

**TRANSMISSION TARIFF
OF
ENBRIDGE GAS DISTRIBUTION INC.**

RATE 332 SERVICE

EFFECTIVE _____, 20__

ENBRIDGE GAS DISTRIBUTION INC.
GENERAL TERMS AND CONDITIONS
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1 DEFINITIONS AND INTERPRETATION

1.1 Except where the context necessarily requires otherwise or where expressly stated otherwise, the following terms shall be construed to have the meaning described therein when such terms are used in these General Terms and Conditions, the Rate 332 Schedule, a Service Schedule, a Service Agreement, a Service Index, or a Service Request Form:

"Albion Pipeline" means the pipeline owned and operated by Transporter to transport gas from the Receipt Point to the Delivery Point.

"Albion Pipeline Capacity" means, for any period, the maximum volume of gas that Transporter can receive, transport, and deliver by means of the Albion Pipeline under the prevailing operating conditions during such period.

"Albion Pipeline Expansion Facilities" means, at any time, any pipeline or related facilities, or both, that Transporter would have to construct and operate in order to increase the Albion Pipeline Capacity beyond the Albion Pipeline Capacity at such time.

"Albion Road gate station" means the facilities of the Transporter and other interconnecting pipelines located on the east side of Indian Line Road, South of Albion Road, West of Highway 427 and abutting the East/West line of Canadian National Railway, in the City of Toronto, Ontario.

"Authorized Overrun Service" or "AOS" means, on any Day, the provision of Service for any unused capacity on the Albion Pipeline to an FT Shipper for volumes of gas in excess of such FT Shipper's Maximum Daily Volume.

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"Business Day" means any day excluding a Saturday, a Sunday, and a statutory holiday under the laws of Canada and the Province of Ontario.

"Confirmation(s)" means a notice given by Transporter to Shipper scheduling Service for any Day, either by confirming Shipper's nomination(s) for the Day or by specifying a lower level of Service.

"Central Clock Time" and the symbol "CCT" mean the clock time, standard or daylight-saving, in the Central Time Zone.

"Central Standard Time" and the symbol "CST" mean standard time in the Central Time Zone.

"Contract Demand Charge" means the demand charge applicable to FT Service as set forth in Rate Schedule 332.

"cubic metre" and the symbol "m³" mean the volume of gas that, when dry and at a temperature of 15 degrees Celsius and under an absolute pressure of 101.325 kilopascals, will fill a space of one cubic metre; and the symbol "10³m³" means 1 000 cubic metres.

"day" means a calendar day and the term "Day" means a period of 24 consecutive hours beginning, and ending, at 0900 Central Standard Time; the reference date for any Day is the date on which the period begins.

"Delivery Point" means the delivery flange which connects the Albion Pipeline with Transporter's facilities proximate to the inlet of the Albion Road gate station.

"Dispute" has the meaning given to it in Section 17.1.

"Dispute Notice" has the meaning given to it in Section 17.2.

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"E&GI Act" means the *Electricity and Gas Inspection Act* (Canada) and all applicable regulations, specifications, and procedures made or approved thereunder, as amended from time to time, and any superseding statute, regulations, specifications, or procedures.

"Financial Assurances" has the meaning given to such term as set forth in Section 14.1 of these General Terms and Conditions.

"Force Majeure" or "Event of Force Majeure" means any cause (A) not reasonably within the control of the party claiming force majeure, and (B) which by exercise of due diligence such party is unable to prevent or overcome, and includes the following:

- (a) physical events such as an act of God, landslide, earthquake, storm or storm warning such as a hurricane which results in evacuation of an affected area, flood, washout, explosion, breakage or accident to machinery or equipment or lines of pipe used to transport gas, the necessity of repairs to or alterations of such machinery or equipment or lines of pipe, or inability to obtain materials, supplies (including a supply of services) or permits required to perform a party's obligations under a Service Agreement;
- (b) acts of others such as strike, lockout or other industrial disturbance, civil disturbance, blockade, act of a public enemy, terrorism, riot, sabotage, insurrections of war, as well as physical damage resulting from the negligence of others; and
- (c) governmental actions, such as necessity for compliance with any applicable laws.

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"FT Service" means firm Service under the Rate 332 Schedule.

"FT Service Schedule" means the Service Schedule applicable to FT Service.

"FT Shipper" means a Shipper that has contracted for FT Service on the Albion Pipeline.

"gas" has the meaning ascribed to the term in the OEB Act.

"gigajoule" and the symbol "GJ" mean 1 000 000 000 joules.

"gross heating value" means the total megajoules obtained by the complete combustion of one cubic metre of gas and air under conditions where the combustion reaction is at a constant absolute pressure of 101.325 kPa; the gas is free of all water vapour; the gas, the air, and the products of combustion are at a temperature of 15 degrees Celsius; and the water formed by the combustion reaction is condensed to a liquid state.

"Initial Term" has the meaning given to such term in Section 4 of a Service Agreement.

"In-Service Date" means, for any Service Agreement, the date of the first Day in which Transporter is capable of providing Service to Shipper under such Service Agreement.

"joule" means the amount of work done by a force of one newton moving an object through a distance of one metre.

"kPa" means kilopascals (1 000 pascals) of gauge pressure, unless absolute pressure is specified.

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“Losses” means any and all damages, claims, losses, expenses, liabilities, injuries, fines, penalties, settlements, awards, judgements, or other costs whatsoever (including costs as between a solicitor and his client).

"Maximum Daily Volume" means, for any Service Agreement, the level of Service set out as the Maximum Daily Volume in the applicable Service Index.

“megajoule” and the symbol “MJ” mean 1 000 000 joules;

"month" means a calendar month and the term "Month" means the period beginning on the first day of a month, at 0900 Central Standard Time, and ending on the first day of the next month at the same time.

“NAESB” means the North American Energy Standards Board.

"nomination(s)" means Shipper's notice(s) to Transporter requesting Service for any Day, using a format approved by Transporter that calls for Shipper to provide such information as Transporter may require (acting reasonably) in order to provide such Service to Shipper.

“Nomination Cycle” means the nomination cycles for which Shipper shall makes its nominations for Service on the Albion Pipeline in accordance with Section 9 of these General Terms and Conditions.

"OEB" means the Ontario Energy Board and any superseding regulatory or governmental authority.

"OEB Act" means the *Ontario Energy Board Act, 1998*, the applicable regulations made thereunder, and the applicable regulatory instrument(s) made or issued by the OEB, as amended from time to time, and any superseding statute, regulations, or regulatory instrument(s).

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“Open Season” has the meaning ascribed to the term “open season” in section 1.2.1 of STAR.

“Parkway West gate station” means the facilities of Union Gas and Transporter located immediately west of Highway 407, south of Derry Road, in the Town of Milton, Ontario.

“party” means, as the context so requires, Transporter or a Shipper, and “parties” means, as the context so requires, Transporter and such Shipper.

“Rate 332 Schedule” means, at any time, the version of Rate Number 332 - Albion Transmission Service set forth in Transporter’s handbook designated as the “Handbook of Rates and Distribution Services” that is in effect at the time.

“Receipt Point” means the receipt flange which connects the Albion Pipeline with the facilities of Union Gas at or near the Parkway West gate station.

"Renewal Notice" has the meaning give to such term in Section 6.1 of the Service Schedule.

"Renewal Right" means that right of a Shipper to renew its Service Agreement, as such right of renewal is set forth in Article 6 of the Service Schedule.

“Renewal Term” has the meaning given to such term in Section 6.1 of the Service Schedule.

"Service" means the receipt of gas from Shipper, or for Shipper’s account, pursuant to a Service Agreement and the transport and delivery of gas to

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Shipper, or for Shipper's account, at the Delivery Point all in accordance with the terms of the Tariff and the Service Agreement.

"Service Agreement" means an agreement between Transporter and Shipper in the form of the applicable standard form Service Agreement for Service appended to a Service Schedule.

"Service Availability Date" means, for any Service Agreement, the later of (a) the date specified as the Service Availability Date in the applicable Service Index and (b) the In-Service Date.

"Service Delay Period" means, for any Service Agreement, the period between (a) the date set out as the Service Availability Date in the applicable Service Index and (b) the In-Service Date.

"Service Index" means, for any Service Agreement, the Service Index attached to the Service Agreement and any superseding Service Index.

"Service Request Form" means the request form to be submitted by prospective Shipper to request Service pursuant to Article 2 of these General Terms and Conditions, the form of which is attached to these General Terms and Conditions as Appendix 1.

"Service Schedule" means a schedule setting forth terms applicable to a certain type of service on the Albion Pipeline and includes the FT Service Schedule.

"Service Termination Date" means, for any Service Agreement, the latest of (a) the date set out as the Service Termination Date in the applicable Service Index, (b) the date of the last Day of a period subsequent thereto that corresponds to any Service Delay Period, and (c) the date specified in the Renewal Notice as the Service Termination Date.

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"Shipper" means a person entitled to receive Service from Transporter in accordance with a Service Agreement.

"Shipper's account" means receipts or deliveries of gas, as the case may be, by a person acting on behalf of Shipper as an agent or otherwise.

"STAR" means the *Storage and Transportation Access Rule* that was made by the OEB on December 9, 2009 with an effective date of June 16, 2010, as it may be amended from time, and any superseding rule.

"Tariff" means the Service Schedule, these General Terms and Conditions and the Rate Schedule 332, as amended and approved from time to time.

"Term" means, for any Service Agreement, the Initial Term and any Renewal Terms.

"Transporter" means Enbridge Gas Distribution Inc.

"Union Gas" means Union Gas Limited.

"Union Gas Q&M Rules" means the terms and conditions governing the quality and the measurement of gas received by Union Gas at Dawn that are approved by the OEB or that are otherwise in effect.

"Year" means a calendar year.

- 1.2 If any provision of the Tariff or a Service Agreement is or becomes invalid, illegal, or incapable of performance or operation, in whole or in part, the remaining provisions thereof shall not be affected thereby. In lieu of the invalid, unlawful, or inoperative provision, the Tariff and the Service Agreement shall be applied or interpreted in a reasonable manner that, insofar as is legally permissible, comes as close as possible to the

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application or interpretation that the parties intended or would have intended according to the sense and purpose of the Tariff and the Service Agreement, had they known of the invalidity, illegality, or inoperativeness at the time that the Service Agreement was executed and delivered.

- 1.3 The division of the Tariff into articles and sections, the provision of tables of contents, and the insertion of captions are for reference only and shall not affect the construction or interpretation thereof.
- 1.4 If there is any conflict between the provisions of a Service Schedule and these General Terms and Conditions, the provisions of the Service Schedule shall prevail.

2 REQUESTS FOR SERVICE

- 2.1 This Article 2 is applicable to requests for FT Service if and whenever Transporter is entitled to allocate any Albion Pipeline Capacity to provide FT Service in accordance with Section 4.2 of the FT Service Schedule.
- 2.2 A prospective Shipper may submit a request for FT Service to Transporter, using a Service Request Form for the purpose. Subject to Section 2.4, Transporter shall evaluate each request on a first-come, first-served basis. If two or more requests for service are received at the same time, Transporter shall offer a proportional share of available capacity to each prospective Shipper that submitted a request. If Transporter is satisfied (acting reasonably) with the information provided by the prospective Shipper, Transporter shall give the prospective Shipper a notice to that effect, together with a Service Agreement executed by Transporter. Transporter shall otherwise give the prospective Shipper a

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notice indicating the information deficiencies in the Service Request Form.

2.3 On the first Day of the Month, or such other Day as set out in the Service Agreement, following the time when the prospective Shipper has executed and delivered the Service Agreement and has satisfied the availability provisions of Article 2 of the FT Service Schedule, Transporter shall provide Service to Shipper under the Rate 332 Schedule, the Service Agreement and the FT Service Schedule.

2.4 If and whenever Transporter determines (acting reasonably) that the Albion Pipeline Capacity would not be sufficient to provide the volume of gas requested by the prospective Shipper(s), in addition to providing Service under the existing Service Agreement(s), Transporter shall establish a queue for the request(s) for Service on a first-come, first-served basis. Notwithstanding any such queue, Transporter shall not be obligated to apply to the OEB for any authorization to construct and operate any Albion Pipeline Expansion Facilities that Transporter would require in order to provide Service to the prospective Shipper(s).

3 QUALITY SPECIFICATIONS

3.1 Shipper covenants to ensure that the gas delivered to Transporter by Shipper, or for Shipper's account, at the Receipt Point shall conform to the minimum quality specifications prescribed by the relevant upstream and downstream transportation service providers whose facilities are located at the Receipt Point and the Delivery Point, as the case may be.

3.2 If the gas received by Transporter from Shipper, or for Shipper's account, fails at any time to conform to the quality specifications in Section 3.1, then Transporter will notify Shipper of such deficiency and thereupon

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may at its option suspend the receipt of such gas pending correction by Shipper of any deficiency in quality. If Shipper fails to remedy any such deficiency promptly, Transporter may, in its sole discretion, accept such gas and may make changes necessary to bring such gas into conformity with the foregoing specifications, in which event Transporter shall be reimbursed by the Shipper for any reasonable expense incurred by Transporter in this regard. Transporter reserves the right to waive any or all of the quality specifications in Section 3.1, in a not unduly discriminatory manner, if it is determined by Transporter, in its sole discretion, that such waiver can be granted without, in any way, jeopardizing the integrity of its system.

- 3.3 Transporter shall have the right to commingle Shipper's gas with other gas in the Albion Pipeline. Accordingly, Shipper's gas shall be subject to such changes in gross heating value as may result from such commingling and, notwithstanding any other provision herein, Transporter shall be under no obligation to deliver at the Delivery Point to Shipper, or for Shipper's account, gas with a gross heating value identical to that of Shipper's gas as received by Transporter at the Receipt Point.

4 MEASUREMENT

- 4.1 The unit of volume for the purpose this Tariff and the Service Agreement shall be 10^3m^3 and the unit of quantity shall be GJ.
- 4.2 The volume and the gross heating value of the gas delivered by Shipper, or for Shipper's account, and received by Transporter at the Receipt Point shall be determined as follows:

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- (a) The gas volumes shall be computed in accordance with the methodology prescribed in the E&GI Act.
- (b) The average absolute atmospheric (barometric) pressure shall be assumed to be constant during the term thereof, regardless of variations in actual barometric pressure from time to time, and shall be calculated based on the elevation of the measurement point. The formula used to calculate the atmospheric pressure shall be in accordance with the methodology prescribed in the E&GI Act.
- (c) The determination of the gross heating value of the gas shall be performed in a manner approved under the E&GI Act or, if such specification is not set out therein, in accordance with the industry accepted standards and, in any event, in such manner as to ensure that the gross heating values so determined are representative of the gas received or delivered at the Receipt Point or Delivery Point, as the case may be.
- (d) The determination of the relative density of the gas shall be performed in a manner approved under the E&GI Act or, if such specification is not set out therein, in accordance with industry accepted standards and, in any event, in such manner as to ensure that the relative densities so determined are representative of the gas received or delivered at the Receipt Point or Delivery Point, as the case may be.

5 MEASURING EQUIPMENT

- 5.1 All gas delivered by Shipper, or for Shipper's account at the Receipt Point will be measured by meters and related equipment that are owned

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and operated by Union Gas at the Receipt Point, and Transporter and Shipper agree to accept that metering for the purpose of determining the volume, quantity and composition of gas delivered to Transporter by Shipper, or for Shipper's account and the standard of measurement and tests for the gas delivered to Transporter at the Receipt Point shall be in accordance with the following:

- (a) The volume, the quantity, and the gas composition of receipts by Transporter from Shipper, or for Shipper's account for any period shall be deemed to be equivalent to the volume, the quantity, and the gas composition of the corresponding deliveries by Union Gas for Shipper, or for Shipper's account, at the Receipt Point during the period and measured by Union Gas in accordance with the Union Gas Q&M Rules.
- (b) All such measurements (including corrections thereof) shall be binding on Transporter and Shipper.

5.2 Transporter will install and operate meters and related equipment as required to measure gas for custody transfer purposes at the Delivery Point. All gas delivered by Transporter at the Delivery Point will be measured using Transporter's measuring equipment in accordance with Sections 5.4 and 5.5.

5.3 All meters and measuring equipment installed by Transporter at the Delivery Point for the determination of gross heating value or relative density, or both, shall be approved pursuant to, and installed and maintained in accordance with, the E&GI Act. Notwithstanding the foregoing, however, all installation of equipment applying to or affecting deliveries of gas at the Delivery Point shall be made in such manner as to

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permit an accurate determination of the volume and quantity of gas delivered and ready verification of the accuracy of measurement. Care shall be exercised by both Transporter and Shipper in the installation, maintenance, and operation of pressure regulating equipment so as to prevent any inaccuracy in the determination of the volume or quantity of gas delivered at the Delivery Point.

- 5.4 The accuracy of Transporter's measuring equipment shall be verified by Transporter at reasonable intervals as may be appropriate for such equipment and, if requested, in the presence of representatives of Shipper, but Transporter shall not be required to verify the accuracy of such equipment more frequently than once in any Month. In the event either Transporter or Shipper shall notify the other that it desires a special test of any measuring equipment, they shall both co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment is found to be in error by not more than 2%. If upon test any measuring equipment is found to be in error by not more than 2%, the previous readings of such equipment shall be considered accurate in computing deliveries of gas at the Delivery Point but such equipment shall be adjusted at once to register accurately. If for the period since the last preceding test, it is determined that any measuring equipment shall be found to be inaccurate by an amount exceeding 2% at a recording corresponding to the average hourly rate of flow for such period then the previous readings of measurement equipment and/or instruments utilized shall be corrected to zero error for any period that is known definitely but, in any case where the period is not known or agreed upon, such correction shall be for a period extending over 50% of the time elapsed since the date of the last test.

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- 5.5 In the event a meter is out of service, or registering inaccurately, the volume of gas delivered shall be determined by the most equitable method. Such methods shall include but not be limited to:
- (a) mathematical calculations and comparisons including prevailing ratio with a parallel meter;
 - (b) the use of Shipper's check measuring equipment (if any); and
 - (c) comparison to deliveries under similar conditions when the meter was registering accurately.
- 5.6 Transporter shall preserve for a period of at least six years all test data, charts, and other similar records.
- 5.7 Subject to receipt of approval from the Transporter, in its sole discretion, Shipper may install, maintain, and operate, at its own expense, such check measuring equipment as desired; provided that such equipment shall be so installed and operated so as not to interfere with the operation of Transporter's measuring equipment or the Albion Pipeline.
- 5.8 The measuring equipment installed by Transporter or Shipper, together with any building erected by it for such equipment, shall be and remain the property of the person that installed such equipment. Transporter or Shipper, as the case may be, shall nevertheless have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of the delivery and receipt of gas at the Receipt Point or Delivery Point. The records from such measuring equipment shall remain the property of their owner, but upon request

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each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification subject to return within 10 days after receipt thereof.

6 BILLING AND PAYMENT

- 6.1 On or before the 15th day of each month (or the next Business Day if such day is not a Business Day), Transporter shall provide Shipper with an invoice of the amount payable by Shipper for the preceding Month as determined pursuant to Shipper's Service Agreement. Each invoice shall provide such information in respect of Service provided in the preceding Month as Shipper may request (acting reasonably). Shipper shall pay each invoice in Canadian funds to a depository designated by Transporter via electronic funds transfer on or before the 25th day of each month (or the next Business Day if such day is not a Business Day).
- 6.2 Shipper shall have the right to examine at any reasonable time the books, records, and accounts of Transporter to verify any amount payable by Shipper to Transporter for Service under Shipper's Service Agreement; provided that Shipper must exercise its right to verify an amount payable and complete its examination within six months following the end of the Year in respect of which such amount is payable, following which Shipper will have no further recourse to contest the amount payable.
- 6.3 Should Shipper fail to pay all of the amount of any invoice as herein provided when such amount is due, interest on the unpaid portion of the invoice shall accrue at a rate per annum equal to the minimum commercial lending rate of The Toronto-Dominion Bank in effect from time to time, from the due date until the date of payment. If such failure to pay continues for 10 days after payment is due, in addition to any other

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remedy Transporter may have under Shipper's Service Agreement, the Tariff, at law or in equity, Transporter may suspend Service to Shipper thereunder until such amount is paid.

- 6.4 Transporter shall not be entitled to suspend further delivery of gas pursuant to Section 6.3 if Shipper in good faith:
- (a) disputes the amount of any such bill or part thereof within such 10 day period of such demand;
 - (b) provides Transporter with a written notice including a full description of the reasons for the dispute, together with copies of supporting documents; and
 - (c) pays to Transporter such amounts as it concedes to be correct.

In the event of a good faith billing dispute, Transporter may demand, and Shipper, within ten (10) days of such demand, shall furnish a good and sufficient surety bond guaranteeing payment to Transporter of all disputed amounts for any bills that are or will be affected by such dispute. If Shipper fails to provide a bond to Transporter guaranteeing payment, or if Shipper defaults in the conditions of such bond, then Transporter shall have the right to suspend or terminate Shipper's Service Agreement. Any good faith billing dispute shall be subject to dispute resolution set forth in Article 17 of these General Terms and Conditions.

- 6.5 In the event that Shipper does not pay the full amount due Transporter in accordance with this Article 6, Transporter, without prejudice to any other rights or remedies it may have, shall have the right to withhold or set off payment or credit of any amounts of monies due or owing by Transporter to Shipper, whether in connection with Shipper's Service

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Agreement or otherwise, against any and all amounts of monies due or owing by Shipper to Transporter.

6.6 In the event it is found that, at any time, Shipper has been overcharged or undercharged for Service and Shipper has paid the invoice containing such overcharge or undercharge, the following procedure will apply:

- (a) Transporter will refund the amount of any such overcharge together with interest on such amount at a rate per annum equal to the minimum commercial lending rate of The Toronto-Dominion Bank, calculated from the time such overcharge was paid to the date of the refund. If such refund is made by means of credit on an invoice from Transporter to Shipper, the date of the refund shall be the date upon which the bill reflecting such credit is payable by Shipper to Transporter; or
- (b) Shipper will pay the amount of any such undercharge without interest; provided that a claim therefor must be made within 30 days from the date of discovery of such undercharge. Interest shall accrue on such amount not paid within 30 days at a rate per annum equal to the minimum commercial lending rate of The Toronto-Dominion Bank.

7 PRIORITY AND CURTAILMENT OR INTERRUPTION OF SERVICE

7.1 In the event of curtailment or interruption of Service, Service shall be curtailed in the following order:

- (a) AOS will be curtailed, *pro rata*, based on the ratio of each FT Shipper's Maximum Daily Volume to the aggregate of Maximum Daily Volumes of all FT Shippers; and

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- (b) FT Service (other than AOS) will be curtailed next, *pro rata*, based on the ratio of each FT Shipper's Maximum Daily Volume to the aggregate of Maximum Daily Volumes of all FT Shippers.
- 7.2 Transporter may interrupt Service to Shippers for such periods as may reasonably be required for the purpose of accomplishing any planned repairs, maintenance, replacement or other upgrading, or other work related to the Albion Pipeline. Transporter shall endeavour to consult with all affected Shippers in the process of fixing a schedule for such planned work, but Transporter shall have the right to fix such schedule to suit Transporter's convenience. Transporter shall give all affected Shippers a notice indicating the schedule for such planned work and the likely degree of curtailment or interruption, at least three days prior to the commencement of such planned work.
- 7.3 Transporter may also curtail or interrupt Service to Shippers for such periods as may reasonably be required, in the event that circumstances outside the reasonable control of Transporter (including without limitation an event of *force majeure*) affecting the Albion Pipeline prevent Transporter from providing Service according to the applicable Confirmation(s). Transporter shall give Shipper a notice to that effect as soon as is reasonably possible.
- 7.4 Transporter may interrupt Service to any Shipper to the extent of the failure by Union Gas to deliver such Shipper's gas at the Receipt Point or the failure by a downstream service provider to be able to receive such Shipper's gas at the Delivery Point.
- 7.5 The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however,

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Transporter shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth (1/20) of the quantity received for that day. Transporter shall have the right to limit Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20) of the quantity handled for that day for each applicable Service.

8 FORCE MAJEURE

8.1 Subject to the other provisions of this Article 8, a party shall not be liable to the other party, in respect of such first mentioned party's obligations under the Service Agreement including the Tariff, as a result of the inability of the first mentioned party to deliver or receive gas if such inability is caused by an event of Force Majeure. Subject to the other provisions of this Article 8, a delay or interruption in the performance by a party of any of such obligations due to Force Majeure, shall suspend the period of performance of such obligation during the continuance of such Force Majeure.

8.2 Notice and Other Requirements

(a) Initial Notice - Forthwith following a party becoming or being made aware of an Event of Force Majeure which may impact on any of such party's obligations, such party shall notify the other party of the event and of the manner in which such party's obligations hereunder will or may be affected; and such Event of Force Majeure shall be deemed to have commenced when it occurred provided notice is given as soon as reasonably practicable of the occurrence, and otherwise when such notice is given.

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- (b) Efforts to Eliminate - The party claiming Force Majeure shall, unless such Event of Force Majeure is a strike, lockout or other industrial disturbance, use its best efforts to eliminate such event of Force Majeure.
- (c) Subsequent Notice - The party claiming Force Majeure shall forthwith give notice to the other party when such Event of Force Majeure has been eliminated or has ceased to prevent the party claiming Force Majeure from fulfilling its obligation to deliver or receive gas as contemplated herein.
- (d) Resumption of Obligations - The party claiming Force Majeure shall proceed to fulfill such party's obligations which are impacted by the Event of Force Majeure as soon as reasonably possible after such Event of Force Majeure has been eliminated or has ceased to prevent the party claiming Force Majeure from fulfilling such obligations.
- (e) Oral Notice - Any notice under this Section 8.2 may be given orally; provided that such notice shall only be effective if it is confirmed the same day in writing by facsimile or as otherwise provided in Article 18.

8.3 In the event a Force Majeure is declared by the Transporter, the Shipper will continue to be obligated for all applicable charges relevant to Service which continue to be available notwithstanding the Event of Force Majeure and may only be relieved of any applicable charges, if any, relevant to Service not available to the Shipper as a direct result of the Force Majeure. Any related upstream transportation charges would be the Shipper's sole responsibility.

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- 8.4 In the event the Force Majeure is declared by the Shipper or is in respect of any circumstance that does not directly affect the ability of Transporter to provide Service, notwithstanding anything to the contrary in the Tariff or the Service Agreement, Shipper's obligation to pay the Contract Demand Charges applicable to its Maximum Daily Volume in accordance with Section 5 of its Service Agreement shall not be excused or suspended for such period that the Force Majeure is subsisting, and such obligation to pay shall continue without abatement.
- 8.5 Except as provided in Section 8.6, a party hereunder shall not be liable to the other party hereunder for the first mentioned party's inability to deliver or receive gas as contemplated herein if such inability is caused by an Event of Force Majeure. In the case of any such inability so caused, then the other party shall have no claim for damages or specific performance or other right of action against the first mentioned party.
- 8.6 Notwithstanding anything to the contrary set forth in this Article 8, no party shall be entitled to, or to claim, the benefit of the provisions of Force Majeure if:
- (a) such party's inability to perform the obligation was caused by its lack of finances; or
 - (b) such party's inability to perform is as a result of a change in market or economic conditions that renders performance of the obligations of the party claiming force majeure uneconomical or disadvantageous; or
 - (c) such party's inability to perform the obligation was caused by its deliberate act or inaction; or

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(d) such party failed to comply with Section 8.2 in respect of the Event of Force Majeure.

9 NOMINATIONS AND SCHEDULING

9.1 To the extent not in conflict with the other provisions of this Article 9, Transporter and Shipper hereby adopt the standards for business practices and electronic communication of gas transactions developed by NAESB, as may be amended from time to time (the “NAESB Standards”), for the purpose of making and accepting nominations for Service. To the extent of any conflict between the NAESB Standards and this Tariff, terms of this Tariff shall prevail.

9.2 Transporter will provide Shipper prior to any Day with the following two Nomination Cycles, and corresponding Confirmations, for Service during the Day according to the following timeline:

<i>Nomination Cycle</i>	<i>Nomination Time</i>	<i>Confirmation Time</i>
Timely	1130 CCT	1630 CCT
Evening	1800 CCT	2200 CCT

Transporter will schedule Service for any Day, under either Nomination Cycle, to commence effective at 0900 hours Central Standard Time on the Day.

9.3 Transporter will also provide Shipper during any Day with the following two Nomination Cycles, and corresponding Confirmations, for Service on the same Day according to the following timeline:

<i>Nomination</i>	<i>Nomination</i>	<i>Confirmation</i>
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<i>Cycle</i>	<i>Time</i>	<i>Time</i>
Intra-Day 1	1000 CCT	1400 CCT
Intra-Day 2	1700 CCT	2100 CCT

Transporter will schedule Service during any Day to commence effective at the following times during the Day:

<i>Nomination Cycle</i>	<i>Effective Time</i>
Intra-Day 1	1700 CST
Intra-Day 2	2100 CST

- 9.4 For any Day in which Shipper wishes Transporter to provide Service, Shipper shall give Transporter a fully completed nomination in any of the Nomination Cycles for the Day. Shipper may thereafter give Transporter a Nomination for such Service in any subsequent Nomination Cycle for the Day in accordance with Section 9.2 or 9.3, or both, at Shipper's option.
- 9.5 For any month, Shipper may give a fully completed nomination to Transporter for two or more days for the Timely Cycle that can be in effect until the end of such month. Shipper may thereafter change the nomination for the second or any subsequent Day specified in the original nomination by giving Transporter a new nomination in the corresponding Nomination Cycle for the Day.
- 9.6 Each nomination shall be given by electronic means or facsimile in accordance with the applicable timeline specified in Sections 9.2 and 9.3. Shipper shall not give Transporter more than one nomination for a single Service Agreement in any Nomination Cycle, for Service. Shipper shall

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not give Transporter a single nomination for two or more Service Agreements.

9.7 Transporter shall accept Shipper's nomination for Service in the Timely Cycle for any Day by giving Shipper a Confirmation that schedules Shipper's nomination for the Day with the following order of declining priority:

- (a) FT Service (excluding AOS) up to Shipper's Maximum Daily Volume under the FT Service Schedule, pro rata, based on each Shipper's Maximum Daily Volumes.
- (b) AOS under the FT Service Schedule, allocated in accordance with Section 3.4 of the FT Service Schedule.

Each Confirmation pursuant to this Section 9.7 shall be given by electronic means or facsimile in accordance with the applicable timelines specified in Section 9.2.

9.8 Transporter may accept Shipper's nomination for Service in any subsequent Nomination Cycle for Shipper's Maximum Daily Volume or AOS, in whole or in part, or reject it entirely based on the operating conditions that Transporter anticipates (acting reasonably) will prevail on the Albion Pipeline during the Day. Transporter shall give Shipper a Confirmation that schedules the accepted Service for the Day or, if none is accepted, a Confirmation that schedules a nil volume of gas for the Day. Each Confirmation pursuant to this Section 9.8 shall be given by facsimile or electronic means in accordance with the applicable timelines specified in Sections 9.2 and 9.3.

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10 FACILITIES ON SHIPPER'S PROPERTY

10.1 Except otherwise specified in a Service Agreement, the following will apply:

- (a) Transporter, at its own expense may construct, maintain and operate on Shipper's property at the Receipt Point or Delivery Point a measuring station properly equipped with a meter or meters and any other necessary measuring equipment for properly measuring the gas received or delivered at the Receipt Point or Delivery Point, as the case may be. Shipper will grant to Transporter a lease and/or rights-of-way over property of Shipper as required by Transporter to install such facilities and to connect same to the Albion Pipeline.
- (b) Transporter, its servants, agents and each of them may at any reasonable time on notice (except in cases of emergency) to Shipper or his duly authorized representative enter Shipper's property for the purpose of constructing, maintaining, removing, operating and/or repairing station equipment.
- (c) The said station and equipment will be and remain the property of Transporter notwithstanding it is constructed on and attached to the realty of Shipper, and Transporter may at its own expense remove it upon termination of the Service Agreement and will do so if so requested by Shipper.

11 IMBALANCES AND UNACCOUNTED FOR GAS

[NTD: It is currently anticipated that imbalances will primarily be dealt with between the upstream and downstream transportation providers and Transporter under its operational balancing agreements. Transporter will

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forecast unaccounted for gas in accordance with its operating experience with the Albion Pipeline.]

- 11.1 The parties acknowledge and agree that on any Day, actual receipts and deliveries of gas by Transporter may not always be exactly equal. Transporter will cooperate with the relevant upstream and downstream transporters in order to balance as nearly as possible such receipts and deliveries.
- 11.2 In accordance with the prevailing operating conditions on the Albion Pipeline, Transporter may from time to time provide notice to Shipper of its forecast for unaccounted for gas, not to exceed 0.6% of Shipper's Maximum Daily Volume. Shipper shall deliver to Transporter the volume of gas set out in such notice within the time period specified.

12 RECEIPT AND DELIVERY PRESSURES

- 12.1 Deliveries of gas to Transporter by Shipper, or for Shipper's account, at the Receipt Point shall be made at such pressures as will enable the gas to flow into the Albion Pipeline but in no event less than 6 447 kPa (935 psig).
- 12.2 Deliveries of gas by Transporter to Shipper, or for Shipper's account, at the Delivery Point shall be made at the prevailing pipeline pressure at the Delivery Point, as at the time of such delivery.

13 CONTROL AND POSSESSION OF GAS

- 13.1 Shipper warrants that it has good and marketable title to, or legal authority to, and has the right to deliver, the gas that is delivered by Shipper, or for Shipper's account, and received by Transporter under the Service Agreement. Shipper shall indemnify and save harmless

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Transporter against all claims, actions, or damages arising from any adverse claims by any person claiming an ownership interest in or entitlement to the gas so delivered to Transporter, in the manner contemplated by Article 16.

13.2 Transporter accepts no responsibility for any gas prior to such gas being delivered to Transporter at the Receipt Point or after its delivery by Transporter at the Delivery Point. As between the parties hereto, Transporter shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters the Albion Pipeline at the Receipt Point until such gas is exits the Albion Pipeline at the Delivery Point.

13.3 Shipper agrees that Transporter is not a common carrier and is not an insurer of Shipper's gas, and that Transporter shall not be liable to Shipper or any third party for loss of gas in Transporter's possession, except to the extent such loss is caused entirely by Transporter's negligence or wilful misconduct.

14 FINANCIAL ASSURANCES

14.1 At all times during the term of its Service Agreement, the Shipper shall maintain assurances of creditworthiness and other financial assurances as set out in this Article 14 (collectively, the "Financial Assurances"). The Shipper shall either:

- (a) maintain credit ratings that are no lower than any of the minimum credit ratings set forth in the table below; or
- (b) if the Shipper does not have a credit rating that meets the minimum credit ratings set out in the table below, have and maintain a

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guarantee in favour of the Transporter, in an amount sufficient to ensure payment of all costs and charges that could reasonably accrue due to the Transporter and in form and substance acceptable to the Transporter in its sole discretion, from a guarantor that maintains credit ratings that are no lower than any of the minimum credit ratings set forth in the table below and who is otherwise acceptable to the Transporter, in its sole discretion, acting reasonably.

Agency	Minimum Credit Rating
Moody’s Investor Services	Baa3
Standard & Poor’s	BBB-
Dominion Bond Rating Service	BBB(low)

At the sole discretion of the Transporter, and based on information provided by the Shipper, equivalent or alternative assurances of creditworthiness or other financial assurances may be accepted. For certainty, the Transporter will only consider and accept alternative assurances of creditworthiness or other financial assurances that will satisfy the Shipper’s obligations hereunder.

- 14.2 If the Transporter determines, in its sole discretion, acting reasonably, that:
- (a) the Shipper’s credit rating has fallen below one or more of the minimum credit ratings set forth above, or has otherwise become impaired or unsatisfactory; or

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- (b) the Financial Assurances no longer provide adequate security for the performance of the Shipper's obligations arising under the Service Agreement including the Tariff (including that the credit rating of the guarantor, if any, has fallen below one or more of the minimum credit ratings set forth above); or
- (c) the Transporter otherwise determines that it is necessary to obtain Financial Assurances, including further or additional Financial Assurances, from the Shipper,

then, within three (3) days after the date that the Transporter provides notice to the Shipper of such determination, the Shipper shall, at its own expense, deliver to the Transporter one or more of the following Financial Assurances, as required by the Transporter, in an amount determined by the Transporter as sufficient to ensure payment of all costs and charges that could reasonably accrue due to the Transporter under the Service Agreement including the Tariff and otherwise provide adequate security for the performance of the Shipper's obligations under the Service Agreement including the Tariff:

- (i) prepayment;
- (ii) a letter of credit in favour of the Transporter, in a form and from an institution acceptable to the Transporter;
- (iii) a guarantee, in a form and from a third party acceptable to the Transporter; and/or
- (iv) such other collateral security, including security agreements over assets of the Shipper, in a form acceptable to the Transporter.

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If such additional, increased or modified Financial Assurances are not provided to the Transporter within the specified period, the Shipper shall thereupon be deemed to be in default under the Service Agreement including the Tariff and the Transporter shall, in addition to any of its other rights hereunder, thereafter have the option to terminate the Service Agreement including the Tariff in accordance with the terms hereof.

- 14.3 The Transporter shall be entitled to realize upon any Financial Assurances in the manner and to the extent provided for and set out in the Service Agreement including the Tariff and such Financial Assurances.
- 14.4 The Transporter has the right to use, set-off, appropriate, apply and realize the Financial Assurances, or any part of it, provided to the Transporter by the Shipper upon the occurrence of a default by the Shipper of any of its material obligations under the Service Agreement or the Tariff by doing any one or more of the following: (a) taking possession of the security and any cash deposits by any method permitted by law; (b) setting off or otherwise dealing with the security and any cash deposits; (c) drawing on letters of credit; (d) demanding payment on guarantees; (e) exercising any and all of the rights and remedies granted pursuant to the *Personal Property Security Act* (Ontario) and any other applicable legislation, or otherwise available at law or in equity; and (f) filing such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Shipper. No right, power or remedy of the Transporter (whether granted herein or otherwise) shall be exclusive of or dependent on or merge in any other right, power or remedy, but all such rights, powers and remedies may from time to time be exercised independently or in combination. The Shipper shall remain

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liable for all obligations, indebtedness and liabilities owing by it to the Transporter that are outstanding following realization of all or any part of the security.

14.5 In addition to any other rights in respect thereof set out in Section 14.4 above, the Transporter has the right to use, set-off, appropriate, apply and realize all or any part of the Financial Assurances then held by or for the benefit of the Transporter free from any claim of set-off or otherwise or right of any nature whatsoever of the Shipper or the guarantor:

- (a) in respect of any claim for indemnity made by the Transporter pursuant to Section 16, and in respect of which the Shipper does not dispute the claim or the claim is the subject of a judgment issued by a Court of competent jurisdiction and all applicable appeal periods have expired; or
- (b) if any Financial Assurance then held by or for the benefit of the Transporter will terminate or expire or otherwise be of no further force or effect, or is to be increased in amount, after a specified date, and at least ten (10) days prior to such date such Financial Assurance is not renewed or extended and increased, if applicable.

15 DEFAULT AND TERMINATION

15.1 If either Transporter or Shipper fails to perform any of its material obligations under or to otherwise comply materially with the provisions of the Service Agreement or the Tariff, then the other party may treat such failure as a default and may, subject to Section 15.2 below, elect to terminate the Service Agreement by giving the party in default a notice to that effect, briefly describing the default.

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15.2 If such a notice is given, the party in default will have thirty (30) days in which to remedy the default. If the party in default remedies the default within the 30-day period, then such notice shall be deemed to be withdrawn and the Service Agreement shall continue in full force and effect. If the party in default does not remedy the default within the 30-day period, then the Service Agreement shall thereupon terminate, provided, however, that if during such 30-day period the defaulting party has commenced remedying the default and is continuing diligently and in good faith its efforts to remedy such default, the entitlement of the non-defaulting party to terminate the Service Agreement will be suspended until the earlier of the cessation by the defaulting party of such efforts and the date which is six (6) Months after the date of the notice of default. Any such termination shall be without prejudice to any remedy to which the party not in default may be entitled for breach of the Service Agreement.

15.3 No waiver by either Transporter or Shipper of any one or more defaults by the other in performance of any provisions of the Service Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character. Transporter may waive compliance with provisions of the Service Agreement so long as such is done in a manner that would not be unjustly discriminatory.

16 INDEMNIFICATION

16.1 In the case of Transporter and a Shipper, each party will:

- (a) be liable to the other party, its affiliates and each of their respective directors, officers, contractors, agents and employees, for all Losses which they may sustain, pay or incur, and in addition,

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- (b) indemnify and save harmless the other party, its affiliates and each of their respective directors, officers, contractors, agents and employees, from all actions, causes of action, proceedings, demands and Losses, which may be brought against, suffered, paid, incurred or made against them,

resulting from any breach of the Service Agreement or the Tariff, any breach of any applicable laws as a result of acts undertaken or omissions made pursuant to the Service Agreement or the Tariff or any tortious act or omission or negligence or wilful default in connection with the Service Agreement or the Tariff on the part of the indemnifying party or of its directors, officers, contractors, suppliers, agents or employees. An act or omission by an indemnifying party will be deemed not to result in liability or a right to indemnity hereunder if that act or omission is done or omitted pursuant to the electronic or written instruction of the party asserting liability or seeking indemnity.

16.2 Notwithstanding Section 16.1:

- (a) Transporter and Shipper shall have no liability for, nor any obligation to indemnify and save harmless the other from, any Losses that are indirect, special, or consequential in nature;
- (b) Transporter shall have no liability or obligation to indemnify and save harmless Shipper in respect of a failure for any reason whatsoever, other than Transporter's negligence or wilful default, to provide Service under any Service Agreement and the Tariff, and no such failure shall relieve Shipper of its obligation to pay Transporter's monthly Contract Demand Charges payable pursuant

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to such Shipper's Service Agreement except as therein or herein provided; and

- (c) neither Transporter nor Shipper shall be liable to indemnify the other unless the party requesting indemnification gives reasonably prompt notification to the other party after being served any claim, suit, or action for or in respect of which indemnification is to be claimed.

16.3 If a notice is given pursuant to Section 16.2(c), the indemnifying party shall be entitled to participate in any such suit or action and, to the extent that the indemnifying party may wish to do so, to assume the defence thereof with counsel satisfactory to the notifying party (acting reasonably). Thereafter, the indemnifying party will not be liable for any legal or other expenses incurred by the notifying party in connection with the defence thereof. The indemnifying party shall not be liable to indemnify the notifying party on account of any settlement of any claim, suit, or action agreed to without the consent of the indemnifying party.

17 DISPUTE RESOLUTION

17.1 This Article 17 establishes a framework and procedure under which the parties shall, in good faith, use their reasonable efforts to resolve disputes, claims, questions or differences arising out of or in connection with the Service Agreement or the Tariff (in each case, a "Dispute") without resort to litigation. In the event of any Dispute arising between the parties, unless otherwise provided herein, the parties shall use reasonable commercial efforts to settle such Dispute in the manner set out in Section 17.2.

17.2 Dispute Resolution Mechanism

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- (a) A party claiming that a Dispute has arisen must give written notice (a “Dispute Notice”) to the other party specifying the nature of the dispute, the relief sought and the basis for the relief sought.
- (b) Within seven (7) Business Days of receipt of a Dispute Notice, the parties must commence the process of attempting to resolve the Dispute by referring such Dispute to a meeting between the Director, Energy, Supply and Policy (or the successor position thereof), on behalf of the Transporter, and an equivalent or similar manager on behalf of the Shipper, (the “Operations Personnel”) for discussion and resolution. The Operations Personnel shall consult, discuss and negotiate in good faith with the intention of reaching a just and equitable solution satisfactory to both parties.
- (c) If a Dispute is not resolved to the mutual satisfaction of the parties by the Operations Personnel within twelve (12) Business Days after the Dispute Notice has been delivered the Dispute shall be referred to the parties' respective senior representatives (in the case of the Transporter, the Vice-President, Gas Supply and Business Development (or the successor position thereof); and in the case of the Shipper, an equivalent or similar senior manager of the Shipper) (the “Senior Representatives”) for resolution. The parties shall cause their respective Senior Representatives to meet as soon as possible in an effort to resolve the dispute.
- (d) If the Dispute is not resolved by the Senior Representatives to the mutual satisfaction of the parties within twenty (20) Business Days after delivery of the Dispute Notice, then the parties may agree to refer the Dispute to a private mediator agreed to between them. The parties and the mediator shall conduct the mediation in

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accordance with procedures agreed to between them and all third-party costs (including those of the mediator) shall be shared equally by the parties. There shall be no obligation of a party to agree on a mediator or any procedures therefore, other than to act in good faith.

- 17.3 If the Dispute is still not resolved to the mutual satisfaction of the parties within sixty (60) days after delivery of the Dispute Notice, then either party may require the Dispute to be resolved by litigation or such other legal means as are available to such party, provided the party seeking legal remedy has pursued resolution of the Dispute as contemplated in Section 17.2.

18 NOTICES

- 18.1 Except as otherwise provided in the Tariff, any request, demand, statement, or bill, or any notice (collectively “a notice”) which either party desires to give to the other, must be in writing and shall be validly communicated by the delivery thereof to its addressee, either personally or by courier or by facsimile and will be considered duly delivered to the party to whom it is sent at the time of its delivery if personally delivered or if sent by facsimile during normal business hours, or on the day following transmittal thereof if sent by courier (provided that in the event normal courier service, or facsimile service shall be interrupted by a cause beyond the control of the parties hereto, then the party sending the notice shall utilize any service that has not been so interrupted or shall personally deliver such notice) to the other party at the address set forth below. Each party shall provide notice to the other of any change of address for the purposes hereof.

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(i) If to Transporter:

Enbridge Gas Distribution Inc.
500 Consumers Road
North York, ON M2J 1P8
Attention: VP Gas Supply and Business Development
Facsimile: 416-498-3816

With a copy to:

Attention: Law Department
Facsimile: 416-495-5802

(ii) Shipper: At the address set out in the Service Index of a Service Agreement.

Routine communications, including monthly statements, will be considered duly delivered when mailed by either registered, certified, or ordinary mail.

19 INCORPORATION OF DOCUMENTS

19.1 These General Terms and Conditions are incorporated in and are part of all Service Schedules and Service Agreements.

19.2 These General Terms and Conditions, the Service Schedules and all Service Agreements are subject to the provisions of all valid present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction over the subject matter thereof.

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APPENDIX 1 - SERVICE REQUEST FORM

TO: ENBRIDGE GAS DISTRIBUTION INC..
500 Consumers Road
North York, Ontario
M2J 1P8

_____ ("Service Applicant") hereby requests Service on the Albion Pipeline and provides the following information relative to this Service Request:

1. Information on Service Applicant:

(a) Delivery Address: _____

(b) Mailing Address: _____

(c) Service Request: _____
Electronic: _____
Facsimile: _____
Telephone: _____

(d) Nominations and Confirmations: _____
Electronic: _____
Facsimile: _____
E-mail: _____
Telephone: _____

(e) Invoices: _____
Electronic: _____
Facsimile: _____
Telephone: _____

(f) Other: _____
Electronic: _____
Facsimile: _____
Telephone: _____

2. Class of Service Requested: FT Service

3. Service Availability Date: _____

4. Service Termination Date: _____

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-
5. Maximum Daily Volume: _____ 10³m³
 6. Receipt Point: Parkway
 7. Delivery Point: Albion
 8. Service Applicant agrees, by submitting this Service Request Form, to abide by the terms and conditions of (a) the Tariff for Rate 332 Service, including the applicable Service Schedule, the General Terms and Conditions, and the applicable Service Agreement (per the standard form); and (b) the Rate 332 Schedule.
 9. This Service Request is submitted this _____ day of _____, 20____ on behalf of Service Applicant by:

(Signature)

(Name)

(Position)

2 - FT SERVICE SCHEDULE

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Appendix 1 – Form of FT Service Agreement

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FT SERVICE SCHEDULE
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1 INTRODUCTION

- 1.1 The terms used herein that are set forth in Article 1 of the General Terms and Conditions shall be construed to have the meaning described therein, unless otherwise defined in this Service Schedule.
- 1.2 The General Terms and Conditions, as amended from time to time, are applicable to this Service Schedule and are hereby made a part hereof. If there is any conflict between the provisions of this Service Schedule and the General Terms and Conditions, the provisions of this Service Schedule shall prevail. This Service Schedule is incorporated into and made part of any Service Agreement for FT Service. If there is any conflict between the provisions of this Service Schedule and a Service Agreement, the provisions of the Service Agreement shall prevail.

2 AVAILABILITY

- 2.1 Any Shipper will be eligible to receive Service pursuant to this Service Schedule if Shipper:
- (a) has entered into a Service Agreement with Transporter for FT Service pursuant to this Service Schedule, having an Initial Term of at least fifteen (15) years. The form of Service Agreement applicable to FT Service is attached to this Service Schedule as Appendix 1;
 - (b) has provided Transporter with adequate assurances, in Transporter's discretion, acting reasonably, that arrangements have been made whereby upstream service providers will deliver gas nominated by Shipper, or for Shipper's account, at the Receipt Point;

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- (c) has provided Transporter with adequate assurances, in Transporter's discretion, acting reasonably, that arrangements have been made whereby downstream service providers will receive and transport gas delivered by Transporter to Shipper, or for Shipper's account, at the Delivery Point; and
- (d) has provided Transporter with Financial Assurances if required by Transporter pursuant to Article 14 of the General Terms and Conditions.

3 APPLICABILITY AND CHARACTER OF SERVICE

- 3.1 This Service Schedule applies to all Service provided by Transporter to Shipper pursuant to a Service Agreement referred to in Section 2.1(a).
- 3.2 Subject to the Tariff and Shipper's Service Agreement, Service under this Service Schedule on any Day consists of:
 - (a) the receipt of gas from Shipper, or for Shipper's account, at the Receipt Point according to Transporter's applicable Confirmation(s) for the Day, up to Shipper's Maximum Daily Volume, plus AOS allocated to Shipper, if any;
 - (b) the transportation of gas received pursuant to Subsection (a) above on the Albion Pipeline; and
 - (c) the delivery of a quantity of gas equal to the quantity of gas received by Transporter pursuant to Subsection (a) above to Shipper, or for Shipper's account, at the Delivery Point.
- 3.3 Each FT Shipper may nominate volumes for a Day in excess of such Shipper's Maximum Daily Volume which excess volume nomination shall be for Authorized Overrun Service. Capacity available for AOS will vary daily depending upon Shipper nominations for FT Service,

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Transporter's use of the capacity reserved on the Albion Pipeline for Transporter's distribution business and the capability of Transporter to provide transportation on the Albion Pipeline. Notwithstanding anything herein to the contrary, the provision of AOS on any Day shall be subject to the sole discretion of the Transporter.

3.4 Subject to Section 3.3, Shipper may nominate for AOS in accordance with Article 9 of the General Terms and Conditions. Each FT Shipper will be allocated AOS, equal to the lesser of:

- (a) a pro rata portion of AOS according to the ratio of such FT Shipper's Maximum Daily Volume to the aggregate of Maximum Daily Volumes of all FT Shippers; and
- (b) the AOS nominated by such Shipper.

3.5 Nominations shall be made, and may be changed or otherwise adjusted, and confirmed in accordance with Article 9 of the General Terms and Conditions.

3.6 Service hereunder for any Shipper shall not be subject to suspension, curtailment or interruption, except as provided in the General Terms and Conditions.

3.7 In addition to and not in substitution for any other remedies that may be available to Transporter, Transporter is entitled to refuse service hereunder if, and for so long as, Shipper is in default under any Service Agreement or under the Tariff (including this Service Schedule).

4 CAPACITY ALLOCATION

4.1 Transporter shall allocate the amount of Albion Pipeline Capacity that is or becomes available for FT Service by offering the corresponding amount of FT Service by means of an Open Season. Transporter will do

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so whether or not that amount of Albion Pipeline Capacity would become available by virtue of Transporter constructing and operating any Albion Pipeline Expansion Facilities.

- 4.2 Transporter shall allocate the amount of Albion Pipeline Capacity that, after an Open Season is closed, remains available for FT Service in accordance with Article 2 of the General Terms and Conditions.
- 4.3 Transporter shall conduct any such Open Season in accordance with the terms and conditions prescribed by the OEB either in STAR or otherwise.
- 4.4 Transporter shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide service hereunder to any Shipper.

5 ASSIGNMENT

- 5.1 Transporter may assign its entire interest in a Service Agreement to any person in connection with an arrangement whereby such person acquires the Albion Pipeline, and such person shall thereby have the rights and obligations of the assigning party under such Service Agreement.
- 5.2 Shipper may, upon notice to Transporter, assign its interest in a Service Agreement to a third party (“Assignee”), up to Shipper's Maximum Daily Volume (the “Capacity Assigned”). Such assignment shall require the prior written consent of Transporter and release of obligations by Transporter for the Capacity Assigned from the date of assignment. Such consent and release shall be in the sole discretion of Transporter and shall be conditional upon the Assignee providing, amongst other things, Financial Assurances in accordance with Article 14 of the General Terms and Conditions. Any such assignment will be for the full rights, obligations and remaining term of the Service Agreement as it relates to the Capacity Assigned.

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6 RENEWAL RIGHT

- 6.1 Shipper has the right (the "Renewal Right") of extending the existing Service Termination Date for a period of at least twelve (12) months (the "Renewal Term") and maintaining or reducing the existing Maximum Daily Volume during the Renewal Term provided that Transporter receives a notice from Shipper electing to exercise the Renewal Right and setting out the extended Service Termination Date and the applicable Maximum Daily Volume (the "Renewal Notice") no less than twenty four (24) months before the existing Service Termination Date; and
- 6.2 If Transporter receives a timely notice from Shipper electing to exercise the Renewal Right, and if Shipper meets the availability provisions of Article 2, Transporter will prepare a superseding Service Index for the Service Agreement that will be effective as of the commencement of the Renewal Term and in which the Maximum Daily Volume and the Service Termination Date will be as specified in the Renewal Notice.

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APPENDIX 1 – FORM OF FT SERVICE AGREEMENT

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APPENDIX 1 - FORM OF FT SERVICE AGREEMENT
Rate 332 Service

No. FT-_____

**FT SERVICE AGREEMENT
(Rate 332 Service)**

This AGREEMENT for SERVICE under the FT SERVICE SCHEDULE
made as of the ____ day of _____, 20__

BY AND BETWEEN:

ENBRIDGE GAS DISTRIBUTION INC.
an Ontario corporation ("Transporter")

- and -

_____, a _____ ("Shipper")

WITNESSES THAT, WHEREAS:

A. Terms that are defined in Transporter's Tariff for Rate 332 Service on its Albion Pipeline as such service is contemplated in Transporter's handbook designated as the "Handbook of Rates and Distribution Services" are used in this Service Agreement with the respective meanings that are ascribed to such terms therein.

B. Shipper has requested that Transporter transport, and Transporter has agreed to transport volumes of gas on the Albion Pipeline that are tendered by or on behalf of Shipper to

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Transporter at the Receipt Point to the Delivery Point in accordance with and subject to the terms and conditions of this Service Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, Transporter and Shipper agree as follows:

1. **Tariff Incorporated.** The Rate 332 Schedule, the FT Service Schedule and the General Terms and Conditions, which collectively comprise the Tariff are all by reference made a part of this Service Agreement and Service hereunder shall be subject to the provisions thereof, all of which is hereby acknowledged and confirmed by Shipper. Transporter shall notify Shipper at any time that Transporter files with the OEB proposed revisions to the Tariff and shall provide Shipper with a copy of such revisions.
2. **Schedules.** The FT Service Index attached to this Service Agreement is hereby made part of this Service Agreement.
3. **Service.** Subject to the provisions of this Service Agreement and the Tariff, Transporter shall, from and after the Service Availability Date, provide Shipper with FT Service for the Maximum Daily Volume set forth in the FT Service Index attached hereto. Under no circumstances shall Transporter be required to transport gas in excess of the Maximum Daily Volume. Transporter may in its sole discretion transport gas in excess of the Maximum Daily Volume, as AOS, on an interruptible basis determined in accordance with the Tariff.
4. **Term.** The initial term (the “Initial Term”) of this Service Agreement shall be for the period set forth in the FT Service Index attached hereto beginning on the Service Availability Date and terminating, subject to the provisions hereof, on the Service Termination Date. Shipper shall have the right to extend the Service Agreement past the Initial Term in accordance with Article 6 of the FT Service Schedule.
5. **Payment of Contract Demand Charges.** For each Month during the Term, Shipper shall pay to Transporter the sum of:

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(a) the product of: (i) the Contract Demand Charge; (ii) the Maximum Daily Volume; and (iii) 365/12.

(b) the product of: (i) the Contract Demand Charge; (ii) 1.2; and (iii) the sum of Shipper's volumes that were Confirmed by Transporter for AOS in such Month.

The obligation to pay the amount calculated in Section 5(a) shall apply and continue for the entire Term regardless of the volume of Shipper's gas that is actually transported by Transporter, and is not subject to abatement under any circumstances, except as specifically provided for in the Tariff. Transporter shall invoice Shipper for its payment obligations in accordance with Article 6 of the General Terms and Conditions.

6. **Upstream/Downstream Arrangements.** Shipper shall make timely arrangements for gas supply and for transportation service upstream of the Receipt Point and downstream of the Delivery Point. Shipper shall obtain all necessary governmental authorizations in this regard. Shipper acknowledges that Transporter is relying upon this covenant and agrees that, if any such arrangements are not in effect on the Service Availability Date and thereafter during the Term, Shipper will not thereby be relieved of its obligation to pay pursuant to Section 5 of this Service Agreement.

7. **No action against Transporter.** Shipper shall not bring an action against Transporter for Transporter's refusal to provide Service hereunder in the event that any transporter operating upstream of the Receipt Point or downstream of the Delivery Point, as the case may be, fails to deliver or receive gas to or from Shipper, or for Shipper's account, unless such failure was directly caused by Transporter's negligence or wilful default.

8. **Nominations and Scheduling.** Nominations and Confirmations shall be given in accordance with Article 9 of the General Terms and Conditions.

9. **Authorities.** This Service Agreement is subject to all valid legislation with respect to the subject matters hereof, either provincial or federal, and to all valid present and

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future decisions, orders, rules, and regulations of all duly constituted governmental authorities having jurisdiction.

10. **Representations and Warranties of Transporter.** Transporter represents and warrants that: (a) it is duly organized and validly existing under the laws of the jurisdiction of its formation or incorporation and has all requisite legal power and authority to execute this Service Agreement and carry out the terms, conditions and provisions hereof; (b) this Service Agreement constitutes the valid, legal and binding obligation of Transporter, enforceable in accordance with the terms hereof; (c) there are no actions, suits or proceedings pending or, to Transporter's knowledge, threatened against or affecting Transporter before any court or government authority that might materially adversely affect the ability of Transporter to meet and carry out its obligations under this Service Agreement; and (d) the execution and delivery by Transporter of this Service Agreement has been duly authorized by all requisite corporate action.

11. **Representations and Warranties Shipper.** Shipper represents and warrants that: (a) it is duly organized and validly existing under the laws of the jurisdiction of its formation or incorporation, as applicable, and has all requisite legal power and authority to execute this Service Agreement and carry out the terms, conditions and provisions hereof; (b) this Service Agreement constitutes the valid, legal and binding obligation of Shipper, enforceable in accordance with the terms hereof; (c) there are no actions, suits or proceedings pending or, to Shipper's knowledge, threatened against or affecting Shipper before any court or government authority that might materially adversely affect the ability of Shipper to meet and carry out its obligations under this Service Agreement; and (d) the execution and delivery by Shipper of this Service Agreement has been duly authorized by all requisite corporate or partnership action, as applicable.

12. **Affected Rights Upon Termination.** Nothing in this Service Agreement shall be deemed to create any rights or obligations between the parties hereto after the Service Termination Date, except that termination of this Service Agreement shall not relieve either

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party of the obligation to correct any gas imbalances or of the obligation to pay any amount due hereunder.

13. **Governing Law and Attornment.** This Service Agreement and the Tariff shall be construed in accordance with and governed by the laws of the Province of Ontario and the laws of Canada applicable therein. Neither party shall institute any action, suit or other proceeding with respect to any matter arising under or out of this Service Agreement other than in the Superior Court of Justice in the Judicial Centre of Toronto. In that regard, subject to the dispute resolution procedures set forth in Article 17 of the General Terms and Conditions each party hereby irrevocably attorns to the jurisdiction of such Court in the event of any such action, suit or other proceeding by the other party.

14. **Execution and Delivery.** This Service Agreement may be executed in counterparts and may be delivered by facsimile or other electronic means, each of which shall be considered an original but both of which, when taken together, shall constitute one and the same agreement.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Service Agreement as of the day, month, and year first written above.

TRANSPORTER:

ENBRIDGE GAS DISTRIBUTION INC.

By: _____

By: _____

SHIPPER:

By: _____

By: _____

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APPENDIX 1 - FORM OF FT SERVICE AGREEMENT
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ENBRIDGE GAS DISTRIBUTION INC.
FT SERVICE INDEX
(Rate 332 Service)

Shipper: _____

Date of Service Agreement: _____

Number of Service Agreement: _____

Date of Service Index: _____

Maximum Daily Volume: _____ 10³m³

Service Availability Date: _____

Service Termination Date: _____

Receipt Point: Parkway

Delivery Point: Albion

Notices to Transporter: Enbridge Gas Distribution Inc.

(i) Delivery Address: 500 Consumers Road
North York, Ontario
M2J 1P8

(ii) Mailing Address: P.O. Box 650
Scarborough, Ontario
M1K 5E3

(iii) Nominations and
Confirmations: Operations Analyst
Electronic: sms@enbridge.com
Facsimile: (780) 420-8533
Telephone: (780) 420-8850

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FT SERVICE INDEX
(Rate 332 Service)**

- (iv) Invoices: Subsidiary Clerk, Internal Reporting
Electronic: parker.morton@enbridge.com
Facsimile: (416) 753-7451
Telephone: (416) 495-5354
- (v) Other: Director, Energy Supply & Policy
Electronic: jamie.leblanc@enbridge.com
Facsimile: (416) 495-5241
Telephone: (416) 498-3816

Notices to Shipper: _____

(i) Delivery Address: _____

(ii) Mailing Address: _____

(iii) Nominations and
Confirmations: Electronic: _____
Facsimile: _____
Telephone: _____

(iv) Invoices: _____
Facsimile: _____
Telephone: _____

(v) Other: _____
Electronic: _____
Facsimile: _____
Telephone: _____