#### **SCHEDULE "2"**

Terms and Conditions
Northern Bundled T Contract

## 1. <u>UPSTREAM TRANSPORTATION COSTS</u>

If Gas is nominated by the Company and not delivered by Customer for any reason including Force Majeure, Customer shall be responsible to the Company for all direct and indirect upstream transportation costs from the Point of Receipt to the Company's system. Where actual quantities and costs are not available by the date when the Company performs its billing, the Company's reasonable estimate will be used and the appropriate reconciliation will be done the following month.

### 2. OBLIGATIONS TO DELIVER AND RECEIVE

Subject to the provisions of this Contract, the Company shall nominate to Customer each Day the quantity of Gas to be received from Customer on the following Day. Customer accepts the obligation to deliver the nominated quantity (not to exceed the Obligated DCQ parameters in Schedule 1 to the Company on a Firm basis. On days when an Authorization Notice is given, the DCQ parameters are defined in the Authorization Notice.

#### 3. BANKED GAS ACCOUNT

The Banked Gas Account ("BGA") will be used to accumulate the daily differences between the total quantities of Gas received by the Company from the Customer, and the total quantity of Gas distributed by the Company to the End Use locations listed in Schedule 3, plus any BGA transactions permitted by Authorization Notice. Where the cumulative quantities received by the Company exceed the cumulative quantities distributed by the Company, the resulting BGA balance shall be positive. Where the cumulative quantities distributed by the Company exceed the cumulative quantities received by the Company, the resulting BGA balance shall be negative.

### 3.01 BGA Imbalance During the Contract Year

Subject to the terms of the Contract, the Company's nominations to Customer shall be adjusted periodically to reflect a planned zero BGA balance at the end of the Contract Year. The adjustment shall first be applied to the Point of Receipt with the highest contracted Obligated DCQ. The Company shall not be liable for any damages, losses, costs or expenses incurred by Customers as a consequence of said adjusting of receipts.

Customer's ability to manage the BGA balance through changes in its supply arrangements will require authorization from the Company.

### 3.02 Disposition of Gas at Contract Expiry

At the end of each Contract Year, or contract termination for any reason, the BGA balance will be settled financially to a zero balance. If the BGA balance is positive, the quantity required to bring the BGA balance to zero shall be sold to the Company by Customer. If the BGA balance is negative, the quantity required to bring the BGA balance to zero shall be purchased by Customer from the Company. The price for the sale or purchase shall reflect the applicable OEB-approved

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reference price.

#### 3.03 Energy Conversion

The balancing of receipt by the Company with delivery to Customer is calculated in energy. The distribution to Customer is converted from volume to energy using the Company's standard practices.

# 4. CHANGES TO CONTRACT PARAMETERS (SCHEDULE 1)

Each year, the Company will evaluate its transportation capacity portfolio used to transport gas from the Alberta border and/or Dawn Receipt Points to each delivery zone. If changes are required, the Company will provide Notice to Customer of the new Obligated DCQ parameters.

# **4.01** Contracts with monthly read meters (non-telemetered)

Section 4.01 shall apply to Contracts comprised entirely of end use locations where meter(s) are read monthly. Any changes to the list of end use locations or consumption patterns may have a corresponding change to the parameters in Schedule 1 as determined by the Company.

If there is a change, Customer will receive a revised Schedule 1 from the Company prior to the effective date of the change. If Customer does not acknowledge and agree to the revised Schedule 1 in writing at least 25 days prior to the effective date of the change then the Contract will be terminated.

# 4.02 Contracts with daily read meters (telemetered)

Section 4.02 shall apply to Contracts comprised of at least one end use location where the meter(s) are read daily.

During the period prior to 25 days before the beginning of the next Contract Year, the Company and Customer agree to negotiate, in good faith, new Schedule 1 parameters reflecting Customer's expected consumption profile for the next Contract Year. If the parties cannot reach agreement, then the existing parameters shall apply.

# 5. CUSTOMER'S FAILURE TO DELIVER GAS

If on any Day, for any reason, including an instance of Force Majeure, Customer fails to deliver the nominated DCQ to the Company then such event shall constitute a "Failure to Deliver". The upstream transportation charges (if any) referenced in Section 1 shall apply and be payable by Customer.

For Gas that should have been received from Customer, the Company may make reasonable attempts, but is not obligated to acquire an alternate supply of Gas. Customer shall indemnify and hold the Company harmless with respect to the costs and expenses associated with acquiring the said alternate supply of Gas.

In addition to any rights of interruption in the Gas Distribution Contract(s), the Company may immediately suspend distribution of Gas to the Point(s) of Consumption or the Company may direct Customer to immediately curtail or cease consumption of Gas at the Point(s) of Consumption.

Customer shall immediately comply with such direction. Such suspension or curtailment shall

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not constitute an Interruption under the Gas Distribution Contract(s).

The Company shall not be liable for any damages, losses, costs or expenses incurred by Customer as a consequence of the Company exercising its rights under this Section.

Each Party shall advise the other by the most expeditious means available as soon as it becomes aware that such failure has occurred or is likely to occur. Such Notice may be verbal, provided it is followed by written Notice.