

**RÉPONSE DE SOCIÉTÉ EN COMMANDITE GAZ MÉTRO (GAZ MÉTRO)
DEMANDE DE RENSEIGNEMENTS NO. 2
À GAZ MÉTRO**

**PAR
STRATÉGIES ÉNERGÉTIQUES (S.É.)
L'ASSOCIATION QUÉBÉCOISE DE LUTTE CONTRE LA POLLUTION ATMOSPHÉRIQUE
(AQLPA)**

SUJET 2 : MODIFICATIONS AUX CONDITIONS DE SERVICE ET TARIF VISANT À PERMETTRE LA COMBINAISON DE SERVICES (DOSSIER R-3987-2016, PHASE 1, SUJET 2, PIECE B-0058, GAZ METRO 2, DOCUMENT 1)

DEMANDE DE RENSEIGNEMENTS S.É.-AQLPA-2-1

Références :

- i) **GAZ MÉTRO**, *Conditions de service et Tarif*. En vigueur le 21 décembre 2016, https://www.gazmetro.com/fr/residentiel/espace-client/facturation/conditions-et-tarif/~~/media/Files/Affaires/Tarif/conditionsservicetarif_fr.pdf , art. 1.3, définitions.
- ii) *Loi sur la Régie de l'énergie*, R.L.R.Q., c. R-6.01, a. 2 (extrait), tel que modifié par L.Q, 2016, c. 35 entré en vigueur le 10 décembre 2016 :

« *gaz naturel renouvelable* » : *méthane de source renouvelable ayant les propriétés d'interchangeabilité lui permettant d'être livré par un réseau de distribution de gaz naturel;* »

Demande(s) :

- a) Les conditions de service et tarifs de Gaz Métro (référence i) ne comportent aucune définition du « *gaz naturel renouvelable* ». Nous comprenons que, juridiquement, cela n'est pas nécessaire puisque la définition se trouve déjà dans la *Loi* (référence ii). Malgré cela toutefois, Gaz Métro serait-elle d'accord de répéter, dans ses conditions de service et tarifs, la définition du « *gaz naturel renouvelable* » afin de faciliter la compréhensibilité de ce texte ?

Réponse :

Gaz Métro croit que l'ajout d'une définition de « *gaz naturel renouvelable* » au texte des *Conditions de service et Tarif* n'est pas nécessaire, comme le souligne la question, et alourdirait ce texte. Par exemple, l'ajout d'une telle définition pourrait induire de nombreux ajouts corrélatifs à la section 15.5 des *Conditions de service et Tarif*, là où il n'est actuellement fait référence qu'au « *gaz naturel* ». Par ailleurs, Gaz Métro souligne que les *Conditions de service et Tarif* ne reprennent pas, non plus, la définition de « *gaz naturel* » prévue à la Loi.

- b)** Veuillez confirmer que le biogaz non purifié et donc non interchangeable ne fait pas partie définition du « *gaz naturel renouvelable* » au sens de la loi et de la proposition de Gaz Métro au présent dossier, phase 1, sujet 2, Pièce B-0058, Gaz Métro 2, Document 1 ?

Réponse :

Gaz Métro le confirme.

- c)** Quelles sont les dispositions tarifaires applicables au biogaz non purifié du réseau dédié de Gaz Métro (et réglementé pour des raisons historiques) entre Sainte-Sophie et Saint-Jérôme ?

Réponse :

Il n'y a pas de dispositions tarifaires spécifiques au biogaz du réseau dédié de Gaz Métro entre Sainte-Sophie et Saint-Jérôme.

Présentement, le client qui consomme le biogaz ne paie que le service de distribution de Gaz Métro puisqu'il utilise la conduite dédiée qui a été construite et qui est entretenue par le distributeur. Cette entente (déposée dans le cadre du dossier R-3532-2004) avait été mise en place avant la création du tarif de réception et du modèle d'achat de GNR présentement en vigueur.

Le client consomme également du gaz naturel mais cela se fait par le biais d'un autre contrat, indépendamment de celui pour sa consommation de biogaz.

- d)** La proposition de Gaz Métro au présent dossier, phase 1, sujet 2, Pièce B-0058, Gaz Métro 2, Document 1 aurait-elle une quelconque application à ce biogaz non purifié du réseau dédié de Gaz Métro entre Sainte-Sophie et Saint-Jérôme ? Veuillez élaborer.

Réponse :

Les mesures proposées par Gaz Métro ne s'appliqueraient pas aux clients consommant du biogaz non purifié.

Les mesures proposées touchent exclusivement les clients qui désirent consommer du gaz naturel renouvelable (voir réponse à la question 2.1 b)).

DEMANDE DE RENSEIGNEMENTS S.É.-AQLPA-2-2

Références :

- i) **GAZ MÉTRO**, Dossier R-3987-2016, Phase 1, sujet 2, Pièce B-0058, Gaz Métro 2, Document 1, page 4, lignes 18 à 21 :

À court terme, Gaz Métro souhaite faciliter le libre marché entre les producteurs de GNR et les clients qui pourraient être intéressés à payer un prix plus élevé que la formule d'achat afin de consommer du GNR. Elle juge que des modifications relativement simples pourraient permettre de faciliter le processus d'achat de GNR pour les clients intéressés.

Demande(s) :

- a) Présentement, quelle serait la fourchette de prix qu'un consommateur pourrait payer pour se procurer du GNR en Amérique du Nord ? Veuillez spécifier les marchés.

Réponse :

Gaz Métro ne dispose pas d'informations relativement à la fourchette de prix qu'un consommateur pourrait payer pour se procurer du GNR en Amérique du Nord.

DEMANDE DE RENSEIGNEMENTS S.É.-AQLPA-2-3

Références :

- i) **GAZ MÉTRO**, Dossier R-3987-2016, Phase 1, Sujet 2, Pièce B-0058, Gaz Métro 2, Document 1, Page 10, lignes 10 à 13 :

À noter également que conformément à l'article 11.2.2.2 des CST, pour tout client en achat direct avec transfert de propriété, le prix de fourniture de gaz naturel est accompagné d'un ajustement pour tenir compte de la variation de la valeur des inventaires résultant d'un changement dans le prix de fourniture de gaz naturel, ainsi que des coûts reliés au maintien de ces inventaires.

Demande(s) :

- a) On parle d'un *ajustement* de quel ordre. Pouvez-vous fournir un exemple?

Réponse :

L'ajustement dont il est question est l'ajustement relié aux inventaires décrit à l'article 14.2.1 des *Conditions de services et Tarif*. En date du 1^{er} février 2017, cet ajustement s'élève à -0,804 ¢/m³ pour le service de fourniture et à 0,445 ¢/m³ pour les services de fourniture et de transport combinés pour un client du tarif D₁.

DEMANDE DE RENSEIGNEMENTS S.É.-AQLPA-2-4

Références :

- i) **GAZ MÉTRO**, Dossier R-3987-2016, Phase 1, Sujet 2, Pièce B-0058, Gaz Métro 2, Document 1, Page 10, lignes 14 à 25 :

En cas de combinaison de services, le mécanisme demeurerait le même à l'exception du fait que le client n'aurait pas à livrer l'ensemble de ses volumes. De plus, dans le cas d'un client qui consommerait du GNR, le SPEDE et le transport (dans le cas de GNR produit en franchise) seraient exemptés de la façon suivante:

- 1) le client signe un contrat en achat direct avec transfert de propriété auprès de Gaz Métro;*
- 2) le client achète, du fournisseur de son choix, le GNR dont il a besoin;*
- 3) le GNR est acheté par Gaz Métro, au prix de gaz de réseau alors en vigueur, augmenté du prix du transport et du SPEDE;*
- 4) le gaz naturel est distribué par Gaz Métro jusqu'aux installations du client;*
et
- 5) pour chaque mètre cube de gaz naturel consommé, les services de fourniture de gaz naturel, de transport, d'équilibrage, d'ajustements reliés aux inventaires, de distribution et de SPEDE sont facturés au client.*

- ii) **GAZ MÉTRO**, Dossier R-3987-2016, Phase 1, Sujet 2, Pièce B-0058, Gaz Métro 2, Document 1, Annexe 1, Page 2, tableau :

N° de ligne	Prix (€/m³)	CAS 1 Client consomme 100 % en AD		CAS 2 Client consomme 80 % en GR / 20 % en AD (GNR hors franchise)		CAS 3 Client consomme 20 % en GR / 80 % en AD (GNR en franchise)	
		Volumes (m³)	Coûts (\$)	Volumes (m³)	Coûts (\$)	Volumes (m³)	Coûts (\$)
	(1)	(2)	(3) (1) x (2)	(4)	(5) (1) x (4)	(6)	(7) (1) x (6)
1		1 000 000		200 000		800 000	
2		-		800 000		200 000	
3		1 000 000		1 000 000		1 000 000	
4	15	1 000 000	150 000	200 000	30 000	800 000	120 000
5							
6	Fourniture 10	1 000 000	(100 000)	200 000	(20 000)	800 000	(80 000)
7	Transport 4	-	-	-	-	800 000	(32 000)
8	Spede 3	-	-	200 000	(6 000)	800 000	(24 000)
9	Total		(100 000)		(26 000)		(136 000)
10							
11	Fourniture 10	1 000 000	100 000	1 000 000	100 000	1 000 000	100 000
12	Transport 4	1 000 000	40 000	1 000 000	40 000	1 000 000	40 000
13	Spede 3	1 000 000	30 000	1 000 000	30 000	1 000 000	30 000
14	Équilibrage 1	1 000 000	10 000	1 000 000	10 000	1 000 000	10 000
15	Distribution 4	1 000 000	40 000	1 000 000	40 000	1 000 000	40 000
16	Total		220 000		220 000		220 000
17	TOTAL		270 000		224 000		204 000

Demande(s) :

- a) En référence (i) à l'étape 3, est-il exact de comprendre que la raison pour laquelle Gaz Métro paie au client l'équivalent du SPEDE et du coût de transport pour les volumes de GNR de franchise (et qui sont donc exempts du SPEDE et du coût de transport), c'est pour aider le marché du GNR en payant à ce client le coût évité qui correspondrai à du gaz non renouvelable ? Donc ce paiement par Gaz Métro au client de SPEDE et de coût de transport pour ce GNR n'est pas à probablement parler du SPEDE et du coût de transport; c'est plutôt un sur-coût que Gaz Métro accepterait volontairement de payer au client aux fins d'aider le marché du GNR.

Réponse :

Gaz Métro achète le GNR au prix de fourniture de réseau, du transport et du SPEDE parce qu'au moment de la facturation, le gaz sera facturé pour l'ensemble des services. Il s'agit là d'une opération à somme nulle parce que Gaz Métro achète et revend le GNR au même prix et non un mécanisme d'achat en fonction du coût évité.

Cette façon de faire permet de facturer plus facilement le client sans avoir à distinguer la portion de sa consommation qui provient du GNR et celle qui provient du gaz de réseau et non d'aider le marché du GNR en payant le coût évité.

- b)** Mais alors en référence (i) à l'étape 5, et, en référence (ii) aux cas nos. 2 et 3, pourquoi Gaz Métro facturerait du SPEDE fictif sur des volumes de GNR qui en sont exempts ? Nous comprenons d'ailleurs qu'il est impossible juridiquement que ce soit du SPEDE puisque le GNR n'y est pas sujet.

Réponse :

Tel qu'expliqué dans la réponse à la question 2.4 a), le SPEDE est facturé parce qu'il a été inclus dans le rachat du GNR par Gaz Métro. Cette opération fait en sorte que le client ne paiera pas de SPEDE pour ses volumes de GNR.

- c)** De même, en référence (i) à l'étape 5, et, en référence (ii) au cas no. 3, pourquoi Gaz Métro facturerait du coût de transport fictif sur des volumes de GNR de franchise qui en sont exempts ? Ici encore, nous comprenons qu'il est impossible juridiquement que ce soit du coût de transport E puisque le GNT de franchise n'y est pas sujet.

Réponse :

Comme expliqué dans la réponse à la question 2.4 a), le transport est facturé parce qu'il a été inclus dans l'achat du GNR par Gaz Métro. Cette opération fait en sorte que le client ne paiera pas de transport pour ses volumes de GNR.

- d)** Si, en référence (i) à l'étape 5, en facturant du SPEDE et du coût de transport fictif au GNR, vous voulez simplement annuler toute aide que vous fourniriez à l'étape 3 aux clients achetant du GNR (en leur payant l'équivalent du SPEDE et du coût de transport), n'aurait-il pas été plus simple de n'inscrire aucun SPEDE fictif et aucun coût de transport fictif ni à l'étape 3 ni à l'étape 5 ?

Réponse :

Comme expliqué dans la réponse à la question 2.4 a), il ne s'agit pas d'une aide. Cette façon de faire permet de facturer le client sans avoir à distinguer la portion de sa consommation qui provient du GNR et celle qui provient du gaz de réseau. Ainsi, la proposition évite d'avoir à apporter des modifications informatiques importantes au système de facturation.

DEMANDE DE RENSEIGNEMENTS S.É.-AQLPA-2-5

Références :

- i) **GAZ MÉTRO**, Dossier R-3987-2016, Phase 1, Sujet 2, Pièce B-0060, Gaz Métro 2, Document 2, Page 4, lignes 1-2 :

*Deuxièmement, dans le cas de GNR produit en franchise, la combinaison des services **de transport** serait également permise. [Souligné en caractère gras par nous]*

Demande(s) :

- a) Nous croyions qu'il n'y avait pas de transport à payer pour le GNR produit en franchise. Y-a-t-il une erreur dans votre texte cité en référence (i) ?

Réponse :

Dans le cas où un client s'approvisionnerait en partie avec du GNR produit en franchise (pas de transport nécessaire) et en partie avec du gaz de réseau (transport nécessaire), cela se solderait en combinaison pour le service de fourniture et de transport. En effet, il n'y aurait pas de transport à contracter pour le GNR produit en franchise, mais il y en aurait pour le gaz de réseau.

DEMANDE DE RENSEIGNEMENTS S.É.-AQLPA-2-6

Références :

- i) **GAZ MÉTRO**, Dossier R-3987-2016, Phase 1, Sujet 2, Pièce B-0058, Gaz Métro 2, Document 1, Page 13, lignes 12 et 13 :

Ces assouplissements des règles entourant les déséquilibres volumétriques ne concerneraient pas les clients qui s'approvisionneraient à partir de GNR produit hors du Québec.

Demande(s) :

- a) Quelles seraient les conséquences d'admettre les mêmes règles pour le GNR produit hors-Québec que celles proposées pour le GNR produit en franchise?

Réponse :

Dans un premier temps, Gaz Métro cherche à promouvoir le GNR produit au Québec.

De plus, comme Gaz Métro achèterait l'ensemble du GNR produit par la ville de St-Hyacinthe dans le cas où elle ne serait pas en mesure de le vendre directement à des clients, l'impact d'une variation de la production serait absorbé par le gaz de réseau. Ainsi, l'impact de charger les pénalités reliées aux déséquilibres volumétriques au prix du gaz

de réseau serait le même que si le distributeur achetait l'ensemble du GNR produit au Québec. Comme Gaz Métro ne prévoit pas acheter l'équivalent du GNR produit hors-franchise, imposer les mêmes règles pour ce gaz aurait un impact supplémentaire sur la clientèle du distributeur.

Gaz Métro estime donc qu'il est équitable de n'assouplir les règles des déséquilibres volumétriques que pour la consommation de GNR produit en franchise.

DEMANDE DE RENSEIGNEMENTS S.É.-AQLPA-2-7

Références :

- i) **GAZ MÉTRO**, Dossier R-3987-2016, Phase 1, Sujet 2, Pièce B-0058, Gaz Métro 2, Document 1, Page 16, lignes 13 et 14 :

Gaz Métro évaluera éventuellement la possibilité d'ouvrir la combinaison de 13 services à l'ensemble des clients.

Demande(s) :

- a) Qu'est-ce que Gaz Métro évaluera en étudiant la possibilité d'ouvrir la combinaison de service à l'ensemble de sa clientèle ? Veuillez préciser.

Réponse :

Gaz Métro évaluera l'impact d'offrir la combinaison de services en fourniture et transport à l'ensemble de la clientèle sur la planification long terme et opérationnelle des approvisionnements gaziers ainsi que sur la gestion des contrats des clients en achat direct.

SUJET 3 : RÈGLES APPLICABLES AUX TRANSACTIONS EN MATIÈRE D'APPROVISIONNEMENT GAZIER AVEC DES SOCIÉTÉS APPARENTÉES (DOSSIER R-3987-2016, PHASE 1, SUJET 3, PIÈCE B-0012, GAZ MÉTRO 3, DOCUMENT 1)

DEMANDE DE RENSEIGNEMENTS S.É.-AQLPA-2-8

Références :

- i) **GAZ MÉTRO**, Dossier R-3987-2016, Phase 1, Sujet 3, Pièce B-0012, Gaz Métro 3, Document 1, « société apparentée ».

Demande(s) :

- a) Dans votre preuve en référence (i), vous traitez de « *société apparentée* » alors que le Code de conduite traite d'« *entité apparentée* ». Pour fins de référence, veuillez définir « *société apparentée* » et « *entité apparentée* » à Gaz Métro DaQ et fournir la source de chacune de ces deux définitions.

Réponse :

Dans le contexte de la preuve portant sur les règles applicables en matière d'approvisionnement gazier avec des sociétés apparentées¹, le terme « *société apparentée* » réfère à toute société ayant un intérêt direct ou indirect dans Gaz Métro ou vice versa au sens de l'article 81 de la *Loi sur la Régie de l'énergie*².

Dans le contexte du Code de conduite³, le terme « *entité apparentée* » réfère aux entités incluses à l'organigramme corporatif mis à jour annuellement au Rapport annuel déposé à la Régie.

- b) Veuillez expliquer la différence entre « *société apparentée* » et « *entité apparentée* » à Gaz Métro DaQ.

Réponse :

Veuillez vous référer à la réponse à la question 2-8 i) a). Selon les définitions qui y sont fournies, on peut comprendre que la notion de *société apparentée* est plus large que celle d'*entité apparentée* en ce qu'elle ne se limite pas aux entités incluses à l'organigramme corporatif de Gaz Métro.

- c) Est-ce que votre proposition en référence (i) s'appliquerait tout autant aux « *sociétés apparentées* » et aux « *entités apparentées* » à Gaz Métro DaQ. En d'autres termes, dans tout le document cité en référence (i), pourrait-on remplacer les mots « *société apparentée* » par « *entité apparentée* » ? Veuillez préciser et expliquer.

Réponse :

La proposition de Gaz Métro s'applique tout autant aux sociétés apparentées qu'aux entités apparentées en ce que la notion d'*entité apparentée* telle que définie au Code de conduite de Gaz Métro est incluse dans la notion de *société apparentée* telle que définie par Gaz Métro dans le contexte de la preuve portant sur les règles applicables en matière d'approvisionnement gazier entre sociétés apparentées. Ainsi, le fait de remplacer les mots « *société apparentée* » par « *entité apparentée* » ferait en sorte que l'application de la procédure d'approbation proposée par Gaz Métro serait limitée aux entités incluses à

¹ R-3987-2016, Gaz Métro-3, Document 1 (B-0012)

² *Loi sur la Régie de l'énergie*, chapitre R-6.01

³ R-3970-2016, Gaz Métro-8, Document 20 (B-0277)

l'organigramme corporatif de Gaz Métro, ce qui ne fait pas l'objet de la proposition de Gaz Métro dans le présent dossier.

- d) Au-delà des seules annexes de la référence (i), veuillez fournir la liste actuelle complète des « sociétés apparentées » et des « entités apparentées » à Gaz Métro DaQ en spécifiant la fonction de chacune, en spécifiant le lien qui fait de chacune une « apparentée » à Gaz Métro DaQ et en différenciant les « sociétés » des « entités ».

Réponse :

Les entités apparentées actuelles au sens du Code de conduite de Gaz Métro sont celles qui figurent au dernier organigramme corporatif de Gaz Métro déposé dans le cadre de la demande d'examen du Rapport annuel pour l'exercice financier terminé le 30 septembre 2016⁴. Cet organigramme permet de voir le lien qui existe entre ces entités.

En ce qui concerne les sociétés apparentées au sens de la preuve portant sur les règles applicables en matière d'approvisionnement gazier⁵, et tel que mentionné dans la pièce Gaz Métro-3, Document 1 (B-0012) du présent dossier, Gaz Métro propose d'informer la Régie par écrit lorsqu'un contrat maître est signé auprès d'une société apparentée. Gaz Métro juge que cette façon de faire est adéquate puisqu'un nombre très limité de sociétés apparentées est susceptible de transiger avec Gaz Métro en matière d'approvisionnement gazier, de par la nature de leurs activités. Ceci permettrait ainsi à la Régie de connaître l'identité de tous les fournisseurs qui correspondent à la définition de société apparentée avec lesquels Gaz Métro est susceptible de transiger en matière d'approvisionnement gazier. Pour le moment, seule Tidal Energy Marketing, une filiale d'Enbridge Inc., est susceptible de transiger avec Gaz Métro en matière d'approvisionnement gazier. Les organigrammes corporatifs de Gaz Métro et Enbridge Inc. ont d'ailleurs été soumis en annexe de la pièce Gaz Métro-3, Document 1 du présent dossier (B-0012).

DEMANDE DE RENSEIGNEMENTS S.É.-AQLPA-2-9

Références :

- i) **GAZ MÉTRO**, Dossier R-3987-2016, Phase 1, Sujet 3, Pièce B-0012, Gaz Métro 3, Document 1, page 4, note infrapaginale 2 .

Un contrat maître est un contrat « GasEDI » ou « NAESB » qui encadre la relation contractuelle entre deux contreparties. Chaque transaction d'achat de molécule ou de transport est régie par ce contrat maître et est confirmée par un document appelé « Transaction confirmation ». Ce document contient les éléments essentiels de la transaction, soit le prix, la quantité et la durée.

⁴ R-3992-2016, Gaz Métro-2, Document 1 (B-0011)

⁵ R-3987-2016, Gaz Métro-3, Document 1 (B-0012)

Demande(s) :

- a) Veuillez déposer publiquement des exemples i) de contrat « GasEDI », ii) de contrat « NAESB » et iii) de « Transaction confirmation », au besoin sous forme de documents vierges ou caviardés.

Réponse :

Veuillez vous référer à l'annexe 1.

DEMANDE DE RENSEIGNEMENTS S.É.-AQLPA-2-10

Référence :

- i) **GAZ MÉTRO**, Dossier R-3987-2016, Phase 1, sujet 3, Pièce B-0040, Gaz Métro 3, Document 3, page 5, lignes 5 à 8 :

Gaz Métro propose de ne plus fixer aucune limite à ces transactions en raison des autres garde-fous qui existent, nommément le Code de conduite régissant les transactions entre apparentées du groupe corporatif ainsi que la règle interne qui exige que tout achat de molécule ou de transport sur le marché secondaire se fasse à la suite de l'obtention de plusieurs offres.

Demande(s) :

- a) Quelle est le nombre minimal d'offres que Gaz Métro a reçu pour un achat :
- De fourniture ?
 - De transport ?

Veuillez élaborer et décrire les cas.

Réponse :

Gaz Métro a comme pratique de solliciter plusieurs fournisseurs tant pour les achats de gaz naturel (spots ou faits d'avance) que de transport. En fonction des conditions prévalant sur le marché, un nombre plus ou moins grand de fournisseurs répondra à l'invitation de Gaz Métro. Gaz Métro ne conserve toutefois pas de données eu égard au nombre minimal d'offres reçues, sauf dans le cas où elle aurait envisagé une transaction avec une société apparentée. Cependant, une telle situation ne s'est pas produite depuis de nombreuses années.

- b) Est-il arrivé que 100% des offres proviennent de sociétés apparentées ? Veuillez élaborer et décrire les cas.

Réponse :

Non.

The Base Contract incorporates by reference for all purposes the General Terms and Conditions of the GasEDI Base Contract for Sale and Purchase of Natural Gas as published by GasEDI on August 31, 2005. The parties agree to the following provisions offered in the General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply.

<p>Section 1.2.a: Confirming Party shall Confirm</p> <p><input checked="" type="checkbox"/> All transactions (default)</p> <p><input type="checkbox"/> All transactions having a Delivery Period equal to or greater than _____ Days</p>	<p>Section 6.1: Taxes</p> <p><input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default)</p> <p><input type="checkbox"/> Seller Pays Before and At Delivery Point</p>
<p>Section 2: Confirm Deadline</p> <p><input checked="" type="checkbox"/> 2 Business Days after receipt (default)</p> <p><input type="checkbox"/> _____ Business Days after receipt</p>	<p>Section 7.2.a: Payment Date</p> <p><input checked="" type="checkbox"/> Closest Business Day to Payment Date (default)</p> <p><input type="checkbox"/> Next Business Day Following Payment Date</p>
<p>Section 2: Confirming Party</p> <p><input type="checkbox"/> Seller (default)</p> <p><input type="checkbox"/> Buyer</p> <p><input checked="" type="checkbox"/> <u>Both parties may; GMLP shall confirm</u></p>	<p>Section 7.2: Method of Payment</p> <p><input checked="" type="checkbox"/> WT – Wire Transfer (default)</p> <p><input type="checkbox"/> ACH - Automated Clearinghouse - Credit Only</p> <p><input type="checkbox"/> Cheque / Check</p> <p><input checked="" type="checkbox"/> EFT - Electronic Funds Transfer</p> <p><input checked="" type="checkbox"/> FEDI - Financial Electronic Data Interchange</p>
<p>Section 3.2: Performance Obligation</p> <p><input checked="" type="checkbox"/> Cover Standard (default)</p> <p><input type="checkbox"/> Spot Price Standard</p> <p>Note: The following Spot Price Publication applies to both of the immediately preceding:</p> <p><input type="checkbox"/> Canadian Gas Price Reporter default) _____</p> <p><input type="checkbox"/> Gas Daily Mid Point _____</p> <p><input checked="" type="checkbox"/> <u>See Exhibit B</u></p>	<p>Section 11.2 : Force Majeure:</p> <p><input checked="" type="checkbox"/> Option A (default)</p> <p><input type="checkbox"/> Option B</p> <p>Option B, Section 11.2.b Liquid Delivery Points:</p> <p>_____</p> <p>_____</p>
<p>Section 3.3: Termination Right</p> <p><input checked="" type="checkbox"/> Does Not Apply (default)</p> <p><input type="checkbox"/> Applies</p>	<p>Section 14.5: Choice of Jurisdiction:</p> <p><input checked="" type="checkbox"/> Alberta (default)</p> <p><input type="checkbox"/> _____</p>
	<p><input checked="" type="checkbox"/> Special Provisions: <u>4</u> pages attached</p> <p><input type="checkbox"/> Credit Annex : _____ pages attached</p>

IN WITNESS WHEREOF, the parties hereto have executed the Base Contract in duplicate.

PARTY A

PARTY B

**Gaz Métro Limited Partnership, per its
general partner Gaz Métro, Inc.**

PARTY

Signature _____

Name _____

Title _____

Date _____

Signature _____

Name _____

Title _____

Date _____

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SECTION 1 - PURPOSE AND PROCEDURES

1.1 These General Terms and Conditions are intended to facilitate Transactions on a Firm or Interruptible basis.

1.2.a Any Transaction may be effected orally or electronically with the offer and acceptance constituting the valid, binding and enforceable agreement of the parties. The parties are legally bound from the time the Transaction is effected. Any such Transaction is considered a "writing" and to have been "signed". Notwithstanding the previous sentence, the Confirming Party shall confirm those Transactions requiring written confirmation pursuant to the selection made on the Cover Sheet by sending the other party a Transaction Confirmation by facsimile or mutually agreeable electronic means by the close of the 3rd Business Day following the Day on which the Transaction is effected. Confirming Party adopts its confirming letterhead or the like as its signature on any Transaction Confirmation and as the identification and authentication of Confirming Party.

1.2.b If a Transaction Confirmation sent by Confirming Party is materially different from the other party's understanding of the agreement referred to in Section 1.2.a, that other party shall give Confirming Party Notice clearly identifying such difference on Confirming Party's Transaction Confirmation and return the annotated Transaction Confirmation to the Confirming Party by the Confirm Deadline. The failure of the other party to so notify Confirming Party by the Confirm Deadline is further evidence of the agreement between the parties and constitutes the other party's acknowledgement that the terms of the Transaction described in Confirming Party's Transaction Confirmation are accurate. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the Transaction (i.e. Buyer, Seller, Contract Price, Contract Quantity, performance obligation, Delivery Point, Delivery Period and transportation conditions), which modify or supplement the Base Contract, such provisions shall not be deemed to be accepted pursuant to this Section 1.2.b unless expressly agreed to in writing by both parties; provided that the foregoing shall not invalidate any Transaction agreed to by the parties.

1.2.c If a Transaction Confirmation is required pursuant to Section 1.2.a and the other party does not receive a Transaction Confirmation from Confirming Party by the deadline set out in Section 1.2.a, then the other party may notify Confirming Party by sending its own Transaction Confirmation by the close of the Business Day following the deadline set out in Section 1.2.a. If a Transaction Confirmation sent by the other party is materially different from Confirming Party's understanding of the agreement referred to in Section 1.2.a, Confirming Party shall give the other party Notice clearly identifying such difference on the other party's Transaction Confirmation and return the annotated Transaction Confirmation to the other party by the Confirm Deadline. The failure of Confirming Party to so notify the other party by the Confirm Deadline is further evidence of the agreement between the parties and constitutes the Confirming Party's acknowledgement that the terms of the Transaction described in the other party's Transaction Confirmation are accurate. If the other party does not receive a Transaction Confirmation from Confirming Party by the deadline set out in Section 1.2.a and the other party does not send its own Transaction Confirmation as provided for in this Section 1.2.c, the absence of a Transaction Confirmation in respect of a particular Transaction does not negate the existence of such Transaction.

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1.2.d The entire agreement between the parties shall be those provisions contained in an effective Transaction Confirmation, a Transaction entered into by the parties either orally or electronically and the Base Contract. In the event of a conflict among the foregoing, the terms shall govern in the following priority: (i) an effective Transaction Confirmation; (ii) a Transaction entered into by the parties either orally or electronically; (iii) the Credit Annex, if any; (iv) the Special Provisions, if any; and (v) the balance of the Base Contract. All Transactions are entered into in reliance on the fact that the Base Contract, each Transaction Confirmation and each Transaction constitute a single integrated agreement between the parties and the parties would not otherwise have entered into the Base Contract or any Transaction.

1.3 Communications occurring via a telephone conversation may be recorded by either party and each party consents to same without further notice to, or consent from, the other party. Each party shall, to the extent required by applicable law, give notice to, and obtain consent from, each of its employees, contractors and other representatives who may have their communications recorded. Any recordings of communications relevant to a Transaction may be used as evidence in any legal, arbitration or other dispute resolution procedure, and the parties hereby expressly waive all rights to, and expressly agree not to, contest or otherwise argue against such use of any recordings relevant to the disputed Transaction.

1.4 Each party shall be entitled, upon reasonable request, to access the other party's recording(s), if any, associated with a disputed Transaction.

1.5 The parties hereby expressly waive all rights to, and expressly agree not to, contest any Transaction, or assert or otherwise raise any defences or arguments related to any Transaction to the effect that such is not binding, valid or enforceable in accordance with its terms because either the employee(s) or representative(s) who entered into the Transaction on behalf of a party, and who appeared to have the requisite authority to do so, did not, in fact, have such authority or because the provisions of certain applicable laws require the Transaction to be in writing and/or executed by one or both parties.

SECTION 2 - DEFINITIONS

2.1 The following terms, when used in this Contract, have the following meanings:

"10³m³" means the quantity of Gas occupying a volume of 1000 cubic metres at a temperature of 15 degrees Celsius and at a pressure of 101.325 kilopascals absolute.

"Accelerated Payment Invoice" has the meaning set forth in Section 7.7.

"Affected Transaction" means a Firm Transaction with a Delivery Period of at least 30 Days in respect of which there has occurred that number of Failure Days that is equal to the greater of (i) 4 Days; or (ii) 5% of the number of Days in the Delivery Period.

"Affiliate" of any person, including, without limitation, a partnership, means a person, including, without limitation, a partnership, which directly or indirectly, controls, is controlled by, or is under common control with such person. For the purpose of this definition "control" means control in fact, whether by ownership of sufficient voting securities to elect a majority of the directors of a corporation, by owning sufficient partnership interest in an ordinary partnership, by being the general partner of a limited partnership, by contract or otherwise and "person" includes an individual, a partnership (including, without limitation, a limited partnership and a limited liability partnership), a corporation (including, without limitation, a limited liability corporation), an unlimited company, a joint stock company, a trust, a joint venture, an unincorporated organization, a union, a government or any department or agency of a government, and the heirs, executors, administrators or other legal representatives of an individual.

"Base Contract" means the Cover Sheet, these General Terms and Conditions, any Special Provisions, and any Credit Annex.

"British Thermal Unit" or "Btu" means the International Btu, which is also called the Btu(IT).

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"Business Day" means any day except Saturday, Sunday, or a statutory or banking holiday observed in the jurisdiction of the receiving party's address for Notices as provided pursuant to Section 9.1. A Business Day closes at 5:00 p.m. local time for the receiving party's address for Notices as provided pursuant to Section 9.1.

"Buyer" refers to the party receiving Gas pursuant to a Transaction.

"Claiming Party" means the party claiming a suspension of its obligations due to Force Majeure.

"Claims" has the meaning set forth in Section 8.3.

"Confirm Deadline" means 5:00 p.m. in the receiving party's time zone on the Business Day selected on the Cover Sheet; provided that, if a Transaction Confirmation is received after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.

"Confirming Party" means the party selected on the Cover Sheet to prepare and forward Transaction Confirmations to the other party.

"Contract" means the legally-binding relationship established by (i) the Base Contract, (ii) any and all effective Transaction Confirmations, and (iii) any and all Transactions entered into by the parties either orally or electronically.

"Contract Price" means: (i) if the Delivery Point is in the United States, the amount expressed in U.S. dollars per MMBtu or U.S. dollars per Dekatherm; or (ii) if the Delivery Point is in Canada, the amount expressed in Canadian dollars per GJ; unless specified otherwise in a Transaction.

"Contract Quantity" means the quantity of Gas to be delivered and received each Day pursuant to a Transaction.

"Contract Value" of a Transaction means the net present value (applying the Present Value Discount Rate) of the product of (i) the quantity of Gas remaining under a Transaction which the parties are obligated to transact, multiplied by (ii) the Contract Price.

"Costs" means all reasonable costs, legal fees and expenses incurred by the Non-Defaulting Party to replace a Transaction(s) or in connection with termination of a Transaction(s) pursuant to Section 10, including, without limitation, legal fees as between a solicitor and its client, brokerage fees, commissions and expenses incurred in maintaining, replacing or liquidating any terminated Transactions.

"Cover Sheet" means the completed Cover Sheet executed by the parties.

"Cover Standard" means, if there is an unexcused failure to take or deliver the Contract Quantity pursuant to a Transaction, then the Performing Party shall use commercially reasonable efforts to purchase Gas, or sell Gas, at a price reasonable for the delivery or production area, as applicable, consistent with: (i) the amount of notice provided by the Non-Performing Party; (ii) the immediacy of Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; (iii) the quantities involved; and (iv) the anticipated length of failure by the Non-Performing Party.

"Credit Annex" means any credit support agreement as may be attached to the Cover Sheet.

"Day" means 9:00 a.m. to 9:00 a.m. central clock time.

"Defaulting Party" has the meaning set forth in Section 10.3.

"Dekatherm" means one million British Thermal Units.

"Delivery Period" means the period during which deliveries are to be made pursuant to a Transaction.

"Delivery Point(s)" means the point(s) of delivery and receipt of Gas pursuant to a Transaction.

"Early Termination Date" has the meaning set forth in Section 10.3.

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"EFP" means the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm".

"ETA" means the Excise Tax Act (Canada).

"Event of Default" means (i) the failure to make payment when due under this Contract, which is not remedied within 2 Business Days after receiving Notice of such failure (except for a failure to pay an Accelerated Payment Invoice which shall immediately constitute an Event of Default); (ii) in respect of a party or its guarantor, if applicable, the making of an assignment or any general arrangement for the benefit of creditors, the filing of a petition or otherwise commencing, authorizing, or acquiescing in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or having such petition filed or proceeding commenced against it, any bankruptcy or insolvency (however evidenced), or the inability to pay debts as they fall due; (iii) the failure to provide and maintain Performance Assurance in accordance with Section 10.1.a; (iv) any default under the Credit Annex (if applicable); or (v) the failure to perform any material obligation under this Contract (other than an obligation which is specifically covered in this definition as a separate Event of Default or is covered under Section 3.2), if not remedied within 5 Business Days after receiving Notice of such failure.

"Failure Day" means a Day on which the Non-Performing Party has failed to purchase and receive, or sell and deliver, as applicable, the greater of (i) 500 GJs or 500 MMBtus, as applicable; or (ii) 4% of the Contract Quantity to be purchased and received or sold and delivered on such Day, which failure is not excused because of the Non-Performance (non-delivery or non-receipt, as applicable) of the Performing Party, or by Force Majeure.

"Final Liquidation Amount" has the meaning set forth in Section 10.4.c.

"Firm" means that either party may interrupt its performance under a Transaction without liability (other than liability with respect to Imbalance Charges imposed pursuant to Section 4.3 or 11.5) only to the extent that such performance is excused by the other party's Non-Performance, by the exercise by a party of its suspension rights under Section 10, or by Force Majeure.

"Force Majeure" has the meaning set forth in Section 11.2.

"Gas" means any mixture of hydrocarbons and non-combustible gases in a gaseous state consisting primarily of methane.

"GJ" means 1 gigajoule; 1 gigajoule = 1,000,000,000 Joules. The standard conversion factor between Dekatherms and GJs is 1.055056 GJs per Dekatherm.

"GST" has the meaning set forth in Section 6.2.

"Imbalance Charges" means any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

"Interest Rate" means the lower of: (i) if the amount payable is in Canadian currency, the per annum rate of interest identified from time to time as the prime lending rate charged to its most credit worthy customers for commercial loans by The Toronto Dominion Bank, Main Branch, Calgary, Alberta, Canada, plus 2 percent per annum, compounded monthly; or, if the amount payable is in United States currency, the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus 2 percent per annum, compounded monthly; or (ii) the maximum applicable lawful interest rate.

"Interruptible" means that either party may interrupt its performance at any time for any reason without liability (other than liability with respect to Imbalance Charges imposed pursuant to Section 4.3 or 11.5).

"Joule" means the joule specified in the SI system of units.

"Liquid Delivery Point" means a point so designated on the Cover Sheet.

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"Market Price" means the amount established by either (i) a bona fide offer accepted by the Non-Defaulting Party from a third party in an arms-length negotiation for a replacement transaction or (ii) quotations obtained by the Non-Defaulting Party, in good faith, from 3 Reference Market Makers, where the arithmetic average of the 3 quotations shall be the Market Price. If such quotations are not readily available, or the quotations will not reflect comprehensive treatment of the pricing structure for Transactions terminated pursuant to Section 10.3(iii), as determined in the reasonable discretion of the Non-Defaulting Party, the Non-Defaulting Party shall determine the Market Price by considering any or all of the following: (A) the settlement prices of New York Mercantile Exchange Gas Futures Contracts; (B) similar sales or purchases of Gas; or (C) information available to it internally, including, without limitation, information on relevant rates, prices, yields, yield curves, volatilities, spreads and other relevant market data, provided that such information is of the same type used by the Non-Defaulting Party in the regular course of its business for the valuation of similar transactions, all adjusted to consider the remaining Delivery Period, remaining Contract Quantities, Delivery Point and differences in transportation costs. A party shall not be required to enter into a replacement transaction in order to determine the Market Price. Any extension(s) of the Delivery Period of a Transaction to which the parties are not bound as of the Early Termination Date (including, without limitation, "evergreen provisions") shall not be considered in determining the Market Price. For the avoidance of doubt, the value of any option pursuant to which one party has the right to extend the Delivery Period of a Transaction shall be included in determining the Market Price.

"Market Value" of a Transaction means the net present value (applying the Present Value Discount Rate) of the product of (i) the quantity of Gas remaining under a Transaction pursuant to which the parties are obligated to transact, multiplied by (ii) the Market Price for a similar transaction taking into consideration the nature of the obligation and the remaining Delivery Period, remaining Contract Quantities and Delivery Point.

"MMBtu" means one million British Thermal Units which is equivalent to one Dekatherm.

"Month" means the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

"Net Settlement Amount" has the meaning set forth in Section 10.4.b.

"NIT" means NOVA Inventory Transfer.

"Nomination Change Period" means a reasonable period of time to change a nomination, taking into account the applicable Transporter's nomination deadline(s), after receipt of an operational notice pursuant to Section 4.2 or a notification pursuant to Section 11.5, as applicable.

"Non-Defaulting Party" has the meaning set forth in Section 10.3.

"Non-Performance" means the failure by a party to purchase and receive, or sell and deliver, Gas as required by any Transaction under this Contract, which failure is not excused by: (i) the non-performance (non-delivery or non-receipt, as applicable) of the other party; (ii) the exercise by a party of its suspension rights under Section 10; or (iii) Force Majeure.

"Non-Performing Party" means a party in relation to which a Non-Performance has occurred.

"Notice" has the meaning set forth in Section 9.1.

"NOVA" means NOVA Gas Transmission Ltd., or any successor company.

"Payee" has the meaning set forth in Section 10.2.

"Payment Date" means the 25th day of the Month following the Month of delivery.

"Payer" has the meaning set forth in Section 10.2.

"Performance Assurance" means support in the form, amount and term reasonably specified by the party demanding Performance Assurance, including, without limitation, a standby irrevocable letter of credit, a prepayment, a security

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interest in an asset acceptable to the party demanding Performance Assurance or a performance bond or guarantee by an entity acceptable to the party demanding Performance Assurance.

"Performing Party" means, if a Non-Performance has occurred, the party which is not the Non-Performing Party.

"Present Value Discount Rate" means with respect to any Transaction: (i) if the amount payable is in Canadian currency, the yield of Canadian Government Treasury Bills with a term closest to the time remaining in the Delivery Period, plus 100 basis points; or (ii) if the amount payable is in United States currency, the "Ask Yield" interest rate for United States Government Treasury notes as quoted in the "Treasury Bonds, Notes, and Bills" section of the Wall Street Journal most recently published with a term closest to the time remaining in the Delivery Period, plus 100 basis points.

"PST" has the meaning set forth in Section 6.2.

"Receiving Transporter" means the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.

"Reference Market Makers" means leading dealers in the physical gas trading market or the energy swap market, which are not Affiliates of either party, selected by the Non-Defaulting Party from among dealers of the highest credit standing, which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit.

"Scheduled Gas" means the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.

"Seller" refers to the party delivering Gas pursuant to a Transaction.

"Special Provisions" means any written amendment to the Cover Sheet and/or these General Terms and Conditions as may be attached to the Cover Sheet.

"Spot Price" means the price listed in the publication specified by the parties on the Cover Sheet, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that immediately precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

"Taxes" has the meaning set forth in Section 6.1.

"Termination Payment" for a Transaction means the difference between the Market Value and the Contract Value as of the Early Termination Date. If the Non-Defaulting Party is Seller under that Transaction and: (i) the Market Value is greater than the Contract Value, then the Termination Payment in respect of that Transaction will be positive (gain); or (ii) if the Market Value is less than the Contract Value, the Termination Payment in respect of that Transaction will be negative (loss). If the Non-Defaulting Party is Buyer under that Transaction and: (A) the Contract Value is greater than the Market Value, the Termination Payment in respect of that Transaction will be positive (gain); or (B) if the Contract Value is less than the Market Value, the Termination Payment in respect of that Transaction will be negative (loss). Any loss with respect to a Transaction will be owed by the Defaulting Party to the Non-Defaulting Party and any gain with respect to a Transaction will be owed by the Non-Defaulting Party to the Defaulting Party.

"Termination Right" means the right of the Performing Party to terminate an Affected Transaction in the circumstances described in Section 3.3, if the parties have selected this option as indicated on the Base Contract.

"Transaction" means any Gas sale, purchase or exchange agreement effected pursuant to the Base Contract.

"Transaction Confirmation" means a document, similar to the form of Exhibit A, setting forth the terms of a Transaction.

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"Transporter(s)" means all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a Transaction.

"Uncovered Gas" has the meaning set forth in Section 3.2.

"Unpaid Amounts" has the meaning set forth in Section 10.4.a.

SECTION 3 - PERFORMANCE OBLIGATION

3.1 Seller agrees to sell and deliver, and Buyer agrees to purchase and receive, the Contract Quantity for each Transaction in accordance with the terms of this Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed in each Transaction.

The parties have selected either the "Cover Standard" version or the "Spot Price Standard" version as indicated on the Cover Sheet.

Cover Standard:

3.2 In the event of a breach of a Firm obligation, the Performing Party shall be entitled to recovery of the following for each Day that the breach occurs: (i) in the event of a breach by Seller on any Day, payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the quantity of Gas actually delivered by Seller for such Day, multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the price paid by Buyer utilizing the Cover Standard for replacement Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s); or (ii) in the event of a breach by Buyer on any Day, payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the quantity of Gas actually received by Buyer for such Day, multiplied by the positive difference, if any, obtained by subtracting the price received by Seller utilizing the Cover Standard for the sale of such Gas from the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s); provided that, in the event that Buyer has used commercially reasonable efforts to purchase Gas from a third party or Seller has used commercially reasonable efforts to sell Gas to a third party, and no such purchase or sale for all or any portion of such Gas is available ("Uncovered Gas"), then the price paid by Buyer utilizing the Cover Standard or the price received by Seller utilizing the Cover Standard, as applicable, for the Uncovered Gas shall be deemed to be the Spot Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The recovery of the amount calculated above shall, to the extent such amount is paid, be the sole and exclusive remedy of the Performing Party for a breach of a Firm obligation.

Spot Price Standard:

3.2 In the event of a breach of a Firm obligation, the Performing Party shall be entitled to recovery of the following for each Day that the breach occurs: (i) in the event of a breach by Seller on any Day, payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the quantity of Gas actually delivered by Seller for such Day, multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day, payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the quantity of Gas actually received by Buyer for such Day, multiplied by the positive difference, if any, obtained by subtracting the Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The recovery of the amount calculated above shall, to the extent such amount is paid, be the sole and exclusive remedy of the Performing Party for a breach of a Firm obligation.

The parties have selected either the Termination Right "Does Not Apply" or "Applies" as indicated on the Cover Sheet.

3.3 In addition to the rights set out in Sections 3.2 and 10, unless otherwise specified on the applicable Transaction Confirmation, a Performing Party shall have the right ("Termination Right") to terminate, accelerate and liquidate an Affected Transaction by providing Notice to the Non-Performing Party designating an Early Termination Date, which date shall be between 1 and 5 Business Days following the most recent Non-Performance causing the Affected Transaction, but no earlier than the effective date of the Notice, on which date the Affected Transaction shall terminate. Following the exercise of its Termination Right, the Performing Party shall calculate the Termination Payment in respect of the Affected Transaction, which amount shall be paid in accordance with Section 10.4, all as if an Early Termination Date had occurred, the Affected Transaction was the only Transaction, the Performing Party was the Non-Defaulting Party and the Non-Performing Party was the Defaulting Party. The exercise of the Termination Right shall not be deemed to be an Event of Default or similar default with respect to the Affected Transaction, any other Transactions or any other agreement between the parties. If the Performing Party fails to provide Notice to exercise its Termination Right within 5 Business Days of the occurrence of the last Non-Performance that gave rise to that Termination Right, the Termination Right shall expire, but without prejudice to any Termination Right that may subsequently arise upon the occurrence of a further Non-Performance in respect of that Transaction.

SECTION 4 - TRANSPORTATION, NOMINATIONS AND IMBALANCES

4.1 Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s) and for delivering such Gas at a pressure sufficient to effect such delivery but not to exceed the maximum operating pressure of the Receiving Transporter. Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2 The parties shall coordinate their Gas nomination and scheduling activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior operational notice, sufficient to meet the requirements of all Transporter(s) involved in the Transaction, of the quantities of Gas to be delivered and purchased each Day. Such operational notice may be made by any mutually agreeable means, including, without limitation, phone, fax and email. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3 The parties shall use commercially reasonable efforts to avoid the imposition of any Imbalance Charges. If a party receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. Imbalance Charges are payable by the party that caused such Imbalance Charges. Notwithstanding the provisions of Sections 10.2, 10.3 and 11.5, if the other party had sufficient ability to avoid any Imbalance Charges through a revision of the nomination with the Transporter during the Nomination Change Period, then that other party shall be deemed to have caused such Imbalance Charges. A party shall be reimbursed promptly by the other party if that party pays Imbalance Charges that were caused by the other party.

SECTION 5 - QUALITY AND MEASUREMENT

5.1 All Gas delivered by Seller shall meet the quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be specified as one MMBtu dry, one Dekatherm dry, one GJ or one 10³m³. Measurement of Gas quantities under this Contract shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6 - TAXES

The parties have selected either the "Buyer Pays At and After Delivery Point" version or the "Seller Pays Before and At Delivery Point" version as indicated on the Cover Sheet.

Buyer Pays At and After Delivery Point:

6.1 Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses, interest or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility under this Contract, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation.

Seller Pays Before and At Delivery Point:

6.1 Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses, interest or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes which are the other party's responsibility under this Contract, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation.

6.2 The Contract Price does not include any amounts payable by Buyer for the goods and services tax or harmonized sales tax (collectively "GST") imposed pursuant to the ETA or any similar or replacement value added or sales or use tax enacted under successor legislation, or any provincial sales tax ("PST") imposed by a province. Notwithstanding the selection made pursuant to Section 6.1, Buyer shall pay to Seller the amount of GST and PST payable for the purchase of Gas in addition to all other amounts payable under this Contract. Seller shall hold the GST and PST paid by Buyer and shall remit such GST and PST as required by law. Buyer and Seller shall provide each other with the information required to make such GST or PST remittance or claim any corresponding input tax credits, including, without limitation, GST and PST registration numbers.

6.3.a Where Buyer is not registered for GST under the ETA and Buyer provides a written undertaking to Seller that Gas will be exported from Canada, Buyer may request Seller treat such Gas as "zero-rated" Gas for export within the meaning of the ETA for invoicing purposes. If Seller, in its sole discretion, agrees to so treat such Gas, then Buyer hereby declares, covenants, represents and warrants to Seller that Buyer shall: (i) export such Gas as soon as is reasonably possible after Seller delivers such Gas to Buyer (or after such Gas is delivered to Buyer after a zero-rated storage service under the ETA) having regard to the circumstances surrounding the export and, where applicable, normal business practice; (ii) not have acquired such Gas for consumption or use in Canada (other than as fuel or compressor gas to transport such Gas by pipeline) or for supply in Canada (other than to supply natural gas liquids or ethane, the consideration for which is deemed by the ETA to be nil) before export of such Gas; (iii) ensure that, after such Gas is delivered and before export, such Gas is not further processed, transformed or altered in Canada (except to the extent reasonably necessary or incidental to its transportation and other than to recover natural gas liquids or ethane from such Gas at a straddle plant); (iv) maintain on file, and provide to Seller, if required, or to the Canada Revenue Agency, if requested, evidence satisfactory to the Minister of National Revenue of the export of such Gas by Buyer; and/or (v) comply with all other requirements prescribed by the ETA for a zero-rated export of such Gas.

6.3.b Where Buyer is registered for GST under the ETA and Buyer provides to Seller a declaration in writing that Buyer intends to export Gas from Canada by means of pipeline or other conduit in circumstances described in Section 6.3.a (i) to (iii), such Gas shall be "zero-rated" within the meaning of the ETA unless Seller knows or has reason to believe that such circumstances will not prevail.

6.3.c Without limiting the generality of Section 8.3, Buyer indemnifies Seller for any GST, penalties and interest and all other damages and costs of any nature arising from breach of the declarations, covenants, representations and warranties contained in Section 6.3.a or 6.3.b, or otherwise, from application of GST to Gas declared, covenanted, represented and warranted by Buyer to be acquired for export from Canada.

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6.4 Notwithstanding the selection made pursuant to Section 6.1, where Gas is imported into Canada by pipeline or other conduit, the person for whose account the Canadian Transporter received custody from the American Transporter shall act as importer for purposes of the Customs Act (Canada) and pay any GST or duties owing pursuant to the importation.

6.5 In the event that any amount becomes payable pursuant to this Contract as a result of a breach, modification or termination of this Contract, the amount payable shall be increased by any applicable Taxes, GST and PST remittable by the recipient in respect of that amount.

SECTION 7 - INVOICING, PAYMENT AND AUDIT

7.1 On or before the 15th day of each Month, Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other amounts payable under this Contract arising in or before the preceding Month, including, without limitation, Imbalance Charges, and shall provide supporting documentation acceptable in industry practice to support the amount payable. If the actual quantity of Gas delivered and received in the preceding Month is not known by Seller by the invoice date, Seller will prepare the invoice based on the quantity of Scheduled Gas. The invoiced quantity of Gas will then be adjusted to the actual quantity of Gas on the following Month's invoice or as soon thereafter as actual delivery and receipt information is available.

The parties have selected either "Closest Business Day to Payment Date" or "Next Business Day following Payment Date" as indicated on the Cover Sheet.
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Closest Business Day to Payment Date:

7.2.a Buyer shall remit the amount due in the manner specified on the Cover Sheet, in immediately available funds, on or before the later of the Payment Date or 10 days after receipt of the invoice by Buyer; provided that: if the Payment Date falls on a Sunday, or a Monday which is not a Business Day, payment is due on the next following Business Day; and if the Payment Date falls on a Saturday, or a weekday, other than a Monday, which is not a Business Day, payment is due on the immediately preceding Business Day.
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Next Business Day following Payment Date:

7.2.a Buyer shall remit the amount due in the manner specified on the Cover Sheet, in immediately available funds, on or before the later of the Payment Date or 10 days after receipt of the invoice by Buyer; provided that: if the Payment Date is not a Business Day, payment is due on the next following Business Day.
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7.2.b If Buyer, in good faith, disputes the amount of any invoice or any part of such invoice, Buyer will pay to Seller such amount as Buyer concedes to be correct; provided that, if Buyer disputes the amount due, Buyer must provide, by the Payment Date, supporting documentation acceptable in industry practice to support the amount paid or disputed. Within 3 Business Days following resolution of the invoice dispute, any underpayments or overpayments shall be paid or refunded with accrued interest at the Interest Rate for the period from the date of underpayment or overpayment until paid.

7.3 In the event any payments are due Buyer under this Contract, payment to Buyer shall be made in accordance with this Section 7 *mutatis mutandis*.

7.4 If a party fails to remit the full amount payable by it when due, interest at the Interest Rate on the unpaid portion shall accrue from the date due until the date of payment.

7.5 Payment shall be made in the currency of the Contract Price.

7.6 The parties shall net all same currency amounts due and owing, and/or past due, arising under this Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of the Credit Annex or any other credit support document or agreement shall be subject to netting under this or any other provision of this

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Contract. In the event that the parties have executed a separate netting agreement, the terms and conditions in that separate netting agreement shall prevail.

7.7 A Performing Party may accelerate the payment owed by the Non-Performing Party related to a Non-Performance by sending to the Non-Performing Party an invoice ("Accelerated Payment Invoice") for the amounts due it under Section 3.2, setting forth the calculation of such amounts and a statement that pursuant to this Section 7.7 such amount is due in 3 Business Days. If the Performing Party does not deliver an Accelerated Payment Invoice, amounts payable pursuant to Section 3.2 shall be invoiced and payable in accordance with Sections 7.1 and 7.2. The Non-Performing Party must pay the Accelerated Payment Invoice when due and the Non-Performing Party: (i) shall not be entitled to net amounts owed to it under this Contract by the Performing Party against its obligation to make payment on an Accelerated Payment Invoice; and (ii) shall, notwithstanding Section 7.2, pay the full amount of the Accelerated Payment Invoice despite any dispute it may have as to the amount owing under such Accelerated Payment Invoice. To the extent any disputed amount is subsequently resolved in favour of the Non-Performing Party, the Performing Party shall promptly pay such amount to the Non-Performing Party with accrued interest at the Interest Rate for the period from the date of dispute until the disputed amounts are paid in full.

7.8 A party shall have the right, at its own expense, upon reasonable notice and at reasonable times, to examine the books and records of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under this Contract. This examination right shall not be available with respect to proprietary information not directly relevant to Transactions. All invoices shall be conclusively presumed final and accurate unless objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 days of notice and substantiation of such inaccuracy.

SECTION 8 - TITLE, WARRANTY AND INDEMNITY

8.1 Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2 Seller warrants that Seller will have the right to convey and will transfer good and merchantable title to all Gas sold under this Contract and delivered by Seller to Buyer, free and clear of all liens, encumbrances, and claims.

8.3 Seller agrees to indemnify Buyer and save Buyer harmless from all losses, liabilities and claims, including, without limitation, reasonable legal fees, on a solicitor and its client basis, and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save Seller harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4 Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5, or Seller's warranty obligations pursuant to Section 8.2.

SECTION 9 - NOTICES

9.1 All Transaction Confirmations, invoices, payments and other communications made pursuant to this Contract ("Notices") shall be in writing and made to the addresses for Notices specified by each party as indicated on the Cover Sheet or such addresses for Notices as specified from time to time by a party in a subsequent Notice.

9.2 Notices may be delivered personally or by courier, or sent by facsimile or mutually agreeable electronic means.

9.3 Notice is deemed made on the day of delivery if delivered personally or by courier, or on the day sent by facsimile or mutually agreeable electronic means, provided that in all such cases such day is a Business Day and the

Notice is received prior to 5:00 p.m. on such day. Otherwise, such Notice will be deemed made on the next following Business Day.

SECTION 10 - FINANCIAL RESPONSIBILITY, DEFAULTS AND REMEDIES

10.1.a If a party has reasonable grounds for insecurity regarding the payment, performance or enforceability of any obligation under this Contract, such party may demand Performance Assurance, whether or not an Event of Default or Non-Performance has occurred, which Performance Assurance shall be provided by the other party by (i) the end of the next Business Day after the demand is received if the demand is received by 12:00 noon on a Business Day, or (ii) the end of the 2nd Business Day after the demand is received if the demand is received after 12:00 noon on a Business Day. The Performance Assurance shall not exceed the Net Settlement Amount, calculated as of the date of the demand, as if all Transactions had been terminated. Notwithstanding the foregoing provisions of this Section 10.1.a, if the Non-Defaulting Party has designated an Early Termination Date, then the Defaulting Party may not demand Performance Assurance under this Section 10.1.a.

10.1.b The party demanding Performance Assurance may, until such Performance Assurance is provided, withhold any amounts owed to the other party under this Contract or any other agreement between the parties (whether or not yet due) and setoff against such withheld amounts any amounts owed to the party demanding Performance Assurance under this Contract (whether or not yet due).

10.2 If a party ("Payer") does not pay the other party ("Payee") any amount owed to Payee in accordance with Section 7, then Payee may, immediately upon giving Notice to Payer, exercise any or all of the following remedies: (i) suspend its performance under all Transactions under this Contract; (ii) withhold any amounts owed to Payer under this Contract or any other agreement between the parties (whether or not yet due); and (iii) setoff against such withheld amounts any amounts owed to Payee under this Contract (whether or not yet due). If Payee suspends its performance pursuant to this Section 10.2, Payee shall, for the period of the suspension, be entitled to damages calculated in accordance with Section 3.2, with Payee treated as the Performing Party under Section 3.2 for the purposes of this Section 10.2 and, for the purposes of Section 4.3, Payer shall be deemed to have caused any Imbalance Charges that accrue during the suspension period. If Payee has suspended performance under this Section 10.2 and Payer has paid all amounts owed to Payee in accordance with Section 7 and Payee has not designated an Early Termination Date pursuant to Section 10.3, then, promptly after such payment has been made, the parties shall resume performance under this Contract.

10.3 If an Event of Default occurs and is continuing with respect to a party ("Defaulting Party"), then the other party ("Non-Defaulting Party") shall have the right to exercise any or all of the following remedies: (i) if the Non-Defaulting Party has not previously suspended performance pursuant to Section 10.2, immediately upon giving Notice to the Defaulting Party, to suspend the Non-Defaulting Party's performance under all Transactions under this Contract; (ii) without Notice, to withhold or continue to withhold any amounts owed to the Defaulting Party under this Contract or any other agreement between the parties (whether or not yet due) and setoff against such withheld amounts any amounts owed the Non-Defaulting Party under this Contract (whether or not yet due); and (iii) to terminate, accelerate and liquidate all Transactions then outstanding (or not yet commenced) in accordance with the provisions of this Section 10 by providing Notice to the Defaulting Party designating an early termination date, which date shall be between 1 and 20 Business Days following the Event of Default but no earlier than the effective date of the Notice, on which date all such Transactions shall terminate ("Early Termination Date"). For the purposes of Section 4.3, if the Non-Defaulting Party suspends its performance under Section 10.3(i), the Defaulting Party shall be deemed to have caused any Imbalance Charges that accrue during the suspension period. If a Non-Defaulting Party has suspended performance under Section 10.2 or 10.3 and (A) the Defaulting Party remedies the Event of Default prior to receipt of Notice from the Non-Defaulting Party designating the Early Termination Date; or (B) the Defaulting Party does not remedy the Event of Default and the Non-Defaulting Party has not designated an Early Termination Date within such 20 Business Days, then the parties shall promptly thereafter resume performance under this Contract.

10.4.a As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner: (i) the amount owed (whether or not then due or invoiced) by each party with respect to all Gas delivered and received between the parties under all terminated Transactions on and before the Early Termination Date and all other amounts owing by each party to the other party under this Contract (including, without limitation, any amounts owing under Sections 3.2, 4.3 and 7.1) for which payment has not yet been made by the party that owes such

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payment under this Contract ("Unpaid Amounts"), and (ii) the Termination Payment owed by one party to the other under each Transaction.

10.4.b The Non-Defaulting Party shall net or aggregate, as appropriate, all: (i) Termination Payments; (ii) Costs; and (iii) Unpaid Amounts, to a single liquidated amount payable by one party to the other party (the single resulting amount being the "Net Settlement Amount").

10.4.c At its sole option and without Notice to the Defaulting Party, the Non-Defaulting Party may net or setoff against any Net Settlement Amount owing by the Non-Defaulting Party to the Defaulting Party any amounts owing to the Non-Defaulting Party by the Defaulting Party under any other agreement between the parties (the single resulting amount being the "Final Liquidation Amount").

10.4.d If any amount to be included in the Final Liquidation Amount is unascertained, the Non-Defaulting Party may estimate in good faith the amount to be included, and once it is ascertained, the Final Liquidation Amount shall be subject to further adjustment by the Non-Defaulting Party, if applicable. Interest at the Interest Rate shall accrue on any underpayments or overpayments determined to have occurred from any such adjustment from the date of the underpayment or overpayment until paid.

10.4.e Once the Non-Defaulting Party has made the necessary calculations, it shall provide Notice to the Defaulting Party of the Final Liquidation Amount, setting forth in reasonable detail how such calculations were made together with supporting documentation. Failure to give such Notice shall not affect the validity or enforceability of the Final Liquidation Amount or give rise to any claim by the Defaulting Party against the Non-Defaulting Party for failure to give such Notice.

10.4.f The Final Liquidation Amount shall be paid: (i) if due from the Defaulting Party to the Non-Defaulting Party, by the Defaulting Party within 2 Business Days of Notice of the Final Liquidation Amount; or (ii) if due from the Non-Defaulting Party to the Defaulting Party, by the Non-Defaulting Party on the 25th day of the Month following the Month in which the Early Termination Date occurs. The Final Liquidation Amount, if payable by the Defaulting Party, shall be paid in full by the Defaulting Party, even if all or any part of the Final Liquidation Amount is in dispute. To the extent any disputed amount is subsequently resolved in favour of the Defaulting Party, the Non-Defaulting Party shall promptly pay such amount to the Defaulting Party with accrued interest at the Interest Rate for the period from the date of dispute until the disputed amounts are paid in full.

10.4.g With respect to this Section 10, if the parties have executed a separate netting agreement, the terms and conditions set forth in that separate netting agreement concerning the calculation of the Final Liquidation Amount shall prevail to the extent they are inconsistent with the provisions of this Contract.

10.4.h Upon the designation of an Early Termination Date in accordance with Section 10.3, the Non-Defaulting Party may (i) exercise any of the rights and remedies of a secured party with respect to all Performance Assurance or other support then available to the Non-Defaulting Party, and/or (ii) draw on any outstanding letter of credit issued for the Non-Defaulting Party's benefit, subject in each case to the Credit Annex, if any, and the Non-Defaulting Party's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

10.5 In the event a party is a Non-Performing Party, the Performing Party shall have the right to: (i) withhold any or all payments due the Non-Performing Party under this Contract for the period of the applicable Non-Performance and net or setoff amounts due the Performing Party against such withheld amounts; (ii) during the period of the applicable Non-Performance, upon at least 1 Business Day's Notice, suspend its performance under any or all Transactions; and/or (iii) if the Non-Performing Party fails to pay any Accelerated Payment Invoice when due, the Performing Party may, without further Notice to the Non-Performing Party, declare an Early Termination Date with respect to the particular Transaction to which the Non-Performance relates in accordance with Section 10.3. The failure of the Performing Party to exercise any of the rights or remedies contained in this Section 10.5 shall not constitute a waiver of the Non-Performance, the requirement for payment as contemplated by Section 3.2 or any of the other rights or remedies of the Performing Party in connection with such matters.

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SECTION 11 - FORCE MAJEURE

11.1 Except with regard to a party's obligation to make payment due under this Contract, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such performance is prevented by Force Majeure.

The parties have selected either the "Option A" version or the "Option B" version as indicated on the Cover Sheet.
Option A:
11.2 "Force Majeure" means any event not reasonably within the control of the Claiming Party which event prevents or restricts delivery by Seller or receipt by Buyer, as applicable, of Gas pursuant to a Transaction, including, without limitation, the following events: (i) physical events such as acts of God; landslides; lightning; earthquakes; fires; storms or storm warnings, such as hurricanes, resulting in evacuation of the affected area; floods; washouts; explosions; breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather-related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption or curtailment of firm transportation or storage by Transporters or storage operators; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, terrorist acts, insurrections or wars; or (v) compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction.
Option B:
11.2.a If the Delivery Point is NIT, "Force Majeure" means any one or more of the following events which prevents or restricts delivery by Seller or receipt by Buyer, as applicable, of Gas at NIT: (i) an interruption, curtailment or pro-rationing by NOVA of firm NIT service which affects all NOVA shippers who had nominated for firm deliveries or firm receipts to take place by NIT on that Day; or (ii) compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction; provided that, on any Day or any portion of a Day when there is a Force Majeure and either party provides Notice of the Force Majeure to the other, Seller shall deliver to Buyer, and Buyer shall receive from Seller, that percentage of the Contract Quantity which is equal to the percentage amount of Gas which according to NOVA has been nominated by all NOVA shippers for NIT and which NOVA is not interrupting, curtailing or pro-rationing on the Day or that portion of a Day.
11.2.b If the Delivery Point is a Liquid Delivery Point, "Force Majeure" means any one or more of the following events which prevents or restricts delivery by Seller or receipt by Buyer, as applicable, of Gas at a Liquid Delivery Point: (i) an interruption, curtailment, or pro-rationing by a Transporter, or storage operator, of firm service at the Liquid Delivery Point, regardless of the reasons therefor; or (ii) compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction; provided that this Section 11.2.b shall not apply if the parties have not expressly identified any Liquid Delivery Points.
11.2.c If the Delivery Point is other than NIT or a Liquid Delivery Point, "Force Majeure" has the meaning set forth in Option A.

11.3 This Section 11.3 is applicable only if the parties have selected either Option A above or if Section 11.2.c of Option B above applies. Neither party shall be entitled to the benefit of the provisions of Section 11 to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary firm transportation unless primary, in path, firm transportation is also curtailed; (ii) the Claiming Party having failed to avoid the adverse implications, or to remedy the condition in accordance with Section 11.4 and to resume the performance of such covenants or obligations with reasonable dispatch, or to provide timely notification in accordance with Section 11.5; (iii) economic hardship, including, without limitation, lack of finances, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price; (iv) a regulatory agency disallowing, in whole or in part, the pass-through of costs resulting from this Contract; or (v) scheduled maintenance by a Transporter or storage operator, provided that notice of such scheduled maintenance has been provided by such Transporter or storage operator at or prior to the time the parties entered into the Transaction.

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11.4 The Claiming Party shall make commercially reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event once it has occurred in order to resume performance; provided that the parties agree that nothing contained in this Section 11 shall require: (i) the settlement of strikes, lockouts or other industrial disturbances except in the sole discretion of the party experiencing such disturbance; (ii) the extension of the Delivery Period of any Transaction; (iii) the parties to make up any quantity of Gas they would otherwise have been obligated to sell and purchase during any period when Force Majeure was validly claimed; (iv) Seller to deliver, or Buyer to receive, the Gas at a point other than the Delivery Point; or (v) Seller to purchase replacement Gas at a price greater than the Contract Price.

11.5 The Claiming Party must provide notification to the other party of the occurrence of the Force Majeure. Initial notification may be given orally; provided that, as a condition precedent to claiming relief under this Section 11.5, the Claiming Party must give Notice with reasonably full particulars of the event as soon as reasonably possible. Notwithstanding Section 9, such Notice shall be deemed effective at the onset of the occurrence of the Force Majeure, and the Claiming Party will be relieved of its obligation to make or accept delivery of Gas, as applicable, to the extent and for the duration of the Force Majeure. For the purposes of Section 4.3, in the event of a Force Majeure, Claiming Party shall be deemed to have caused any Imbalance Charges arising from the interruption or curtailment of Firm deliveries or receipts due to the Force Majeure.

11.6 If a Force Majeure only partially affects the Claiming Party's ability to perform its purchase or sale obligations at a Delivery Point, the Claiming Party shall curtail its interruptible obligations at such Delivery Point to the extent required to meet its Firm obligations under this Contract. If, after completely curtailing all of its interruptible obligations, the Claiming Party is still unable to meet its Firm obligations under this Contract, then such affected party may, to the extent permitted by the applicable Transporter(s), reduce its Firm obligations under this Contract by the same percentage that all of its other firm obligations at the Delivery Point are reduced, without regard to the price paid under any transaction between the Claiming Party and the other firm customers or suppliers, as applicable, of the Claiming Party.

SECTION 12 - TERM

12.1 This Contract may be terminated by either party on 30 days' Notice, but shall remain in effect until the expiration of the latest Delivery Period of all Transaction(s). The rights of either party pursuant to Section 7.8, the obligations of either party pursuant to Section 14.10, the obligations to make payment under this Contract, and the obligation of either party to indemnify the other party pursuant to this Contract, shall survive the termination of this Contract.

SECTION 13 - LIMITATIONS

13.1.a EXCEPT AS SET FORTH IN SECTION 8, THE SPECIAL PROVISIONS OR THE APPLICABLE TRANSACTION CONFIRMATION, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED.

13.1.b FOR BREACH OF ANY PROVISION OF THIS CONTRACT FOR WHICH AN EXPRESS MEASURE OF DAMAGES IS PROVIDED IN THIS CONTRACT, A PARTY'S LIABILITY FOR DAMAGES FOR THAT BREACH SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO EXPRESS MEASURE OF DAMAGES IS PROVIDED IN THIS CONTRACT, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND ALL OTHER DAMAGES AT LAW OR IN EQUITY ARE WAIVED.

13.1.c EXCEPT TO THE EXTENT PROVIDED IN THIS CONTRACT AS AN EXPRESS MEASURE OF DAMAGES, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, ARISING BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE.

13.1.d IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES IN THIS SECTION 13.1 BE WITHOUT REGARD TO THE RELATED CAUSE OR CAUSES,

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INCLUDING, WITHOUT LIMITATION, THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

13.1.e TO THE EXTENT THAT ANY DAMAGES REQUIRED TO BE PAID UNDER THIS CONTRACT ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE MEASURE OF DAMAGES IS DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR THAT OTHERWISE OBTAINING AN ADEQUATE MEASURE OF DAMAGES IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER THIS CONTRACT, INCLUDING, WITHOUT LIMITATION, DAMAGES UNDER SECTIONS 3.2 AND 10.4, CONSTITUTE REASONABLE APPROXIMATIONS OF THE HARM OR LOSS SUFFERED AND ARE NOT INTENDED AS PENALTIES.

13.1.f NOTHING IN THIS SECTION 13.1 SHALL LIMIT THE RIGHT OF A PARTY TO RECOVER OR ENFORCE A RIGHT TO DAMAGES PERMITTED BY THIS CONTRACT.

13.1.g EXCEPT AS LIMITED IN THIS SECTION 13.1, SECTION 3.2, THE SPECIAL PROVISIONS OR THE APPLICABLE TRANSACTION CONFIRMATION, EACH PARTY RESERVES TO ITSELF ANY AND ALL RIGHTS, REMEDIES, SETOFFS, COUNTERCLAIMS AND DEFENCES THAT MAY BE AVAILABLE TO IT AT LAW OR IN EQUITY IN RESPECT OF THE SUBJECT MATTER OF THIS CONTRACT.

SECTION 14 - MISCELLANEOUS

14.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties to this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party, which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds of this Contract in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon assignment, transfer and assumption, the assignor or transferor, as applicable, shall remain principally liable for and shall not be relieved of nor discharged from any obligations under this Contract without the written consent of the non-assigning party.

14.2 If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

14.3 No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach, and any waiver of any breach of this Contract by a party shall not be effective unless it is in writing.

14.4 This Contract sets forth all understandings between the parties respecting each Transaction, and any prior contracts, understandings and representations, whether oral or written, relating to such Transactions are merged into and superseded by this Contract. The Base Contract may be amended only by a writing executed by both parties.

14.5 This Contract shall be governed by, construed and enforced in accordance with the applicable laws of the jurisdiction selected on the Cover Sheet, excluding however, any conflict of laws rule which would apply the law of another jurisdiction, and the parties agree to surrender and attorn to the non-exclusive jurisdiction of the courts of the jurisdiction specified on the Cover Sheet for the resolution of any disputes arising under or in connection with this Contract.

14.6 This Contract and all provisions in this Contract will be subject to all applicable and valid statutes, rules, orders and regulations of any Federal, State, Province, or local governmental authority having jurisdiction over the parties, their facilities, Gas supply, or this Contract.

14.7 There is no third party beneficiary to this Contract.

**GasEDI BASE CONTRACT FOR SALE AND PURCHASE OF NATURAL GAS
GENERAL TERMS AND CONDITIONS
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14.8 Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each party represents and warrants that each person who executes this Contract on behalf of such party has the full and complete authority to do so.

14.9 The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

14.10.a Neither party shall disclose directly or indirectly without the prior written consent of the other party, the terms of any Transaction, this Contract, or any information obtained pursuant to Section 7.8, to a third party (other than the Affiliates, employees, lenders, credit rating agencies, royalty owners, counsel, accountants and other agents or advisers of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons have a need to know and shall have agreed to keep such information confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule; (ii) to the extent necessary for the enforcement of this Contract; (iii) to the extent necessary to implement any Transaction; or (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any Transaction (other than as permitted under this Contract) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. In accordance with and subject to Section 13.1, the parties shall be entitled to all remedies available to them at law or in equity, including, without limitation, injunctive remedies, to enforce, or to seek relief in connection with, this confidentiality obligation. The confidentiality obligation set forth in this Section 14.10.a shall remain in full force and effect until the later of: (A) one year following termination of this Contract; or (B) two years following receipt of information obtained pursuant to Section 7.8.

14.10.b In the event that disclosure is required in order to comply with any applicable law, order, regulation, or exchange rule, the party subject to such requirement may disclose the relevant information to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

14.11 It is the intention of the parties that this Contract, and any guarantee of a party's liabilities under this Contract, shall each constitute an "eligible financial contract" within the meaning of the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Winding-Up and Restructuring Act (Canada), and other Canadian insolvency legislation, and in that regard, each party represents and warrants to the other party (and such representation and warranty shall be deemed to be repeated at the time each Transaction is entered into) that: (i) its business consists, in whole or in part, of entering into "eligible financial contracts" for the purposes of managing its financial risk arising out of commodity price fluctuations; and (ii) it is entering into each Transaction in connection with the management of its financial risk arising out of commodity price fluctuations. To the extent that this Contract is, or the parties are, subject to the application of the United States Bankruptcy Code, it is the intention of the parties that this Contract shall constitute a "forward contract", and in that regard, each party represents and warrants to the other party (and such representation and warranty shall be deemed to be repeated at the time each Transaction is entered into) that it is a "forward contract merchant", in each case, within the meaning of that legislation.

14.12 For currency conversions required under this Contract, to convert Canadian or United States currency to the other, the parties shall use the average of the Bank of Canada posted noon spot exchange rates as quoted for each Day during the Month during which Gas was, or was obligated to be, delivered and received.

14.13 Each party irrevocably waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Contract.

14.14 The United Nations Convention on Contracts for International Sale of Goods is specifically excluded from application to this Contract.

GasEDI BASE CONTRACT FOR SALE AND PURCHASE OF NATURAL GAS

GENERAL TERMS AND CONDITIONS

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DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings, and make more definite, the terms of contracts for sale, purchase or exchange of natural gas. GasEDI does not mandate the use of this Contract by any party. **GasEDI DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO GasEDI'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART OF THIS CONTRACT, INCLUDING, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT GasEDI KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL GasEDI BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: ●, year

The parties to this Base Contract are the following:

PARTY A Gaz Metro Limited Partnership, per its general partner Gaz Metro inc.	<i>PARTY NAME</i>	PARTY B Please provide
1717 du Havre Street Montreal (Quebec) H2K 2X3	<i>ADDRESS</i>	Please provide
www.gazmetro.com	<i>BUSINESS WEBSITE</i>	Please provide
	<i>CONTRACT NUMBER</i>	Please provide
	<i>D-U-N-S® NUMBER</i>	Please provide
<input type="checkbox"/> US FEDERAL: <input checked="" type="checkbox"/> OTHER: Canadian GST: Quebec PST:	<i>TAX ID NUMBERS</i>	<input checked="" type="checkbox"/> US FEDERAL: Please provide <input checked="" type="checkbox"/> OTHER: GST: Please provide
Québec	<i>JURISDICTION OF ORGANIZATION</i>	Alberta
<input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input checked="" type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____	<i>COMPANY TYPE</i>	<input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____
	<i>GUARANTOR (IF APPLICABLE)</i>	
CONTACT INFORMATION		
OPERATIONS, GAS CONTROL CENTER	▪ <i>COMMERCIAL</i>	GAS DESK
ATTN: Phone: Fax: E-mail:		ATTN: Please provide Phone: Please provide Fax: Please provide Email: Please provide
OPERATIONS, GAS CONTROL CENTER	▪ <i>SCHEDULING</i>	GAS SCHEDULING
ATTN: Phone: Fax: E-mail:		ATTN: Please provide Phone: Please provide Fax: Please provide Email: Please provide
LEGAL AFFAIRS	▪ <i>CONTRACT AND LEGAL NOTICES</i>	CONTRACT ADMINISTRATION
ATTN: Phone: Fax: E-mail:		ATTN: Please provide Phone: Please provide Fax: Please provide Email: Please provide
CONTRACT AND ADMINISTRATION, GAS SUPPLY	▪ <i>CREDIT</i>	CREDIT RISK
ATTN: Phone: Fax: Email:		ATTN: Please provide Phone: Please provide Fax: Please provide Email: Please provide
OPERATIONS, GAS CONTROL CENTER	▪ <i>TRANSACTION CONFIRMATIONS</i>	CONFIRMATIONS GROUP
ATTN: Phone: Fax: E-mail:		ATTN: Please provide Phone: Please provide Fax: Please provide Email: Please provide
ACCOUNTING INFORMATION		
CONTRACT AND ADMINISTRATION, GAS SUPPLY	▪ <i>INVOICES</i> ▪ <i>PAYMENTS</i> ▪ <i>SETTLEMENTS</i>	BILLING GROUP / PAYMENT GROUP
ATTN: Phone: Fax: E-mail:		ATTN: Please provide Phone: Please provide Fax: Please provide Email: Please provide
IF CANADIAN DOLLAR SETTLEMENTS: Bank Branch #: Swift Code: Transit & Account #:	<i>WIRE TRANSFER NUMBERS (IF APPLICABLE)</i>	IF CANADIAN DOLLAR SETTLEMENTS: Bank Please provide address, Postal code Branch #: Provide Swift Code: Provide, if available Transit & Account #: Provide both transit and account #
IF US DOLLAR SETTLEMENTS US Bank Swift Code: ; ABA: For further account to Bank, :		IF US DOLLAR SETTLEMENTS Please provide name of bank Please provide complete address including postal code Please provide Transit & Account #s For further account to: please provide, if needed

Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

Section 1.2 Transaction Procedure <input checked="" type="checkbox"/> Oral (default) OR <input type="checkbox"/> Written	Section 10.2 Additional Events of Default <input checked="" type="checkbox"/> No Additional Events of Default (default) <input type="checkbox"/> Indebtedness Cross Default <input type="checkbox"/> Party A: _____ <input type="checkbox"/> Party B: _____ <input type="checkbox"/> Transactional Cross Default <u>Specified Transactions:</u> _____ _____ _____
Section 2.7 Confirm Deadline <input checked="" type="checkbox"/> 2 Business Days after receipt (default) OR <input type="checkbox"/> 5 Business Days after receipt	
Section 2.8 Confirming Party <input type="checkbox"/> Seller (default) OR <input type="checkbox"/> Buyer <input checked="" type="checkbox"/> Both parties may confirm, Gaz Métro shall confirm	
Section 3.2 Performance Obligation <input checked="" type="checkbox"/> Cover Standard (default) OR <input type="checkbox"/> Spot Price Standard	Section 10.3.1 Early Termination Damages <input checked="" type="checkbox"/> Early Termination Damages Apply (default) OR <input type="checkbox"/> Early Termination Damages Do Not Apply
Note: The following Spot Price Publication applies to both of the immediately preceding.	
Section 2.31 Spot Price Publication <input type="checkbox"/> Gas Daily Midpoint (default) OR <input checked="" type="checkbox"/> See Exhibit B	Section 10.3.2 Other Agreement Setoffs <input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default) <input checked="" type="checkbox"/> Bilateral (default) <input type="checkbox"/> Triangular OR <input type="checkbox"/> Other Agreement Setoffs Do Not Apply
Section 6 Taxes <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) OR <input type="checkbox"/> Seller Pays Before and At Delivery Point	
Section 7.2 Payment Date <input checked="" type="checkbox"/> 25 th Day of Month following Month of delivery (default) OR <input type="checkbox"/> Day of Month following Month of delivery	Section 15.5 Choice Of Law Province or Country
Section 7.2 Method of Payment <input checked="" type="checkbox"/> Wire transfer (default) <input type="checkbox"/> Automated Clearinghouse Credit (ACH) <input type="checkbox"/> Check <input checked="" type="checkbox"/> Electronic Funds Transfer	Section 15.10 Confidentiality <input checked="" type="checkbox"/> Confidentiality applies (default) OR <input type="checkbox"/> Confidentiality does not apply
Section 7.7 Netting <input checked="" type="checkbox"/> Netting applies (default) OR <input type="checkbox"/> Netting does not apply	
<input checked="" type="checkbox"/> Special Provisions Number of sheets attached: 8 <input checked="" type="checkbox"/> Addendum(s): Canadian Addendum	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

Gaz Metro Limited Partnership, per its general partner Gaz Métro Inc.	<i>PARTY NAME</i>	
	<i>SIGNATURE</i>	
	<i>PRINTED NAME</i>	Insert Name
	<i>TITLE</i>	Insert Title
	<i>SIGNATURE</i>	
	<i>PRINTED NAME</i>	Insert Name
	<i>TITLE</i>	Insert Title

General Terms and Conditions Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

- 2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.
- 2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.
- 2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.
- 2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).
- 2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.
- 2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.
- 2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.13. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.
- 2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.21. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.

- 2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.23. "Indebtedness Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.
- 2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.
- 2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.
- 2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.
- 2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.
- 2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- 2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.
- 2.31. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.
- 2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.
- 2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.
- 2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.
- 2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

- 3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

- 3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover

Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either “Early Termination Damages Apply” or “Early Termination Damages Do Not Apply” as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, “Contract Value” means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and “Market Value” means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to “evergreen provisions”) shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either “Other Agreement Setoffs Apply” or “Other Agreement Setoffs Do Not Apply” as indicated on the Base Contract.

Other Agreement Setoffs Apply:**Bilateral Setoff Option:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

Triangular Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by

Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this

confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

TRANSACTION CONFIRMATION
 FOR IMMEDIATE DELIVERY

EXHIBIT A

Letterhead/Logo	Date: _____, ____ Transaction Confirmation #: _____	
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.		
SELLER: _____ _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	BUYER: _____ _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	
Contract Price: \$_____/MMBtu or _____		
Delivery Period: Begin: _____, ____ End: _____, ____		
Performance Obligation and Contract Quantity: (Select One)		
Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP	Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	Interruptible: Up to _____ MMBtus/day
Delivery Point(s): _____ (If a pooling point is used, list a specific geographic and pipeline location):		
Special Conditions: 		
Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____	

Base Contract for Sale and Purchase of Natural Gas

Canadian Addendum

This Canadian Addendum ("Canadian Addendum") is entered into as of the following date: ●, YEAR

The parties to this Canadian Addendum are the following:

PARTY A GAZ MÉTRO LIMITED PARTNERSHIP	PARTY NAME	PARTY B
1717 rue du Havre, Montréal, Québec, H2K 2X3	ADDRESS	
www.gazmetro.com	BUSINESS WEBSITE	
	CONTRACT NUMBER	--
	CONTRACT DATE	
	D-U-N-S® NUMBER	Please provide
<input type="checkbox"/> US FEDERAL: <input checked="" type="checkbox"/> CANADIAN GST: <input checked="" type="checkbox"/> QUEBEC QST:	TAX ID NUMBERS	<input checked="" type="checkbox"/> US FEDERAL: Please provide <input checked="" type="checkbox"/> CANADIAN GST: Please provide <input type="checkbox"/> OTHER:

IN WITNESS WHEREOF, the parties hereto agree to the terms and conditions set forth herein and have executed this Canadian Addendum in duplicate.

Gaz Metro Limited Partnership, per its general partner Gaz Metro Inc.	PARTY NAME	
	SIGNATURE	
	PRINTED NAME	Please provide name
	TITLE	Please provide title
	SIGNATURE	
	PRINTED NAME	Please provide name
	TITLE	Please provide title

Addendum: This Canadian Addendum constitutes an addendum to that certain Base Contract for Sale and Purchase of Natural Gas, as identified above, between the parties ("Base Contract"), and supplements and amends the Base Contract affecting transactions thereunder. Capitalized terms used in this Canadian Addendum which are not herein defined will have the meanings ascribed to them in the Base Contract.

The parties hereby agree to the following provision. In the event the parties fail to check a box, the default provision for this section shall apply. **Select only 1 box from this section:**

Section 2.31: Spot Price Publication: Delete the selection made on the cover page of the Base Contract and replace it with the following:

- Canadian Gas Price Reporter (default)
 Gas Daily Midpoint

The parties hereby agree to the following provision. In the event the parties fail to check a box, the default provision for this section shall apply. **Select only 1 box from this section:**

Section 10.4: Termination Currency

- U. S. Dollars (default)
- Canadian Dollars
- Either currency may be used

The parties hereby agree to the following provision. In the event the parties fail to check a box, the default provision for this section shall apply. **Select only 1 box from this section:**

Section 15.5: Choice of Law: If a selection is made herein, delete the selection made on the cover page of the Base Contract and replace it with the following:

- Province of Alberta, Canada (default)
- _____

Delete the last sentence of Section 1.3 and replace it with the following:

“In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Special Provisions to the Base Contract, if applicable (iv) the Canadian Addendum, (v) other addendums to the Base Contract executed between the parties and (vi) the General Terms and Conditions of the Base Contract as limited by selections on its cover pages, the terms of the documents shall govern and have priority in the sequence listed in this sentence.”

Delete Section 2.2 and replace it with the following:

2.2.1 “Affiliate” shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “control” of any entity or person means ownership of at least 50 percent of the voting power of the entity or person; and “entity” shall include a partnership of any kind.

Delete Section 2.3 and replace it with the following:

2.3 “Alternative Damages” shall mean such damages, expressed in United States dollars or United States dollars per MMBtu, or Canadian dollars or Canadian dollars per GJ, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

Delete Section 2.6 and replace it with the following:

2.6 “Business Day” shall mean any day except Saturday, Sunday, or a statutory or banking holiday observed in the jurisdiction specified pursuant to Section 14.5. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time for the relevant party’s principal place of business. The relevant party, in each instance unless otherwise specified, shall be the party to whom the Notice is being sent and by whom the Notice is to be received.

Delete Section 2.10 and replace it with the following:

2.10 “Contract Price” shall mean, if the Delivery Point is in the United States, the amount expressed in U.S. Dollars per MMBtu or, if the Delivery Point is in Canada, the amount expressed in Canadian Dollars per GJ, unless specified otherwise in a transaction, to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.

Delete Section 2.13 and replace it with the following:

2.13 "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as an irrevocable standby letter of credit, a margin agreement, a security interest in an asset, a guaranty, Other Credit Support in the Form of Cash as described in Section 10.1(b), or other good and sufficient security of a continuing nature.

Delete Section 2.21 and replace it with the following:

2.21 "Guarantor" shall mean any entity that has provided a guaranty of the Financial Obligations of a party hereunder.

Add the following as Section 2.36:

2.36 "GJ" shall mean 1 gigajoule; 1 gigajoule = 1,000,000,000 Joules. The standard conversion factor between Dekatherms and GJ's is 1.055056 GJ's per Dekatherm.

Add the following as Section 2.37:

2.37 "Joule" shall mean the joule specified in the SI system of units.

Add the following as Section 2.38:

2.38 "Termination Currency Equivalent" shall mean, in respect of any amount denominated in a currency other than the Termination Currency (the "Other Currency"), the amount in the Termination Currency that the Non-Defaulting Party would be required to pay, on the Early Termination Date, to purchase such amount of Other Currency for spot delivery, as determined by the Non-Defaulting Party in a commercially reasonable manner.

Add the following as Section 2.39:

2.39 "Cash" or "cash" shall mean lawful currency of Canada or the United States of America, as the case may be.

Add the following as Section 2.40:

2.40 "Financial Obligations" shall mean with respect to a party, all present and future debts, liabilities and financial obligations, direct or indirect, absolute or contingent, matured or not, extended or renewed, of that party under the Base Contract including, but not limited to, Credit Support Obligation(s).

Delete Section 5 and replace it with the following:

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry or one GJ, as agreed to by the parties in a transaction. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

Add the following to Section 6:

Sections 6.2, 6.3 and 6.4 apply if the Delivery Point is in Canada.

6.2 The Contract Price does not include any amounts payable by Buyer for the goods and services tax ("GST") imposed pursuant to the Excise Tax Act (Canada) ("ETA") or any similar or replacement value added or sales or use tax enacted under successor legislation. Notwithstanding whether the parties have selected "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract, Buyer will pay to Seller the amount of GST payable for the purchase of Gas in addition to all other amounts payable under the Contract. Seller will hold the GST paid by Buyer and will remit such GST as required by law. Buyer and Seller will provide each other with the information required to make such GST remittance or claim any corresponding input tax credits, including GST registration numbers.

6.3 Where Buyer indicates to Seller that Gas will be exported from Canada, the following shall apply:

6.3.1 Where Buyer is not registered for GST under the ETA and Buyer indicates to Seller that Gas will be exported from Canada, Buyer may request Seller treat such Gas as "zero-rated" Gas for export within the meaning of the ETA for billing purposes. If Seller, in its sole discretion, agrees to so treat such Gas, then Buyer hereby declares, represents and warrants to Seller that Buyer will: (i) export such Gas as soon as is reasonably possible after Seller delivers such Gas to Buyer (or after such Gas is delivered to Buyer after a zero-rated storage service under the ETA) having regard to the circumstances surrounding the export and, where applicable, normal

business practice; (ii) not acquire such Gas for consumption or use in Canada (other than as fuel or compressor gas to transport such Gas by pipeline) or for supply in Canada (other than to supply natural gas liquids or ethane the consideration for which is deemed by the ETA to be nil) before export of such Gas; (iii) ensure that, after such Gas is delivered and before export, such Gas is not further processed, transformed or altered in Canada (except to the extent reasonably necessary or incidental to its transportation and other than to recover natural gas liquids or ethane from such Gas at a straddle plant); (iv) maintain on file, and provide to Seller, if required, or to the Canada Customs and Revenue Agency, evidence satisfactory to the Minister of National Revenue of the export of such Gas by Buyer; and/or (v) comply with all other requirements prescribed by the ETA for a zero-rated export of such Gas.

6.3.2 Where Buyer is registered for GST under the ETA and Buyer indicates to Seller that Gas will be exported from Canada, Buyer may request Seller treat such Gas as “zero-rated” Gas for export within the meaning of the ETA for billing purposes, and Buyer hereby declares, represents and warrants to Seller that Buyer intends to export such Gas by means of pipeline or other conduit in circumstances described in Section 6.3.1 (i) to (iii).

6.3.3 Without limiting the generality of Section 8.3, Buyer indemnifies Seller for any GST, penalties and interest and all other damages and costs of any nature arising from breach of the declarations, representations and warranties contained in Section 6.3.1 or 6.3.2, or otherwise from application of GST to Gas declared, represented and warranted by Buyer to be acquired for export from Canada.

6.4 In the event that any amount becomes payable pursuant to the Contract as a result of a breach, modification or termination of the Contract, the amount payable shall be increased by any applicable Taxes or GST remittable by the recipient in respect of that amount.

Delete Section 7.5 and replace it with the following:

7.5 If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of: (i) if the amount payable is in United States currency, the then-effective prime rate of interest published under “Money Rates” by The Wall Street Journal, plus two percent per annum; or, if the amount payable is in Canadian currency, the per annum rate of interest identified from time to time as the prime lending rate charged to its most credit worthy customers for Canadian currency commercial loans by The Toronto Dominion Bank, Main Branch, Calgary, Alberta, Canada, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

Delete Section 7.7 and replace it with the following:

7.7 Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, in the same currency, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

Add the following as Section 7.8:

7.8 For each transaction, all associated payments shall be made in the currency of the Contract Price for such transaction.

Delete Section 8.4 in its entirety.

Delete Section 10.1 and replace it with the following:

10.1 If either party (“X”) has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party (“Y”) (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance or Other Credit Support in the Form of Cash, where:

- (i) “Adequate Assurance of Performance” shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to a standby irrevocable letter of credit, a prepayment in the form of cash, a security interest in an asset or a guaranty; or
- (ii) “Other Credit Support in the Form of Cash” shall mean: a) Y transfers to X Cash (excluding prepayment in the form of cash) as credit support, and b) the relationship between Y and X is a relationship of creditor and debtor, respectively, and (c) all right, title and interest in the Other Credit Support in the Form of Cash is transferred absolutely by Y to X. Although no security interest is created in Other Credit Support in the Form of Cash, Party Y hereby pledges to X as security for the Financial Obligations and grants to X a first priority continuing security interest in, lien on and right to setoff Other Credit

Support in the Form of Cash against any amounts payable by Y with respect to the Financial Obligations. This right of setoff can be exercised in the same circumstances as X can exercise its rights under Paragraph 10.3. Party X shall have the right to sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in its business any Other Credit Support in the Form of Cash transferred to it by Y in accordance with the terms hereof, free from any claim or right of any nature whatsoever of Y, including any equity or right of redemption by Y.

Upon the return by X to Y of such Adequate Assurance of Performance or Other Credit Support in the Form of Cash, as the case may be, the security interest and lien granted hereunder on that Adequate Assurance of Performance or Other Credit Support in the Form of Cash shall be released automatically and, to the extent possible, without any further action by either party.

In Section 10.2(vii) delete the term “Adequate Assurance of Performance” and substitute therefore the term “Adequate Assurance of Performance or Other Credit Support in the Form of Cash”.

Add the following as Section 10.3.4:

10.3.4 The Non-Defaulting Party shall use the Termination Currency Equivalent of any amount denominated in a currency other than the Termination Currency in performing any netting, aggregation or setoff required or permitted by Section 10.3.1 or 10.3.2.

Delete Section 10.4 and replace it with the following:

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid, in the Termination Currency, by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of: (i) if the amount payable is in United States currency, the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or, if the amount payable is in Canadian currency, the per annum rate of interest identified from time to time as the prime lending rate charged to its most credit worthy customers for Canadian currency commercial loans by The Toronto Dominion Bank, Main Branch, Calgary, Alberta, Canada, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

Delete Section 10.5 and replace it with the following:

10.5 The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code. The parties also agree that the transactions hereunder constitute an "eligible financial contract" within the meaning of the Bankruptcy and Insolvency Act (Canada) and the Companies Creditors Arrangements Act (Canada), and similar Canadian legislation.

Delete the last sentence of Section 14 and replace it with the following:

"For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to four decimal places. If the fifth decimal number is five or greater, then the fourth decimal number shall be increased by one and if the fifth decimal number is less than five, then the fourth decimal number shall remain unchanged."

Delete Section 15.5 and replace it with the following:

The interpretation and performance of this Contract shall be governed by the laws of the personal jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

Section 15.10:

In the first sentence on line 3 after the phrase "that the employees, lenders, royalty owners, counsel, accountants and other agents of the party" insert the following phrase ", or its Affiliates"

Delete Exhibit A ("Transaction Confirmation") and replace it with the following:

**TRANSACTION CONFIRMATION
 FOR IMMEDIATE DELIVERY**

EXHIBIT A

Letterhead/Logo	Date: _____, _____ Transaction Confirmation #: _____			
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____.				
This Transaction Confirmation is also subject to the Canadian Addendum between Seller and Buyer dated _____: <input type="checkbox"/> Yes (default) <input type="checkbox"/> No				
The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.				
SELLER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	BUYER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____			
Contract Price: U.S. \$ _____ /MMBtu or Canadian \$ _____ /GJ or _____				
Delivery Period: Begin: _____, _____ End: _____, _____				
Performance Obligation and Contract Quantity: (Select One) Units: <input type="checkbox"/> MMBtu or <input type="checkbox"/> GJ or <input type="checkbox"/> Other _____ <table style="width:100%; border: none;"> <tr> <td style="width:33%; border: none; vertical-align: top;"> Firm (Fixed Quantity): _____ Units/day <input type="checkbox"/> EFP </td> <td style="width:33%; border: none; vertical-align: top;"> Firm (Variable Quantity): _____ Units/day Minimum _____ Units/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller </td> <td style="width:33%; border: none; vertical-align: top;"> Interruptible: Up to _____ Units/day </td> </tr> </table>		Firm (Fixed Quantity): _____ Units/day <input type="checkbox"/> EFP	Firm (Variable Quantity): _____ Units/day Minimum _____ Units/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	Interruptible: Up to _____ Units/day
Firm (Fixed Quantity): _____ Units/day <input type="checkbox"/> EFP	Firm (Variable Quantity): _____ Units/day Minimum _____ Units/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	Interruptible: Up to _____ Units/day		
Delivery Point(s): _____ (If a pooling point is used, list a specific geographic and pipeline location):				
Canadian Export Zero Rating (Section 6.3): <input type="checkbox"/> No (default) <input type="checkbox"/> Yes				
Special Conditions:				
Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____			

Via Fax (XXX) XXX-XXXX

February 13, 2017

« Fournisseur »
Attention: « Contact »
« Adresse »
« Ville »
« PROVINCE » « Code Postal »

RE: Gas Exchange Agreement between Gaz Métro, Limited Partnership (GMLP) and « FOURNISSEUR »

PART A

Buyer:
Seller:
Term:
Daily Quantity:
Total Quantity:
Delivery Point:
Price:
Note:

PART B

Buyer:
Seller:
Term:
Daily Quantity:
Total Quantity:
Delivery Point:
Price:
Note:

The terms of this Transaction Confirmation are binding unless disputed in writing by the Confirm Deadline, unless otherwise specified in the « *Contrat Maître* » dated « *date de signature* ».

Should you require any other information, do not hesitate to contact the undersigned.

Conseiller Senior
Tel: (XXX) XXX-XXXX
Fax: (XXX) XXX-XXXX

Fournisseur

Gaz Métro

Sign.: _____

Sign.: _____

By : _____

By : _____

Title : _____

Title : _____

Date : _____

Date : _____