupt. This provision shall not relieve the Customer from continuing to operate as, and meet all of the obligations of, an Interruptible Customer during this 12 month period. Continued failure to abide by the terms of Interruptible Service shall entitle the Company to return the Customer to Firm Transportation Service on a permanent basis.
 - 4) The Company shall have the further right to curtail the transportation of gas hereunder without notice and without any liability whatsoever for any resultant damage to the Customer for any one or more of the following reasons:
 - a) Repairs to its distribution system; or
 - b) Transportation of gas being prevented or interrupted for any cause reasonably beyond the control of the Company.
 - c) For breach by the Customer of any of the terms and conditions hereof;

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- 5) With respect to each Delivery Point(s), the T-Service Customer shall be subject to a monthly bill equal to the Basic Monthly Charge, the applicable Monthly Demand Charge, and Volumetric Charges for volumes delivered.
- 6) Volumes taken by the Customer in contravention of curtailment notice shall be included in the determination of the Monthly Billing Demand.
- 9 H) Where the T-Service Customer is entitled to both Firm and Interruptible Transportation Service to a particular Delivery Point, the volume of gas transported by the Company to 10 11 such Delivery Point on any day shall be deemed to be transported firstly under Firm 12 Service up to the level of Firm Daily Contract Demand, and secondly under Interruptible 13 Service; provided, however, that if on any day, the Customer's Interruptible Service is 14 curtailed, the gas under Firm Service shall be deemed to have been transported, up to 15 the time of curtailment, at an even hourly flow at a rate equal to the Firm Daily Contract 16 Demand, divided by 24.
- 18 I) The T-Service Customer shall notify the Company by fax, no later than 2:00 p.m.
 19 Winnipeg time on the day prior to delivery (except during periods when the Customer has advised the Company that no transportation service is required) of:
 - 1) The Customer's nomination for the following day with TCPL; and
 - 2) The Customer's forecasted gas consumption and Nominated Volume for the following day.

Such Nominated Volume and forecasted consumption shall be deemed to remain in effect from day to day unless changed by the Customer and notice of such change is given to the Company in the manner aforesaid.

- J) Prior to 10:00 a.m. Winnipeg time each day, the T-Service Customer will advise the
 Company by telephone or fax of the meter reading at each Delivery Point as at 9:00 a.m.
 Winnipeg time on that day.
- 35 K) In the event that a Sales Service Customer elects to become a T-Service Customer, he 36 will indemnify and save the Company harmless against any costs incurred by the 37 Company upstream of the Receipt Point for which the Company is unable to obtain 38 relief. The Company reserves the right to determine the level of capacity that may be 39 released to the Customer or his agent.
- L) The T-Service Customer hereby releases the Company from the Company's obligation to supply gas (except in accordance herewith) to the Customer for so long as the Transportation Service Agreement remains in force. If the Customer wishes to recommence purchasing gas from the Company, the Customer acknowledges and agrees that it will be treated in the same manner as a new Customer applying for Sales Service.
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- 48 M) The provisions of these "Special Terms and Conditions" may be superseded by any 49 requirements contained in a separate "Load Balancing Agreement" between the

Customer and the Company and/or any other terms of the Transportation Service
 Contract as required in paragraph A herein.

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) Subject to subsection VI D) hereof, the Company shall sell and deliver to the Customer 14 and the Customer shall purchase from the Company at the Delivery Point, natural gas for consumption by the Customer at its premises; provided that the Company shall not 15 16 be obligated to sell or deliver to the Customer, on any one day, any gas in excess of the 17 Interruptible Daily Contract Demand as specified in a separate agreement, or in any one 18 hour, any gas in excess of the Maximum Hourly Flow. 19 20 C) In the event that the Company determines, in its sole discretion, that it cannot provide 21 Interruptible Sales Service from its available supplies, the following provisions will apply: 22 23 1) If, prior to the commencement of any day or at any time during any day, the 24 Company reasonably believes that it will, on that day, be curtailing Interruptible Sales 25 and/or offering Alternate Supply gas at a price higher than the Base Rate for 26 Supplemental Gas to Interruptible Customers, it shall notify the Customer to this 27 effect and of the sale price of such Alternate Supply gas. The Customer may elect to 28 purchase Alternate Supply gas on that day or decline service for that day, or portion 29 thereof, and the Customer shall promptly notify the Company of its decision. If the 30 Customer declines service for that day or portion thereof it shall cease consuming 31 gas on such day or portion thereof; 32 33 2) If the Company is able to offer Alternate Supply gas to the Interruptible Customer at 34 a price that is equal to or less than the Base Rate for Supplemental Gas to 35 Interruptible Customers, the Company may provide Alternate Supply service without 36 notice to the Interruptible Customer, and the Customer shall pay the sale price of that 37 gas supply plus the Alternate Supply Service Delivery Rate. 38 39 3) If, on any day, the Customer elects to purchase the Alternate Supply gas, the 40 Customer shall pay the sale price of that gas supply plus the Alternate Supply 41 Service Delivery Rate. 42 43 4) If, on any day, the Customer elects to purchase Alternate Supply the volumes 44 delivered on that day shall not be included in the determination of the Monthly Billing 45 Demand. 46 47 5) If, on any day, the Company is providing Alternate Supply Service and the Customer, 48 having declined such service, continues to consume gas on that day, the Customer 49 shall be subject to section D) 3) below; 50

The following provisions shall apply to the interruption of service under these Services:

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- 2 3 1) The Company may, at its sole option, on notice to the Customer, curtail or 4 discontinue service hereunder down to the level of firm service to which the 5 Customer is entitled (if any). Such notice shall be made by telephone, electronic or 6 other communication device, or in person, and the Customer shall curtail its 7 consumption of gas to the extent requested by the Company within two (2) hours of 8 receipt of the notice; 9 10 2) In recognition of the Customer's service as Interruptible Service furnished by the 11 Company hereunder, the Company shall not be liable for damages to person or 12 property resulting from curtailment of service, or the Customer's failure to provide 13 adequate stand-by equipment and fuel, or to use such equipment properly and 14 sufficiently; 15 16 3) In the event that the Customer shall fail to comply with any such notice of 17 curtailment, then the Company may, at its option: 18 19 a) Physically discontinue service hereunder during such period of curtailment; or 20 21 b) Charge and collect from the Customer for all gas delivered to the Customer 22 during any such period at the Penalty Gas Charge and/or Penalty Delivery 23 Charge, or such lesser amount per m^3 as the Company, in its sole discretion, 24 may decide; 25 26 c) Charge and collect from the Interruptible Customer the High Volume Firm 27 Service rates or other Firm Service rates as decided by the Company, for a 12 28 month period subsequent to the failure to interrupt. This provision shall not 29 relieve the Customer from continuing to operate as, and meet all of the obligations of, an Interruptible Customer during this 12 month period; 30 31 32 d) Continued failure to abide by the terms of Interruptible Service shall entitle the 33 Company to reclassify the Customer to Firm Sales Service on a permanent 34 basis. 35 36 4) The Company shall have the further right, without notice to the Customer, to curtail 37 service hereunder for any of the following reasons: 38 39 a) For repairs to its distribution system: 40 41 b) By reason of service hereunder being prevented or interrupted for any cause 42 reasonably beyond the control of the Company; or 43 44 c) For breach by the Customer of any of the terms and conditions hereof; 45
 - 5) With respect to each delivery point, the Customer shall pay a monthly bill equal to the Basic Monthly Charge, the applicable Monthly Demand Charge, and Volumetric Charges for any and all volumes delivered;

- 6) The Company shall not be liable for damages, costs, loss or expense, whether direct, consequential, or otherwise, to person or property, resulting from curtailment of service hereunder or the Customer's failure to provide adequate stand-by equipment fuel, or to use such equipment properly and sufficiently.
 - 7) Volumes taken by the Customer in contravention of curtailment shall be included in the determination of the Monthly Billing Demand.
- 9 E) The provisions of these "Special Terms and Conditions" may be superseded by any requirements contained in the Interruptible Service Contract as required in paragraph A)
 11 herein.
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- 13 F) Where the Customer is entitled to both Firm and Interruptible Sales and/or Delivery 14 Service hereunder to a particular Delivery Point, the volume of gas transported by the 15 Company to such Delivery Point on any day shall be deemed to be transported firstly 16 under Firm Service up to the level of Firm Daily Contract Demand as specified in a 17 separate agreement, and secondly under Interruptible Service; provided, however, that if 18 on any day, the Customer's Interruptible Service is curtailed, the gas under Firm Service 19 shall be deemed to have been transported, up to the time of curtailment, at an even 20 hourly flow at a rate equal to the Firm Daily Contract Demand, divided by 24.
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VII. SPECIAL TERMS AND CONDITIONS: WESTERN TRANSPORTATION SERVICE

- A) Western Transportation Service provides for the transportation, storage, transmission, and distribution as appropriate, of Customer-owned Primary Gas from the Alberta border to the Customer's premises. The Company provides mandatory Supplemental Gas in conjunction with this service.
- 8 B) An executed Western Transportation Service Agreement is required in order to take this service. Customers in the Small General, Large General, High Volume Firm, Interruptible, Mainline or Interruptible Class are eligible for this service.
 - 1) The Customer must be represented by a Broker authorized by the Board to sell natural gas.
 - 2) The Customer must sign an Agency Agreement to be represented by that Broker. The Agency Agreement must, at a minimum, appoint the Broker as the Customer's sole and exclusive Agent to contract for the Customer's Primary Gas Supply, authorize the Broker to execute an Agreement for Western Transportation Service on behalf of the Customer, and where ABC Service is desired or mandated, authorize the Broker to execute an Agency Billing & Collection Agreement with the Company on behalf of the Customer.
 - 3) The Broker must sign and execute an Agreement for Western Transportation Service on behalf of the Customer and on its own behalf.
 - 4) It is optional for the Broker to take the Company's ABC Service in conjunction with this service for all Customers in the Small General and Large General classes.
 - 5) Customers that wish to act as their own Broker must have estimated annual consumption of equal to or greater than 680,000 m³ and must be authorized by the Board.
- C) Customers in the Small General and Large General classes must be grouped to a minimum Customer load totaling 310,000 m³ per year for each Western Transportation Service Agreement. In addition, Brokers taking the Agency Billing and Collection Service must create Groups that adhere to the additional minimum Customer load requirements and restrictions specified for that Service.
 - 1) A Broker may not aggregate Customers with other Brokers to meet the minimum Customer load requirements.
 - 2) A Broker must meet the minimum Customer load requirements in order to commence service to Customers in the Small General or Large General classes.
 - 3) A Broker that fails to maintain the minimum Customer load requirements will be required to release its Small General and Large General Customers from their participation in Western Transportation Service with that Broker, effective with the first day of the next Gas Year.

1 2 3		а) The Company will notify any Broker who fails to maintain the minimum Customer load requirements:
545678901123415671890122324567890133333390442344567890			 Where a Broker falls below the requirements during the first three quarters of any Gas Year, the Company will notify the Broker at the beginning of the next gas quarter, and
			 Where a Broker falls below the requirements during the last quarter of any Gas Year, the Company will notify the Broker as soon as the Company determines the shortfall.
		b) A Broker who falls below the minimum Customer load requirement between November 1 and August 31 may submit enrollment applications prior to September 1 for additional Customers in order to re-establish the minimum Customer load requirement.
		С) If a Broker falls below the minimum Customer load requirement between September 1 and October 31 of any Gas Year, the Company will automatically release all Customers enrolled with that Broker effective with the start of the next Gas Year.
		d) A Broker who fails to maintain the minimum Customer load requirements and either fails or is not eligible to enroll additional Customers to meet the requirements, must notify its existing Customers that the Broker will no longer be eligible to serve them, and will remain ineligible to serve them for a period of one year. Notification to Customers must be provided as soon as possible after the Company's notification to the Broker or September 1 of the then current Gas Year, whichever is later.
		e) A Customer whose Broker is no longer eligible to serve them may enroll with a different Broker during the prescribed enrollment periods set out in Section D). The Company will return released Customers to the Company's Sales Service for Primary Gas on a best-efforts basis unless the Customer becomes enrolled with another eligible Broker effective with the beginning of the next Gas Year.
	D)		cipation in Western Transportation Service will commence at the start of a Gas Year er. The Gas Year quarters start on November 1, February 1, May 1 and August 1.
		Ŵ	rokers will submit enrollment applications on behalf of Customers. The Company vill notify the Broker if a Customer enrollment application is unacceptable to the company.
			nrollment applications must be submitted using a format acceptable to the company, acting reasonably.
			,
			nrollment applications must be received by the Company no less than 30 days prior the requested date for commencement of service.

- 5) A Customer's participation in Western Transportation Service with one Broker must be terminated by that Broker before the Customer can participate in that Service with a different Broker.
 - 6) The Company will send a notification letter to each Customer whose enrollment is acceptable to the Company.
- E) During the period from May 1, 2000 to November 1, 2001 (the "transition period"), a Customer who is a party to a current Buy/Sell Services contract with a Broker may transfer to Western Transportation Service with the same Broker effective the first day of each month during the aforesaid transition period subject to the following conditions:
 - 1) The Broker and Customer shall comply with all conditions of enrollment except that commencement of participation in Western Transportation Service will not be limited to a Gas Year Quarter.
 - 2) The Broker shall not alter, amend, vary or terminate any supply contract existing for Buy/Sell Service during the transition period.
 - 3) The Broker shall submit conversions subject to these provisions separately from new enrollments.
 - 4) As between the Broker and the Company:
 - Buy/Sell imbalances shall not be rolled over to Western Transportation Service, and each service shall be tracked and balanced separate and apart from the other in accordance with the provisions of these Terms and Conditions and of the Buy/Sell contract;
 - b) Deliveries shall be nominated jointly to Buy/Sell and Western Transportation Services, the MDQ requirements and total nominations shall remain unchanged;
 - c) Deliveries shall be allocated first to Western Transportation Service, based upon the percentage of Western Transportation Service consumption to the total consumption of Customers under both Western Transportation Service and Buy/Sell service;
 - d) In those months when gas consumption of the Customers exceeds amounts of Primary Gas delivered by the Broker, deliveries shall be allocated to serve monthly consumption proportionately among Buy/Sell and Western Transportation Service customers;
- e) In those months when Primary Gas delivered by the Broker exceeds gas consumption of the Customers, deliveries shall firstly be allocated to consumption volumes under each of the Buy/Sell and Western Transportation Service, and secondly to the existing imbalances under each of the Buy/Sell and Western Transportation Services proportionately.

5) During the transition period the minimum Customer load requirement specified in 1 2 Article VII C) hereof shall be waived. The Broker must adhere to the minimum 3 Customer load requirement on November 1, 2001 and thereafter, failing which the 4 provisions of Article VII C) shall apply. 5 6 F) Brokers who choose to participate in Western Transportation Service must do so 7 through to the end of each Gas Year. 8 9 G) A Customer's enrollment in Western Transportation Service will be renewed at the 10 beginning of each Gas Year for the entire Gas Year, subject to the following: 11 12 1) A Customer may return to the Company's Sales Service for Primary Gas effective 13 with the start of any Gas Year quarter, subject to the Company's ability to provide 14 that Service on a best efforts basis and the Customer's requirement to pay any and 15 all incremental costs related to the Company's provision of that Primary Gas through 16 the end of the Gas Year. 17 18 2) The Company will provide Bridging Service on a best-efforts basis to any Customer 19 whose Western Transportation Service Agreement is terminated, through the end of 20 the current Gas Year quarter, after which time the Customer may return to the Company's Sales Service for Primary Gas in accordance with Article VII G) 1),or to 21 22 Western Transportation Service. 23 24 3) A Customer may switch Brokers effective with the start of any Gas Year quarter, 25 subject to the terms of their Agency Agreement. 26 27 4) A Customer may, through the enrollment process, switch between Western 28 Transportation Service Agreements with the same Broker effective with the start of 29 any Gas Year guarter. 30 31 H) The Broker is responsible for securing firm supply of Primary Gas and transportation to 32 the Alberta Border. 33 1) The firm supply and necessary transportation to the Alberta Border must be 34 35 adequate to meet the Maximum Daily Quantity established by the Company for Primary Gas, plus the amount needed to supply related Fuel Gas on the 36 37 TransCanada PipeLine from the Alberta Border to the Company's distribution 38 system. The ability to supply and transport the Maximum Daily Quantity must be 39 maintained for every day that service is provided. 40 41 2) The Company may direct, dispatch or dispose of the firm supply in any manner it 42 sees fit, consistent with prudent utility practice, and shall be entitled to pass good title 43 in such gas. 44 45 3) The Company is not responsible for the cost of the firm supply or related 46 transportation to the Alberta Border, or for any financial or other performance 47 penalties that may be associated with such firm supply or related transportation. 48

- I) The Company shall on each day nominate a quantity of Primary Gas (plus Fuel Gas) to be delivered on the next day by the Broker and accepted by the Company at the Alberta Border in accordance with the following terms:
 - 1) Prior to any deliveries being made in accordance with the terms of this Service, the Broker shall provide the Company with the name, address, telephone number and facsimile number of the Supplier[s], and the point[s] of receipt for deliveries. Such information shall be immediately updated as changes occur.
 - 2) Where there are two or more Suppliers, the Broker shall indicate to the Company what percentage of total daily nominations is to be made to each supplier. Such percentage must be sufficient to result in a minimum annual nomination of 310,000 m³ from each Supplier. Such information shall be immediately updated as changes occur.
 - 3) The Company shall nominate by 11:00 a.m. CDT each day. The volume that is nominated will be determined by the Company, taking into account the gas requirements of the individual Customer, its Maximum Daily Quantity, system operating conditions, the quantity of Fuel Gas required to transport Primary Gas from the Alberta Border to the Receipt Point, any remaining Annual Volume Difference carried forward from the prior Gas Year, the availability of transportation on TransCanada and nominations required under its system supply contracts and other gas purchase agreements under which the Company obtains gas. The required quantity of Fuel Gas will be determined in accordance with the applicable TransCanada fuel ratio in effect from time to time, as approved by the National Energy Board of Canada. Such nomination may be changed from time to time during the Day, and the Broker shall promptly adjust its deliveries to accommodate such changes.
 - 4) The Company will nominate directly to the Supplier. The Broker agrees to inform the Supplier in writing that all nominations made in accordance with this Service by the Company to the Supplier for the delivery of gas to the Company, shall be received by the Supplier as if made by the Broker, and that all gas delivered by the Supplier to the Company pursuant to such nominations shall be to the account of the Customer. If for any reason the Supplier is unwilling or unable to accept such nominations, the Company shall be entitled to make in its discretion such nominations directly to the Broker or Customer.
 - 5) The Company will nominate the Customer's supplies in approximately the same proportion to the Customer's total gas requirements as the Company's nominations of Primary Gas in relation to total requirements for the Company's Sales (including Buy/Sell and Western Transportation Service) Customers.
 - 6) Unless otherwise agreed to by the Customer, the maximum quantity of gas that the Company may nominate on any day is the Maximum Daily Quantity, plus Fuel Gas.
 - 7) The Customer shall immediately notify the Company if the anticipated quantity of gas to be consumed at its facility significantly changes for any reason.

8)

1			
2		a)	The Broker or its Supplier shall notify the Company as soon as possible, after
3			receipt of the nomination, or change in nomination, if such nomination cannot be
4			satisfied. In addition, the Broker shall notify the Company immediately upon
5			becoming aware of any event that will alter or affect the deliveries of gas under
6 7			this Service.
8		b)	The Customer or its Supplier shall notify the Company as soon as possible, after
9		5)	receipt of the nomination, or change in nomination, if such nomination cannot be
10			satisfied. In addition, the Customer shall notify the Company immediately upon
11			becoming aware of any event that will alter or affect the deliveries of gas under
12			this Service.
13			
14		c)	Notice provided in accordance with paragraph a) or b) relieves neither the Broker
15			nor the Customer from their obligations hereunder.
16 17		ο) ΔΙΙ	such confirmations or notifications shall be made by telephone, electronic or other
18		•	mmunication advice, and if given orally, shall be effective only if they are con-
19			med the same day in writing by way of facsimile or other written means of
20			mmunications.
21			
22		,	here a Supplier notifies the Company that nominations relating to more than one
23			ch Broker will not be wholly satisfied, the Company shall allocate the shortfall
24			nong such Brokers in accordance with the instructions of that Supplier. Where the
25 26			applier does not provide such instructions to the Company, the Company shall
20 27			ocate the shortfall among the Brokers in proportion to each Broker's respective are of the total nomination made by the Company to that Supplier.
28		511	are of the total nonlination made by the company to that oupplier.
29		11) lf,	with respect to any day, a nomination is not accepted or if for any other reason,
30			e Broker and Customer fails to deliver any of the nominated gas, then the special
31		pro	ovisions for Backstop Gas under this Service shall apply.
32			
33	J)		the back of the difference between the Company
34 35			ach Broker for the difference between Primary Gas Delivered by a Broker and
35 36			ry Gas Billed to that Broker's Customers. The Gas Loan will be reconciled for each each each within two months following the end of that Gas Year,
37		045 1	
38		1) Th	e Gas Loan will be tracked separately for the Group of Customers under each
39		•	estern Transportation Service Agreement. Customers may be added to or
40		rer	moved from the Group, subject to minimum Customer load restrictions under this
41		Se	ervice, and the minimum Customer load restrictions of ABC Service if applicable.
42		o) =	
43		•	r each Group of Customers, the Company will calculate the Volume Difference
44 45		be	tween Primary Gas Delivered and Primary Gas Billed for each month.
46		a)	Primary Gas Delivered in the month will be measured as the volume of gas
47		(ي	received from Brokers at the Alberta Border during the month, but not including
48			Fuel Gas provided by the Brokers.
49			

b) Primary Gas Billed in the month will be measured as the volume of Primary Gas 1 2 reported on bills issued by the Company to the Broker's Customers during that 3 calendar month. Primary Gas Billed in the month may include consumption in a 4 prior month, in accordance with the Company's billing practices. 5 6 c) Where Primary Gas is measured in Gigajoules, the volume of Primary Gas in 7 Cubic Meters will be determined using the Gross Heating Value as determined 8 by TransCanada. 9 3) The Value of the Gas Loan for each month will be calculated as the Volume 10 11 Difference in each month multiplied by the Loan Price applicable to that Group of 12 Customers to determine the value of the loan for each month. Where the Broker has 13 entered into an ABC Service Agreement for the Group of Customers and where the 14 Broker has duly executed a warranty satisfactory to the Company that the ABC 15 Service is the sole means of collecting monies from the Group of Customers, the 16 Loan Price will be the Broker Price charged to the Customer. In all other events, the 17 Loan Price will be the Company's Base Rate for Primary Gas approved by the 18 Manitoba Public Utilities Board that is in effect at that time. 19 20 4) The Value of the Gas Loan shall be payable each month. 21 22 a) If the volume of Primary Gas Delivered in a month exceeds the volume of 23 Primary Gas Billed in that month, the Company shall pay the Value of the Gas 24 Loan to the Broker. 25 26 b) If the volume of Primary Gas Delivered in a month is less than the volume of 27 Primary Gas Billed in that month, the Broker shall pay the Value of the Gas Loan 28 to the Company. 29 30 c) The Company will issue a statement for the amount payable by the Company or 31 the Broker, as the case may be, on the 15th day of the month following the 32 month in which gas is delivered. If such day is not a Business day, such 33 statement shall be issued on the first Business Day following such day. 34 35 d) Remittances will be due and payable on the 20th day of the month following the 36 month in which gas is delivered. If such day is not a Business day, such amount 37 shall be due and payable on the first Business day following such day. 38 39 5) Following the end of each Gas Year, the Company will perform a reconciliation on the Gas Loan. 40 41 42 a) The Annual Volume Difference will be calculated by the Company as the sum of 43 the Volume Differences during the Gas Year plus any Annual Volume Difference 44 carried over from the prior Gas Year. This Annual Volume Difference may be 45 further adjusted for differences between Primary Gas consumed in the Gas Year 46 and Primary Gas Billed in the Gas Year. 47 48 b) The Annual Volume Difference may at the option of the Broker be carried over 49 into the following Gas Year, subject to the following conditions. The Annual Volume Difference may be either positive or negative. 50

- i) The Company will include the Annual Volume Difference from one Gas Year in the determination of the next Gas Year's annual supply requirements.
- ii) The Company will nominate, and the Broker will deliver, appropriate volumes to satisfy current Gas Year consumption requirements as well as any Annual Volume Difference (positive or negative) carried over from the prior Gas Year.
- iii) If, for any reason, the Broker will not be providing Primary Gas under a given Agreement in the following Gas Year, the Annual Volume Difference will not be carried over into the following Gas Year. The Company will charge or credit the Broker for the Value of the Annual Volume Difference as part of the annual financial reconciliation.
- c) For purposes of the annual financial reconciliation, the remaining Value of the Gas Loan will be calculated as the sum of the monthly payments related to the Value of the Gas Loan for the Gas Year minus the value of any Annual Volume Differences carried over into the next Gas Year.
- The value of the Annual Volume Differences carried over into the following year will be calculated by multiplying the Annual Volume Difference for one Gas Year by the Loan Price applicable to that Group of Customers in the last month of the Gas Year being reconciled.
 - ii) For Brokers with ABC contractual arrangements, the Loan Price will be the Broker Price charged to the Customer. For Brokers with non-ABC contractual arrangements, the Loan Price will be the Company's Base Rate for Primary Gas approved by the Manitoba Public Utilities Board that was in effect for the last month of the Gas Year being reconciled.
 - iii) If, for any reason, the Annual Volume Difference will not be carried over into the following Gas Year, the annual financial reconciliation will consist of a final payment that completely offsets the sum of the monthly payments related to the Value of the Gas Loan for the Gas Year, plus a final payment equal to the Value of the Annual Volume Difference. The value of the Annual Volume Differences will be calculated by multiplying the Annual Volume Difference for the Gas Year by the monthly Empress price as reported by CGPR for the last month of the Gas Year being reconciled.
 - d) If the remaining Value of the Gas Loan indicates an overpayment by the Broker, the Company shall pay that amount to the Broker with the next scheduled monthly transaction following completion of the reconciliation calculations.
 - e) If the remaining Value of the Gas Loan indicates an underpayment by the Broker, the Broker shall pay that amount to the Company with the next scheduled monthly transaction following completion of the reconciliation calculations.
- f) Where a Customer switches to a new Broker, or to a different Western Transportation Service Agreement with the same Broker, outstanding Gas Loan

balances may be transferred to that new Broker or different Agreement with the 1 2 prior approval of the Company and the affected Brokers. 3 4 6) Brokers not participating in ABC Service may, with the Company's and the 5 Customer's consent, designate that all statements or remittances under the Gas 6 Loan Mechanism should be directed to the Customer, rather than the Broker. The 7 Company may require such Customers to meet the creditworthiness standards 8 otherwise imposed on the Broker as part of this Service. 9 7) With respect to the Gas Loan Mechanism, no interest will be charged or credited by 10 11 the Company for the Value of the Gas Loan, except for interest that will be calculated 12 on late payments. 13 14 K) BILLING AND PAYMENT 15 16 1) Sales Customers will be billed monthly for Supplemental Gas. Transportation to 17 Centra, and Distribution to Customer at rates, as approved by the Board from time 18 to time. Bills will be issued on the regular billing cycle established by the Company. 19 Subject to the mandatory provision of Agency Billing and Collection Service as noted 20 later herein, unless the Broker signs an Agency Billing and Collection Agreement 21 with the Company, the Broker shall be responsible for billing the Customer for 22 Primary Gas. Failure by the Customer to pay that Broker's bill will not result in 23 termination of service by the Company. 24 25 2) The Customer is responsible for all charges related to this Service, including charges 26 incurred by their Brokers when acting as the agent for the Customer. Such charges 27 include: 28 29 a) Gas supplies nominated by the Company at the Alberta Border on behalf of the 30 Customer. 31 32 b) Payments for gas loaned to the Customer by the Company under the Gas Loan 33 Mechanism, including interest where applicable. 34 35 c) Payments for Backstop Gas provided to the Broker by the Company, including 36 interest where applicable. 37 38 d) Reimbursement of any penalties or charges imposed on the Company as a result 39 of the Broker's malfeasance or nonperformance. 40 41 e) Service fees charged to the Broker by the Company. 42 43 3) The liability of a Broker's Customers in relation to an obligation of their Broker shall 44 be prorated by the Company among the Customers of that Broker, based upon the 45 Company's determination of any relevant factors and circumstances. Each 46 Customer's liability will be limited to its pro rata share, so determined. 47 48 4) Should the Broker fail to pay all of the amount of the Gas Loan Mechanism as herein 49 provided when such an amount is due, interest shall accrue on the unpaid portion of the statement at a rate per annum equal to the Company's cost of short term debt as 50

approved by the Board from time to time on the date such payment is due. If such failure to pay continues for ten days after such amount is due, the Company may use any financial security provided by the Broker to meet that obligation.

- 5) All remittances for the Gas Loan Mechanism will be accomplished via Electronic Funds Transfer. Remittances related to the Gas Loan Mechanism may be added to or netted against remittances related to ABC Service in order to accomplish a single transaction on the scheduled day in each month.
- 6) In the event an error is discovered in the amount billed for the Gas Loan in any statement deemed to be rendered, such error shall be adjusted within thirty (30) days of the determination thereof, provided that such claim shall have been made within sixty (60) days from the date of discovery of the error, but, in any event, within twelve (12) months from the date of payment.
 - a) Errors discovered within the same Gas Year will be included in the monthly Volume Difference and Value of the Gas Loan during that Gas Year.
 - b) Errors discovered after the close of the Gas Year will be treated as an Annual Volume Difference, subject to the same conditions as specified for the Gas Loan Mechanism.
 - c) Errors discovered after the allowed claim period will be treated as if the volume and value of Primary Gas were provided entirely by the Company to the Customer.
- L) Broker participation in this program is subject to the following:
 - 1) Only Brokers licensed and registered to do business in the Province of Manitoba, and authorized by the Manitoba Public Utilities Board to operate as a Broker in Manitoba are eligible to participate.
 - 2) The Agency Agreement creating a valid agency relationship between the Broker and the Customer must be provided by the Broker to the Company upon request.
 - 3) The Agency Agreement must authorize the Broker to fulfill all requirements otherwise required to be met by the Customer under this Part VII Special Terms and Conditions: Western Transportation Service and be enforceable.
 - 4) The Broker must execute a Western Transportation Service Agreement with the Company on behalf of the Customer.
 - 5) Brokers must obtain, and maintain in good standing, firm supply contracts and transportation to the Alberta Border sufficient to meet the Maximum Daily Quantity requirements, plus Fuel Gas on TCPL from the Alberta Border to the interconnect between TCPL and the Company, and the allowed annual Primary Gas requirements for each Customer as determined by the Company.

1 2 3 4		6) Representations and warranties, satisfactory to the Company, that the Broker complies with the licensing requirements of the Board, including regulation relating to gas supply and transportation, as may be amended from time to time.
5 6 7		 The Company may reject service elections from Customers or Brokers whose supply is not documented or confirmed to the Company's satisfaction.
8 9		 The Company is not responsible for damages to the Customer should the Broker fail to perform.
10 11 12 13		 Brokers will be subject to creditworthiness review. In order to establish the Broker's creditworthiness, the Company may require one or more of the following to be maintained at all times:
14 15		a) A corporate credit rating of B++ or its equivalent;
16 17 18 19		 A form of guarantee acceptable to the Company from a parent corporation that is rated B++ or better;
20 21 22 23		 A letter of credit equal to the value of the gas which the Company estimates will be required to meet the two highest months of Customer requirements for Primary Gas; or
23 24 25 26		 d) Such other security as the Company may reasonably determine from time to time.
20 27 28	M)	The Company will remain the natural gas provider of last resort.
29 30 31 32 33		 The Company will provide Bridging Service on a best-efforts basis to Customers of Brokers whose registrations are revoked or whose Western Transportation Service Agreements are terminated, until such time as the Customers can arrange for an alternate supply of Primary Gas.
33 34 35 36 37 38		2) Both the Customer and the Broker remain responsible for all obligations that arise by virtue of their participation, prior to the Customer's return to the Company's Sales Service for Primary Gas, in Western Transportation Service or to Western Transportation Service.
39 40 41	N)	The Company will provide Backstop Gas in case of a failure of Broker supply on a best- efforts basis as follows:
41 42 43 44		1) If on any day, a nomination is not accepted or if for any other reason, the Broker fails to deliver gas to the Alberta Border, then the Company shall use its best efforts to
45		acquire gas to replace the failed supply with Backstop Gas.

- 3) If the Company is unable to acquire Backstop Gas then the Customer, on notice from the Company, shall immediately curtail the use of gas at its facility. Customers who continue to consume gas after notice from the Company will be subject to the Penalty Gas Charge and the Penalty Delivery Charge.
 - 4) All obligations of the Broker and Customer to make up used but undelivered quantities of gas remain in place and other obligations and amounts due to the Company remain due and payable.
 - 5) The Company shall report all instances where Backstop Gas is supplied, or requested but not supplied, to the Public Utilities Board.
- O) SUSPENSION AND TERMINATION
 - 1) The Company may, without prejudice to its right of termination, suspend its obligations hereunder with respect to any Customer which itself or through its Broker falls into arrears in any payments required under this Service by more than sixty (60) days, such suspension to last until payment is made to the Company of any outstanding amount. During such period of suspension, the Company shall, subject to its right to disconnect service to the Customer under the provisions of The Public Utilities Board Act, use its best efforts to acquire and sell gas to the Customer as Backstop Gas, with any alterations as may be necessary.
 - 2) Except as otherwise provided in the Terms and Conditions of this Service, the Company may terminate its obligations if there is a material breach or default of any representation, warranty, or obligation of the Customer or Broker under the Terms and Conditions of this Service or any Western Transportation Service Agreement, which is not remedied within 10 days of the Company giving written notice of the breach or default to the Customer or Broker.
 - 3) The Company may immediately terminate its obligations under this Service if one of the following events occurs:
 - a) Performance by the Company of its obligations hereunder would be in contravention of any law or regulation or any order or decision of a regulatory body or governmental authority having jurisdiction; or
- b) The Broker shall be declared or adjudged bankrupt, or if an application is made in respect of the Broker under the Companies Creditors Arrangements Act (Canada), or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed in place of or for the Broker, or if the Broker shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the appointment or the institution of such proceedings or admits in writing to an inability to pay debts generally as they become due or becomes an insolvent person as such term is defined in the Bankruptcy and Insolvency Act (Canada); or if the Broker shall have liquidated, dissolved, wound up its affairs or otherwise ceased doing business.

- 4) In the event that the Company exercises its rights of termination under paragraph 2 or 3 of these provisions, the Company shall concurrently with the termination, or as soon as reasonably possible thereafter, give written notice to the Customer of the termination.
- 5) In the event that this Service or the Agreement under which it is provided is terminated, all outstanding obligations incurred under this Service by the Company, the Broker and/or the Customer which arise by virtue of the Broker's or the Customer's participation in this Service prior to such termination remain in full force and effect. The Company and the Broker shall have the right to withhold any payments due to the other party until its obligations accruing from the terminating Customer are met. As between the Company and the Broker, each shall have the right to set off any payments due to it by virtue of the Termination of the WTS Agreement against amounts owing to the other pursuant to any Western Transportation Service/Agency Billing and Collection Agreement, or the Gas Loan Mechanism operated thereunder.
- 6) No waiver by either party or any default by the other party under this Service shall operate as a waiver of any future default, whether of a like or different nature.

1 2 3	VIII.	SPECIAL TERMS AND CONDITIONS: AGENCY BILLING AND COLLECTION SERVICE (ABC SERVICE)				
4 5 6 7 8 9 10	A)	ABC Service allows a Broker to assign to the Company the right to render bills to Western Transportation Service Customers in respect of the amount payable by the Customers to the Broker for Primary Gas, and to collect from Western Transportation Service Customers the amounts so billed. The Company will provide a single bill to Customers that includes charges for volumes consumed by the Customer as Primary Gas, as well as the Company's charges for services provided by the Company.				
11 12 13		1) Use of this Service is optional for Western Transportation Service Customers in the Small General and Large General classes.				
14 15 16		2) The Broker must sign an ABC Service Agreement with the Company in order to receive this Service.				
17 18 19		3) Provision of this Service in no way makes the Company liable for any obligation incurred by a Broker.				
20 21 22 23		4) The Company will be entitled to deal with Primary Gas charges collected from Western Transportation Service Customers in the same manner as it deals with its own funds. These funds shall not, at any time, be construed to be trust funds.				
24 25 26	B)	The Broker will provide to the Company the Broker's Primary Gas Price to be charged to the Broker's Customers.				
27 28 29		 The Broker's Primary Gas Price must be expressed in dollars per Cubic Meter of Primary Gas consumed by the Broker's Customers. 				
30 31 32 33		2) The Broker's Primary Gas Price for Customers in the Small General and Large General classes may be changed effective with each Gas Year quarter beginning November 1, February 1, May 1 and August 1.				
34 35 36 37		3) The Broker's Primary Gas Price for Customers in the High Volume Firm, Mainline and Interruptible classes may be changed effective with the beginning of each month.				
38 39 40		4) Changes to the Broker's Primary Gas Price must be provided to the Company 30 days prior to the effective date of such change.				
41 42 43 44 45	C)	Brokers will enroll Customers in ABC Service at the same time the Customers are enrolled in Western Transportation Service. Enrollment in ABC Service will automatically end when Western Transportation Service is terminated by the Customer, the Broker or the Company.				
46 47 48		 Brokers must group Small General and Large General Customers such that all Customers in the Group are charged the same Broker's Primary Gas Price. 				

2) Separate Groups of Customers in the Small General and Large General classes may 1 2 be established by the Broker for purposes of charging different Broker's Primary Gas 3 Prices under ABC Service. 4 5 The Customers in the Small General and Large General classes must be grouped to 6 a minimum Customer load totaling 310,000 m³ per year for each distinct Broker's 7 Primary Gas Price established by the Broker. 8 9 4) The Company may permit the aggregation of Customers in the High Volume Firm, 10 Mainline and Interruptible classes with Small General and/or Large General 11 Customers in order to meet the minimum Customer load requirements. 12 13 5) Changes in enrollment for ABC Service may be requested using the enrollment 14 process for Western Transportation Service. The Company will inform the Broker 15 whether it can accommodate the change in enrollment. 16 17 6) The Company is not obligated to provide ABC Service to Customers in the High 18 Volume Firm, Mainline or Interruptible classes who are 30 days or more in arrears, or 19 are otherwise not deemed creditworthy by the Company. 20 21 D) Bills to any Customer will be issued according to the Company's billing cycle applicable 22 to that Customer. 23 24 1) The Company will include the Broker's charges for Primary Gas on every bill for 25 natural gas service which the Company renders to the Customer. 26 27 2) The Company will calculate the Broker's charges for Primary Gas in the same 28 manner as it calculates its own Charges for Primary Gas, including the provisions for 29 proration of price changes during billing periods. 30 31 3) The Customer will make a remittance to the Company based on the total amount of charges on the bill. 32 33 34 4) The Company will be responsible for collecting the total amount of charges on the 35 bill. 36 37 5) Payments made by Customers to the Company pursuant to bills rendered by the 38 Company shall be made without any right of deduction or set-off and regardless of 39 any rights the Customers may have against the Broker. 40 41 6) Nonpayment of any amounts designated as Primary Gas charges on the bill shall 42 entitle the Company to the same recourse as non-payment of the Company's 43 charges, and may result in termination of service by the Company. 44 45 7) The Company's late payment charges to Customers will apply equally to Primary 46 Gas charges and other charges contained on the bill. No portion of these late 47 payment charges will be remitted to the Broker. 48 E) 49 The Company will remit to the Broker an amount equivalent to the Broker's charges for 50 Primary Gas subject to the Company's right to deduct and set off any amounts owing to

the Company by the Broker. Remittance shall be made by the Company to the Broker for a calendar month on or before the 20th day of the month following such calendar month. If such day is not a Business Day, such amount shall be due and payable on the first Business Day following such day.

- 1) Remittances will be based on the total Broker's charges for Primary Gas billed by the Company to the Broker's Customers in that calendar month. The remittance payable by the Company to the Broker for any calendar month will be calculated as the sum of total Broker charges for Primary Gas and any amounts payable for that month by the Company to the Broker under the Gas Loan Mechanism, less any amounts payable by the Broker to the Company, including but not limited to payments required pursuant to the Gas Loan Mechanism.
- 2) Where the amounts to be deducted under subparagraph (1) are greater than the sum of Primary Gas charges billed to the Broker's Customers and Gas Loan payments due from the Company to the Broker, the Company will invoice the Broker for the net amount to be paid by the Broker to the Company. Remittance shall be made by the Broker to the Company for a calendar month on or before the 20th day of the month following such calendar month. If such day is not a Business Day, such amount shall be due and payable on the first Business Day following such day.
- 3) Remittance under ABC Service will be made regardless of the payment status on the Customer's bill.
- 4) Remittance shall be made via electronic funds transfer.
- 5) Each week, the Company will provide to the Broker a statement of the Primary Gas charges billed to that Broker's Customers in the prior week.
- 6) The Company will issue a statement of the Primary Gas charges billed to the Broker's Customers on the 15th day of the month following the month in which gas is delivered. If such day is not a Business day, such statement shall be issued on the first Business Day following such day.
- 7) Any amount to be remitted hereunder and not remitted on or before the date on which it is due (the "due date") shall thereafter bear interest at an annual rate equal to the cost of the Company's short term debt as approved by the Board from time to time in effect on the due date.
- 8) Any taxes (other than the Company's income taxes) and other charges which may become payable on or in respect of any Billing Service Fee payable by the Broker hereunder shall be borne and paid by the Broker.
- 9) Nothing contained in these Special Terms and Conditions of Agency Billing and Collection Service shall operate to assign to the Company, or require the Company to bill or collect or remit, any amounts payable as between the Customer and the Broker, save and except such charges for Primary Gas as the Company shall calculate hereunder using the Broker's Primary Gas Price effective pursuant to this Service.

1 10) The Company may terminate service under this Service for reasons other than 2 Customer non-payment if the Broker shall be declared or adjudged bankrupt, or if an 3 application is made in respect of the Broker under the Companies Creditors 4 Arrangements Act (Canada), or if a liquidator, trustee in bankruptcy, custodian, 5 receiver, receiver and manager, moderator or any other officer with similar powers 6 shall be appointed in place of or for the Broker, or if the Broker shall commit any act 7 of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or 8 consents to sue, appointment or the institution of such proceedings or admits in 9 writing to an inability to pay debts generally as they become due or becomes an 10 insolvent person as such term is defined in the Bankruptcy and Insolvency Act 11 (Canada); or if the Broker shall have liquidated, dissolved, wound up its affairs or 12 otherwise ceased doing business. In addition, the Company may immediately terminate this Service in the event of a breach of the Agency Billing and Collection 13 14 Service Agreement that is not remedied within ten (10) days of the notice of such 15 breach being provided. Notwithstanding the termination of ABC Service, each party 16 shall continue to be liable to pay, on the terms herein specified, any amount accrued 17 or accruing due by such party to the other at the time of termination, regardless of 18 when such amount becomes payable. 19

1 2	IX.	RATE SCHEDULES (BASE RATES ONLY – NO RIDERS)
2 3 4 5	Please	see pages 1 and 2 of Appendix A as attached.
5 6 7	Х.	RATE SCHEDULES – ANNUAL RATES (BASE RATES PLUS RIDERS)
8 9 10	Please	see pages 3 and 4 of Appendix A as attached.
10 11 12	XI.	MISCELLANEOUS CHARGES FOR SERVICE
13 14 15 16 17 18 19	Broke	R ADMINISTRATION FEE: The Broker Administration Fees are paid by Brokers who participate in the Company's Buy/Sell program. Each participating Broker will establish a contract with the Company that governs the Broker's participation in the program. There is a fee of \$133.33 per month per Broker contract. Brokers will also pay a fee of \$0.1472 per month per Customer served by the Broker under the Buy/Sell program.
20 21 22	Сомра	NY LABOUR RATE: \$55.00 per hour.
23 24 25	Damag	E TO COMPANY EQUIPMENT: Materials, labour, equipment and cost of gas.
26 27 28	Equipn	IENT RENTAL RATE: Various rates depending on equipment and customer class.
29 30 31	FINANC	E EQUIPMENT INTEREST: 12.9%
32 33 34 35 36	Furna	CE 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.
37 38 39 40 41	INSPEC	TION/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.
41 42 43 44 45 46 47	LATE P	AYMENT 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.

1 2 3 4 5 6 7 8 9 10	Register a Lien Discharge a Lien Filing a Claim Process Server Writ of Seizure and Sale Garnishee Order Other	\$15 \$30 \$20 \$22 \$272 \$40 Costs vary per judgement					
11 12	MATERIALS: Manufacturer's listed price plus freigh	and taxes.					
13							
14 15	METER RELOCATIONS: Various rates depending on size of m	eter					
16							
17	METER TEST:						
18 19 20 21	Meter or \$130 for a Commercial N	When a Customer requests a test for the meter, the charge will be \$35 for a Residential Meter or \$130 for a Commercial Meter. This charge includes the cost of the test performed, and the removal and replacement of the natural gas meter.					
22 23 24 25 26 27 28	PENALTY DELIVERY CHARGE: For delivery service taken in contravention of the Company's notice of curtailment, the applicable Penalty Delivery Charge shall be equal to the greater of: firm LGS volumetric rate for Transportation to Centra and Distribution to Customer Service, or; a pro rata share with any other Customers in contravention of the Company's notice of curtailment of any incremental costs incurred directly or indirectly as a result of such contravention.						
20	Penalty Gas Charge:						
30 31 32 33 34 35	For gas taken in contravention of an of service, the maximum that the Co as follows: (1) the applicable delivery	y conditions set forth in these terms and conditions mpany may charge shall be the sum of (1) and (2) charge; (2) the greater of \$0.5295/m ³ or the cost to ent gas for delivery to the designated receipt point					
36	RECONNECT FEES:						
37 38 39 40 41 42 43 44 45	same Consumer at the same Premis (a) the Basic Monthly Charge, excep with Section G) 2) of the Terms and (if applicable) for the period of discor	e is discontinued and subsequently resumed to the ses, a reconnect fee will be charged in addition to: of where a customer is disconnected in accordance Conditions of Service; and (b) the Demand Charge nnection. For purposes of establishing the Monthly rge billed during the last month that service was					
46 47 48 49 50	where 24-hour staffing is available, t charged. Where a service reconnec	place during regular business hours, or in locations the reconnect fee shall be \$50 (plus GST) shall be tion takes place outside of regular working hours in not available, the reconnect fee shall be \$65 (plus					

In the event that the meter and regulation equipment are removed and replaced on the same Premises within one year of removal, the Company may charge an additional fee equal to the cost of resetting the meter and regulator.

- 6 RETURNED CHEQUE CHARGE:
- When a Consumer's cheque is returned by banks or other financial institutions for
 reasons beyond the control of the Company, a returned cheque charge of \$20.00 will be
 assessed to the Customer.
- 10 11 SECURITY DEPOSITS:
 - Three highest months consumption to a maximum of \$225.
- 1314 SERVICE DISCONNECTION:
- 15 In situations where a building is renovated or demolished, the Service 16 Disconnection/Reconnection fee is \$220.
- 18 SERVICE RELOCATIONS:
- Where a customer requests, or where the customer's conduct requires, that an existing service line be altered or relocated (so that it follows a different route from that chosen by Centra when it was initially installed), the Customer shall pay all costs associated with the alteration or relocation, including the material, labour, and equipment required to perform the alteration or relocation.
- 25 YARD SERVICES:
- 26 Materials plus 40% plus labour.
- 27

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CENTRA GAS MANITOBA INC. APPENDIX A Including July 17, 2002 Primary Gas Strip, & Effective August 1, 2002 Proposed Supplemental Gas, Transportation, and Distribution Rates Page 1 of 4

CENTRA GAS MANITOBA INC. FIRM SALES AND DELIVERY SERVICES¹ **RATE SCHEDULES (BASE RATES ONLY - NO RIDERS)**

Entire natural gas service area of Company, including all zones. Territory:

1 2

3 Availability: SGC:

For gas supplied through one domestic-sized meter.

5 LGC:

6 HVF:

7 MLC: 8

For gas delivered through one meter at annual volumes less than 680,000 m³. For gas delivered through one meter at annual volumes greater than 680,000 m³.

For gas delivered through one meter to consumers served from the Transmission system.

Special Contract: For gas delivered under the terms of a Special Contract with the Company.

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10 Rates:

10	Rates:					
11			Distribution to			
		Transportation			Primary	Supplemental
		to	Sales	т	Gas	Gas
12		Centra	Service	Service	Supply	Supply ²
13						
14	Basic Monthly Charge: (\$/month)					
15	Small General Class (SGC)	N/A	\$10.00	\$10.00	N/A	N/A
16	Large General Class (LGC)	N/A	\$70.00	\$70.00	N/A	N/A
17	High Volume Firm Class (HVF)	N/A	\$758.24	\$758.24	N/A	N/A
18	Main Line Class (MLC) (Firm and Interruptible Supply)	N/A	\$1,233.71	\$1,233.71	N/A	N/A
19	Special Contract	N/A	N/A	\$89,797.80	N/A	N/A
20						
21	Monthly Demand Charge (\$/m ³ /month)					
22	High Volume Firm Class (HVF)	\$0.2489	\$0.1244	\$0.1244	N/A	N/A
23	Main Line Class (MLC) (Firm Supply Only)	\$0.4752	\$0.0993	\$0.0993	N/A	N/A
24	Main Line Class (MLC) (Interruptible Supply Only)	\$0.2196	\$0.0993	\$0.0993	N/A	N/A
25	Special Contract	N/A	N/A	N/A	N/A	N/A
26						
27	Commodity Volumetric Charge: (\$/m ³)					
28	Small General Class (SGC)	\$0.0447	\$0.0713	\$0.0713	\$0.1842	\$0.2220
29	Large General Class (LGC)	\$0.0441	\$0.0244	\$0.0244	\$0.1842	\$0.2220
30	High Volume Firm Class (HVF)	\$0.0208	\$0.0097	\$0.0097	\$0.1842	\$0.2220
31	Main Line Class (MLC) (Firm Supply Only)	\$0.0041	\$0.0009	\$0.0009	\$0.1842	\$0.2220
32	Main Line Class (MLC) (Interruptible Supply Only)	\$0.0035	\$0.0009	\$0.0009	\$0.1842	\$0.1922
33	Special Class	N/A	N/A	\$0.0009	N/A	N/A
34						

35 Minimum Monthly Bill: Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.

36

Rates to be charged for all billings based on gas consumed on and after August 1, 2002. 37 Effective:

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39 ¹Including Firm Mainline Delivery combined with Interruptible Supply.

40 ²Supplemental Gas is mandatory for all Customers except T-Service.

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42 Approved by Board Order:

43 Effective From: August 1, 2002

44 Date Implemented: August 1, 2002

45 Proposed as part of: August 1, 2002 Primary Gas Rate Application

Supersedes Board Order: 84/02 Supersedes: May 1, 2002 Base Rates

Centra Gas Manitoba Inc.	APPENDIX A
Including July 17, 2002 Primary Gas Strip, &	Effective August 1, 2002
Proposed Supplemental Gas, Transportation, and Distribution Rates	Page 2 of 4

CENTRA GAS MANITOBA INC. INTERRUPTIBLE SALES AND DELIVERY SERVICES **RATE SCHEDULES (BASE RATES ONLY - NO RIDERS)**

1 Territory:

Entire natural gas service area of Company, including all zones.

2 3 Availability:

For any Consumer at one location whose annual natural gas requirements equal or exceed 680,000m3 and who contracts for such service for a minimum of one year, or who received Interruptible Service continuously since December 31, 1996. Service under this rate shall be limited to the extent that the Company considers it has available natural gas supplies and/or capacity to provide delivery service.

4 5 Rates:

6			Distribution to			
		Transportation to	Sales	т	Primary Gas	Supplemental Gas
7		Centra	Service	Service	Supply	Supply ¹
8						
9	Basic Monthly Charge: (\$/month)	N/A	\$855.39	\$855.39	N/A	N/A
10						
11	Monthly Demand Charge (\$/m ³ /month)					
12	Interruptible Service	\$0.0894	\$0.0708	\$0.0708	N/A	N/A
13						
14	Commodity Volumetric Charge: (\$/m ³)					
15	Interruptible Service	\$0.0111	\$0.0055	\$0.0055	\$0.1842	\$0.1922
16						
17	Alternate Supply Service:					
18	Gas Supply (Interruptible Sales and Mainline Interruptible)		Negotiated	Negotiated		
			Cost of Gas	Cost of Gas		
19	Delivery Service - Interruptible Sales		\$0.0078	\$0.0078		
20	Delivery Service - Mainline Interruptible Sales		\$0.0042	\$0.0042		
21						
22 Minimum Monthly Bill: Equal to the Basic Monthly Charge as described above, plu				arge as appropria	te.	

23

24 Effective:

Rates to be charged for all billings based on gas consumed on and after August 1, 2002. 25

26 ¹Supplemental Gas is mandatory for all Customers except T-Service.

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28 Approved by Board Order:

29 Effective From: August 1, 2002

30 Date Implemented: August 1, 2002

31 Proposed as part of: August 1, 2002 Primary Gas Rate Application

Supersedes Board Order: 84/02 Supersedes: May 1, 2002 Base Rates

CENTRA GAS MANITOBA INC. FIRM SALES AND DELIVERY SERVICES¹ RATE SCHEDULES (BASE RATES PLUS RIDERS)

Territory:	Entire natural gas service area of	Company, including all	zones.			
Availability:						
SGC:	For gas supplied through one dor	mestic-sized meter.				
LGC:	For gas delivered through one me	eter at annual volumes l	ess than 680,000	m ³ .		
HVF:	For gas delivered through one me	eter at annual volumes	greater than 680,0	00 m ³ .		
MLC:	For gas delivered through one me	eter to consumers serve	d from the Transn	nission system.		
Special Contract:	For gas delivered under the terms	s of a Special Contract	with the Company			
) Rates:						
1		_	Distribution to	Customers	B ()	
		Transportation			Primary Gas	Primary
		to	Sales	т	Deferral	Gas
, ,		Centra	Service	Service	Rider	Supply
-		Gentra	Gervice	Gervice	Nidel	ouppiy
, Basic Monthly Charge	: (\$/month)					
5 Small General Class		N/A	\$10.00	\$10.00	N/A	Ν
5 Large General Class		N/A	\$70.00	\$70.00	N/A	Ň
7 High Volume Firm C		N/A	\$758.24	\$758.24	N/A	Ν
3 Main Line Class (ML	.C) (Firm and Interruptible Supply)	N/A	\$1,233.71	\$1,233.71	N/A	Ν
9 Special Contract		N/A	N/A	\$45,901.39	N/A	N
)						
Monthly Demand Char						
2 High Volume Firm C		\$0.3323	\$0.1247	\$0.1247	N/A	N
,	.C) (Firm Supply Only)	\$0.4595	\$0.0993	\$0.0993	N/A	N
	.C) (Interruptible Supply Only)	\$0.2039	\$0.0993	\$0.0993	N/A	N
5 Special Contract		N/A	N/A	N/A	N/A	Ν
	a. (a. 3)					
Commodity Volumetri		* 0.0000	A O 0717	A O 0747	* 0.0000	AO 47
3 Small General Class	. ,	\$0.0399	\$0.0717	\$0.0717	\$0.0363	\$0.17
Large General Class High Volume Firm C		\$0.0395	\$0.0248	\$0.0248	\$0.0363	\$0.17
 High Volume Firm C Main Line Class (MI) 	iass (HVF) .C) (Firm Supply Only)	\$0.0144 \$0.0020	\$0.0115 \$0.0019	\$0.0115 \$0.0019	\$0.0363 \$0.0363	\$0.17 \$0.17
	.C) (Interruptible Supply Only)	\$0.0020 \$0.0014	\$0.0019	\$0.0019	\$0.0363	\$0.17 \$0.17
Special Class (ML		\$0.0014 N/A	\$0.0019 N/A	\$0.0019	\$0.0363 N/A	۵۵.۱7 ۱
		N/A	IN/A	φ0.0009	IN/A	r r

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35 Minimum Monthly Bill: Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.

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37 Effective: Rates to be charged for all billings based on gas consumed on and after August 1, 2002.

38 39 ¹Including Firm Mainline Delivery combined with Interruptible Supply.

40 ²Supplemental Gas is mandatory for all Customers except T-Service.

41

42 Approved by Board Order:

43 Effective From: August 1, 2002

44 Date Implemented: August 1, 2002

45 Proposed as part of: August 1, 2002 Primary Gas Rate Application

Supersedes Board Order: 84/02 Supersedes: May 1, 2002 Billed Rates

Supplemental Gas

Supply²

N/A

N/A

N/A

N/A

N/A

N/A

N/A

N/A

N/A

\$0.0784

\$0.0784

\$0.0784

\$0.0784

\$0.0205

N/A

\$0.1795

\$0.1795

\$0.1795

\$0.1795

\$0.1795

N/A

CENTRA GAS MANITOBA INC. APPENDIX A Including July 17, 2002 Primary Gas Strip, & Effective August 1, 2002 Proposed Supplemental Gas, Transportation, and Distribution Rates Page 4 of 4

CENTRA GAS MANITOBA INC. INTERRUPTIBLE SALES AND DELIVERY SERVICES RATE SCHEDULES (BASE RATES PLUS RIDERS)

to the extent that the Company considers it has available natural gas supplies and/or capacity to provide delivery service.

a minimum of one year, or who received Interruptible Service continuously since December 31, 1996. Service under this rate shall be limited

1 Territory: Entire natural gas service area of Company, including all zones.

2

For any Consumer at one location whose annual natural gas requirements equal or exceed 680,000m3 and who contracts for such service for

3 Availability:

4 5 Rates:

6		_	Distribution to Customers				
7	-	Transportation to Centra	Sales Service	T Service	Primary Gas Deferral Rider	Primary Gas Supply	Supplemental Gas Supply¹
8 9 10	Basic Monthly Charge: (\$/month)	N/A	\$855.39	\$855.39	N/A	N/A	N/A
11	Monthly Demand Charge (\$/m ³ /month)						
12	Interruptible Service	\$0.1221	\$0.0710	\$0.0710	N/A	N/A	N/A
13							
14	Commodity Volumetric Charge: (\$/m ³)						
15	Interruptible Service	\$0.0058	\$0.0070	\$0.0070	\$0.0363	\$0.1795	\$0.0205
16							
17	Alternate Supply Service:						
18	Gas Supply (Interruptible Sales and Mainline Interruptible)		Negotiated	Negotiated			
			Cost of Gas	Cost of Gas			
19	Delivery Service - Interruptible Sales		\$0.0093	\$0.0093			
20	Delivery Service - Mainline Interruptible Sales		\$0.0052	\$0.0052			
21							
22 23	Minimum Monthly Bill: Equal to the Basic Monthly Charge	as described above,	plus Demand Cha	rge as appropriate	е.		
24	Effective: Rates to be charged for all billings h	pased on das consul	med on and after A	ugust 1, 2002			

24 Effective: Rates to be charged for all billings based on gas consumed on and after August 1, 2002.

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26 ¹Supplemental Gas is mandatory for all Customers except T-Service.

27

28 Approved by Board Order:

29 Effective From: August 1, 2002

30 Date Implemented: August 1, 2002

31 Proposed as part of: August 1, 2002 Primary Gas Rate Application

Supersedes Board Order: 84/02 Supersedes: May 1, 2002 Billed Rates