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Tariffs

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TABLE OF CONTENTS

1. OPTIONS AVAILABLE TO CUSTOMERS

1.1 Services included in the customer's Bill

1.1.1 Customer's Choice

Subject to Article 10.3, the customer may obtain the following services from the distributor or provide them himself:

- Supply
- Compressor fuel
- Transportation
- Load-balancing

The aforementioned service choice requires certain advance notices. Under certain conditions, the distributor may accept the customer's request with shorter notice; however, the tariff impact of such request on all customers could justify refusal of the request.

The customer who uses the distributor's natural gas supply service must use all of the distributor's services.

The customer who supplies the distributor with the natural gas he withdraws at his facilities must at the same time supply the compressor fuel needed to transport the natural gas. The customer who provides his own transportation service must at the same time provide the natural gas he withdraws at his facilities as well as the compressor fuel needed to transport the natural gas.

1.1.2 Exclusive Distributor's Service

The customer must obtain the following service from the distributor:

- Distribution

1.1.3 Default Services

The default services are those of the distributor.

The customer who uses the distributor's natural gas supply service shall be subject, by default, to the variable price of natural gas supply not determined in accordance with an agreement of fixed-price supply provided by a specific supplier.

1.2 COMBINATION OF CUSTOMER'S AND DISTRIBUTOR'S SERVICES

The customer may not, at a same metering point, for either natural gas supply, compressor fuel or transportation service, including make-up gas service, use the distributor's services and provide his own services simultaneously.

Furthermore, the customer who wishes to supply the distributor with the natural gas he withdraws at his facilities may not combine supply service with transfer of ownership with supply service without transfer of ownership.

Exceptionally, however, the customer who uses firm service as well as interruptible service at a same metering point shall be entitled to use his own transportation service for the firm portion of his load while using the distributor's transportation service for the interruptible portion. Furthermore, the customer using "Make-up Gas Service to Avoid an Interruption" may use his own natural gas supply, compressor fuel and transportation services for this make-up portion of his load.

1.3 CUSTOMER GROUPING

Customers may form a group to provide their natural gas supply and compressor fuel services. Subject to Article 10.2, customers may form a group to provide their transportation and load-balancing services if they are all related persons, each one towards all the others, within the meaning of the *Taxation Act,* R.S.Q., c. I-3. In such situations, the customer grouping shall also apply to natural gas supply and compressor fuel services.

For all customer groupings, only volume imbalances shall be monitored for all of the grouped metering points as if there were a single metering point. Billing for all distributor's services, including billing of volume imbalances, will continue to be made on an individual basis in accordance with each service's tariff provisions.

Groupings are not permitted for distribution service.

2. SUPPLY

2.1 DISTRIBUTOR'S SERVICE

2.1.1 APPLICATION

For the customer who wishes to purchase from the distributor the natural gas he withdraws at his facilities.

The customer whose normalized annual load is between 7,500 m³ and 1,168,000 m³ may enter into, with the distributor, an agreement of fixed-price supply provided by a specific supplier.

2.1.2 NATURAL GAS SUPPLY TARIFF

2.1.2.1 Natural Gas Supply Price

For each m^3 of volume withdrawn, the natural gas supply price, as of January 1, 2010, is 20,764¢/m^3. The price may be adjusted monthly to reflect actual acquisition cost.

When the customer enters into, with the distributor, an agreement of fixed-price supply provided by a specific supplier, the specific gas supply price corresponds to the acquisition cost of the natural gas from the specific supplier in accordance with the customer's agreement. The distributor does not guarantee the fixed gas supply price agreed upon with the specific supplier. The customer is billed the specific price commencing on the day deliveries from the specific supplier begin and for as long as the deliveries continue. Should the specific supplier no longer be able to respect his commitments to the distributor, the customer will be transferred to the distributor's variable-price natural gas supply service once the natural gas already delivered by the specific supplier for the customer in question has been fully used.

2.1.2.2 Inventory-related Adjustment

The natural gas supply price is accompanied by an adjustment to take into account variations in the value of inventories resulting from a change in the natural gas supply price, as well as costs associated with maintaining the inventories. This adjustment is described under the "Inventory–related Adjustments" section.

2.1.2.3 Charges of Transfer to Supply Service

Any existing customer who wishes to use the distributor's natural gas supply service without respecting the notice of entry required in Article 2.1.3.2 shall be subject to charges of transfer to the distributor's supply service in a single payment on the date the transfer is made.

These charges shall be calculated by applying the price of transfer to the distributor's natural gas supply and compressor fuel services in effect at the date of the transfer to 6/12 of the customer's normalized annual consumption.

For each m³ of volume withdrawn, the price of transfer to the distributor's natural gas supply and compressor fuel services, as of January 1, 2010, is 0,000¢/m^3. This price is revised monthly.

2.1.3 TERMS AND CONDITIONS

2.1.3.1 Daily Contract Volume (DCV)

For a customer who has entered into, with the distributor, an agreement of fixed-price supply provided by a specific supplier, the daily contract volume is the volume the specific supplier agrees to deliver to the distributor over the course of one day at an agreed upon delivery point. The daily contract volume is based on the estimated average daily volume for the contract period.

For purposes of load-balancing of customers grouped by the specific supplier, the individual DCVs shall be those provided by the specific supplier, failing which they shall be established on a pro rata basis from the estimated volumes for the contract period.

2.1.3.2 Notice of Entry

The customer who wishes to avail himself of the distributor's natural gas supply service must provide the distributor with at least 6 months' advance written notice.

The customer who fails to provide the required notice would be able to avail himself of the distributor's natural gas supply service only if it were possible for the distributor to provide it. Moreover, the customer would have to pay the charges of transfer to the distributor's natural gas supply and compressor fuel services referred to in Article 2.1.2.3.

2.1.3.3 Notice of Withdrawal

Subject to Article 2.1.3.5, the customer who wishes to opt out of the distributor's natural gas supply service must provide the distributor with at least 6 months' advance written notice.

2.1.3.4 Notice of Commitment to a Fixed-Price Gas Supply Agreement

The customer who wishes to enter into, with the distributor, a fixed-priced gas supply agreement involving a specific supplier (fixed-price supply agreement) must provide the distributor with at least 60 days', but no more than 120 days', advance written notice thereof.

Furthermore, the customer who is currently using the distributor's natural gas supply service may enter into, with the distributor, a fixed-price supply agreement provided the customer has used the distributor's natural gas supply service:

- for a minimum term of 12 months;
- for a minimum term of 12 months in addition to the number of months remaining under the fixed-price supply agreement when it is cancelled if the customer uses the distributor's natural gas supply service after terminating his fixed-price supply agreement before the end of the agreed term.

The customer who fails to provide the required notice would be entitled to enter into, with the distributor, a fixed-price supply agreement only if the distributor agrees to it.

2.1.3.5 Contract Term

Any natural gas supply service contract must be for a minimum of 12 months.

2.1.3.6 Other Provisions

The customer who uses the distributor's natural gas supply service must at the same time use the distributor's compressor fuel, transportation and load-balancing services.

2.2 CUSTOMER-PROVIDED SERVICE

2.2.1 APPLICATION

For the customer who wishes to supply the distributor with the natural gas he withdraws at his facilities.

2.2.2 TARIFF

2.2.2.1 Service Price

With transfer of ownership: The distributor purchases the natural gas from the customer at the distributor's natural gas supply price at the time of delivery at an agreed upon delivery point and resells the natural gas to the customer at his facilities at the natural gas supply price in effect at the time.

Without transfer of ownership: The distributor receives the natural gas from the customer at an agreed upon delivery point and delivers it to the customer at his facilities. The customer shall not be billed for the price of the distributor's natural gas supply service.

2.2.2.2 Inventory-related Adjustment

With transfer of ownership: The natural gas supply price is accompanied by an adjustment to take into account variations in the value of inventories resulting from a change in the natural gas supply price, as well as costs associated with maintaining the inventories. This adjustment is described under the "Inventory–related Adjustments" section.

Without transfer of ownership: The customer shall not be billed for the inventory-related adjustment for the natural gas supply price.

2.2.3 TERMS AND CONDITIONS

2.2.3.1 Daily Contract Volume (DCV)

The daily contract volume is the volume the customer agrees to deliver to the distributor over the course of one day at an agreed upon delivery point. The daily contract volume is agreed upon, based on the estimated average daily volume for the contract period.

For purposes of individual billings of grouped customers' volume imbalances and load-balancing, the individual DCVs shall be those provided by the grouped customers, failing which they shall be established on a pro rata basis from the estimated volumes for the contract period.

2.2.3.2 Adjustment of Daily Contract Volumes (DCVs)

2.2.3.2.1 Notice

Daily contract volume adjustments shall occur only when it is cost-effective and operationally possible for the distributor to agree to them.

The customer must address his request for a DCV adjustment to the distributor as soon as possible and no later than 10:00 a.m. (ET) on the day preceding the day on which the adjustment would take effect. If the customer fails to provide the notice requested, the DCVs can only be adjusted if the distributor agrees to it.

2.2.3.2.2 Conditional Adjustment

Before accepting a DCV adjustment request, the distributor could require that the customer agree to adjust his load proportionally. In the absence of a proportional load adjustment, the customer's DCV shall be considered non-adjusted and the customer's bill shall be based on this non-adjusted DCV.

2.2.3.2.3 Anticipated Contract Period Volume Imbalance

If the distributor anticipates that the customer will have a volume imbalance of more than 5% at the end of the contract period, it may require the customer to adjust his DCV or load in order to avoid such imbalance.

2.2.3.3 Volume Imbalances

2.2.3.3.1 Daily Volume Imbalances

A daily volume imbalance occurs when the customer delivers, over the course of one day, a volume of natural gas different from what he has agreed to deliver (DCV). When the volume delivered exceeds the DCV, there is a delivery overage; when the volume delivered is less than the DCV, there is a delivery shortage.

The delivery overage is purchased by the distributor, and the delivery shortage is sold to the customer, at the following price:

a) From 0% to 2% of the initial DCV:

- The distributor's natural gas supply price increased, as applicable, by the distributor's compressor fuel and transportation prices;

b) Above 2% of the initial DCV:

- The lower, in the case of an overage, or the higher, in the case of a shortage, of:
  - The distributor's natural gas supply price, and
  - The market price for the same service at the time the imbalance occurred;
- This price shall be increased, as applicable, by the lower, in the case of an overage, or the higher, in the case of a shortage, of:
  - The distributor's compressor fuel and transportation prices, and
  - The market price for the same services at the time the imbalance occurred;
- Furthermore, the distributor shall bill the customer for all additional costs incurred to manage the delivery overage or shortage.

Notwithstanding the existence of a daily volume imbalance, the volume the customer has agreed to deliver, the initial DCV, shall continue to be used, as applicable, to calculate the contract period volume imbalance and to bill the load-balancing service.

In the case of a customer who supplies the distributor with the natural gas he withdraws at his facilities, with or without transfer of ownership, the delivery overage under a "Make-up gas to Avoid an Interruption" contract is transferred to the regular supply contract. The transportation service related to this delivery overage is purchased by the distributor on the terms and conditions described above.

2.2.3.3.2 Contract Period Volume Imbalances

A contract period volume imbalance occurs when the customer withdraws, during the contract period, a volume of natural gas different from what he has agreed to deliver (sum of the DCVs).

The customer who is not subject to a "Competitive Make-up Gas" contract can choose one of the following two options:

a) Financial settlement of the volume imbalance at the end of the contract period; or

b) Carry forward, over the 12 months of the following contract period, the volume imbalance on the first 5% of the volume withdrawn during the contract period; any excess over 5% of the volume withdrawn must still be settled.

The choice must be made by providing the distributor with written notice before the start of the supply contract. If written notice is not provided, any volume imbalance will be settled at the end of the contract period.

Even if the customer chooses to carry forward, the distributor can require settlement of the volume imbalance at the end of the contract period if the customer represents a financial risk.

The customer subject to a "Competitive Make-up Gas" contract must settle the volume imbalance for the contract period.

When the volume withdrawn is less than the sum of the DCVs, there is a delivery overage; when the volume withdrawn exceeds the sum of the DCVs, there is a delivery shortage.

The delivery overage is purchased by the distributor, and the delivery shortage is sold to the customer, at the following price:

a) From 0% to 5% of the volume withdrawn:

- If the customer chose the financial settlement option:
  - The distributor's average natural gas supply price during the contract period increased, as applicable, by the average compressor fuel and transportation prices during the contract period;

- If the customer chose to carry forward the volume imbalance:
  - No purchase or sale, as this portion is transferred to the following contract period;

b) Above 5% of the volume withdrawn:

- The lower, in the case of an overage, or the higher, in the case of a shortage, of:
  - The distributor's average natural gas supply price during the contract period, and
  - The average market price for the same service during the customer’s contract period;
- This price shall be increased, as applicable, by the lower, in the case of an overage, or by the higher, in the case of a shortage, of:
  - The distributor's average compressor fuel and transportation prices during the contract period, and
  - The average market price for the same services during the customer’s contract period;
- Furthermore, the distributor shall bill the customer for all additional costs incurred to manage the delivery overage or shortage.

2.2.3.3.3 Residual Billing of Certain Imbalances

In the case of a delivery overage, the customer providing his own natural gas supply service with transfer of ownership, whose natural gas delivery overage has already been purchased by the distributor at the distributor's natural gas supply price, shall be billed only for the difference between the price already paid by the distributor and the price resulting from the application of Articles 2.2.3.3.1 and 2.2.3.3.2.

In the case of a delivery shortage, the customer providing his own natural gas supply service with transfer of ownership, and, as applicable, using the distributor's transportation service, whose natural gas delivery shortage has already been billed by the distributor at the natural gas supply price and, as applicable, at the distributor's transportation price, shall be billed only for the difference between the price already charged by the distributor and the price resulting from the application of Articles 2.2.3.3.1 and 2.2.3.3.2.

2.2.3.3.4 Billing of Volume Imbalances in the Case of Customer Groupings

The daily or contract period volume imbalance of grouped customers, as applicable, is allocated among the grouped customers on a pro rata basis according to their individual volume imbalances if the individual DCVs were provided by the grouped customers, failing which it is allocated on a pro rata basis according to their respective volumes withdrawn during the contract period. The volume imbalance is subsequently billed individually to the customers in accordance with the provisions of Articles 2.2.3.3.1 and 2.2.3.3.2.

2.2.3.3.5 Volume Imbalance Exchanges between Customers

Customers may exchange their volume imbalances among themselves provided they notify the distributor before the latter has billed them.

2.2.3.3.6 Compensation

In the event the customer defaults on payment of any sum related to natural gas supply, the distributor has the right to obtain compensation through any sum the distributor might owe the customer.

2.2.3.4 Notice of Entry

Subject to Article 2.1.3.5, the customer who wishes to opt out of the distributor’s natural gas supply service must provide the distributor with at least 6 months’ advance written notice.

2.2.3.5 Customer Obligations

The customer must:

a) Be the actual owner and end-user of the natural gas;

b) Ensure the security of his supply;

c) Supply the distributor with all the information related to the volume he intends to withdraw at his facilities in order to allow the distributor to adequately plan, manage and control all volumes carried in its system;

d) Agree that the natural gas he withdraws will be a mixture of the natural gas he sold or delivered to the distributor with any other natural gas the distributor may carry in its system;

e) Hold the required authorisations or ensure that they are held, if necessary, for export, outside the province of origin, of the natural gas he intends to sell to the distributor or have delivered to his facilities;

f) Ensure, as applicable, that the natural gas he intends to sell or deliver to the distributor meets the transporter's quality standards and can be mixed without inconvenience with the distributor's other supplies;

g) Hold, as applicable, all required contracts with the transporter(s) so that the natural gas sold or delivered to the distributor is moved to the transporter's delivery point in the province of origin or to the delivery point in the distributor's territory during the contract period agreed upon with the latter;

h) Acknowledge the distributor's exclusive right to manage prudently and diligently the daily distribution of natural gas volumes carried in its system, giving priority to the collective interest of the customers over the interest of a particular customer.

2.2.3.6 Other Provisions

The customer who supplies the distributor with the natural gas he withdraws at his facilities must at the same time supply the distributor with the compressor fuel needed to transport the natural gas.

2.3 MAKE-UP GAS SERVICE

2.3.1 APPLICATION

For any customer that qualifies for Distribution Service D_5: Interruptible and, who wishes to purchase from or supply to the distributor, from time to time, the natural gas he withdraws at his facilities, provided the minimum volume of make-up gas withdrawn during the contract period, at a single metering point, divided by the number of days in the contract period is 3,200 m³/day.

The customer may use the make-up gas service for the following uses:

- "Competitive Make-up Gas" service to temporarily withdraw a greater volume of gas;
- "Seasonal Make-up Gas" service to reduce the number of days of interruption anticipated at his subrate; when offered by the distributor, this service may come from the interruptible service provided to another customer who makes it available;
- "Make-up Gas to Avoid an Interruption" service.

2.3.2 TARIFF

The customer who uses the distributor's "Make-up Gas" service is billed, as applicable, the price of the supply of natural gas and compressor fuel gas supplied from time to time to serve it for the quantity of make-up gas delivered for his needs.

The customer who supplies his own natural gas, with or without transfer of ownership, is subject to the provisions of Article 2.2.2.

The customer who uses the make-up gas service is billed, as applicable, the price of the transportation provided from time to time by the distributor to serve it.

The customer who uses the "Competitive Make-up Gas" service is billed, as applicable, the price of load-balancing provided from time to time by the distributor to serve it.

The customer who uses the "Seasonal Make-up Gas" service is subject to the Load-Balancing section.

The customer who uses the "Make-up Gas to Avoid an Interruption" service is not billed for the Load-Balancing service.

The customer who uses the make-up gas service is subject to Article 7.4, with the exception of Article 7.4.1 which is replaced by Article 2.3.1.

2.3.3 TERMS AND CONDITIONS

2.3.3.1 Daily Contract Volume (DCV) (with or without Transfer of Ownership)

The daily contract volume for the make-up gas service is equal to the estimated average daily volume for the period corresponding to the make-up gas deliveries.

The customer using the "Make-up Gas to Avoid an Interruption" service must agree to deliver to the distributor, on the scheduled interruption day, a volume (DCV) equal to his load for that same day. If the consumption for the scheduled interruption day is different than the agreed DCV, the customer's daily contract volume (DCV) will be equal to his load on the scheduled interruption day.

On a scheduled interruption day, the customer using the "Competitive Make-up Gas" service must agree to deliver to the distributor, during that day, a volume (DCV) equal to his load for that same day. If the consumption for the scheduled interruption day is different than the agreed DCV, the customer's daily contract volume (DCV) will be equal to his load on the scheduled interruption day.

The provisions governing make-up gas service DCV adjustments are identical to those governing natural gas supply service with or without transfer of ownership.

2.3.3.2 Volume Imbalances (with or without Transfer of Ownership)

The provisions governing the make-up gas service volume imbalances are identical to those governing natural gas supply service with or without transfer of ownership; the make-up gas service DCV is added to the DCV for natural gas supply service, with or without transfer of ownership, for the monitoring of volume imbalances.

2.3.3.3 Notice of Use (with or without Transfer of Ownership)

Make-up gas service deliveries service shall only be permitted when it is cost-effective and operationally possible for the distributor to provide them or to agree to them.

The customer who wishes to avail himself of the make-up gas service must notify the distributor thereof as soon as possible and no later than 10:00 a.m. (ET) on the day preceding the day on which the make-up gas service would begin. The customer who fails to provide the required notice would be able to avail himself of make-up gas service only if the distributor agrees to it.

2.3.3.4 Contract Term

The term for make-up gas service contracts may be less than 12 months.

2.3.3.5 Other Provisions

The customer who wishes to use the "Competitive Make-up Gas" service or the "Seasonal Make-up Gas" service must use transportation supplied from time to time by the distributor.

3. COMPRESSOR FUEL

3.1 DISTRIBUTOR'S SERVICE

3.1.1 APPLICATION

For the customer who wishes to purchase from the distributor the compressor fuel used to transport the natural gas he withdraws at his facilities.

3.1.2 COMPRESSOR FUEL TARIFF

3.1.2.1 Compressor Fuel Price

For each m^3 of volume withdrawn, the compressor fuel price, as of January 1, 2010, is 0,685¢/m^3 for the Southern Zone and 0,525¢/m^3 for the Northern Zone. The price may be adjusted monthly to reflect the actual acquisition cost and the actual ratio of compressor fuel.

3.1.2.2 Inventory-related Adjustment

The compressor fuel price is accompanied by an adjustment to take into account variations in the value of inventories resulting from a change in the compressor fuel price, as well as costs associated with maintaining the inventories. This adjustment is described under the "Inventory–related Adjustments" section.

3.1.3 TERMS AND CONDITIONS

3.1.3.1 Notice of Entry

The customer who wishes to avail himself of the distributor's compressor fuel service is subject to the same requirement regarding notice of entry indicated under the distributor's natural gas supply service.

3.1.3.2 Notice of Withdrawal

The customer who wishes to opt out of the distributor's compressor fuel service is subject to the same requirement regarding notice of withdrawal indicated under the distributor's natural gas supply service.

3.1.3.3 Contract Term

The term for compressor fuel contracts must be equal to a multiple of 12 months for Distribution Tariff D_4 and D_5 customers, and a minimum of 12 months for other distribution tariff customers, except for make-up gas service contracts for which the contract term may be less than 12 months.

3.1.3.4 Other Provisions

The customer who uses the distributor's compressor fuel service must at the same time use the distributor's natural gas supply, transportation and load-balancing services.

Notwithstanding the foregoing, the customer who has entered into, with the distributor, an agreement of fixed-price supply provided by a specific supplier shall not be billed separately for the price of the compressor fuel since it will be bundled with the natural gas supply tariff applicable under the agreement.

3.2 CUSTOMER-PROVIDED SERVICE

3.2.1 APPLICATION

For the customer who wishes to supply the distributor with the compressor fuel used to transport the natural gas he withdraws at his facilities.

3.2.2 TARIFF

3.2.2.1 Service Price

The customer shall not be billed for the price of compressor fuel.

3.2.2.2 Inventory-related Adjustment

The customer shall not be billed for the inventory-related adjustment for the price of compressor fuel.

3.2.3 TERMS AND CONDITIONS

3.2.3.1 Notice of Entry

The customer who wishes to provide his own compressor fuel is subject to the same requirement regarding notice of entry indicated under the customer-provided natural gas supply service.

3.2.3.2 Other Provisions

The customer who supplies the distributor with compressor fuel must at the same time supply the distributor with the natural gas he withdraws at his facilities.

4. TRANSPORTATION

4.1 DISTRIBUTOR’S SERVICE

4.1.1 APPLICATION

For the customer who wishes to purchase from the distributor the transportation service needed to move the natural gas he withdraws at his facilities to the distributor's territory.

4.1.2 TRANSPORTATION TARIFF

4.1.2.1 Transportation Price

For each m^3 of volume withdrawn, the transportation prices, as of January 1, 2010, are as follows:

Southern Zone	Northern Zone
6.191¢/m³	5.783¢/m³

Transportation prices may be periodically adjusted to reflect actual acquisition cost.

4.1.2.2 Inventory-related Adjustment

The transportation prices are accompanied by an adjustment to take into account variations in the value of inventories resulting from a change in the transportation price, as well as costs associated with maintaining the inventories. This adjustment is described under the "Inventory–related Adjustments" section.

4.1.3 MINIMUM ANNUAL OBLIGATION (MAO)

The volume withdrawn during each contract year must be at least equal to the MAO applicable for the same period.

4.1.3.1 Establishment of MAO - Distribution Tariff D_1, D_M and D_5 Customers

The MAO applicable for each contract year is that agreed upon in the distribution service.

4.1.3.2 Establishment of MAO - Distribution Tariff D_3 and D_4 Customers

For the first contract year:

The MAO is equal to the projected volume, agreed upon with the customer, multiplied by 78%.

For each subsequent contract year:

The MAO is equal to the volume for the 12 months of previous year multiplied by 78%.

When the volume for the 12 months of the previous year is less than the MAO defined for the same 12 months, this latter MAO, multiplied by 78%, becomes the current year MAO.

Where, for the current year, a projected volume has been agreed upon with the customer and the volume exceeds both the previous year’s volume and the MAO defined for the same year, the current year MAO is equal to the projected volume, agreed upon with the customer, multiplied by 78%.

4.1.3.3 Billing of the volume deficit

If, at the end of a contract year, the customer has withdrawn a volume that is less than his MAO, the transportation service will be billed for the volume deficit at the price stipulated in Article 4.1.2.1.

4.1.3.4 Reduction

Except where the customer has replaced natural gas with another energy source, the distributor shall reduce the bill for MAOs if the distributor succeeds in freeing itself, in whole or in part, from its own obligations with respect to the transportation service.

4.1.3.5 Revision of MAO Following Implementation of Energy Efficiency Measure

Notwithstanding the foregoing, when a Distribution Tariff D_3 or D_4 customer participates in an energy efficiency program supported by the Global Energy Efficiency Plan (GEEP) or the Energy Efficiency Fund (EEF) after October 1, 2004, a new projected annual volume is established. The new projected annual volume is equal to the volume used to calculate the MAO (initial volume) less the marginal reduction recognized by the program and is applied from the date the measure is implemented.

A customer who wants to benefit from the reduction in his projected annual volume must notify the distributor thereof no later than one year after the payment date for the financial assistance.

<u>For the contract year the measure is implemented</u>:

The volume used to calculate the MAO is evaluated based on the initial volume and the new projected annual volume prorated in accordance with the volumes withdrawn in the corresponding periods during the year preceding the implementation of the measure.

<u>For the subsequent contract year</u>:

The volume used to calculate the MAO is the new projected annual volume multiplied by 78%.

4.1.4 <u>TERMS AND CONDITIONS</u>

4.1.4.1 Notice of Entry

The customer who wishes to avail himself of the distributor's transportation service must provide the distributor with at least 60 days’ advance written notice thereof. Notwithstanding the required notice, the customer would be able to avail himself of the distributor's transportation service only if it were possible for the distributor to provide it.

4.1.4.2 Notice of Withdrawal

Subject to Article 4.2.1, the customer who wishes to opt out of the distributor's transportation service, in order to provide the service himself, must provide the distributor with written notice thereof as follows:

a) At least 60 days in advance when there is an assignment of the transportation capacity held by the distributor;

b) Before March 1 when the customer wishes to provide his transportation service directly, on the following November 1 at the earliest, to the extent that it is cost-effective and operationally possible for the distributor to agree to it.

The customer who fails to provide the required notice would be able to opt out of the distributor's transportation service only if it were possible for the distributor to agree to it.

4.1.4.3 Contract Term

The term for transportation service contracts must be a minimum of 12 months, except for make-up gas service contracts for which the contract term may be less than 12 months.

4.2 CUSTOMER-PROVIDED SERVICE

4.2.1 <u>APPLICATION</u>

For the customer who wishes to provide the distributor with the transportation service needed to move the natural gas he withdraws at his facilities to the distributor's territory.

Subject to Article 10.3, only Distribution Tariff D_1, D_M, D_3 and D_4 customers may provide the distributor with their own transportation service. Furthermore, Northern Zone customers must still use part of the distributor's transportation service.

4.2.2 TARIFF

4.2.2.1 Distributor's Service Price

For each m^3 of volume withdrawn, the transportation price, as of January 1, 2010, is as follows:

Southern Zone	Northern Zone
n/a	1.029¢/m³

The transportation prices may be periodically adjusted to reflect actual acquisition costs.

4.2.2.2 Inventory-related Adjustment

The customer shall not be billed for the inventory-related adjustment for the transportation price.

4.2.3 TERMS AND CONDITIONS

4.2.3.1 Assignment of Transportation Capacity Held by the Distributor

The customer who wishes to opt out of the distributor's transportation service shall be permanently assigned the transportation capacity already held for him by the distributor. Subsequently, the customer shall pay the transporter directly for the transportation service thus acquired.

Notwithstanding the preceding paragraph, and to the extent that it is cost-effective and operationally possible for the distributor to agree to it, Distribution Tariff D_1, D_M, D_3 or D_4 customers shall be able to provide their transportation service directly, after having submitted a request to the distributor within the timeframes stipulated in Article 4.2.3.2.

4.2.3.1.1 Assigned Transportation Contract Term

The transportation capacity assigned to the customer comes from the distributor's "Firm Transportation" contract with TransCanada Pipelines Limited having a remaining term that is as close as possible to the average remaining term of the aggregate distributor's contracts.

4.2.3.1.2 Calculation of Assigned Capacity

The capacity assigned to the customer corresponds to the customer's total annual requirements. The capacity assigned to meet the customer's total annual requirements is determined on the basis of the average annual volume for the two years preceding the assignment or, as applicable for a new customer, on the basis of the projected annual volume, divided by 365 days. The annual volume is normalized for temperatures for Distribution Tariff D_1, D_3 and D_M customers.

4.2.3.1.3 Subsequent Assignment of Assigned Capacity

The customer who is assigned the transportation capacity held for him by the distributor may in turn assign the capacity to third parties. When the customer decides to permanently unload assigned capacity by returning it directly to the transporter, he must first offer it to the distributor. The customer must ensure that all subsequent assignees of such capacity are subject to the same obligation.

4.2.3.1.4 Additional Term

The customer who is assigned transportation capacity shall be responsible for managing any increase or decrease required to meet his needs.

4.2.3.2 Notice of Entry

The customer who wishes to provide his transportation service must provide the distributor with written notice thereof as follows:

a) At least 60 days in advance when there is an assignment of the transportation capacity held by the distributor;

b) Before March 1 when the customer wishes to provide his transportation service directly, on the following November 1 at the earliest, to the extent that it is cost-effective and operationally possible for the distributor to agree to it.

The customer who fails to provide the required notice would be able to provide his transportation service only if it were possible for the distributor to agree to it.

4.2.3.3 Other Provisions

The customer who provides the transportation service needed to move the natural gas he withdraws at his facilities to the distributor's territory must at the same time supply the distributor with the natural gas he withdraws at his facilities and the compressor fuel needed to transport the natural gas.

5. LOAD-BALANCING

5.1 DISTRIBUTOR'S SERVICE

5.1.1 APPLICATION

For the customer who wishes to purchase from the distributor, in whole or in part, the load-balancing service needed to manage on a daily basis the natural gas he withdraws at his facilities.

5.1.2 LOAD-BALANCING TARIFF

The load-balancing price may be periodically adjusted to reflect the actual cost of load-balancing tools.

5.1.2.1 Price for Distribution Tariff D_1 Customers

For each m^3 of volume withdrawn, the unit price, as of January 1, 2010, is 3,780¢/m^3.

Notwithstanding the above, a Distribution Tariff D_1 customer who opts out of the distributor transportation service in accordance with Article 10.3 is subject to the load-balancing price stipulated in Article 5.1.2.2.

5.1.2.2 Price for other Distribution Tariff Customers

For each m^3 of volume withdrawn, excluding "Competitive Make-up Gas" and "Make-up Gas to Avoid an Interruption" volumes, the unit price in ¢/m³, as of January 1, 2010, is calculated as follows:

$$\frac{198.8\text{x } (\mathbf{P} - \mathbf{W}) + 1{,}249.4 \text{ x } (\mathbf{W} - \mathbf{A})}{\text{Annual Volume}}$$

Where **A**: **A**nnual Average Daily Load

W: **W**inter Average Daily Load

P: Daily **P**eak Load

The calculation of the A, W and P parameters are provided in Article 5.1.3. For D_5 Distribution Service customers, the A, W and P parameters used in the formula are modified to take account of the interruption days.

The price cannot however be less than -3.423¢/m³ nor greater than 7.507 ¢/m³.

5.1.2.3 Average Price

Article 5.1.2.2 does not apply in the following situations:

- a new customer at an existing service address or a customer whose service address is newly connected to the natural gas distribution network after October 1, 2009;
- an existing customer as of October 1, 2009 but that has less than 12 months of past history as of that date;
- an existing customer as of October 1, 2009 whose consumption is 0 m³ for the 12 months preceding October 1, 2009;
- an existing combined tariff customer as at October 1, 2009 whose interruptible service consumption is 0 m^3 for the 12 months preceding October 1, 2009.

For each m³ of volume withdrawn, these customers will be subject to an average unit price based on their distribution tariff and, if applicable, the interruptible tariff category in accordance with the following table as of January 1, 2010:

Distribution Tariff	Price ¢/m³
D_M	1.883
D_3	0.102
D_4	0.618
D_5 – Category A	-0.973
D_5 – Category B	1.143

5.1.2.4 Contract Change

The load-balancing price will be revised during the year, following any contract change to the distribution D_5 service: Interruptible, resulting in a sub-tariff or category change or if the customer transfers from firm service to interruptible service and vice versa.

The price will be evaluated in accordance with the terms and conditions set forth in Articles 5.1.2.1 to 5.1.2.3, if applicable, based on the volume from October 1, 2008 to September 30, 2009.

5.1.2.5 Load-Balancing Service Settlement

A load-balancing service settlement is billed when:

a) a customer ceases to use the distributor's load-balancing service. The settlement is calculated at the moment he ceases to use the distributor's service as follows:

   i) price based on volume of 12 months preceding the cessation of service, in accordance with Article 5.1.2.2, multiplied by the volume of the 12 months preceding the cessation; less

   ii) total amounts billed for load-balancing during the 12 months preceding the cessation.

b) a customer subject to Articles 5.1.2.2 and 5.1.2.3 requests settlement. The settlement is calculated as of September 30, 2010 as follows:

   i) price based on volume from October 1, 2009 to September 30, 2010, in accordance with Article 5.1.2.2, multiplied by the volume from October 1, 2009 to September 30, 2010; less

   ii) total amounts billed for load-balancing from October 1, 2009 to September 30, 2010.

   To avail himself of this option, the customer must have, at the time of the settlement calculation, 12 months history and consumption of more than 0 m³ for the period of October 1, 2009 to September 30, 2010.

   The request must be sent to the distributor in writing before October 1, 2009. The customer then remains subject to the load-balancing service settlement for a minimum of 3 years. Similarly, if the customer withdraws from this option, he must wait another 3 years to avail himself of it.

   For any customer subject to Article 5.1.2.2 who requests a settlement, a load-balancing service settlement will be billed based on the volume from October 1, 2008 to September 30, 2009, in accordance with Article 5.1.2.2, in the case of a debit balance only.

5.1.3 CALCULATION OF PARAMETERS

5.1.3.1 Parameters for Distribution Tariffs D_M, D_3 and D_4

$$\mathbf{A} = \frac{\text{Volume from October 1, 2008 to September 30, 2009}}{\text{No. Days from October 1, 2008 to September 30, 2009}}$$

$$\mathbf{W} = \frac{\text{Volume from November 1, 2008 to March 31, 2009}}{\text{No. Days from November 1, 2008 to March 31, 2009}}$$

P = Maximum Daily Load from November 1, 2008 to March 31, 2009

For customers without daily readings, the maximum daily load from November 2008 to March 2009 is estimated as follows:

$$\mathbf{P} = \text{(MaxDL)} \times \text{multiplier}$$

Where **MaxDL** = Maximum of average daily load for each month from November 2008 to March 2009

Where **multiplier** = 2.1 – (1.1 x A ÷ MaxDL), minimum = 1

5.1.3.2 Parameters for Distribution Tariff D_5 Customers

Parameters **A, W** and **P** are modified as follows to consider interruption days:

$$\mathbf{A} = \frac{\text{Volume from October 1, 2008 to September 30, 2009}}{\text{No. Days from October 1, 2008 to September 30, 2009}} \times \frac{(\text{No. Days from October 1, 2008 to September 30, 2009} - \mathbf{MaxD})}{(\text{No. Days from October 1, 2008 to September 30, 2009} - \mathbf{ActualD})}$$

$$\mathbf{W} = \frac{\text{Volume from November 1, 2008 to March 31, 2009}}{\text{No. Days from November 1, 2008 to March 31, 2009}} \times \frac{(\text{No. Days from November 1, 2008 to March 31, 2009} - \mathbf{MaxD})}{(\text{No. Days from November 1, 2008 to March 31, 2009} - \mathbf{ActualD})}$$

$$\mathbf{P} = \text{Maximum Daily Load from November 1, 2008 to March 31, 2009 x Maximum } \left[\frac{(77 - \mathbf{MaxD})}{77};\ 0\right]$$

Where **MaxD** = Maximum number of interruption days referred to in Article 7.4.6

Where **ActualD** = Actual number of interruption days from October 1, 2008 to September 30, 2009

Volumes withdrawn under "Competitive Make-up Gas" service or "Make-up Gas to Avoid an Interruption" service are not considered in the parameters calculations.

5.1.4 VOLUME TRANSPOSITION

For customers subject to the load-balancing price stipulated in Article 5.1.2.2, who supply the distributor with the natural gas or "Seasonal Make-up Gas" they withdraw at their facilities, or who have entered into, with the distributor, an agreement of fixed-price supply provided by a specific supplier, the calculation of the load-balancing price is based on a transposed load profile determined as follows:

TL = L + TUD – DCV

Where **TL** = Transposed Load (monthly or daily, as the case may be)

L = Load (monthly or daily, as the case may be)

TUD = Theoretical Uniform Delivery (sum of the DCVs from October 1, 2008 to September 30, 2009 ÷ no. days from October 1, 2008 to September 30, 2009 having a DCV)

DCV = Daily Contract Volume (including "Seasonal Make-up Gas", as applicable)

The TUDs and DCVs are calculated on a monthly basis for customers without daily readings.

5.1.5 TERMS AND CONDITIONS

5.1.5.1 Notice of Entry

The customer who wishes to avail himself of the distributor's load-balancing service must provide the distributor with at least 60 days' advance written notice thereof. Notwithstanding the required advance notice, the customer would be able to avail himself of the distributor's load-balancing service only if it were possible for the distributor to provide it.

5.1.5.2 Notice of Withdrawal

The customer who wishes to opt out of the distributor's load-balancing service, in order to provide the full service himself, must provide the distributor with at least 60 days' advance written notice thereof. The customer who fails to provide the required notice would be able to opt out of the distributor's load-balancing service only if it were possible for the distributor to agree to it.

5.1.5.3 Contract Term

The term for load-balancing service contracts must be a minimum of 12 months, except for make-up gas service contracts for which the contract term may be less than 12 months

5.2 CUSTOMER-PROVIDED SERVICE

5.2.1 APPLICATION

For the customer who wishes to provide the distributor, in whole or in part, with the load-balancing service needed to manage on a daily basis the natural gas he withdraws at his facilities.

The customer who wishes to provide his full load-balancing service shall agree to deliver to the distributor each day a volume (DCV) equal to his load for that same day; the terms and conditions relative to volume imbalances stipulated under the "Customer-Provided Service" section under Supply Service shall apply.

5.2.2 TARIFF

5.2.2.1 Service Price

The customer shall not be billed for the price of the load-balancing service he provides for himself in whole or in part.

5.2.3 TERMS AND CONDITIONS

5.2.3.1 Notice of Entry

The customer who wishes to provide his full load-balancing service must provide the distributor with at least 60 days' advance written notice thereof. The customer who fails to provide the required notice would be able to provide full load-balancing service only if it were possible for the distributor to agree to it.

6. INVENTORY-RELATED ADJUSTMENTS

6.1 DISTRIBUTOR'S SERVICE

6.1.1 NATURAL GAS SUPPLY, COMPRESSOR FUEL AND TRANSPORTATION SERVICES

When applicable, the inventory-related adjustments for natural gas supply, compressor fuel and transportation, may vary monthly. They are calculated individually for each customer, based on the customer's load profile, after application, where applicable, of the volume transposition stipulated in the Load-Balancing Tariff, except for Distribution Tariff D_1 customers for whom adjustments are calculated based on the overall load profile for all customers subject to this tariff.

When the customer opts out of the distributor's natural gas supply, compressor fuel or transportation service, there may be an inventory-related adjustment balance that the customer must pay to, or receive from, the distributor. There may also be a natural gas, compressor fuel or transportation inventory balance that the customer must purchase from the distributor. The balances are calculated individually for each customer, based on the customer's load profile, after application, where applicable, of the volume transposition stipulated in the Load-Balancing Tariff, and are billed to the customer.

When the customer contracts for the distributor's natural gas supply, compressor fuel supply or transportation service, there may be a natural gas, compressor fuel or transportation inventory balance that the distributor must purchase from the customer. The balance is calculated individually for each customer, based on the customer's load profile, and is paid to the customer.

The inventory-related adjustments do not apply to volumes withdrawn pursuant to "Competitive Make-up Gas" or "Make-up Gas to Avoid an Interruption" contracts.

6.1.2 AGREEMENT OF FIXED-PRICE SUPPLY

Notwithstanding the foregoing, the customer who has entered into, with the distributor, an agreement of fixed-price supply provided by a specific supplier will be billed for a separate adjustment for natural gas supply to take into accounts:

- The costs associated with maintaining the inventories; and
- The accrued interest in the account for deferred charges associated with the overall price difference between the agreed upon fixed prices in accordance with the agreements and the variable prices for the distributor's natural gas supply and compressor fuel services at the time the agreements come into effect.

This inventory-related adjustment is calculated individually for each customer, based on the customer's load profile, after the application, where applicable, of the volume transposition stipulated in the Load-Balancing Tariff, except for Distribution Tariff D_1 customers for whom the adjustment is calculated based on the overall load profile for all customers subject to an agreement of fixed-price supply provided by a specific supplier and to this tariff.

When the customer enters into, with the distributor, an agreement of fixed-price supply provided by a specific supplier, there may be a natural gas supply and compressor fuel inventory-related adjustment balance that the customer must pay to, or receive from, the distributor. Any inventory-related adjustment balance payable by the customer shall be spread in equal amounts over a 12-month period.

6.2 CUSTOMER-PROVIDED SERVICE

6.2.1 NATURAL GAS SUPPLY SERVICE

With transfer of ownership:

The inventory-related adjustment may vary monthly. It is calculated individually for each customer, based on the customer's load profile, after the application, where applicable, of the volume transposition stipulated in the Load-Balancing Tariff, except for Distribution Tariff D_1 customers for whom the adjustment is calculated based on the overall load profile for all customers subject to this tariff.

When the customer opts out of the natural gas supply service with transfer of ownership, there may be an inventory-related adjustment balance that the customer must pay to, or receive from, the distributor. There may also be a natural gas supply inventory balance that the customer must purchase from the distributor. The balances are calculated individually for each customer, based on the customer's load profile, and are billed to the customer.

When the customer contracts for natural gas supply service with transfer of ownership, there may be a natural gas supply inventory balance that the distributor must purchase from the customer. The balance is calculated individually for each customer, based on the customer's load profile, and is paid to the customer.

The inventory-related adjustment does not apply to volumes withdrawn pursuant to "Competitive Make-up Gas" or "Make-up Gas to Avoid an Interruption" contracts.

Without transfer of ownership:

The customer shall not be billed for the inventory-related adjustment for the natural gas supply price.

6.2.2 COMPRESSOR FUEL AND TRANSPORTATION SERVICES

The customer who supplies his own compressor fuel service shall not be billed for the inventory-related adjustment for the compressor fuel price.

The customer who supplies his own transportation service shall not be billed for the inventory-related adjustment for the transportation price.

7. DISTRIBUTION

7.1 DISTRIBUTION SERVICE D_1: GENERAL

7.1.1 APPLICATION

For the customer for whom the natural gas he intends to withdraw at his facilities must be moved within the distributor's territory.

For all withdrawals of firm service natural gas measured at a single metering point. A customer may not, from a same metering point, withdraw natural gas simultaneously under Tariff D_1 and under another distribution tariff.

7.1.2 DISTRIBUTION TARIFF D_1

7.1.2.1 Basic Fee

The basic fees per meter are those corresponding to the prices by the annual volumes withdrawn at the following levels.

Volume withdrawn m³/Year				Price ¢/Meter/Day
from	0	to	10,950	35.751
from	10,950	to	36,500	59.873
from	36,500	to	109,500	69.006
from	109,500	to	365,000	72.132
from	365,000	to	1,095,000	90.714
from	1,095,000	to	3,650,000	115.561
	3,650,000		and over	268.858

The price is then multiplied by the number of days of the billing period.

7.1.2.2 Unit Prices by Volume Withdrawn

For each m³ of volume withdrawn indicated at the levels below multiplied by the number of days in the billing period, the unit prices are as follows:

Volume Withdrawn m³/Day						Price ¢/m³
first	30	from	0	to	30	27.208
next	70	from	30	to	100	16.708
next	200	from	100	to	300	15.449
next	700	from	300	to	1,000	11.614
next	2,000	from	1,000	to	3,000	8.795
next	7,000	from	3,000	to	10,000	5.890
next	20,000	from	10,000	to	30,000	4.699
next	70,000	from	30,000	to	100,000	4.022
m³ exceeding 100 000			100,000		and over	3.250

7.1.2.3 Contribution – Green Fund

Unit price of the Green Fund Contribution:

For each m^3 of volume withdrawn, the unit price is 1.010¢/m^3;

A credit of 1.010¢/m^3 will be applied to withdrawals that are exempt of the Green Fund Contribution.

7.1.3 TARIFF REBATES

7.1.3.1 Tariff Rebate to Compete with Fuel Oil

If required by the competitive situation, the distributor and the customer may agree for up to a maximum of 12 months, within the limits of the Tariff Flexibility Program, a copy of which is available upon request, to a percentage reduction applicable to the Distribution Tariff excluding the unit price of the Green Fund Contribution.

7.1.3.2 Tariff Rebate to Compete with Dual Energy

If required by the competitive situation, the distributor and the customer may agree, within the limits of the dual energy section of the Tariff Flexibility Program, a copy of which is available upon request, to a percentage reduction applicable to the Distribution Tariff excluding the unit price of the Green Fund Contribution.

7.1.4 PEAK SERVICE SUPPLEMENT

7.1.4.1 Single-Family or Single-Dwelling Domestic Use Customers

For natural gas withdrawals by single-family or single-dwelling domestic use customers measured by a separate meter (unless the distributor has other means to measure the load) and intended to supply facilities capable of using an energy source other than natural gas during off-peak periods:

The additional unit price is 40.0¢/m^3.

7.1.4.2 Other Customers

For natural gas withdrawals by other customers measured at a single metering point when the customer has facilities capable of using an energy source other than natural gas during off-peak periods:

The additional unit price is established in column (1) of the following table:

From November 1 to March 31

Monthly Load Factor %	**Additional Unit Price** D_1 (1) ¢/m^3	**Additional Unit Price** D_M (2) ¢/m^3
Over 50.0	0.0	0.0
50.0	38.2	5.4
40.0	43.7	10.9
30.0	54.8	22.0
25.0	65.6	32.8
20.0	86.1	53.3
18.0	100.0	67.2
16.0	120.8	88.0
14.0	153.8	121.0
12.0	212.4	179.6
10.0 and lower	250.0	217.2

The additional unit price for all load factors falling between the load factors shown in the table shall be based on linear interpolation.

The monthly load factor (LF) shall be calculated as follows:

$$LF = \frac{VDM}{MDV \times D} \times 100$$

where:

VDM = Volume Withdrawn during the Month
MDV = Maximum Daily Volume Withdrawn during the Month
D = Number of Days in the Month

7.1.5 MINIMUM ANNUAL OBLIGATION (MAO)

The distributor may agree with a customer for whom the service address is newly connected to the natural gas distribution network or with a customer who receives financial assistance, on a MAO for the entire contract term. If, at the end of a contract year, the customer has withdrawn a volume that is less than his MAO, he will be billed for the volume deficit at the lower of the average price of the Distribution Tariff paid during the 12 months of the contract year or of the average price of the Distribution Tariff resulting from the billing of the volume deficit uniformly distributed over the contract year.

7.2 DISTRIBUTION SERVICE D_M: MODULAR

7.2.1 APPLICATION

For the customer for whom the natural gas he intends to withdraw at his facilities must be moved within the distributor's territory.

For any customer for whom the service address is newly connected to the natural gas network, any existing customer whose minimum annual obligation is at least double his load over the last 12 months, as well as any existing customer who is part of the pilot project, as long as the customer's annual volume in firm service, measured at a single metering point, multiplied by the minimum annual obligation percentage, is at least 75,000 m³.

Notwithstanding the foregoing, when a Distribution Tariff D_M customer participates in an energy efficiency program supported by the Global Energy Efficiency Plan (GEEP) or the Energy Efficiency Fund (EEF) after October 1, 2004, the aforementioned threshold can be reduced to take into account the marginal reduction recognized by the program for the average length of time the efficiency measure is implemented. Where applicable, the new threshold is therefore equal to the projected annual volume when the measure is implemented, as calculated in Article 7.2.3.3.2, multiplied by the agreed upon MAO percentage.

A customer may not, from a same metering point, withdraw natural gas under Tariff D_M and under another distribution tariff.

7.2.2 DISTRIBUTION TARIFF D_M

7.2.2.1 Basic Fee

Unit prices are those stipulated in Article 7.1.2.1.

7.2.2.2 Unit Prices by Volume Withdrawn

Unit prices by volume withdrawn are those stipulated in Article 7.1.2.2.

7.2.2.3 Reduction According to Minimum Annual Obligation

The average unit price calculated pursuant to Articles 7.2.2.1 and 7.2.2.2 may be reduced by the percentage calculated as follows:

$$15.5\% \times \frac{\text{Minimum Annual Obligation Percentage} - 60\%}{30\%} \qquad \text{Maximum } 15.5\%$$

7.2.2.4 Reduction According to Contract Term

The average unit price calculated pursuant to Articles 7.2.2.1 and 7.2.2.2 may be reduced by the percentage calculated as follows:

$$15.5\% \times \frac{\text{Contract Term in Months} - 12}{48} \qquad \text{Maximum } 15.5\%$$

The reduction according to the contract term is only available when the customer commits to an agreed upon minimum annual obligation percentage of at least 60%.

7.2.2.5 Contribution – Green Fund

Unit price of the Green Fund Contribution:

For each m^3 of volume withdrawn, the unit price is 1.010¢/m^3;

A credit of 1.010¢/m^3 will be applied to withdrawals that are exempt of the Green Fund Contribution.

7.2.3 MINIMUM ANNUAL OBLIGATION (MAO)

The volume withdrawn during each contract year must be at least equal to the applicable MAO for the same period.

7.2.3.1 Establishment of MAO

The MAO is established as follows:

For the first contract year:

The MAO is equal to the projected annual volume, agreed upon with the customer, multiplied by the agreed upon MAO percentage.

For each subsequent contract year:

The MAO is equal to the volume for the 12 months of previous year multiplied by the agreed upon MAO percentage.

When the volume for the 12 months of the previous year is less than the MAO defined for the same 12 months, this latter MAO, multiplied by the agreed upon MAO percentage, becomes the current year MAO.

Where, for the current year, a projected volume has been agreed upon with the customer and the volume exceeds both the previous year's volume and the MAO defined for the same year, the current year MAO is equal to the projected volume, agreed upon with the customer, multiplied by the agreed upon MAO percentage.

At all times, the MAO can never be less than 75,000 m^3.

The distributor may agree with a customer for whom the service address is newly connected to the natural gas distribution network or with a customer who receives financial assistance, on a minimum annual obligation greater than the obligation stipulated above. Where applicable, this minimum obligation shall be used to establish any customer volume deficit.

7.2.3.2 Billing of the volume deficit

If, at the end of a contract year, the customer has withdrawn a volume that is less than his MAO, the customer will be billed for the volume deficit at the lower of the average price of the Distribution Tariff excluding the unit price of the Green Fund Contribution referred to in Article 7.2.2.5 paid during the 12 months of the contract year or the average price of the Distribution Tariff excluding the unit price of the Green Fund Contribution referred to in Article 7.2.2.5 resulting from the billing of the volume deficit uniformly distributed over the contract year.

7.2.3.3 Revision of MAO

7.2.3.3.1 By the customer

Unless it is to replace natural gas by another energy source, the customer may adjust for the first time his minimum annual obligation percentage at any time following his adherence to Tariff D_M and, subsequently, at minimum intervals of 12 months. In all cases, the customer must provide written notice of at least one month.

When the MAO percentage is modified during the contract year, the volume deficit is calculated annually for each agreed upon MAO. The two volume deficits obtained are prorated based on the number of days each MAO percentage was in effect.

7.2.3.3.2 Following implementation of an energy efficiency measure

Notwithstanding the foregoing, when a Distribution Tariff D_M customer participates in an energy efficiency program supported by the Global Energy Efficiency Plan (GEEP) or the Energy Efficiency Fund (EEF) after October 1, 2004, a new projected annual volume is established. The new projected annual volume is equal to the volume used to calculate the MAO (initial volume) less the marginal reduction recognized by the program and is applied from the date the measure is implemented.

A customer who wants to benefit from the reduction in his projected annual volume must notify the distributor thereof no later than one year after the payment date for the financial assistance.

For the contract year the measure is implemented:

The volume used to calculate the MAO is evaluated based on the initial volume and the new projected annual volume prorated in accordance with the volumes withdrawn in the corresponding periods during the year preceding the implementation of the measure.

For the subsequent contract year:

The volume used to calculate the MAO is the new projected annual volume multiplied by the agreed upon MAO percentage.

At all times, the MAO of a customer who participates in this energy efficiency program and whose tariff access threshold has been reduced cannot be less than the new projected annual volume multiplied by the MAO percentage in effect when the measure is implemented for the length of time the measure is implemented.

7.2.4 TARIFF REBATES

7.2.4.1 Tariff Rebate to Compete with Fuel Oil

If required by the competitive situation, the distributor and the customer may agree for up to a maximum of 12 months, within the limits of the Tariff Flexibility Program, a copy of which is available upon request, to a percentage reduction applicable to the Distribution Tariff excluding the unit price of the Green Fund Contribution.

7.2.4.2 Tariff Rebate to Compete with Dual Energy

If required by the competitive situation, the distributor and the customer may agree, within the limits of the dual energy section of the Tariff Flexibility Program, a copy of which is available upon request, to a percentage reduction applicable to the Distribution Tariff excluding the unit price of the Green Fund Contribution.

7.2.5 PEAK SERVICE SUPPLEMENT

For natural gas withdrawals measured at a single metering point when the customer has facilities capable of using an energy source other than natural gas during off-peak periods:

The additional unit price is established in column (2) of the table in Article 7.1.4.2.

7.3 DISTRIBUTION SERVICES D_3 AND D_4: STABLE

7.3.1 APPLICATION

For the customer for whom the natural gas he intends to withdraw at his facilities must be moved within the distributor's territory.

Distribution Service D_3:

For all withdrawals of firm and stable service natural gas measured at a single metering point when the customer's subscribed volume is at least 333 m^3/day. Furthermore, a customer must, at a same metering point, withdraw natural gas simultaneously under Tariff D_3 and under Tariff D_5.

Distribution Service D_4:

For all withdrawals of firm and stable service natural gas measured at a single metering point when the customer's subscribed volume is at least 10,000 m^3/day. A customer may, at a same metering point, withdraw natural gas simultaneously under Tariff D_4 and under Tariff D_5.

Notwithstanding the foregoing, when a Distribution Tariff D_3 or D_4 customer participates in an energy efficiency program supported by the Global Energy Efficiency Plan (GEEP) or the Energy Efficiency Fund (EEF) after October 1, 2004, the aforementioned threshold can be reduced to take into account the marginal reduction recognized by the program for the average length of time the efficiency measure is implemented. Where applicable, the new threshold is therefore equal to the subscribed volume before the measure was implemented, less a volume equivalent to the daily marginal reduction recognized by the program.

7.3.2 DISTRIBUTION TARIFFS D_3 AND D_4

7.3.2.1 Minimum Daily Obligation

For each m^3 of subscribed volume at the levels indicated below, the unit prices are as follows:

Subscribed Volume m³/Day						**Price** ¢/m³/Day
first	333	from	0	to	333	9.188
next	667	from	333	to	1,000	6.911
next	2,000	from	1,000	to	3,000	5.198
next	7,000	from	3,000	to	10,000	3.910
next	20,000	from	10,000	to	30,000	2.942
next	70,000	from	30,000	to	100,000	2.213
next	200,000	from	100,000	to	300,000	1.664
next	700,000	from	300,000	to	1,000,000	1.252
m³ exceeding 1,000,000			1,000,000		and over	0.941

The result of the calculation is multiplied by the number of days in the billing period.

7.3.2.2 Unit Price by Volume Withdrawn up to the Subscribed Volume

For withdrawals up to the subscribed volume multiplied by the number of days in the billing period for a customer without daily readings and for daily withdrawals up to the subscribed volume for a customer with daily readings, the unit price is 0,350 ¢/m^3.

7.3.2.3 Reduction According to Contract Term

The average unit price calculated pursuant to Articles 7.3.2.1 and 7.3.2.2 may be reduced by the percentage calculated as follows:

$$19\% \times \frac{\textbf{Contract Term in Months} - 12}{48} \qquad \text{Maximum } 19\%$$

plus, for contract terms longer than 60 months

$$5\% \times \frac{\textbf{Contract Term in Months} - 60}{120} \qquad \text{Maximum } 5\%$$

plus, for contract terms longer than 180 months

$$2\% \times \frac{\textbf{Contract Term in Months} - 180}{60} \qquad \text{Maximum } 2\%$$

The maximum percentage reduction is 26%.

7.3.2.4 Additional Reductions

For the initial contract negotiated with a customer for whom the service address is newly connected to the natural gas distribution network, the distributor and the customer may agree on a percentage reduction in addition to, but not exceeding 5% of, that calculated in Article 7.3.2.3, for the first year only.

A customer with a subscribed volume greater than or equal to 1,000,000 m^3/day may benefit from an additional reduction subject to the prior authorization of the Régie de l'énergie.

7.3.2.5 Peak Shaving

For withdrawals exceeding 100% of the subscribed volume multiplied by the number of days in the billing period for a customer without daily readings, and for daily withdrawals exceeding 100% of subscribed volume for a customer with daily readings:

the unit price is a weighted average unit price based on the sum of the subscribed volume and the average monthly volume in excess of the subscribed volume.

This unit price results from the volume breakdown amongst the following levels:

Sum of Subscribed Volume and Average Monthly Volume (*) m³/Day						**Price** ¢/m³/Day
first	333	from	0	to	333	15.449
next	667	from	333	to	1,000	11.614
next	2,000	from	1,000	to	3,000	8.795
next	7,000	from	3,000	to	10,000	5.890
next	20,000	from	10,000	to	30,000	4.699
next	70,000	from	30,000	to	100,000	4.022
m³ exceeding 100,000			100,000		and over	3.250

(*) Only prices of m³ in excess of subscribed volume are considered

7.3.2.6 Unauthorized Withdrawals

All withdrawals exceeding 150% of the subscribed volume multiplied by the number of days in the billing period for a customer without daily readings, and all daily withdrawals exceeding 150% of the subscribed volume for a customer with daily readings, made from November 1 to March 31, are subject to a penalty of 50¢/m³ and at the price of natural gas traded at Iroquois.

For a customer providing his own supply service, the unauthorized withdrawals volumes will be added to the sum of the DCVs to determine the volumetric imbalances for the contract period.

7.3.2.7 Contribution – Green Fund

Unit price of the Green Fund Contribution:

For each m^3 of volume withdrawn, the unit price is 1.010¢/m^3;

A credit of 1.010¢/m^3 will be applied to withdrawals that are exempt of the Green Fund Contribution.

7.3.3 TARIFF REBATE TO COMPETE WITH FUEL OIL

If required by the competitive situation, under Tariff D_3 only, the distributor and the customer may agree for up to a maximum of 12 months, within the limits of the Tariff Flexibility Program, a copy of which is available upon request, to a percentage reduction applicable to the Distribution Tariff excluding the unit price of the Green Fund Contribution.

7.3.4 CONTRACT EXTENSION

A Distribution Tariff D_4 customer or a customer that withdraws natural gas simultaneously under Tariff D_3 and Tariff D_5 may extend his contract by one year and maintain the same reduction for the contract term provided he does so within the following minimum time prior to the expiry of his contract:

$$\frac{\textbf{Contract Term in Months} - 12}{2}$$

This time may not exceed 24 months.

7.3.5 REVISION OF SUBSCRIBED VOLUME

7.3.5.1 By the customer

Unless it is to replace natural gas by another energy source, the customer may in the course of the contract reduce the subscribed volume up to a maximum of 10% as of the second year and for each additional year. However, in the case of a new contract, the subscribed volume must at all times remain at least 75% of its initial level during the contract term. The customer must provide written notice of at least 3 months.

At all times, the customer's subscribed volume must be at least 333 m^3/day under Tariff D_3 and 10,000 m^3/day under Tariff D_4.

7.3.5.2 Following implementation of an energy efficiency measure

Notwithstanding the foregoing, a Distribution Tariff D_3 or D_4 service customer who has participated after October 1, 2004 in an energy efficiency program supported by the Global Energy Efficiency Plan (GEEP) or the Energy Efficiency Fund (EEF) is entitled to a reduction of his subscribed volume equal to the daily marginal reduction recognized by the energy efficiency program. In the case of a new contract, the initial subscribed volume may also be reduced by the value of the marginal reduction. This reduction of the subscribed volume will be effective from the implementation date of the energy efficiency program for which the marginal reduction is recognized.

A customer who wants to benefit from the reduction in his projected annual volume must notify the distributor thereof no later than one year after the payment date for the financial assistance.

7.4 DISTRIBUTION SERVICE D_5: INTERRUPTIBLE

7.4.1 APPLICATION

For the customer for whom the natural gas he intends to withdraw at his facilities must be moved within the distributor's territory.

For withdrawals of interruptible service natural gas measured at a single metering point when the sum of the subscribed volume under Tariff D_3 or D_4 and $1/365^{th}$ of the minimum volume for the contract period under interruptible service is at least 3,200 m^3/day.

Notwithstanding the foregoing, when a Distribution Tariff D_5 customer participates in an energy efficiency program supported by the Global Energy Efficiency Plan (GEEP) or the Energy Efficiency Fund (EEF) after October 1, 2004, the aforementioned threshold referred to below can be reduced to take into account the marginal reduction recognized by the program for the average length of time the efficiency measure is implemented. Where applicable, the new threshold is established using as the minimum volume for the interruptible service contract period the projected annual volume when the measure is implemented, as calculated in Article 7.4.3.3.2, multiplied by the agreed upon MAO percentage.

To be eligible for this service, the customer must use the distributor's transportation service.

The customer may choose Category A or B, depending on the guarantee for the availability of the desired service. However, the customer would be able to avail himself of interruptible service under Category B only if it were cost-effective and operationally possible for the distributor to agree to it. Article 7.4.6, indicates the maximum number of interruption days for each Category.

A customer may, at a same metering point, withdraw natural gas simultaneously under Tariff D_5 and under Tariff D_3 or D_4. However, a customer cannot withdraw natural gas, at a single metering point, under Category A and Category B of Distribution Tariff D_5.

The distributor and the customer may agree on a maximum daily volume of interruptible service.

7.4.2 DISTRIBUTION TARIFF D_5

7.4.2.1 Unit Prices by Volume Withdrawn

For each m^3 of volume withdrawn, the unit price is the weighted average unit price calculated on the basis of the sum of the subscribed volume under Tariff D_3 or D_4 and 1/365th of the projected interruptible service volume. For a make-up gas service contract, the projected volume is divided by the number of days of the contract period.

The unit price is the result of the distribution of the volumes among the following levels:

For Each m³ of Subscribed Volume under Firm Service and of Projected Daily Volume under Interruptible Service m³/Day						**Price** ¢/m³
first	3,000	from	0	to	3,000	12.614
next	7,000	from	3,000	to	10,000	8.393
next	20,000	from	10,000	to	30,000	8.139
next	70,000	from	30,000	to	100,000	5.354
next	200,000	from	100,000	to	300,000	4.703
m³ exceeding 300,000			300,000		and over	3.685

7.4.2.2 Reduction According to Minimum Annual Obligation

The average unit price calculated pursuant to Article 7.4.2.1 may be reduced by the percentage calculated as follows:

$$30\% \times \frac{\textbf{Minimum Annual Obligation Percentage} - 25\%}{60\%} \qquad \text{Maximum } 30\%$$

7.4.2.3 Reduction According to Contract Term

The average unit price calculated pursuant to Article 7.4.2.1 may be reduced by the percentage calculated as follows:

$$40\% \times \frac{\textbf{Contract Term in Months} - 12}{48} \qquad \text{Maximum } 40\%$$

The reduction according to the contract term is only available when the customer commits to an agreed upon minimum annual obligation percentage of at least 25%.

7.4.2.4 Additional Reduction

For the initial contract negotiated with a customer for whom the service address is newly connected to the natural gas distribution network, the distributor and the customer may agree on a percentage reduction in addition to, but not exceeding 15% of, those calculated in Articles 7.4.2.2 and 7.4.2.3, for the first year only.

7.4.2.5 Unauthorized Withdrawals Exceeding Maximum Daily Volume

All natural gas withdrawals that exceed the maximum daily volume are subject to a penalty of 50¢/m^3.

7.4.2.6 Unauthorized Withdrawals during Interruptions

All natural gas withdrawals made in spite of the reception of an interruption notice is subject to a penalty of 50¢/m^3 and at the price of natural gas traded at Iroquois.

If the customer has a stable service contract, he will pay this penalty and this market price on the volumes exceeding the subscribed volume plus 2% of the subscribed volume, this 2% being billed at the stable service.

The daily volumes of natural gas withdrawn under "Make-up Gas to Avoid an Interruption" service or "Competitive Make-up Gas" service, up to 102% of the real delivery of make-up gas during the interruption day plus 2% of the subscribed volume if the customer has a stable service contract, are not subject to the penalty of 50¢/m^3. The supply service terms and conditions are established in accordance with Article 2.2.3.3.1.

7.4.2.7 Emergency Service Premium

All natural gas withdrawals made by a customer after he has received an interruption notice but has received advance permission from the distributor to continue withdrawing are subject to an emergency service premium of 25¢/m^3.

The customers under "Make-up Gas to Avoid an Interruption" service or "Competitive Make-up Gas" service may not avail themselves of the emergency service.

7.4.2.8 Contribution – Green Fund

Unit price of the Green Fund Contribution:

For each m^3 of volume withdrawn, the unit price is 1.010¢/m^3;

A credit of 1.010¢/m^3 will be applied to withdrawals that are exempt of the Green Fund Contribution.

7.4.3 MINIMUM ANNUAL OBLIGATION

The volume withdrawn during each contract year must be at least equal to the applicable MAO for the same period.

7.4.3.1 Establishment of MAO

The applicable MAO for each contract year is equal to the projected annual volume multiplied by the agreed upon MAO percentage.

At the end of the contract year, the MAO shall be adjusted by subtracting from it an agreed upon daily volume (or, failing that, 1/365th of the projected volume) for each interruption day, including the unauthorized withdrawal days and the emergency service days.

7.4.3.2 Billing of the volume deficit

At the end of the contract year, the volume withdrawn over the contract year shall be adjusted by subtracting from it the volumes withdrawn:

- As unauthorized withdrawals during interruptions;
- As emergency service;
- Under a "Make-up Gas to Avoid an Interruption" contract; and
- Under a "Competitive Make-up Gas" contract.

If at the end of a contract year the customer has withdrawn an adjusted volume that is less than his adjusted MAO, he will be billed for the volume deficit at the price determined in accordance with Articles 7.4.2.1 to 7.4.2.4, taking into account, where applicable, the competition tariff adjustment (Article 7.4.4).

7.4.3.3 Revision of MAO

7.4.3.3.1 By the customer

Unless it is to replace natural gas by another energy source, the customer may in the course of the contract reduce the initial MAO up to a maximum of 20% as of the second year and, for each additional year, by an additional 5%. However, the MAO must at all times remain at least 50% of its initial level during the contract term. The customer must provide written notice of at least 3 months for a reduction of 20% or less and at least 6 months for a reduction of more than 20%.

When the MAO percentage is modified during the contract year, the volume deficit is calculated annually for each agreed upon MAO percentage. The two volume deficits obtained are prorated based on the number of days each MAO percentage was in effect.

7.4.3.3.2 Following implementation of an energy efficiency measure

Notwithstanding the foregoing, when a Distribution Tariff D_5 customer participates in an energy efficiency program supported by the Global Energy Efficiency Plan (GEEP) or the Energy Efficiency Fund (EEF) after October 1, 2004, a new projected annual volume is established. The new projected annual volume is equal to the volume used to calculate the MAO (initial projected volume) less the marginal reduction recognized by the program and is applied from the date the measure is implemented.

A customer who wants to benefit from the reduction in his projected annual volume must notify the distributor thereof no later than one year after the payment date for the financial assistance.

For the contract year the measure is implemented:

The volume used to calculate the MAO is evaluated based on the initial projected volume and the new projected annual volume prorated in accordance with the volumes withdrawn in the corresponding periods during the year preceding the implementation of the measure.

For each subsequent contract year:

The volume used to calculate the MAO is the new projected annual volume.

7.4.4 COMPETITION TARIFF ADJUSTMENT

The distributor and the customer may agree on a negotiated percentage adjustment applicable to the Distribution Tariff, calculated in accordance with Article 7.4.2.1.

7.4.5 COMBINATION OF TARIFFS D_3 AND D_5 OR D_4 AND D_5

When a customer withdraws natural gas simultaneously under Tariffs D_3 and D_5 or D_4 and D_5, at a same metering point, the volume withdrawn during a day is first be considered as volume withdrawn under Tariff D_3 or D_4 up to the limit of the subscribed volume. The volume is subsequently considered withdrawn under Tariff D_5.

7.4.6 INTERRUPTIONS

a) The distributor must, on an annual basis, give service priority to interruptible customers in increasing order of subrates and, to the extent possible, within each of the subrates in decreasing order of prices, while respecting the maximum number of interruption days.

The maximum number of interruption days is determined in accordance with the following table:

Sum of Subscribed Volume under Firm Service and Projected Daily Volume under Interruptible Service			Maximum Number of Interruption Days*		Compensation for Additional Interruption
Subrate D_5	Between m³/Day	and m³/Day	Category A	Category B	¢/m³
5.5	3,000	10,000	83	20	2.600
5.6	10,000	30,000	83	20	2.100
5.7	30,000	100,000	87	30	1.900
5.8	100,000	300,000	92	30	1.700
5.9	300,000	and over	92	30	1.500

* Applicable up to the limit of the projected volume

b) Notwithstanding a) above, "Competitive Make-up Gas" service customers are the first to be notified of an interruption day. These customers must then limit their withdrawals to the volume they are committed to deliver (DCV) during the planned interruption day.

The maximum number of days consumption is limited is 92 days.

c) Until otherwise notified, the customer must cease or decrease, as the case may be, his withdrawals of natural gas to the extent determined by the distributor, at the date and time indicated on the interruption notice received from the distributor. The distributor must give such advance notice at least 2 hours before the beginning of the interruption.

d) The distributor may interrupt the customer for a maximum of ten days over and above the maximum number of interruption days by paying the compensation for additional interruptions stipulated in the table of sub-point a) above, calculated according to the customer's average withdrawals during the last seven days during which natural gas was available.

e) Except for the "Competitive Make-up Gas" service, natural gas service must be interrupted at least one full day per year.

f) Each year, the distributor must send to all its interruptible customers a copy of its interruption policy; a copy of the policy is also available to any customer who requests it.

7.4.7 CONTRACT EXTENSION

The customer may extend his contract by one year and maintain the same reduction for the contract term provided he does so within the following minimum time prior to the expiry of his contract:

$$\frac{\textbf{Contract Term in Months} - 12}{2}$$

The time cannot exceed 24 months.

8. GENERAL PROVISIONS

8.1 GENERAL PROVISIONS OF DISTRIBUTION SERVICE

8.1.1 RIGHT TO MOST ADVANTAGEOUS TARIFF

The customer has the right to avail himself of the most advantageous tariff according to the following conditions:

a) The tariff must be agreed upon for the entire contract term, subject to subsequent amendments, agreed to by the parties, to the subscribed volume, the minimum annual obligation and the agreed upon price;

b) A customer who has no contract may change tariffs subject to agreement with the distributor.

8.1.2 DEFAULT DISTRIBUTION TARIFF

Tariff D_1 applies by default.

8.1.3 CONTRACT TERM

The term for all contracts must be a minimum of 12 months, except for make-up gas service contracts for which the contract term may be less than 12 months.

8.1.4 CUSTOMER GROUPINGS

Customer groupings are not permitted for distribution service.

8.1.5 SUBSEQUENT ADJUSTMENTS

The Distribution Tariffs are subject to rate modifications ordered by the Régie de l'énergie after they come into force to reflect all variations in operating expenses arising from the decision of a competent authority (legislation, governments, public organizations) ("fait du prince").

8.2 OTHER GENERAL PROVISIONS

8.2.1 EFFECTIVE DATE

The Tariffs herein apply to volumes withdrawn as of January 1, 2010.

8.2.2 COMMUNICATION OF TARIFFS

When new Tariffs come into effect, the distributor must:

a) Inform customers in writing of the availability of different Tariffs, of their right to avail themselves of the most advantageous Distribution Tariff and to obtain a copy of the Tariffs;

b) Send a copy of the Tariffs to all customers under Tariffs D_M, D_3, D_4 and D_5.

8.2.3 QUALITY OF NATURAL GAS

Unless a lower value has been agreed upon by the customer and the distributor, the monthly average of the gross heating value of natural gas must be at least 36.00 MJ/m^3. For billing purposes, the volume shall be adjusted to a gross heating value of 37.89 MJ/m^3.

8.2.4 PROVISIONS GOVERNING CONTRACTS

8.2.4.1 Contract Requirements

The distributor may require that a customer sign a contract before he obtains service. The distributor may also require that the transportation, load-balancing and distribution contracts expire on the same date and that a distribution contract cover the entire period of the other contracted services.

8.2.4.2 Tariff Changes

Each contract is deemed to include a clause subjecting it to tariff changes approved by the Régie de l'énergie and is deemed to be amended by these changes.

8.2.4.3 Network Connection Fee

If a customer whose projected annual volume is less than 10,950 m^3 under Tariff D_1 asks to have his service address connected to the natural gas distribution network and such connection does not require an extension of the network, the distributor will require a contribution of $300, payable in a single payment or over a period of 24 months.

8.2.4.4 Economically Unjustifiable Investments

When the revenues generated from a customer for whom the service address is newly connected to the natural gas distribution network do not allow the distributor to benefit from profitable investments in accordance with the conditions approved by the Régie de l'énergie, the distributor may request a contribution from the customer, payable before work begins or recovered over the contract term, and, if applicable, a commitment for minimal consumption. For customers subject to Article 8.2.4.3, this contribution may be added to the network connection fee. In the case of disagreement, the customer may have recourse to the Régie de l'énergie.

8.2.5 PROVISIONS GOVERNING CONNECTIONS

8.2.5.1 Charges for non-standard pipe

Where an S6 or S20 meter is installed, if the connection point is located more than three meters from the front corner of the building or the length of the pipe between the property line of the land on which the building is located and the connection is more than 50 linear metres, the distributor will charge $50 per linear metre.

These charges are effective April 1, 2010.

In all other cases, the price billed for the pipe are determined by Gaz Métro, if necessary, based on an estimate of the costs.

8.2.5.2 Charge for reduction of connection time

Charges will also be billed if the customer requests that his service address be connected to the distribution system in less time than Gaz Métro's standards. These charges are computed based on the type of meter as follows:

- $500 if an S6 of S20 meter is to be installed in less than 30 business days;
- $750 if an S40 to R60 meter is to be installed in less than 40 business days and $1,000 if an S80 to R45 meter is to be installed;

These charges are effective April 1, 2010.

In all other cases, the price billed for the connection are determined by Gaz Métro, if necessary, based on an estimate of the costs.

8.2.6 METER READINGS

8.2.6.1 Reading Methods

The distributor determines the reading method to be used at a metering point. If the customer requests that a different reading method be used, the distributor may bill the customer for the actual costs incurred as a result of using such reading method.

8.2.6.2 Frequency of Readings

The distributor must, with all reasonable diligence consistent with the efficient operation of its business, read the meters at regular intervals of:

a) Two months or less, except for domestic use and institutional customers under Tariff D_1;

b) Six months or less for domestic use and institutional customers with space heating and twelve months or less for domestic use and institutional customers without space heating under Tariff D_1.

When more than seven months have elapsed without a meter reading for domestic use and institutional customers with space heating and thirteen months for domestic use and institutional customers without space heating under Tariff D_1, the distributor must take the necessary measures to have the meter read as soon as possible.

8.2.6.3 Customer Reading

When a meter cannot be read, the distributor must send a dial card to the customer who will then be required to communicate the meter reading to the distributor within four days.

8.2.7 BILLS

8.2.7.1 Frequency

The distributor must send a monthly detailed bill for the actual or estimated volume withdrawn to all customers (with the exception of Tariff D_1 customers that withdraw less than 1,000 m^3/year, who may be billed bimonthly).

8.2.7.2 Bill Revisions

When a customer under a tariff other than Tariff D_1 is billed based on an estimate, the bill shall be revised and sent to the customer when the actual volume is known.

8.2.7.3 Multiple Meters

When the distributor deems it necessary to use more than one meter at a metering point and, in the case of a residential or institutional dwelling or building, where several meters were installed on or before July 1, 1962 to serve a single dwelling or building, the billing is established by applying the tariff as if there were only one meter.

8.2.7.4 Contribution

The bill may indicate separately, as applicable, the contribution from the customer which could be required to make the provisioning of his service profitable.

8.2.7.5 Adjustment

The bill may indicate separately, as applicable, a tariff adjustment resulting from a commercial program approved by the Régie de l'énergie.

8.2.8 BILL PAYMENT

8.2.8.1 Payment Date

The customer is required to pay the amount billed no later than the due date.

8.2.8.2 Due Date

There must be at least 12 business days between the mailing date and the due date indicated on the bill, except in the case of bills sent at the customer's request in a single mailing, in which case the intervals may be less than 12 business days.

8.2.8.3 Late Payment Charge

A 1½ % late payment charge is added each month to the unpaid balance, starting on the day following the due date.

8.2.8.4 Transaction Fee

The distributor only assumes the transaction fees for bills paid at its offices.

8.2.8.5 Collection Charge

A $40.00 collection charge is collected from the customer by the distributor when, once the time provided in a notice of interruption for non-payment has been exceeded, an employee of the distributor has to travel to interrupt the service and the customer pays the bill before the interruption occurs.

8.2.8.6 Charge for Non Honoured Payment

A $15.00 fee is charged for each payment from a customer that is not honoured by his financial institution for a reason that the distributor could not detect before cashing it.

8.2.8.7 Reconnection Charge

Following an interruption of service at the customer's request or for non-payment, in accordance with the *Gas, Water and Electricity Companies Act*, the distributor is authorized to collect from the customer the cost of reconnection of:

$225.00 for customers, whose annual volume are less than 10,950 m³;

$310.00 for customers, whose annual volume are equal to or over 10,950 m³.

8.2.8.8 Charge Following a Request to Verify Measuring Equipment

Following a customer's request to verify the measuring equipment pursuant to the *Electricity and Gas Inspection Act,* R.S. 1985, c. E-4, the distributor is authorized to collect from the customer the fees set out below when the measuring equipment proved to be accurate within the permitted limits:

$50.00 for domestic use and institutional customers,

$135.00 for other customers.

8.2.8.9 Equal Payment Plan

Customers under Tariff D_1 may benefit, without additional costs, from an equal payment plan under terms established by the distributor.

8.2.9 FORCE MAJEURE

When the distributor suffers from a force majeure, it is relieved of its obligation to serve the customer and the customer is relieved of his minimum obligations and, where applicable, of the basic fees under Distribution Tariff D_1 and D_M for the duration of the force majeure. Under all other circumstances, the customer must assume his minimum obligations, including situations where he suffers a force majeure.

9. DEFINITIONS

CONTRACT

Written agreement.

CONTRACT PERIOD

Period of one year or less, between two agreed upon dates.

CONTRACT YEAR

Period of 12 months beginning on the date agreed upon in the contract.

CONTRIBUTION – GREEN FUND

The contribution to the Green Fund is an annual duty levied pursuant to Decree 1049-2007 of the government of Quebec.

CUBIC METRE OF NATURAL GAS (M^3)

Quantity of natural gas contained in one cubic metre at an absolute pressure of 101.325 kilopascals and at a temperature of 15 degrees Celsius.

CUSTOMER GROUPING

Customers who form a group to purchase various services stipulated in the Tariffs.

DAY

A 24 hour period beginning at 10:00 a.m. Eastern Standard Time (EST), in the absence of agreement on a time.

DISTRIBUTOR

Gaz Métro Limited Partnership.

DOMESTIC USE

Utilization of the natural gas service for applications related exclusively to occupying a personal residence, apartments in a housing cooperative or a non-profit housing organization, or the use of common areas in a condominium.

FIRM SERVICE

Uninterrupted natural gas service.

GROSS HEATING VALUE

The total number of joules produced by the full combustion, at a constant pressure, of one (1) cubic metre of natural gas upon contact with air, under conditions such that the natural gas is free of steam; that the natural gas, air and combustion products are at normal temperature; and that all water produced by the combustion is condensed to a liquid state.

INSTITUTION

A governmental, paragovernmental, religious or non-profit body operating in the public or parapublic sectors of education, health and welfare.

INVENTORY

Natural gas supply, compressor fuel and transportation held in inventory by the distributor and necessary for serving the customer during the contract year.

LOAD FACTOR

Comparison of average annual daily load with daily peak load (can be determined by using the subscribed volume under Distribution Tariffs D_3 and D_4).

METERING POINT

One meter, or more than one meter if deemed necessary by the distributor to use more than one, measuring the natural gas withdrawn by the same customer and servicing one or more buildings or facilities located at the same site occupied by the customer.

NORMALIZED ANNUAL CONSUMPTION

Average annual volume of the last 24 months after normalization.

NORTHERN ZONE

The Abitibi-Témiscamingue region served by the distributor.

PRICE OF NATURAL GAS TRADED AT IROQUOIS

Natural gas supply service established at the market price according to the natural gas price traded at Iroquois based on the daily price survey indicator published by Platts in Gas Daily under "Canadian Gas: Iroquois, receipts; Midpoiint: Flow Date(s)".

RECOGNIZED MARGINAL REDUCTION

For a customer who participates after October 1, 2004 in an energy efficiency program supported by the Global Energy Efficiency Plan (GEEP) or the Energy Efficiency Fund (EEF), the recognized marginal reduction is evaluated by calculating the difference between the typical consumption arising from the implementation of the high efficiency measure and the consumption following the implementation of a standard measure. This recognized marginal reduction and the period for which it will be recognized will be included in the contract with respect to the customer's participation in the energy efficiency program.

SOUTHERN ZONE

The territory served by the distributor with the exception of Northwestern Quebec (Abitibi-Témiscamingue region).

VOLUME DEFICIT

Portion of the minimum volume not withdrawn by the customer.

WINTER

Period from November 1 to March 31.

WITHDRAWALS EXEMPT FROM GREEN FUND CONTRIBUTION

- Volumes of biogas distributed by pipe used solely for biogas distribution;
- Volumes of natural gas if they are used as raw materials without combustion of natural gas as declared by the customer and received by the distributor no later than the third working day following the end of the month covered by the billing and as confirmed, at the end of the year, no later than October 15 of each year by sworn statement by the customer, or if the customer is a legal entity or a corporation, by an authorized officer thereof.

10. TRANSITORY PROVISIONS

10.1 APPLICATION

All customers are subject to the provisions of the Tariffs herein as of January 1, 2010, subject to the following provisions.

10.2 CUSTOMER GROUPINGS

Customer groupings for transportation and load-balancing services shall be permitted only if the customer grouping is withdrawing from the distributor's transportation service in accordance with Article 10.3. D_1 Distribution Service customers may join the customer grouping for transportation and load-balancing services provided the grouping includes one D_4 distribution service customer.

10.3 PROGRESSIVE WITHDRAWAL FROM DISTRIBUTOR'S TRANSPORTATION AND LOAD-BALANCING SERVICES

All Distribution Tariff D_M, D_3 and D_4 customers, as well as all Distribution Tariff D_1 customers whose daily peak load **P** (as specified in the Load-Balancing Tariff) at a metering point is at least equal to 30,000 m^3/day, may request to opt out of the distributor's transportation or load-balancing services. Distribution Tariff D_5 customers may not opt out of the distributor's transportation service.

Customers wishing to opt out of the distributor's transportation or load-balancing services may do so before their current contract expires, provided they satisfy the advance notice requirements stipulated herein.

For the purposes of this Article, a customer grouping may ask to withdraw from transportation service or load-balancing service if at least one of the customers in the grouping qualifies for the withdrawal as stipulated in paragraph 1 above. However, D_5 Distribution Tariff customers cannot withdraw from the distributor's transportation service.

Where a request to opt out of distributor's services has not been submitted, customers shall continue to be billed in accordance with the distributor's Tariffs.

10.4 AGREED PEAK SHAVINGS PERCENTAGE IN EXCESS OF SUBSCRIBED VOLUME

Customers having, as of September 30, 2006, a D_3 or D_4 Distribution Service contract and a D_5 Distribution Service contract at the same time, and an agreed peak shavings percentage in excess of the subscribed volume are subject to that peak shavings percentage until their contract expires.

10.5 FIXED TARIFF

Customers who have, as at December 31, 2009, a fixed distribution D_1 tariff, remain subject to that tariff until the maturity date. However, the unit price of the Green Fund contribution is added to the distribution service prices.

11. INDEX

Page (Article)

Page (Article)

Page (Article)

Page (Article)