

INDUSTRIAL GAS SALES AGREEMENT

This Industrial Gas Sales Agreement ("**Agreement**") is made effective as of the 30 day of April, 2018.

BETWEEN:

PACIFIC NORTHERN GAS LTD., a corporation under the laws of the Province of British Columbia, having its head office in the City of Vancouver

("Seller")

AND:

RIDLEY ISLAND LPG EXPORT LIMITED PARTNERSHIP, a partnership formed pursuant to the laws of British Columbia, having its head office in the City of Calgary

("Buyer")

WHEREAS:

- A. Buyer wishes to purchase Gas from Seller for its own use at its AltaGas Ridley Island Propane Export Terminal ("**RIPET**"); and
- B. Seller has agreed to sell Gas to Buyer in accordance with the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, and intending to be legally bound, Seller and Buyer agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, including the Schedules hereto, except as otherwise expressly provided in this Agreement or unless the context otherwise necessarily requires, the following words and phrases have the following meanings and if not defined herein, they have the meanings ascribed to them in the General Terms and Conditions:

"**Affiliate**" means, with respect to a Party, any other Person which is affiliated with such Party, and for the purposes hereof (a) two Persons will be considered to be affiliated with one another if one of them controls the other, or if both of them are controlled by a common third Person, (b) one Person will be considered to control another Person if it has the power to direct or cause direction of the management and policies of the other Person, whether directly or indirectly, through one or more intermediaries or otherwise, and whether by virtue of the ownership of shares or other equity interests, the holding of voting rights or contractual rights, or otherwise; and (c) a partnership which is a Party will be considered to be an Affiliate of each of its partners and their other Affiliates and vice versa;

"**Agreement**" and "**this Agreement**" means this Agreement, including the Schedules hereto, as it may from time to time be supplemented or amended;

"**Approved Letter of Credit**" means a letter of credit (including any amendments), all in a form satisfactory to Seller, acting reasonably, issued to Seller as beneficiary by a financial institution with a

credit rating of "A" or better by Standard & Poor's Financial Services LLC, "A2" or better by Moody's Investors Service, Inc., or "A" or better by DBRS Limited for the unenhanced long term senior unsecured debt of the financial institution providing the letter of credit; provided that if the issuing financial institution is not listed in Schedule 1 of the *Bank Act* (Canada), the applicable letter of credit will: (i) be advised by a financial institution listed in Schedule 1 of the *Bank Act* (Canada); and (ii) specify that payment under it shall be available at the advisory financial institution;

"Basic Monthly Charge" means the charge set out under "Basic Monthly Charge" in Schedule "B" that is payable by Buyer to Seller on a monthly basis;

"BCUC" shall mean the British Columbia Utilities Commission established by the *Utilities Commission Act* (British Columbia) or any successor authority or authorities having jurisdiction over the approval, licensing, construction, operation or rates of intraprovincial pipelines in Gas service in British Columbia;

"Commencement Date" means the earlier of: (i) Facility COD, provided Buyer provides written notice to Seller of the date thereof no later than 30 days prior to such date; and (ii) June 1, 2019;

"Commodity Charge" means the charges and riders set out under "Commodity Charge" in Schedule "B" that are payable by Buyer to Seller for actual volumes of Gas sold and transported;

"Contribution to Costs" has the meaning set forth in Section 7.3;

"Creditworthy" means a Person that, as at the Effective Date of this Agreement and thereafter, for the term of this Agreement, has a credit rating for its unenhanced long term senior unsecured debt that meets the Minimum Acceptable Rating;

"Daily Contract Demand" means the maximum volume of Gas that Seller is obligated to sell to Buyer in any one day as specified in Schedules "A" subject to interruption or curtailment only as provided under the General Terms and Conditions;

"Delivery Point" means the point of delivery from Seller to Buyer as set out in Schedule "A" at which Seller will deliver Gas to Buyer under the terms of this Agreement;

"Effective Date" means the date set forth at the top of the first page of this Agreement;

"Event of Default" means (i) in respect of a Party or its Guarantor, if applicable, (A) the commission of an act of bankruptcy as defined in the *Bankruptcy and Insolvency Act* (Canada); (B) becoming the subject of any proceeding (whether initiated by such party or Guarantor, or another person) under any bankruptcy or insolvency law or similar law affecting creditors' rights, including without limitation, the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) and the *Winding-Up and Restructuring Act* (Canada), and in the case of any such proceeding instituted against it, such proceeding is either not dismissed, discharged or stayed within thirty (30) days of the institution thereof or results in a judgment of insolvency or bankruptcy; (C) becoming the subject of any proceeding for liquidation, dissolution or winding-up (whether initiated by such party or Guarantor, or by another person); (D) the appointment of a receiver or receiver manager of all or any part of the assets of such Party or Guarantor by any of its secured creditors or by a court of competent jurisdiction; or (E) the inability to pay debts as they fall due; (ii) the failure to perform any material obligation under this Agreement, if not remedied within fifteen (15) days after receiving notice of such failure;

"Facility COD" means mean the date on which RIPET (i) commences commercial operations, and (ii) has been certified by Ridley Island LPG Export Limited Partnership as achieving "Substantial Completion" in accordance with the engineering, procurement and construction agreement for RIPET;

"Firm Demand Charge" means the charges and rate riders set out under "Firm Demand Charge" in Schedule "B" that are payable by Buyer to Seller for Daily Contract Demand;

"Firm Service" means the Service offered by Seller to Buyer for Buyer's Daily Contract Demand, that Seller may interrupt or curtail only to the extent such non-performance is excused by the terms set out in the General Terms and Conditions;

"Force Majeure" has the meaning set forth in Section 9.2;

"Gas" has the meaning given to it in the General Terms and Conditions;

"General Terms and Conditions" means Seller's General Terms and Conditions – Gas Sales, as filed with or otherwise approved by the BCUC and in effect from time to time in accordance with the *Utilities Commission Act* (British Columbia) and initially to be in the form of the General Terms and Conditions attached hereto as Schedule "C";

"Guarantee" means a guarantee in a form reasonably acceptable to Seller from a Creditworthy Affiliate of Buyer or one or more Creditworthy partners of Buyer;

"Guarantor" means a Creditworthy Person that guarantees Buyer's payment obligations under this Agreement by executing and delivering the Guarantee;

"Interruptible Service Charge" means the charges and rate riders set out under "Interruptible Service Charge" in Schedule "B" that are payable by Buyer to Seller for Interruptible Service volumes;

"Interruptible Service" means Service offered by Seller to Buyer in excess of Buyer's Daily Contract Demand, if any, and which is subject to interruption or curtailment at Seller's discretion;

"Mains Extensions Test" refers to Seller's System Extension Test in accordance with the BCUC Utility System Extension Test Guidelines;

"Minimum Acceptable Rating" shall mean, with respect to an entity, on any date on determination, such entity's issuer rating of: (i) "BBB-" or better by Standard & Poor's Financial Services LLC; (ii) "Baa3" or better by Moody's Investors Service, Inc.; (iii) "BBB (low)" or better by DBRS Limited; or (iv) other equivalent rating(s) from a recognized rating agency or agencies acceptable to Seller. In the event of a split rating among any of the foregoing, the highest rating shall prevail;

"Minimum Monthly Take or Pay Volume" means the minimum monthly volume of Gas that Buyer is obligated to pay for even if part or all of this volume is not sold in a given calendar month, as set out in Schedule "A";

"Parties" means, collectively, Seller and Buyer and their respective successors and permitted assigns, and **"Party"** means, individually, Seller and its successors and permitted assigns or Buyer and its successors and permitted assigns;

"Performance Assurance" means: (i) an Approved Letter of Credit for an amount equal to the sum of three (3) months of Firm Demand Charges; or (ii) one or more Guarantees, as determined by Buyer in its sole discretion, acting reasonably;

"Person" shall mean an individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

“Primary Term” means the period of time which commences on the Commencement Date and ends on the • (•) anniversary of the Commencement Date;

“Rate Schedule” means Seller’s rate schedule of Firm Demand Charges, Commodity Charges and Interruptible Service Charges in effect from time to time, as filed with, amended or otherwise approved by the BCUC, in the form of Schedule “B” attached;

“RIPET” has the meaning given to it in recital A;

“Service” shall mean the sales and delivery of Gas by Seller to Buyer at the Delivery Point and shall include both Firm Service and Interruptible Service;

“Weighted Average Cost of Capital” shall mean the weighted average cost of capital determined using Seller’s actual weighted average cost of debt and the BCUC approved return on equity and capital structure, at the time the calculation is made;

“Year” shall mean a period of three hundred sixty-five (365) consecutive days commencing January 1st of any year; provided however, that any such year which contains a date of February 29 shall consist of three hundred sixty-six (366) consecutive days.

1.2 Interpretation Generally - Unless the context otherwise necessarily requires, the following provisions will govern the interpretation of this Agreement:

- (a) the words “hereof”, “herein” and “hereunder” and similar expressions will refer to this Agreement as a whole and not to any particular provision of this Agreement;
- (b) the singular of any term includes the plural and vice versa and the use of any term is equally applicable to any gender and, where applicable, to a body corporate;
- (c) except as otherwise specified in this Agreement, each reference to a statute, requirement of law or governmental consent will be deemed to refer to such statute, requirement of law or governmental consent as the same may be amended, supplemented or otherwise modified from time to time;
- (d) where a term is defined, a derivative of that term will have a corresponding meaning;
- (e) the words “include”, “including” and similar expressions mean “including but not limited to”;
- (f) all references to “Articles”, “Sections” and “Schedules” are references to Articles and Sections of, and Schedules to and forming part of, this Agreement unless otherwise specified;
- (g) the division of this Agreement into Articles, Sections, Schedules and other subdivisions and the insertion of headings are for convenience of reference only and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (h) subject to any restrictions on assignment set forth in this Agreement, any reference to a corporate or other business entity includes and is also a reference to any corporate or other business entity that is a successor to such entity; and

- (i) except as otherwise defined in such agreement, terms used in this Agreement that have well-known technical, trade or industry meanings will be interpreted in accordance with those well-known technical, trade or industry meanings.

1.3 Schedules - The following schedules are attached to and made part of this Agreement and each of the terms and provisions thereof, including any revisions thereto made by or necessary to comply with the requirements of any governmental authority, are accepted and agreed to by the Parties:

Schedule "A" – Daily Contract Demand

Schedule "B" – Form of Rate Schedule

Schedule "C" – General Terms and Conditions

ARTICLE 2 GENERAL TERMS AND CONDITIONS

2.1 General Terms and Conditions - The General Terms and Conditions are incorporated herein by reference and constitute part of this Agreement. The terms and expressions used in this Agreement shall have the same meaning as the corresponding terms and expressions used and defined in the General Terms and Conditions. If there is any disagreement between the terms of this Agreement and the General Terms and Conditions, the terms of the body of this Agreement shall prevail. For greater clarity, a copy of the General Terms and Conditions applicable as at the Effective Date are attached hereto as Schedule "C".

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Seller - Seller represents and warrants that:

- (a) it is duly organized, validly existing and in good standing in its jurisdiction of organization and to its knowledge, no action has been taken relating to its insolvency, liquidation or bankruptcy;
- (b) the execution, delivery and performance of this Agreement by Seller has been duly authorized by all necessary action on the part of such Party in accordance with its charter documents and do not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Seller or any other party to any other agreement with Seller;
- (c) this Agreement constitutes a valid, legal and binding obligation of Seller, enforceable in accordance with the terms hereof subject only to laws of general application applying to equitable remedies and the enforcement of creditor's remedies;
- (d) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein will be in violation or breach of, or be in conflict with: (i) any term or provision of its constating documents; (ii) any agreement, instrument, permit or authority to which it is party or by which it is bound; or (iii) any applicable law or any judicial order, award, judgment or decree applicable to it;
- (e) there are no actions, suits or proceedings pending or, to its knowledge, threatened against or affecting Seller before any court or governmental authority that might materially and adversely affect the ability of such Seller to meet and carry out its obligations under this Agreement;

- (f) it is registered for the purposes of GST; and
- (g) it has good marketable title to, or has sufficient authority to sell, and will convey to Buyer good marketable title to Gas supplied hereunder, free and clear of all liens (other than liens held by Buyer), claims and encumbrances whatsoever.

3.2 Representations and Warranties of Buyer - Buyer represents and warrants that:

- (a) it is duly organized, validly existing and in good standing in its jurisdiction of organization and to its knowledge, no action has been taken relating to its insolvency, liquidation or bankruptcy;
- (b) the execution, delivery and performance of this Agreement by Buyer has been duly authorized by all necessary action on the part of such Party in accordance with its charter documents and do not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Buyer or any other party to any other agreement with Buyer;
- (c) this Agreement constitutes a valid, legal and binding obligation of Buyer, enforceable in accordance with the terms hereof subject only to laws of general application applying to equitable remedies and the enforcement of creditor's remedies;
- (d) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein will be in violation or breach of, or be in conflict with: (i) any term or provision of its constating documents; (ii) any agreement, instrument, permit or authority to which it is party or by which it is bound; or (iii) any applicable law or any judicial order, award, judgment or decree applicable to it;
- (e) there are no actions, suits or proceedings pending or, to its knowledge, threatened against or affecting Buyer before any court or governmental authority that might materially and adversely affect the ability of such Buyer to meet and carry out its obligations under this Agreement; and
- (f) it is registered for the purposes of GST.

3.3 Seller Indemnity – Seller agrees to indemnify Buyer and its Affiliates and save Buyer and its Affiliates harmless from all actions, claims, demands, losses, costs, damages, expenses and liabilities, including reasonable legal fees, on a solicitor and client basis, and costs of court, brought against Buyer and its Affiliates or that any of them may suffer sustain, pay or incur, arising directly or indirectly from, connected with or, pursuant to:

- (a) claims of title, personal injury or property damage from any Gas or other charges thereon which attached before possession and risk passes to Buyer at the applicable Delivery Point in accordance with Section 4.1; or
- (b) any breach or inaccuracy of any representation or warranty given by Seller hereunder.

3.4 Buyer Indemnity - Buyer agrees to indemnify Seller and its Affiliates and save Seller and its Affiliates harmless from all actions, claims, demands, losses, costs, damages, expenses and liabilities, including reasonable legal fees, on a solicitor and client basis, and costs of court, brought against Seller and its Affiliates or that any of them may suffer sustain, pay or incur, arising directly or indirectly from, connected with or, pursuant to:

- (a) claims regarding payment, personal injury or property damage from any Gas or other charges thereon which attach after possession and risk passes to Buyer at the applicable Delivery Point in accordance with Section 4.1; or
- (b) any breach or inaccuracy of any representation or warranty given by Buyer hereunder.

ARTICLE 4 RISK AND TITLE

4.1 Risk and Title - Possession, risk and title to all Gas delivered by Seller to Buyer under this Agreement shall pass from Seller to Buyer at the Delivery Point. Until such delivery, Seller shall be deemed to be in control of, and have risk to and title to such Gas, and after such delivery Buyer shall be deemed to be in control of, and have risk and title to such Gas.

ARTICLE 5 SERVICE, COMMENCEMENT OF SERVICE AND DAILY CONTRACT DEMAND

5.1 Commencement of Service - Service hereunder for the Daily Contract Demand as per Schedule "A" shall commence on the Commencement Date. Upon the Commencement Date, Seller shall provide Service and Buyer shall purchase Gas in accordance with the terms of this Agreement, including the General Terms and Conditions.

5.2 Service prior to Commencement Date – Prior to the Commencement Date, Seller may upon request from Buyer provide Service when there is Gas available from Seller's pipeline system at the Delivery Point, and Buyer shall purchase Gas if so requested and provided by Seller, for the commissioning of RIPET based on actual volumes of Gas sold and transported at the rates set forth in Schedule "B". If actual volumes sold during this period are higher than the Daily Contract Demand (calculated on a monthly basis), the Interruptible Service Charge will be applied. Such Service shall be at the sole discretion of the Seller.

5.3 Request for Increase in Daily Contract Demand - Subject to Section 5.4, Buyer may, during the term of this Agreement, request an increase in its Daily Contract Demand to be effective on any day subsequent to the date of the request.

5.4 Conditions on Increase in Daily Contract Demand - Any increase in Daily Contract Demand requested by Buyer pursuant to Section 5.3 is conditional upon Seller having sufficient capacity to meet the requested increase as determined in the discretion of Seller, acting reasonably. Within 90 days of a written request by Buyer pursuant to Section 5.3 for an increase in the Daily Contract Demand, Seller shall:

- (a) advise Buyer of how much of the requested increase in the Daily Contract Demand Seller can commit to as of the requested effective date of the increase;
- (b) advise Buyer when the balance, if any, of the requested increase in the Daily Contract Demand may be available to Buyer; and
- (c) advise Buyer as to any price conditions and other obligations Seller will require in order to provide the increased Daily Contract Demand requested by Buyer.

5.5 Cost for Increase in Daily Contract Demand - Buyer shall pay Seller any costs which result from increasing the pipeline capacity to meet Daily Contract Demand requirements in excess of the Daily Contract Demand then in effect.

5.6 Service in Excess of Daily Contract Demand – Seller shall upon request and when there is Gas in excess of the Daily Contract Demand available from Seller's pipeline system at the Delivery Point, make such Gas available on an interruptible basis for purchase by Buyer. Such sales in excess of the Daily Contract Demand shall be at the sole discretion of the Seller.

5.7 Forecast of Gas Requirements - Buyer shall, at the request of Seller from time to time, provide to Seller a forecast of Buyer's expected maximum daily and annual Gas requirements.

ARTICLE 6 TERM OF AGREEMENT

6.1 Term - The term of this Agreement shall be from the Effective Date until the end of the Primary Term, plus any extension effected pursuant to Section 6.2, unless this Agreement is terminated earlier in accordance with the terms of this Agreement.

6.2 Extension of Primary Term by Buyer - Buyer shall have the right to extend the term of this Agreement for any or all of the Daily Contract Demand beyond the Primary Term for further periods of a minimum of one (1) Year each by providing to Seller notice to that effect not less than one (1) Year prior to the expiration of the Primary Term, or six (6) months prior to the expiry of any extended term, as the case may be. There is no limitation on the number of times Buyer may exercise this right.

6.3 Waiver of Notice by Seller - Seller may upon the reasonable request of Buyer from time to time waive the requirement for written notice contained in Section 6.2 and substitute any shorter notice period.

ARTICLE 7 RATES

7.1 Buyer Responsible for Basic Monthly Charge, Firm Demand Charge, Interruptible Service Charge and Commodity Charge – On a monthly basis, Buyer shall pay Seller the greater of:

(a)

- (i) Basic Monthly Charge, plus
- (ii) Firm Demand Charge multiplied by Minimum Monthly Take or Pay Volume, plus
- (iii) Commodity Charge multiplied by the actual volumes of Gas provided at the Delivery Point (calculated on a monthly basis);

Or

(b)

- (i) Basic Monthly Charge, plus
- (ii) Firm Demand Charge multiplied by volume of Gas provided at the Delivery Point up to the Daily Contract Demand (calculated on a monthly basis), plus

- (iii) Interruptible Service Charge multiplied by the volume of Gas provided at the Delivery Point in excess of the Daily Contract Demand (calculated on a monthly basis), plus
- (iv) Commodity Charge multiplied by the actual volumes of Gas provided at the Delivery Point (calculated on a monthly basis);

from the Commencement Date and shall continue to pay such charges for Service provided during the Primary Term, including any extension to the Primary Term effected pursuant to Section 6.2, in accordance with the Rate Schedule and the General Terms and Conditions. For greater certainty, except in instances of (i) Force Majeure and (ii) a Seller Event of Default, this obligation of Buyer to pay the amount in section 7.1(a) shall not be abated, removed, limited, or otherwise reduced under any circumstances whatsoever.

7.2 Rates for Service - The Parties agree that rates payable by Buyer for Service under this Agreement will be as described in Schedule "B".

7.3 Buyer's Contribution to Costs of Providing Service - Buyer agrees to pay Seller, as a contribution in aid of construction, any reasonable amounts by which Seller's actual costs of constructing the new pipeline facilities required by Seller for the purpose of providing Service to Buyer at RIPET hereunder exceed \$4.5 million (the "**Contribution to Costs**"). The Contribution to Costs will be made upon confirmation by Seller to Buyer of such actual costs, and upon receipt by Buyer of an invoice therefor from Seller. In the event of Buyer making the Contribution to Costs and to the extent that Seller contracts with a third party on or before the fifth (5th) anniversary of the Commencement Date for the sales and/or delivery of Gas by Seller to the third party at or near the Delivery Point, Seller will reimburse Buyer for all or a portion of the Contribution to Costs in accordance with the results from Seller's revised Mains Extensions Test, taking into consideration such third party contract(s).

7.4 Taxes – In accordance with Section 22.1 of the General Terms and Conditions, the rates and charges specified in Schedule "B" do not include any local, provincial or federal taxes, including goods and services tax, assessments or levies imposed by any competent taxing authorities which Seller may be lawfully authorized or required to add to its normal rates and charges or to collect from or charge to Buyer. Buyer agrees to remit any amounts payable in respect of any taxes, levies, assessments and charges which may be imposed in respect of Seller's Gas delivered to Buyer hereunder.

ARTICLE 8 TERMINATION

8.1 Early Termination - This Agreement may be terminated prior to the completion of the Primary Term only in accordance with the following:

- (a) if both Parties agree in writing to such early termination; or
- (b) by a Party on notice to the other Party if there is an Event of Default by the other Party.

8.2 Termination Payment – Each Party acknowledges and agrees that if this Agreement is terminated due to a Buyer Event of Default, Buyer shall pay to Seller an amount equal to the net present value of the Firm Demand Charge for the Daily Contract Demand for the remainder of the Primary Term, calculated using Seller's Weighted Average Cost of Capital, on an after-tax basis, as the discount rate. This payment shall constitute the sole and exclusive remedy for Seller in the event of such termination.

8.3 Mitigation - The Parties agree that if this Agreement is terminated due to an Event of Default, each Party shall use its reasonable commercial efforts to mitigate the damages it may suffer as a result

of the default of the other Party in its obligations under this Agreement. The Parties further agree that that if this Agreement is terminated due to a Buyer Event of Default, and Buyer has paid Seller the termination payment in accordance with Section 8.2, Seller shall pay Buyer, within thirty (30) days of receipt thereof, any amounts by which Seller has mitigated its damages hereunder during the five (5) year period following the Buyer Event of Default.

ARTICLE 9 FORCE MAJEURE

9.1 Excuse from Performance - Subject to the other provisions of this Article 9, if any Party fails to observe or perform any of the covenants or obligations herein imposed upon it (other than an obligation to pay money hereunder) and such failure shall have been occasioned by or in consequence of Force Majeure such failure shall be deemed not to be a breach of the covenants or obligations of the affected Party hereunder to the extent affected by the Force Majeure and the Party affected by the Force Majeure shall not be liable to the other Party, in damages or otherwise, by reason thereof.

9.2 Definition of Force Majeure – For the purposes of this Agreement, “**Force Majeure**” shall mean any cause, event or condition that prevents the Party claiming Force Majeure from performing, in whole or in part, any of its covenants or obligations under this Agreement, which cause, event or condition is not within the reasonable control of the Party claiming Force Majeure and which by the exercise of due diligence and planning such Party could not have prevented or is unable to overcome, including:

- (a) physical events such as acts of God; landslides; lightning; earthquakes; fires; storms or storms 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;
- (b) weather-related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe;
- (c) interruption or curtailment of firm transportation or storage by transporters or storage operators;
- (d) acts such as strikes, lockouts or other industrial disturbances, riots, sabotage, terrorist acts, insurrections or wars;
- (e) compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction; or
- (f) explosions, breakages of or accidents to machinery or lines of pipe, hydrate obstructions of lines of pipe, freezing of delivery facilities, transportation equipment, pipelines, railways, roadways, or any other interruption at RIPET.

9.3 Exceptions – No party shall be entitled to the benefit of the provisions of Section 9.1 under any or all of the following circumstances:

- (a) to the extent that the failure was caused by the negligence of the Party claiming suspension;
- (b) to the extent that the failure was caused by the Party claiming suspension having failed to remedy the condition where it is within that Party's ability alone to do so and to resume the performance of such covenants or obligations, with reasonable dispatch;

- (c) if the failure was caused by lack of funds or is with respect to the payment of any amount or amounts then due under this Agreement, or was caused by any change in the market price of Gas, lack of market for Gas or economic hardship; or
- (d) it does not continuously take all reasonable steps available to it to remove the condition which caused the Force Majeure as soon as practicable.

9.4 Notification – The Party claiming suspension for Force Majeure shall provide a notice to the other Party promptly after the happening of the event causing the Force Majeure which describes the event, the impact of the event on the ability of such Party to perform its obligations and the expected timetable for remedying the event. The Party claiming suspension shall likewise give notice, as soon as possible after the Force Majeure condition is remedied, to the effect that the same is remedied and that such Party has resumed, or is then in a position to resume, the performance of such covenants or obligations.

9.5 Settlement of Strikes – Notwithstanding anything to the contrary in this Article 9 expressed or implied, the Parties agree that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the particular Party involved therein and such Party may make settlement thereof at such time and on such terms and conditions as it may deem to be advisable and no delay in making such settlement shall deprive such Party of the benefit of this Article 9.

ARTICLE 10 CONFIDENTIALITY

10.1 Confidentiality Obligations – Each Party shall keep this Agreement and all documents and communications provided pursuant to this Agreement and all financial, business, capital, operating, technical, administrative, personal, competitive and strategic information and data with respect to the other Party or its Affiliates (collectively, the “**Confidential Information**”) confidential at all times and shall not disclose any Confidential Information to any third party without the other Party’s prior written consent; provided that, a Party shall be entitled to disclose any Confidential Information to its employees, consultants, professional advisors, Affiliates, parents or partners and to employees, consultants, professional advisors of its Affiliates, parent or partners (in this Article 10, “**Representatives**”), who have a need to know such information for reasonable purposes and who agree to abide by the obligations of such Party hereunder with respect to the Confidential Information.

10.2 Non-Application – Notwithstanding Section 10.1, Confidential Information does not include information that:

- (a) was at the time of disclosure or thereafter became generally available to the public other than as a result of any act or omission by the recipient or anyone to whom the recipient or the recipient’s Representatives disclosed such information;
- (b) was or became lawfully known to the recipient or the recipient’s Representatives on a non-confidential basis and not in contravention of any applicable law from a source (other than the disclosing Party) that is entitled to disclose the information;
- (c) is required to be disclosed by applicable law or policies of any governmental authority, or that is provided in connection with arbitration, defence or prosecution of any matter related to the Confidential Information, provided that the receiving Party shall give to the other Party prompt written notice in advance of the required disclosure;

- (d) is in connection with a proposed assignment by a Party in accordance with this Agreement, provided that Party obtains the prior written covenant of confidentiality in form and substance satisfactory to the other Party from the Person to whom such information is proposed to be disclosed; or
- (e) a Party reasonably requires to disclose pertaining to it, its business or its properties in order to exercise its rights hereunder.

10.3 Remedies for Breach - The Parties acknowledge the competitive value of their respective Confidential Information and, accordingly, each Party agrees that injunctive relief, specific performance and monetary damage may be appropriate remedies in the event of the unauthorized disclosure of Confidential Information or unauthorized press releases.

ARTICLE 11 NOTICES

11.1 Notices - Except as herein otherwise provided, any notice, request, demand, statement, or invoice provided for in this Agreement, or any notice which either Party desired to give to the other, must be in writing and will be deemed to be received on the day immediately following the date when such notice was transmitted by facsimile or email to the other Party's address set forth below:

Buyer: **Ridley Island LPG Export Limited Partnership**
1700, 355 - 4th Avenue SW
Calgary, AB T2P 0J1

Attn: Senior Vice President, Commercial
Telephone: (403) 691-7575
Facsimile: (403) 691-7576

Seller: **Pacific Northern Gas Ltd.**
Suite 2550, 1066 West Hastings Street
Vancouver, BC V6E 4X2

Attn: Vice President, Regulatory Affairs & Gas Supply
Telephone: 604-691-5680
Facsimile: 604-697-6210
Email: regulatory@png.ca

or at such other address as either Party designates by written notice. Routine communications will be deemed to be received five (5) days after the date when such communication was mailed by registered, certified, or ordinary mail. Any notice hereunder that, if provided, would create a right or obligation in one or both of the Parties shall be personally delivered and on the date of delivery, a copy thereof shall be transmitted by facsimile or email.

ARTICLE 12 ASSIGNMENT

12.1 No Assignments by Buyer without Consent - Except as set out in Section 12.2(b), Buyer shall have no right to assign its rights and obligations, or parts thereof, under the Agreement without the prior written consent of Seller, not to be unreasonably withheld. If any assignment is consented to by Seller, Buyer may, upon written request to Seller, be released from all obligations and liabilities under this Agreement arising after the date of assignment with respect to the portion of the rights and obligations assigned subject to the prior written approval of Seller. For greater certainty, the Parties

acknowledge that Seller may withhold its approval if the creditworthiness of the assignee is less than the creditworthiness of Buyer or its Guarantor (if applicable).

12.2 Permitted Assignments -

- (a) *By Seller* - Seller, without obtaining any approvals or consents from Buyer, shall have the right to assign its rights and obligations, or parts thereof, under this Agreement to any Person, provided that such Person owns and operates the pipeline delivering Gas at the Delivery Point and agrees in writing to be bound by all of the terms and conditions of this Agreement.
- (b) *By Buyer* - Notwithstanding the provisions of Section 12.1, Buyer may assign all, but not less than all, of its rights and obligations under this Agreement to a creditworthy Affiliate, provided however, Buyer shall not be released of its obligations under this Agreement, unless: (i) such Affiliate enters into an assignment and novation agreement with Seller and Buyer, in a form acceptable to Seller, acting reasonably.

12.3 Pledging By Seller - The restrictions on assignment contained in this Article shall in no way prevent Seller from pledging or mortgaging this Agreement or its rights hereunder, or any credit, guarantee or other security provided by Buyer to Seller, as security for its indebtedness, provided such pledge or mortgage shall not affect Seller's obligations under this Agreement. Buyer will execute all consents to assignment and acknowledgments as reasonably requested by Seller's lenders or Seller of any security interests created in respect of this Agreement in favour of Seller's lenders. Any such consent and acknowledgement may provide that Buyer or, if applicable, Buyer's Guarantor shall:

- (a) consent to the grant to Seller's lenders of a security interest in Seller's interest in this Agreement including, without limitation, any Guarantee;
- (b) agree to provide Seller's lenders with a copy of any notice of default, suspension, proposed termination or actual termination given by Buyer to Seller and to give Seller's lenders or their designee a ten (10) day period to cure the circumstances giving rise to such default, suspension or proposed termination and, in the case of the bankruptcy or insolvency of Seller, a thirty (30) day period to make alternative arrangements such that Buyer will continue to receive Service substantially in accordance with the terms hereof notwithstanding such bankruptcy or insolvency; and,
- (c) during the continuance of any default by Seller under Seller's financing:
 - (i) agree to make payments, if any, directly to Seller's lenders or their designee (if so directed by Seller's lenders); and
 - (ii) consent to the replacement of Seller by a qualified assignee pursuant to the exercise of Seller's lenders' security interest.

12.4 Pledging By Buyer - The restrictions on assignment contained in this Article shall in no way prevent Buyer from pledging or mortgaging this Agreement or its rights hereunder as security for its indebtedness, provided such pledge or mortgage shall not affect Buyer's obligations under this Agreement. Seller will execute all consents to assignment and acknowledgments as reasonably requested by Buyer's lenders or Buyer of any security interests created in respect of this Agreement in favour of Buyer's lenders. Any such consent and acknowledgement may provide that Seller shall:

- (a) consent to the grant to Buyer's lenders of a security interest in Buyer's interest in this Agreement;

- (b) agree to provide Buyer's lenders with a copy of any notice of default, suspension, proposed termination or actual termination given by Seller to Buyer and to give Buyer's lenders or their designee a ten (10) day period to cure the circumstances giving rise to such default, suspension or proposed termination and, in the case of the bankruptcy or insolvency of Buyer, a thirty (30) day period to make alternative arrangements such that Buyer will continue to receive Service substantially in accordance with the terms hereof notwithstanding such bankruptcy or insolvency; and
- (c) during the continuance of any default by Buyer under Buyer's financing:
 - (i) agree to make payments, if any, directly to Buyer's lenders or their designee (if so directed by Buyer's lenders); and
 - (ii) consent to the replacement of Buyer by a qualified assignee pursuant to the exercise of Buyer's lenders' security interest.

ARTICLE 13 CHOICE OF LAW AND JURISDICTION

13.1 Governing Law - This Agreement will be governed by, construed, interpreted, and performed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, excluding such conflict of laws doctrines as may cause the laws of some other jurisdiction to apply; provided, however, that no law, theory, or public policy shall be given effect which would undermine, diminish or reduce the effectiveness of the waiver of indirect, special, consequential, incidental, exemplary, and punitive damages provided for in Section 14.9, it being the express intent, understanding, and agreement of the Parties that such waiver is to be given the fullest effect, notwithstanding a pre-existing defect, or the negligence (whether sole, joint or concurrent), gross negligence, wilful misconduct, strict liability or other legal fault of any Party, hereto, or otherwise.

13.2 Choice of Dispute Resolution - All disputes arising out of or in connection with this Agreement, or in respect of any defined legal relationship associated therewith or derived therefrom shall be resolved, at the agreement of both Seller and Buyer, by arbitration through the British Columbia International Commercial Arbitration Centre. In the event either Party wishes to initiate arbitration to resolve a specific dispute, it shall notify the other Party accordingly and, within ten (10) days of the other Party's receipt of such notice, the receiving Party shall notify the disputing Party of its choice to agree to arbitration or not. If either Seller or Buyer does not agree to arbitration, either Party may commence legal proceedings through the British Columbia courts system.

13.3 Legal Proceedings through BC Courts - If either Party chooses to resolve a dispute arising out of or in connection with this Agreement by legal proceedings through the British Columbia courts system, the Parties hereby submit to the exclusive jurisdiction of any British Columbia court of competent jurisdiction and agree that all documents commencing an action for legal proceedings arising out of or relating to this Agreement shall be issued or filed at the clerk's office in the judicial centre of Vancouver and agree further that such courts shall be the exclusive forum for resolving any dispute or controversy under or with respect to this Agreement.

ARTICLE 14 MISCELLANEOUS PROVISIONS

14.1 Performance Assurance - At any time during the term of this Agreement, Seller may require Buyer to provide financial information reasonably needed to ascertain Buyer's ability to purchase Gas under this Agreement or to meet any other obligations which may accrue, and Buyer shall provide the requested information within five (5) business days of such request. If Seller has reasonable grounds

for insecurity regarding the payment, performance or enforceability of any obligation of Buyer under this Agreement, Seller may demand Performance Assurance, and Buyer shall provide such Performance Assurance by the end of the fifth (5th) business day after the demand is received. Seller may, until such Performance Assurance is provided, withhold any amounts owed to Buyer under this Agreement (whether or not yet due) and setoff against such withheld amounts any amounts owed to Seller under this Agreement (whether or not yet due). For clarity, if the provider of any Approved Letter of Credit or Guarantee for Performance Assurance ceases to meet the applicable requirements therefor, Seller may demand new or replacement Performance Assurance, as the case may be.

14.2 No Waiver - No failure on the part of Seller to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right, nor shall any waiver of one provision be deemed to constitute a waiver of any other provisions (whether or not similar).

14.3 Amendments and Waivers to be Written - No amendment or variation of this Agreement shall be effective or binding upon the Parties unless such amendment or variation is set forth in writing and duly executed by the Parties. No waiver by a Party is effective unless such waiver is in writing and executed by the waiving Party.

14.4 Interpretation - Wherever possible, each provision of this Agreement will be interpreted in such a manner as to be effective, valid and enforceable under applicable law. If any provision contained in this Agreement is for any reason held invalid, illegal or unenforceable by a court or regulatory agency of competent jurisdiction, such provision will be deemed to be severed from this Agreement to the extent of such invalidity, illegality or unenforceability and its invalidity, illegality or unenforceability will not affect the validity, legality or enforceability of the remaining provisions of this Agreement, unless such invalidity, illegality or unenforceability materially and adversely affects the spirit or intent of this Agreement, in which case the Parties will work together in good faith to amend this Agreement so that it will carry out the intent of those provisions which are invalid, illegal or unenforceable.

14.5 Entire Agreement - The terms and conditions set forth in this Agreement constitute the entire agreement between Buyer and Seller relating to the subject matter of this Agreement, supersede all previous agreements, negotiations and understandings with respect to the subject matter of this Agreement, including the Previous Agreement, and may not be contradicted by evidence of any prior or contemporaneous agreement, provided that, in the event of any conflict between this Agreement, the terms and conditions of this Agreement will take precedence. There are no representations, warranties, covenants, agreements, terms or conditions between the Parties with respect to the subject matters of this Agreement.

14.6 Remedies - Without prejudice to any other rights or remedies that a Party may have and subject to the provisions of Article 11, a Party shall not be precluded by this Article 12 from seeking the remedies of injunction, specific performance and any other equitable relief for any threatened or actual breach of the provisions of this Agreement in any court of competent jurisdiction, or from seeking to enforce a court order or judgment in any court of competent jurisdiction.

14.7 Joint Preparation - Each provision of this Agreement shall be construed as though all Parties participated equally in the drafting of the same.

14.8 No Partnership - Nothing contained in this Agreement will be construed as creating any partnership, joint venture or agency between the Parties.

14.9 Limitation on Liability - The Parties' duties and standard of care with respect to each other, and the benefits and rights conferred on each other, are no greater than as explicitly stated in this Agreement. Further, neither Party nor any of its directors, officers, employees or agents, will be liable for or be entitled to recover from the other Party in connection with the matters provided for in this Agreement, whether in contract or in tort, under any indemnity or under any other theory of law, any

damages incurred by the Parties, or their respective shippers, for business interruption or loss of actual or anticipated profits or any indirect, consequential, special, incidental, contingent, exemplary, penal or punitive damages whatsoever, including any loss or damage arising out of a failure to purchase, sell or deliver Gas, the cancellation of permits or certificates and the termination of contracts.

14.10 Survival - The rights obligations of the Parties and the restrictions and limitations set out in Article 12 and Section 14.9 shall survive termination of this Agreement.

14.11 No Third Party Beneficiary - Nothing herein expressed or implied is intended or will be construed to confer upon or give to any Person not a Party hereto any rights, remedies or obligations under or by reason of this Agreement.

14.12 Counterparts and Facsimile and Email - This Agreement may be executed by the Parties in any number of counterparts and by electronic facsimile transmission or email, each of which will be deemed an original instrument, but all of which will together constitute one and the same instrument.

14.13 Further Assurances - Each Party will execute and deliver all such further documents and do all such acts and things as may be reasonably required from time to time by the other Party to give effect to the purpose and intent of this Agreement.

14.14 Time of Essence - Time is of the essence in this Agreement.

14.15 Enurement - This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

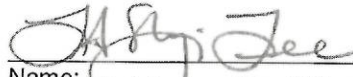
14.16 Several Liability - Each Party shall be responsible only for its individual obligations under this Agreement.

14.17 Change of Laws – This Agreement and the rights and obligations of the Parties are subject to all present and future laws, rules, regulations and orders of any legislative body, governmental agency or duly constituted authority now or hereafter having jurisdiction over the Parties.

[Remainder of page left intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement in counterpart by their duly authorized officers with effect as of the date first above written.

PACIFIC NORTHERN GAS LTD.



Name: **Leigh Ann Shoji-Lee**
Title: **President**

CA. RIDLEY ISLAND LPG EXPORT LIMITED
PARTNERSHIP, by its general partner,
RIDLEY ISLAND LPG EXPORT GP INC.

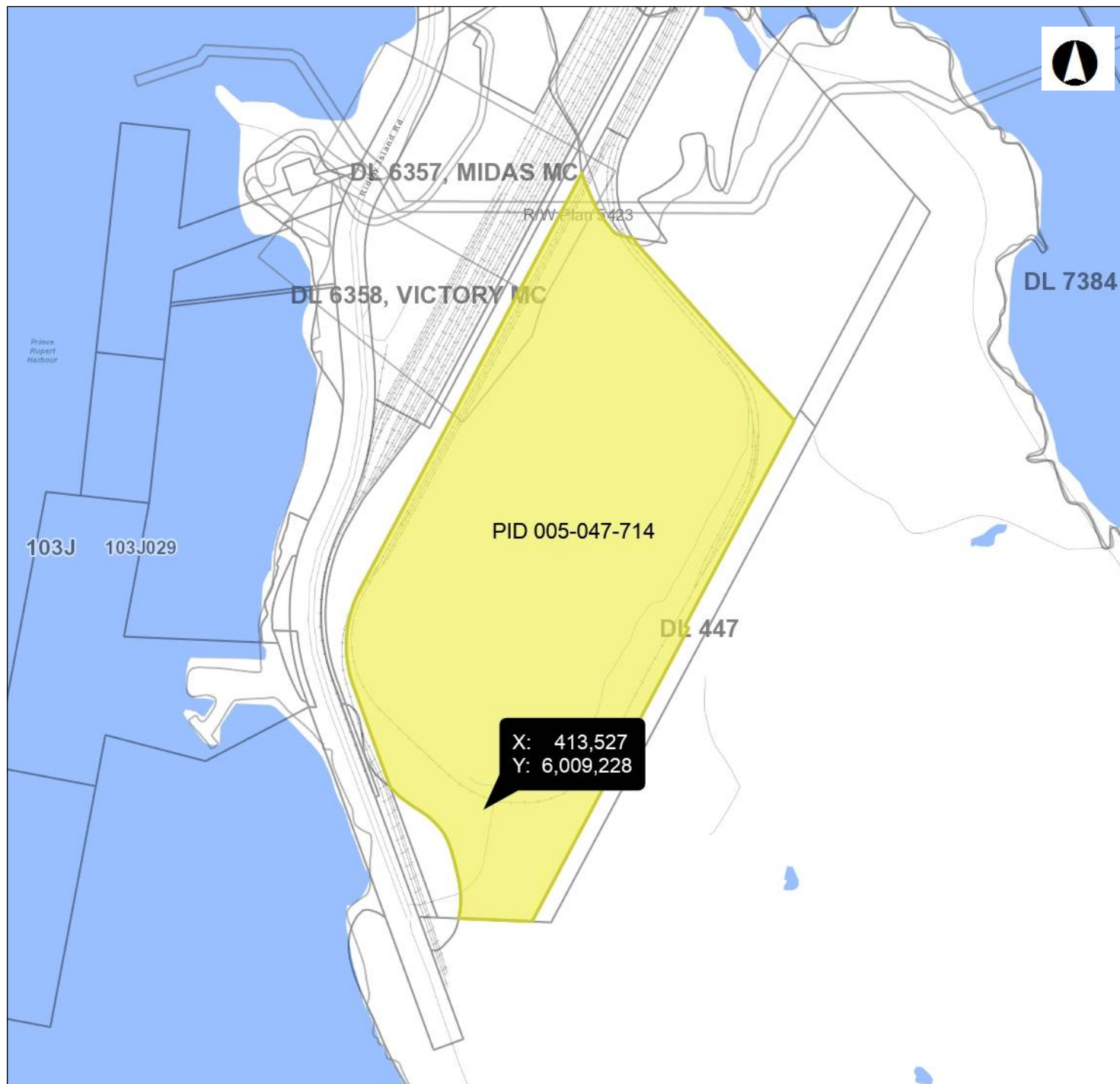


Name: **Dan Woznow**
Title: **Vice President and General Manager
of Energy Exports**

Schedule "A"
to the Industrial Gas Sales Agreement dated April 30, 2018 Between
Pacific Northern Gas Ltd. And Ridley Island LPG Export Limited
Partnership

Daily Contract Demand

Daily Contract Demand:	• GJ (based on • GJ/year of 365 days)
Minimum Monthly Take or Pay Volume:	• GJ x number of days in month (based on • GJ/year of 365 days)
Delivery Point:	Ridley Island LPG Export Terminal at RIPET Delivery Point (see attached map in following page)



PID 005-047-714

Legend

- Integrated Cadastral Fabric
- Provincial Parks - Tantalus -
- National Parks - Colour Fille
- Mapsheet Grid (1:250,000)
- Mapsheet Grid (1:20,000)
- Land Act Surveyed Rights o Tantalus - Outlined
- Transportation Corridors - O
- Land Act Survey Parcels

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Datum: NAD83

Projection: NAD_1983_BC_Environment_Albers

Key Map of British Columbia



Schedule "B"
to the Industrial Gas Sales Agreement dated April 30, 2018 Between
Pacific Northern Gas Ltd. And Ridley Island LPG Export Limited
Partnership

Indicative Form of Rate Schedule
(at April 1, 2018)

Industrial Service Rate (RS4)

Basic Monthly Charge:	\$410
Firm Demand Charge:¹	
Delivery Charge:	\$3.825/GJ
Company Use Rate Rider: ²	\$(0.009)/GJ
Other Rate Riders: ²	As applicable
Commodity Charge:	
Commodity Cost Recovery Charge:	\$1.807/GJ
GCVA Rider:	\$(0.396)/GJ

Interruptible Sales Above CD

Interruptible Service Charge:³	
Delivery Charge:	\$3.4077/GJ
Company Use Rate Rider: ²	\$(0.0090)/GJ
Other Rate Riders: ²	As applicable

¹ The Firm Demand Charge shown is effective as of January 1, 2018. The Industrial Service Rate (RS4) tariff is subject to change on a periodic basis and subject to British Columbia Utilities Commission review and approval.

² Rate riders may be required to recover or (refund) debit or (credit) balances in deferral or other adjustment accounts.

³ The Interruptible Service Charge shown is effective as of January 1, 2018. The IT – Sales above CD tariff is subject to change on a periodic basis and subject to British Columbia Utilities Commission review and approval.

Schedule "C"
to the Industrial Gas Sales Agreement dated April 30, 2018 Between
Pacific Northern Gas Ltd. And Ridley Island LPG Export Limited
Partnership

General Terms and Conditions



PACIFIC NORTHERN GAS LTD
and
PACIFIC NORTHERN GAS (N.E.) LTD.

GAS SALES TARIFF

Explanation of Symbols on Tariff Sheets

- A – Signifies Increase
- C – Signifies Change
- D – Signifies Decrease
- N – Signifies New
- O – Signifies Omission

Order No.: G-127-11

Effective Date: July 1, 2013

BCUC Secretary:

A handwritten signature in black ink, appearing to be 'E. Hanu' or similar, written over a horizontal line.

Issued By: Janet Kennedy, Vice President
Reg. Affairs & Gas Supply

Original Frontispiece

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Order No.: G-127-11

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Reg. Affairs & Gas Supply

Effective Date: August 1, 2011

BCUC Secretary: 

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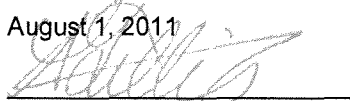
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Reg. Affairs & Gas Supply

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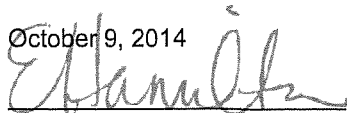
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Order No.: G-156-14

Issued By: Janet Kennedy, VP,
Reg. Affairs & Gas Supply

Effective Date: October 9, 2014

BCUC Secretary:



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Order No.: G-127-11

Issued By: Craig Donohue, Director,
Reg. Affairs & Gas Supply

Effective Date: August 1, 2011

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Definitions

Unless the context indicates otherwise, in these General Terms and Conditions – Gas Sales of Pacific Northern Gas and in the rate schedules of Pacific Northern Gas the following words have the following meanings:

Basic Charge	Means a fixed charge required to be paid by a Customer for Service during a prescribed period as specified in the applicable Rate Schedule.
British Columbia Utilities Commission	Means the British Columbia Utilities Commission constituted under the <i>Utilities Commission Act</i> of British Columbia and includes and is also a reference to <ul style="list-style-type: none">(i) any commission that is a successor to such commission, and(ii) any commission that is constituted pursuant to any statute that may be passed which supplements or supersedes the <i>Utilities Commission Act</i> of British Columbia
Commercial Service	Means the provision of firm Gas supplied to one Delivery Point and through one Meter Set for use in approved appliances in commercial or institutional operations.
Conversion Factor	Means a factor, or combination of factors, which converts gas meter data to Gigajoules or cubic metres for billing purposes.
Customer	Means a Person who is being provided Service or who has filed an application for Service with Pacific Northern Gas that has been approved by Pacific Northern Gas.
Day	Means any period of 24 consecutive Hours beginning and ending at 7:00 a.m. Pacific Standard Time or as otherwise specified in the Service Agreement.

Order No.: G-127-11

Issued By: Craig Donohue, Director,
Reg. Affairs & Gas Supply

Effective Date: August 1, 2011

BCUC Secretary: 

<i>Delivery Point</i>	Means the outlet of the Meter Set unless otherwise specified in the Service Agreement.
<i>Delivery Pressure</i>	Means the pressure of the Gas at the Delivery Point.
<i>Franchise Fees</i>	Means the aggregate of all monies payable by Pacific Northern Gas to a municipality <ul style="list-style-type: none">(i) for the use of the municipality's streets and other property to construct and operate the utility business of Pacific Northern Gas,(ii) relating to the revenues received by Pacific Northern Gas for Gas consumed within the municipality, and(iii) relating, if applicable, to the value of Gas transported by Pacific Northern Gas through the municipality.
<i>Gas</i>	Means natural gas (including odorant added by Pacific Northern Gas) and propane.
<i>Gas Service</i>	Means the delivery of Gas through a Meter Set.
<i>General Terms and Conditions of Pacific Northern Gas</i>	Means these general terms and conditions of Pacific Northern Gas from time to time approved by the British Columbia Utilities Commission.
<i>Gigajoule or GJ</i>	Means a measure of energy equal to one billion joules used for billing purposes.
<i>Heat Content</i>	Means the quantity of energy per unit volume of Gas measured under standardized conditions and expressed in megajoules per cubic metre (MJ/m ³) or gigajoules per 1,000 cubic metres (GJ/10 ³ m ³).
<i>Hour</i>	Means any consecutive 60 minute period.
<i>Industrial Service</i>	Means the provision of firm Gas supplied to one Delivery Point and through one Meter Set for use in approved equipment in industrial operations which are those processing or manufacturing goods.
<i>Initial Term</i>	Has the meaning set forth in Section 7 - Term of Service Agreement.

Order No.: G-127-11

Issued By: Craig Donohue, Director,
Reg. Affairs & Gas Supply

Effective Date: August 1, 2011

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Landlord	A Person who, being the owner of a property, has leased or rented it to another person, called the Tenant, and includes the agent of that owner.
Main	Means pipes used to carry Gas for general or collective use for the purposes of distribution.
Main Extension	Means an extension of one of Pacific Northern Gas' mains with low, distribution, intermediate or transmission pressures, and includes tapping of transmission pipelines, the installation of any required pressure regulating facilities and upgrading of existing Mains, or pressure regulating facilities on private property.
Main Extension Test	Means the financial analysis described in Section 12.3 (Main Extension Test).
Meter Set	Means an assembly of Pacific Northern Gas owned metering and ancillary equipment and piping.
Month	Means a period of time, for billing purposes, of 25 to 36 consecutive Days.
New Service Line Cost	Means the cost payable by a customer for Pacific Northern Gas to install a new Service Line and Meter Set determined for each Service Area in accordance with the parameters set forth in the Standard Fees and Charges Schedule.
Pacific Northern Gas	Means Pacific Northern Gas Ltd. or Pacific Northern Gas (N.E.) Ltd. as the context requires, bodies corporate incorporated pursuant to the laws of the Province of British Columbia.
Pacific Northern Gas Systems	Means the Gas transmission and distribution systems owned and operated by Pacific Northern Gas, as such systems are expanded, reduced or modified from time to time.
Person	Means a natural person, partnership, corporation, society, unincorporated entity or body politic.
Premises	Means a building, a separate unit of a building, or machinery together with the surrounding land.
Rate Schedule	Means a schedule attached to and forming part of this Tariff, which sets out the charges for Service and certain other related terms and conditions for a class of Service.

Order No.: G-127-11

Issued By: Craig Donohue, Director,
Reg. Affairs & Gas Supply

Effective Date: August 1, 2011

BCUC Secretary: 

Residential Premises	Means the Premises of a single Customer, whether single family dwelling, separately metered single-family townhouse, rowhouse, condominium, duplex or apartment, or single-metered apartment blocks with four or less apartments.
Residential Service	Means firm Gas Service provided to a Residential Premises.
Rider	Means an additional charge or credit attached to a rate.
Seasonal Service	Means firm Gas Service provided to a Customer during the period commencing March 1 st and ending December 1 st .
Service	Means the provision of Gas Service or other service by Pacific Northern Gas.
Service Agreement	Means an agreement between Pacific Northern Gas and a Customer for the provision of Service.
Service Area	Has the meaning set out at the end of the Definitions in these General Terms and Conditions.
Service Line	Means that portion of Pacific Northern Gas' gas distribution system extending from a Main to the inlet of the Meter Set.
Service Related Charges	Include, but are not limited to, application fees, Service Line installation fees, Franchise Fees, and late payment charges, plus the Harmonized Sales Tax or other taxes related to these charges.
Standard Fees and Charges Schedule	Means the schedule attached to and forming part of these General Terms and Conditions which lists the various fees and charges relating to Service provided by Pacific Northern Gas as approved from time to time by the British Columbia Utilities Commission.
Temporary Service	Means the provision of Service for what Pacific Northern Gas determines will be a limited period of time.
Tenant	A Person who has the temporary use and occupation of real property owned by another Person.
Year	Means a period of 12 consecutive Months.
10³m³	Means 1,000 cubic metres.

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Service Areas

These General Terms and Conditions of Pacific Northern Gas apply to the following major Service Areas: PNG-West, Fort St. John/Dawson Creek and Tumbler Ridge.

***PNG-West
Service Area***

Means the areas including, but not limited to, the following locations and surrounding areas of

Burns Lake	Port Edward
Fort Fraser	Prince Rupert
Fraser Lake	Smithers
Fort St. James	Telkwa
Granisle	Terrace
Houston	Vanderhoof
Kitimat	

***Dawson Creek
Service Area***

Means the areas including, but not limited to, the following locations and surrounding areas of

Dawson Creek	Pouce Coupe
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***Fort St. John
Service Area***

Means the areas including, but not limited to, the following locations and surrounding areas of

Fort St. John	Taylor
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***Tumbler Ridge
Service Area***

Means the area including, but not limited to, the following location and surrounding area of

Tumbler Ridge

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1. Application Requirements

1.1 Requesting Services - A Person requesting Pacific Northern Gas

- (a) to provide Gas Service,
- (b) to provide a new Service Line,
- (c) to re-activate an existing Service Line,
- (d) to transfer an existing account,
- (e) to change the type of Service provided, or
- (f) to make alterations to an existing Service Line or Meter Set

must apply to Pacific Northern Gas by mail, by telephone, by facsimile or by other electronic means.

1.2 Required Documents - An applicant for Service may be required to sign an application and a Service Agreement provided by Pacific Northern Gas.

1.3 Separate Premises / Businesses - If an applicant is requesting Service from Pacific Northern Gas at more than one Premises, or for more than one separately operated business, the applicant will be considered a separate Customer for each of the Premises and businesses. For the purposes of this provision, Pacific Northern Gas will determine whether or not any building contains one or more Premises or any business is separately operated.

1.4 Required Information and Identification - Pacific Northern Gas may request from the Applicant, and the Applicant shall provide, such information as Pacific Northern Gas may reasonably require to provide Service, to collect on its accounts and to otherwise ensure the proper functioning of its business. This information may include but shall not be limited to the following:

- (a) the names of all persons 19 years of age or over occupying or residing at the Premises that will accept, use, receive or otherwise benefit from the Service. These additional persons will be included on the account as co-applicants and considered by the Pacific Northern Gas to be equally responsible for charges.

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- (b) where the applicant and/or co-applicants are individuals, Pacific Northern Gas will collect personal information. This information will generally include, but shall not be limited to: name, address, telephone number, employer, driver's licence number, date of birth, social insurance number. Management of this information by the Pacific Northern Gas will be in accordance with the B.C. Personal Information Protection Act and any other legislation or act in force with regard to privacy or management of a Customer's personal information.
- (c) the name, address and telephone number of the owner or owners of the Premises.
- (d) the name, address and telephone number of the property manager or landlord of leased or rented Premises.
- (e) where the applicant is a corporation, the name, address and telephone number of the company, the officers of the company and their contact information, and any additional information or supporting documents required by Pacific Northern Gas in its discretion.
- (f) where the applicant is a partnership, joint venture, sole proprietorship or other non-incorporated body, the partners, participants, or proprietor of such shall provide information to the same extent as if that individual or corporation was applying for the Service directly.
- (g) a credit report from a credit reporting agency or credit reference from another recognized utility.

1.5 Rental Premises - In the case of rental Premises, Pacific Northern Gas may at its option:

- (a) require an owner of rental Premises or their agent who wishes Pacific Northern Gas to contract directly with a Tenant to enter into an agreement with Pacific Northern Gas defining the owner's or agent's responsibilities to pay for Service to the Premises,
- (b) require an owner or agent of the rental Premises to contract directly as a Customer of Pacific Northern Gas with respect to Service to the Premises, or
- (c) contract directly with each Tenant as a Customer of Pacific Northern Gas.

1.6 Refusal of Application - Pacific Northern Gas may refuse to accept an application for Service for any of the reasons listed in Section 20 (Discontinuance of Service and Refusal of Service).

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2. Agreement to Provide Service

2.1 **Service Agreement** - The agreement for Service between a Customer and Pacific Northern Gas will be

- (a) the oral or written application of the Customer which has been approved by Pacific Northern Gas and which is deemed to include these General Terms and Conditions, or
- (b) a Service Agreement signed by the Customer.

2.2 **Customer Status** - A Person becomes a Customer of Pacific Northern Gas when Pacific Northern Gas

- (a) approves the Person's application for Service, or
- (b) provides Service to the Person.

A Person who is being provided Service by Pacific Northern Gas but who has not applied for Service shall be served in accordance with these General Terms and Conditions.

2.3 **No Assignment / Transfer** - A Customer may not transfer or assign an agreement for Service without the written consent of Pacific Northern Gas.

2.4 **Customer's Responsibility** - A Customer must report to Pacific Northern Gas, as and when they happen, any changes to information they have provided to the Company including changes to phone number(s), place of employment, names and contact information of co-applicants and names and contact information of owners, landlords, or property managers.

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3. Conditions on Use of Service

- 3.1 **Authorized Consumption** - A Customer must not increase the maximum rate of consumption of Gas delivered to it by Pacific Northern Gas from that which may be consumed by the Customer under the applicable Rate Schedule nor significantly change its connected load without the written approval of Pacific Northern Gas, which approval will not be unreasonably withheld.
- 3.2 **Unauthorized Sale / Supply / Use** - Unless authorized in writing by Pacific Northern Gas, a Customer must not sell or supply Gas supplied to it by Pacific Northern Gas to other Persons or use Gas supplied to it by Pacific Northern Gas for any purpose other than as specified in the Service Agreement.

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4. Rate Classification

- 4.1 **Rate Classification** - Subject to Section 4.2 (a) (Special Contracts and Tariff Supplements) below, Customers may be served under any Rate Schedule for which they meet the applicability criteria as set out in the appropriate Rate Schedule.
- 4.2 **Special Contracts and Tariff Supplements** - In exceptional circumstances, special contracts and tariff supplements may be negotiated between Pacific Northern Gas and the Customer and submitted for British Columbia Utilities Commission approval where
- (a) a minimum rate or revenue stream is required by Pacific Northern Gas to ensure that Service to the Customer is economic; or
 - (b) factors such as system by-pass opportunities exist or alternative fuel costs are such that a reduced rate is justified to keep the Customer on-system.
- 4.3 **Periodic Review** - Pacific Northern Gas may
- (a) conduct periodic reviews of the quantity of Gas delivered and the rate of delivery of Gas to a Customer to determine which Rate Schedule applies to the Customer, and
 - (b) change the Customer's charge to the appropriate charge, or
 - (c) change the Customer to the appropriate Rate Schedule.

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5. Application Fee and Charges

5.1 **Application Fee** - An applicant for Service must pay the applicable application fee set out in the Standard Fees and Charges Schedule.

5.2 **Waiver of Application Fee** - The application fee

- (a) will be waived by Pacific Northern Gas if Service to a Customer is reactivated after it was discontinued for any of the reasons described in Section 13.2 (Right to Restrict), and
- (b) may be waived by Pacific Northern Gas if a Landlord requires Gas Service for a short period between the time a previous Tenant moves out and a new Tenant moves in.

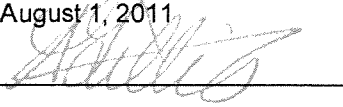
5.3 **Reactivation Charges** - If

- (a) Service is terminated
 - (i) at the request of a Customer, or
 - (ii) for any of the reasons described in Section 20 (Discontinuance of Service and Refusal of Service), or
 - (iii) to permit Customers to make alterations to their Premises, and
- (b) the same Customer or the spouse, employee, contractor, agent or partner of the same Customer requests reactivation of Service to the Premises within one Year, the applicant for reactivation must pay the greater of
 - (i) the costs Pacific Northern Gas incurs in de-activating and re-activating the Service, or
 - (ii) the sum of the minimum charges set out in the applicable Rate Schedule which would have been paid by the Customer between the time of termination and the time of reactivation of Service, or
 - (iii) the reconnection fee set forth in the Standard Fees and Charges Schedule.

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- 5.4 **Identifying Load or Premises Served by Meter Sets** - If a Customer requests Pacific Northern Gas to identify the Meter Set that serves the Premises and/or load after the Meter Set was installed, the Customer will pay the cost Pacific Northern Gas incurs in re-identifying the Meter Set where
- (a) the Meter Set is found to be properly identified, or
 - (b) the Meter Set is found to be improperly identified as a result of Customer activity, including
 - (i) a change in the legal civic address of the Premises,
 - (ii) renovating or partitioning the Premises, or
 - (iii) rerouting Gas lines after the Delivery Point.

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6. Security for Payment of Bills

6.1 **Security for Payment of Bills** - If a Customer or applicant cannot establish or maintain credit to the satisfaction of Pacific Northern Gas, the Customer or applicant may be required to make a security deposit in the form of cash or an equivalent form of security acceptable to Pacific Northern Gas. As security for payment of bills, all Customers who have not established or maintained credit to the satisfaction of Pacific Northern Gas, may be required to provide a security deposit or equivalent form of security, the amount of which will equal the estimate of the total bill for the two highest consecutive Months consumption of Gas by the Customer or applicant. Pacific Northern Gas may require the Customer to adjust the security deposit from time to time to reflect changes to gas consumption compared to gas consumption levels when the initial security deposit was determined by Pacific Northern Gas.

6.2 **Interest** - Pacific Northern Gas will pay interest to a Customer on a security deposit at the rate and at the times specified in the Standard Fees and Charges Schedule. Subject to Section 6.5, if a security deposit in whole or in part is returned to the Customer for any reason, Pacific Northern Gas will credit any accrued interest to the Customer's account at that time.

No interest is payable

(a) on any unclaimed deposit left with Pacific Northern Gas after the account for which it is securing is closed, and

(b) on a deposit held by Pacific Northern Gas in a form other than cash.

6.3 **Refund of Deposit** – When according to the records of Pacific Northern Gas the Customer has established and maintained credit satisfactory to Pacific Northern Gas, a security deposit plus any accrued interest may, at the discretion of Pacific Northern Gas, be refunded to the Customer or other forms of equivalent security may be cancelled. When the Customer pays the final bill, Pacific Northern Gas will refund any remaining security deposit plus any accrued interest or cancel the equivalent form of security.

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- 6.4 **Unclaimed Refund** - If Pacific Northern Gas is unable to locate the Customer to whom a security deposit is payable, Pacific Northern Gas will take reasonable steps to trace the Customer; but if the security deposit remains unclaimed one Year after the date on which it first became refundable, the deposit, together with any interest accrued thereon, becomes the absolute property of Pacific Northern Gas.
- 6.5 **Application of Deposit** - If a Customer's bill is not paid when due, Pacific Northern Gas may apply all or any part of the Customer's security deposit or equivalent form of security and any accrued interest toward payment of the bill. Even if Pacific Northern Gas applies the security deposit or calls on the equivalent form of security, Pacific Northern Gas may, under Section 20 (Discontinuance of Service and Refusal of Service), discontinue Service to the Customer for failure to pay for Service on time.
- 6.6 **Replenish Security Deposit** - If a Customer's security deposit or equivalent form of security is called upon by Pacific Northern Gas towards paying an unpaid bill, the Customer must re-establish the security deposit or equivalent form of security before Pacific Northern Gas will reconnect or continue Service to the Customer.
- 6.7 **Failure to Pay** - Failure to pay a security deposit or to provide an equivalent form of security acceptable to Pacific Northern Gas may, in Pacific Northern Gas' discretion, result in discontinuance or refusal of Service as set out in Section 20 (Discontinuance of Service and Refusal of Service).

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7. Term of Service Agreement

7.1 Initial Term for Residential and Commercial Service - If a Customer is being provided Residential or Commercial Service, the initial term of the Service Agreement

- (a) when a new Service Line is required will be one Year, or
- (b) when a Main Extension is required will be for a period of time fixed by Pacific Northern Gas not exceeding the number of Years used to calculate the revenue in the Main Extension Test used in Section 12 (Main Extensions).

7.2 Initial Term for Gas Service other than Residential or Commercial Service - If a Customer is being provided Gas Service other than Residential or Commercial Service, the initial term of the Service Agreement will be as specified in the Service Agreement or as specified in the appropriate Rate Schedule.

7.3 Transfer to Residential or Commercial Service - If a Customer is being provided Gas Service other than Residential or Commercial Service and transfers to Residential or Commercial Service, the initial term of the Service Agreement will be determined by the criteria set out in Section 7.1 (Initial Term for Residential and Commercial Service). A Customer may only transfer Service from one Rate Schedule to another Rate Schedule once a Year.

7.4 Renewal of Agreement - Unless

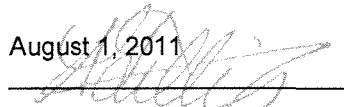
- (a) the Service Agreement or the applicable Rate Schedule specifies otherwise,
- (b) the Service Agreement is terminated under Section 8 (Termination of Service Agreement),
- (c) a refund has been made under Section 9.2 (Refund of Charges), or
- (d) the Service Agreement is for Seasonal Service,

the Service Agreement will be automatically renewed at the end of its initial term from Month to Month for Residential or Commercial Service, and from Year to Year for all other types of Gas Service.

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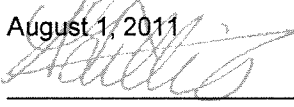
8. Termination of Service Agreement

- 8.1 **Termination by Customer** - Unless the Service Agreement or applicable Rate Schedule specifies otherwise, the Customer may terminate the Service Agreement after the end of the initial term by giving Pacific Northern Gas at least 5 Days' notice.
- 8.2 **Continuing Obligation** - The Customer is responsible for, and must pay for, all Gas delivered to the Premises and is responsible for all damages to and loss of Meter Sets or other Pacific Northern Gas property on the Premises until the Service Agreement is terminated.
- 8.3 **Effect of Termination** - The Customer is not released from any previously existing obligations to Pacific Northern Gas under the Service Agreement by terminating the agreement.
- 8.4 **Sealing Service Line** - After receiving a termination notice for a Premises and after a reasonable period of time during which a new Customer has not applied for Gas Service at the Premises, Pacific Northern Gas may seal off the Service Line to the Premises.

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9. Delayed Consumption

9.1 Additional Charges - If a Customer has not consumed Gas

- (a) within 2 Months after the installation of the Service Line to the Customer's Premises, Pacific Northern Gas may charge the minimum charge for each billing period after that, and
- (b) within one Year after installation of the Service Line to the Customer's Premises, Pacific Northern Gas may charge the Customer the full cost of construction and installation of the Service Line and Meter Set less the total of the minimum charges billed to the Customer to that date.

9.2 Refund of Charges - If a Customer who has paid the charges for a Service Line under Section 9.1(b) (Additional Charges) consumes Gas in the second Year after installation of the Service Line, Pacific Northern Gas will refund to the Customer the payments made under Section 9.1(b) (Additional Charges). If a refund is made under this Section 9.2 (Refund of Charges), the term of the Service Agreement will be one Year from the time the Customer begins consuming Gas.

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10. Service Lines

10.1 **Provided Installation** - If Pacific Northern Gas' Main is adjacent to the Customer's Premises, Pacific Northern Gas

- (a) will designate the location of the Service Line and Meter Set on the Customer's Premises and determine the amount of space that must be left unobstructed around them;
- (b) will install the required Service Line and Meter Set along the route and at the location determined to be suitable by Pacific Northern Gas; and
- (c) will charge Customers the New Service Line Cost.

10.2 **Extended Installation** - The Customer may make application to Pacific Northern Gas to extend the Service Line beyond that described in Section 10.1(b) (Provided Installation) . Upon approval by Pacific Northern Gas and agreement for payment by the Customer of the additional costs of doing so, Pacific Northern Gas will extend the Service Line only if it is on the route approved by Pacific Northern Gas.

10.3 **Customer Requested Routing** - If

- (a) Pacific Northern Gas' Main is adjacent to the Customer's Premises, and
- (b) the Customer requests that its piping or Service Line enter its Premises at a different point of entry or follow a different route from the point or route designated by Pacific Northern Gas under Section 10.1,

Pacific Northern Gas may charge the Customer for all costs in excess of the New Service Line Cost as determined by Pacific Northern Gas to install the Service Line in accordance with the Customer's request.

10.4 **Temporary Service** - A Customer applying for Temporary Service must pay Pacific Northern Gas in advance for the costs which Pacific Northern Gas estimates it will incur in the installation and subsequent removal of the facilities necessary to supply Gas to the Customer.

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- 10.5 **Winter Construction** - If an applicant or Customer applies for Service which requires construction when, in Pacific Northern Gas' opinion, frost conditions may exist, Pacific Northern Gas may postpone the required construction until the frost conditions no longer exist.

If Pacific Northern Gas carries out the construction, the applicant or Customer may be required to pay all costs in excess of the New Service Line Cost which are incurred due to the frost conditions.

- 10.6 **Additional Connections** - If a Customer requests more than one Service connection to the Premises, on the same Rate Schedule, Pacific Northern Gas may install the additional Service Line and charge the Customer the Application Fee set out in the Standard Fees and Charges Schedule and New Service Line Cost applicable to the additional facilities. Pacific Northern Gas will bill the additional Service Connection from a separate meter and account. If the additional Service Connection is requested by a spouse, contractor, employee, agent or partner of the existing Customer, the same charges will apply.
- 10.7 **Easement Required** - If an intervening property is located between the Customer's Premises and Pacific Northern Gas' Main, the Customer is responsible for the costs of obtaining an easement in favour of Pacific Northern Gas and in a form specified by Pacific Northern Gas, for the installation, operation and maintenance on the intervening property of all necessary facilities for supplying Gas to the Customer.
- 10.8 **Ownership** - Pacific Northern Gas owns the entire Service Line from the Main up to and including the Meter Set, whether it is located inside or outside the Customer's Premises.
- 10.9 **Maintenance** - Pacific Northern Gas will maintain the Service Line.
- 10.10 **Supply Cut Off** - If the supply of Gas to a Customer's Premises is cut off for any reason, Pacific Northern Gas is not required to remove the Service Line from the Customer's property or Premises.
- 10.11 **Damage Notice** - The Customer must advise Pacific Northern Gas immediately of any damage occurring to the Service Line.
- 10.12 **Prohibition** - A Customer must not construct any permanent structure over a Service Line or install any air intake openings or sources of ignition which contravene government regulations, codes or Pacific Northern Gas policies.

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- 10.13 **No Unauthorized Changes** - No changes, extensions, connections to or replacement of, or disconnection from Pacific Northern Gas' Mains or Service Lines, shall be made except by Pacific Northern Gas' authorized employees, contractors or agents or by other Persons authorized in writing by Pacific Northern Gas. Any change in the location of an existing Service Line
- (a) must be approved in writing by Pacific Northern Gas, and
 - (b) will be made at the expense of the Customer if the change is requested by the Customer or necessitated by the actions of the Customer.
- 10.14 **Site Preparation** - The Customer will be responsible for all necessary site preparation including but not limited to clearing building materials, construction waste, equipment, soil and gravel piles over the proposed Service Line route to the standards established by Pacific Northern Gas. Pacific Northern Gas may recover any additional costs associated with delays or site visits necessitated by inadequate or substandard site preparation by the Customer.

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11. Meter Sets and Metering

- 11.1 **Installation** - In order to bill the Customer for Gas delivered, Pacific Northern Gas will install one or more Meter Sets on the Customer's Premises. Unless approved by Pacific Northern Gas, all Meter Sets will be located outside the Customer's Premises at locations designated by Pacific Northern Gas.
- 11.2 **Measurement** - The quantity of Gas delivered to the Premises will be metered using government approved apparatus. The amount of Gas registered by the Meter Set during each billing period will be converted to Gigajoules in accordance with the Electricity and Gas Inspection Act. The interval between consecutive meter readings shall be at the sole discretion of Pacific Northern Gas. However, the meter will normally be read by an employee or representative of the Company every second month. An accurate record of all meter readings shall be kept by the Company and shall be the basis for the determination of all bills rendered for service. For billing purposes, Pacific Northern Gas may estimate the customer's meter reading if, for any reason, it does not obtain an actual meter reading.
- 11.3 **Testing Meters** - If a Customer applies for the testing of a Meter Set and
- (a) the Meter Set is found to be recording incorrectly, the cost of removing, replacing and testing the meter will be borne by Pacific Northern Gas subject to Section 21.4 (Responsibility for Meter Set), and
 - (b) if the testing indicates that the Meter Set is recording correctly, as defined by the Electricity and Gas Inspection Act, the Customer must pay Pacific Northern Gas for the cost of removing, replacing and testing the Meter Set as set out in the Standard Fees and Charges Schedule.
- 11.4 **Defective Meter Set** - If a Meter Set ceases to register, Pacific Northern Gas will estimate the volume of Gas delivered to the Customer according to the procedures set out in Section 15.6 (Incorrect Register).
- 11.5 **Protection of Equipment** - The Customer must take reasonable care of and protect all Meter Sets and related equipment on the Customer's Premises. The Customer's responsibility for expense, risk and liability with respect to all Meter Sets and related equipment is set out in Section 21.4 (Responsibility for Meter Set).
- 11.6 **No Unauthorized Changes** - No Meter Sets or related equipment will be installed, connected, moved or disconnected except by Pacific Northern Gas' authorized employees, contractors or agents or by other Persons with Pacific Northern Gas' written permission.

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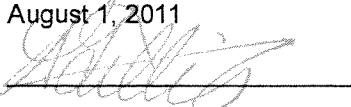
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- 11.7 **Removal of Meter Set** - At the termination of a Service Agreement, Pacific Northern Gas may disconnect or remove a Meter Set from the Premises if a new Customer is not expected to apply for Service for the Premises within a reasonable time.
- 11.8 **Customer Requested Meter Relocation or Modifications** - Any change in the location of a Meter Set or related equipment, or any modifications to the Meter Set, including automatic and/or remote meter reading
- (a) must be approved by Pacific Northern Gas in writing, and
 - (b) will be made at the expense of the Customer if the change or modification is requested by the Customer or necessitated by the actions of the Customer. If any of the changes to the Meter Set or related equipment require Pacific Northern Gas to incur ongoing incremental operating and maintenance costs, Pacific Northern Gas may recover these costs from the Customer through a Monthly charge.
- 11.9 **Meter Set Consolidations** - A Customer who has more than one Meter Set at the same Premises or adjacent Premises may apply to Pacific Northern Gas to consolidate its Meter Sets. If Pacific Northern Gas approves the Customer's application, the Customer will be charged the value for all plant abandoned except for Meter Sets that are removed to facilitate Meter Set consolidations. In addition, the Customer will be charged Pacific Northern Gas' full costs, including overheads, for any abandonment, Meter Set removal and alteration downstream of the new Meter Set. If a new Service Line is required, Pacific Northern Gas will charge the Customer the New Service Line Cost and the Application Fee. In addition, the Customer will be required to sign a release waiving Pacific Northern Gas' liability for any damages should the Customer decide to re-use the abandoned plant downstream of the new Meter Set.
- 11.10 **Delivery Pressure** - The normal Delivery Pressure is 1.75 kPa. Pacific Northern Gas may charge Customers who require Delivery Pressure at other than the normal Delivery Pressure the additional costs associated with providing other than the normal Delivery Pressure.
- 11.11 **Customer Requested Mobile Service** - The Customer will be charged the cost of providing temporary mobile Gas Service if the request for such service is made by or brought on by the actions of the Customer.
- 11.12 **Customer Requested Meter Reading** - If a Customer requests Pacific Northern Gas to read the Customer's Meter, the Customer will pay Pacific Northern Gas the fee for a Customer requested Meter reading as set out in the Standard Fees and Charges Schedule.

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12. Main Extensions

- 12.1 **System Expansion** - Pacific Northern Gas will make extensions of its Gas distribution system in accordance with system development requirements.
- 12.2 **Ownership** - All extensions of the Gas distribution system will remain the property of Pacific Northern Gas and the making of any payment or contribution thereto by the Customer does not give the Customer any interest whatsoever in the Main or related facilities.
- 12.3 **Main Extension Test** – All applications to extend the Gas distribution system to one or more new Customers will be subject to a financial analysis conducted by Pacific Northern Gas in general accordance with "Utility System Extension Test Guidelines" issued by the British Columbia Utilities Commission on September 5, 1996. The financial analysis will be based on a 20-year analytical methodology under which the present value of margin requirements to install and operate the Main Extension will be compared with the present value of projected margin using the current rates by customer class and the estimated number of customers to be served by the Main Extension.
- 12.4 **Costs** - The cost of installing a Main Extension will be estimated by Pacific Northern Gas, taking account of local installation conditions and current cost factors for materials and services required to complete the installation. Customer connections during the first year of operation of the Main Extension will be forecast by the Pacific Northern Gas based on its previous experience with customer connections to Main Extensions in similar market situations. The Company will bear all costs of installation of a Main Extension provided the Main Extension Test indicates that the present value of costs related to installation and operation of the Main Extension does not exceed the present value of projected margin from potential Customers who would receive service from the Main Extension.
- 12.5 **Contributions in Aid of Construction** - If the Main Extension Test results indicate a negative net present value, the Main Extension may proceed provided that the shortfall in revenue is eliminated by contributions in aid of construction by the Customers to be served by the Main Extension or other parties.

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12.6 **Contributions Paid by Connecting Customers** - The total required contribution will be paid by the Customers connecting at the time the Main Extension is built (i.e. the first year Customers). Pacific Northern Gas will collect contributions from all Customers connecting during the first five Years after the Main Extension is built. As additional contributions are received from Customers connecting to the Main Extension, partial refunds will be made to those Customers who had previously made contributions. At the end of the fifth Year, all Customers will have paid an equal contribution, after reconciliation and refunds.

12.7 **Refund of Contributions** - A review will be performed bi-annually, or more often at the discretion of Pacific Northern Gas, to determine if a refund is payable to all Customers who have contributed to the Main Extension.

If the review of contributions indicates that refunds are due,

- (a) individual refunds greater than \$200 will be paid at the time of the review;
- (b) individual refunds less than \$200 will be held until a subsequent review increases the refund payable over \$200, or until the end of the five-Year contributory period;
- (c) no interest will be paid on contributions that are subsequently refunded;
- (d) the total amount of refunds issued will not be greater than the original amount of the contribution; and
- (e) if, after making all reasonable efforts, Pacific Northern Gas is unable to locate a Customer who is eligible for a refund, the Customer will be deemed to have forfeited the contribution refund and the refund will be credited to the other Customers who contributed towards the Main Extension.

12.8 **Security** - In those situations where the financial viability of a Main Extension is uncertain, Pacific Northern Gas may require a security deposit in the form of cash or an equivalent form of security acceptable to Pacific Northern Gas.

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13. Interruption of Service

- 13.1 **Regular Supply** - Pacific Northern Gas will use its best efforts to provide the constant delivery of Gas and the maintenance of unvaried pressures.
- 13.2 **Right to Restrict** - Pacific Northern Gas may require any of its Customers, at all times or between specified Hours, to discontinue, interrupt or reduce to a specified degree or quantity, the delivery of Gas for any of the following purposes or reasons:
- (a) in the event of a temporary or permanent shortage of Gas, whether actual or perceived by Pacific Northern Gas,
 - (b) in the event of a breakdown or failure of the supply of Gas to Pacific Northern Gas or of Pacific Northern Gas' distribution, or transmission systems,
 - (c) in order to comply with any legal requirements,
 - (d) in order to make repairs or improvements to any part of Pacific Northern Gas' Gas distribution or transmission systems,
 - (e) in the event of fire, flood, explosion or other emergency in order to safeguard Persons or property against the possibility of injury or damage.
- 13.3 **Notice** - Pacific Northern Gas will, to the extent practicable, give notice of its requirements and removal of its requirements under Section 13.2 (Right to Restrict) to its Customers by
- (a) newspaper, radio or television announcement, or
 - (b) notice in writing that is
 - (i) sent through the mail to the Customer's billing address,
 - (ii) left at the Premises where Gas is delivered,
 - (iii) served personally on a Customer, or
 - (iv) sent by facsimile or other electronic means to the Customer, or
 - (c) oral communication.

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- 13.4 **Failure to Comply** - If, in the opinion of Pacific Northern Gas, a Customer has failed to comply with any requirement under Section 13.2 (Right to Restrict), Pacific Northern Gas may, after providing notice to the Customer in the manner specified in Section 13.3 (Notice), discontinue Service to the Customer.

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14. Access to Premises and Equipment

- 14.1 **Access to Premises** - Pacific Northern Gas must have a right of entry to the Customer's Premises. The Customer must provide free access to its Premises at all reasonable times to Pacific Northern Gas' authorized employees, contractors and agents for the purpose of reading, testing, repairing or removing meters and ancillary equipment, turning Gas on or off, completing system leakage surveys, stopping leaks, examining pipes, connections, fittings and appliances and reviewing the use made of Gas delivered to the Customer, or for any other related purpose which Pacific Northern Gas requires.
- 14.2 **Access to Equipment** - The Customer must provide clear access to Pacific Northern Gas' equipment. The equipment installed by Pacific Northern Gas on the Customer's Premises will remain the property of Pacific Northern Gas and may be removed by Pacific Northern Gas upon termination of Service.

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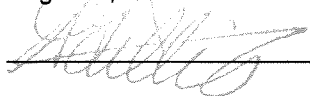
15. Billing

- 15.1 **Basis for Billing** - Pacific Northern Gas will bill the Customer in accordance with the Customer's Service Agreement, the Rate Schedule under which the Customer is provided Service, and the fees and charges contained in these General Terms and Conditions.
- 15.2 **Meter Measurement** - Pacific Northern Gas will measure the quantity of Gas delivered to a Customer using a Meter Set and the starting point for measuring delivered quantities during each billing period will be the finishing point of the preceding billing period.
- 15.3 **Multiple Meters** - Gas Service to each Meter Set will be billed separately for Customers who have more than one Meter Set on their Premises.
- 15.4 **Estimates** - For billing purposes, Pacific Northern Gas may estimate the Customer's meter readings if, for any reason, Pacific Northern Gas does not obtain a meter reading.
- 15.5 **Estimated Final Reading** - If a Service Agreement is terminated under Section 8.1 (Termination by Customer), Pacific Northern Gas may estimate the final meter reading for final billing.
- 15.6 **Incorrect Register** - If any Meter Set has failed to measure the delivered quantity of Gas correctly, Pacific Northern Gas may estimate the meter reading for billing purposes, subject to Section 16 (Back-Billing).
- 15.7 **Bills Issued** - Pacific Northern Gas may bill a Customer as often as Pacific Northern Gas considers necessary but generally will bill on a bi-Monthly basis.
- 15.8 **Bill Due Dates** - The Customer must pay Pacific Northern Gas' bill for Service on or before the due date shown on the bill which will be
- (a) the twentieth calendar Day following the billing date, or
 - (b) such other period as may be agreed upon by the Customer and Pacific Northern Gas.
- 15.9 **Historical Billing Information** - Customers who request historical billing information may be charged the cost of processing and providing the information.

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16. Back-Billing

- 16.1 **When Required** - Pacific Northern Gas may, in the circumstances specified herein, charge, demand, collect or receive from its Customers in respect of a regulated Service rendered hereunder a greater or lesser compensation than that specified in the subsisting schedules applicable to that Service.

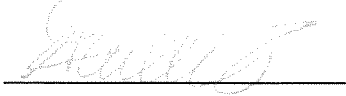
In the case of a minor adjustment to a Customer's bill, such as an estimated bill or an equal payment plan billing, such adjustments do not require back-billing treatment to be applied.

- 16.2 **Definition** - Back-billing means the rebilling by Pacific Northern Gas for Services rendered to a Customer because the original billings are discovered to be either too high (over-billed) or too low (under-billed). The discovery may be made by either the Customer or Pacific Northern Gas, and may result from the conduct of an inspection under provisions of the Electricity and Gas Inspection Act. The cause of the billing error may include any of the following non-exhaustive reasons or combination thereof:

- (a) stopped meter
- (b) metering equipment failure
- (c) missing meter now found
- (d) switched meters
- (e) double metering
- (f) incorrect meter connections
- (g) incorrect use of any prescribed apparatus respecting the registration of a meter
- (h) incorrect meter multiplier
- (i) the application of an incorrect rate
- (j) incorrect reading of meters or data processing
- (k) tampering, fraud, theft or any other criminal act.

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- 16.3 **Application of Act** - Whenever the dispute procedure of the Electricity and Gas Inspection Act is invoked, the provisions of that Act apply, except those which purport to determine the nature and extent of legal liability flowing from metering or billing errors.
- 16.4 **Billing Basis** - Where metering or billing errors occur and the dispute procedure under the Electricity and Gas Inspection Act is not invoked, the consumption and demand will be based upon the records of Pacific Northern Gas for the Customer, or the Customer's own records to the extent they are available and accurate, or if not available, reasonable and fair estimates may be made by Pacific Northern Gas. Such estimates will be on a consistent basis within each Customer class or according to a contract with the Customer, if applicable.
- 16.5 **Tampering/Fraud** - If there are reasonable grounds to believe that the Customer has tampered with or otherwise used Pacific Northern Gas' Service in an unauthorized way, or there is evidence of fraud, theft or other criminal acts, or if a reasonable Customer should have known of the under-billing and failed to promptly bring it to the attention of Pacific Northern Gas, then the extent of back-billing will be for the duration of the unauthorized use, subject to the applicable limitation period provided by law, and the provisions of Sections 16.8 (Under-Billing) to 16.11 (Changes in Occupancy), below, do not apply.
- In addition, the Customer is liable for the direct (unburdened) administrative costs incurred by Pacific Northern Gas in the investigation of any incident of tampering, including the direct costs of repair, or replacement of equipment.
- Under-billing resulting from circumstances described above will bear interest at the rate normally charged by Pacific Northern Gas on unpaid accounts from the date of the original under-billed invoice until the amount under-billed is paid in full.
- 16.6 **Remedying Problem** - In every case of under-billing or over-billing, the cause of the error will be remedied without delay, and the Customer will be promptly notified of the error and of the effect upon the Customer's ongoing bill.
- 16.7 **Over-billing** - In every case of over-billing, Pacific Northern Gas will refund to the Customer all money incorrectly collected for the duration of the error, subject to the applicable limitation period provided by law. Simple interest, computed at the short-term bank loan rate applicable to Pacific Northern Gas on a Monthly basis, will be paid to the Customer.

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- 16.8 **Under-billing** - Subject to Section 16.5 (Tampering / Fraud), above, in every case of under-billing, Pacific Northern Gas will back-bill the Customer for the shorter of
- (a) the duration of the error; or
 - (b) six Months for Residential or Commercial Service; and
 - (c) one Year for all other Customers or as set out in a special or individually negotiated contract with Pacific Northern Gas.
- 16.9 **Terms of Repayment** - Subject to Section 16.5 (Tampering / Fraud), above, in all cases of under-billing, Pacific Northern Gas will offer the Customer reasonable terms of repayment. If requested by the Customer, the repayment term will be equivalent in length to the back-billing period. The repayment will be interest free and in equal instalments corresponding to the normal billing cycle. However, delinquency in payment of such instalments will be subject to the usual late payment charges.
- 16.10 **Disputed Back-bills** - Subject to Section 16.5 (Tampering / Fraud), above, if a Customer disputes a portion of a back-billing due to under-billing based upon either consumption, demand or duration of the error, Pacific Northern Gas will not threaten or cause the discontinuance of Service for the Customer's failure to pay that portion of the back-billing, unless there are no reasonable grounds for the Customer to dispute that portion of the back-billing. The undisputed portion of the bill shall be paid by the Customer and Pacific Northern Gas may threaten or cause the discontinuance of Service if such undisputed portion of the bill is not paid.
- 16.11 **Changes in Occupancy** - Subject to Section 16.5 (Tampering / Fraud), above, back-billing in all instances where changes of occupancy have occurred, Pacific Northern Gas will make a reasonable attempt to locate the former Customer. If, after a period of one Year, such Customer cannot be located, the applicable over or under billing will be cancelled.

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17. Equal Payment Plan (Budget Billing Plan)

- 17.1 **Definitions** - In this Section, "equal payment plan period" means a period of twelve consecutive Months commencing with a normal meter reading date at the Customer's Premises.
- 17.2 **Application for Plan** - A Customer may apply to Pacific Northern Gas by mail, by telephone, by facsimile or by other electronic means to pay fixed Monthly instalments for Gas delivered to the Customer during the equal payment plan period. Acceptance of the application will be subject to Pacific Northern Gas finding the Customer's credit to be satisfactory. Pacific Northern Gas may not allow a Customer to enrol in the equal payment plan if the Customer's annual gas consumption is minimal.
- 17.3 **Monthly Instalments** - Pacific Northern Gas will fix Monthly instalments for a Customer so that the total sum of all the instalments to be paid during the equal payment plan period will equal the total amount payable for the Gas which Pacific Northern Gas estimates the Customer will consume during the equal payment plan period.
- 17.4 **Changes in Instalments** - Pacific Northern Gas may, at any time, increase or decrease the amount of Monthly instalments payable by a Customer in light of new consumption information or changes to the Rate Schedules or these General Terms and Conditions.
- 17.5 **End of Plan** - Participation in the equal payment plan may be ended at any time
- (a) by the Customer giving 5 Days' notice to Pacific Northern Gas, or
 - (b) by Pacific Northern Gas, without notice, if the Customer has not paid the Monthly instalments as required.
- 17.6 **Payment Adjustment** - At the earlier of the end of the equal payment plan period for a Customer or the end of the Customer's participation in the plan under Section 17.5 (End of Plan), Pacific Northern Gas will
- (a) compare the amount which is payable by the Customer to Pacific Northern Gas for Gas actually consumed on the Customer's Premises from the beginning of the equal payment plan period to the sum of the Monthly instalments billed to the Customer from the beginning of the equal payment plan period, and
 - (b) pay to the Customer or credit to the Customer's account any excess amount or bill the Customer for any deficit amount payable.

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18. Late Payment Charge

- 18.1 **Late Payment Charge** - If the amount due for Service or Service Related Charges on any bill has not been received in full by Pacific Northern Gas or by an agent acting on behalf of Pacific Northern Gas on or before the due date specified on the bill, and the unpaid balance is \$15 or more, Pacific Northern Gas may include in the next bill to the Customer the late payment charge specified in the Standard Fees and Charges Schedule.
- 18.2 **Equal Payment Plan** - If the Monthly instalment, Service Related Charges and payment adjustment as defined under Section 17.6 due from a Customer billed under the equal payment plan set out in Section 17 have not been received by Pacific Northern Gas or by an agent acting on behalf of Pacific Northern Gas on or before the due date specified on the bill, Pacific Northern Gas may include in the next bill to the Customer the late payment charge in accordance with Section 18.1 on the amount due.

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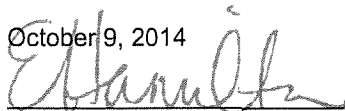
19. Returned Cheque/Dishonoured Bank Withdrawal Charge

- 19.1 **Dishonoured Cheque Charge** - If a cheque received by Pacific Northern Gas from a Customer in payment of a bill is not honoured by the Customer's financial institution for any reason other than clerical error, Pacific Northern Gas may include a charge specified in the Standard Fees and Charges Schedule in the next bill to the Customer for processing the returned cheque whether or not the Service has been disconnected.
- 19.2 **Dishonoured Bank Withdrawal** - If an automatic bank withdrawal for payment of a bill is not honoured by the Customer's financial institution for any reason other than clerical error, Pacific Northern Gas may include a charge specified in the Standard Fees and Charges Schedule in the next bill to the Customer whether or not the Service has been disconnected.
- 19.3 **Payment Transfer Fee** – Customers are solely responsible for the accuracy of their current banking information, including ensuring that bill payment details reflect the correct Pacific Northern Gas customer account number. If bill payments are made to the incorrect account, Pacific Northern Gas may include in the next bill to the Customer the payment transfer fee specified in the Standard Fees and Charges Schedule. |N

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Reg. Affairs & Gas Supply

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20. Discontinuance of Service and Refusal of Service

20.1 **Discontinuance With Notice and Refusal Without Notice** - Pacific Northern Gas may discontinue Service to a Customer with at least 48 Hours written notice to the Customer or Customer's Premises, or may refuse Service for any of the following reasons:

- (a) the Customer has not fully paid Pacific Northern Gas' bill with respect to Services on or before the due date,
- (b) the Customer or applicant has failed to pay any required security deposit, equivalent form of security, or post a guarantee or required increase in it by the specified date,
- (c) the Customer or applicant has failed to pay Pacific Northern Gas' bill in respect of another Premises on or before the due date,
- (d) the Customer or applicant occupies the Premises with another occupant who has failed to pay Pacific Northern Gas' bill, security deposit, or required increase in the security deposit in respect of another Premises which was occupied by that occupant and the Customer at the same time,
- (e) the Customer or applicant is in receivership or bankruptcy, or operating under the protection of any insolvency legislation and has failed to pay any outstanding bills to Pacific Northern Gas,
- (f) the Customer has failed to apply for Service,
- (g) the Customer appears to Pacific Northern Gas to have vacated a Premises after all reasonable attempts have been made by Pacific Northern Gas to contact the Customer by mail, phone, and posting a notice on the entrance door of the Premises,
- (h) the Customer is deceased and no other Person or representative of the deceased has applied to Pacific Northern Gas to assume responsibility for the Customer's account with Pacific Northern Gas, or

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- (i) the land or portion thereof on which Pacific Northern Gas' facilities are, or are proposed to be, located contains contamination which Pacific Northern Gas, acting reasonably, determines has adversely affected or has the potential to adversely affect Pacific Northern Gas' facilities, or the health or safety of its workers or which may cause Pacific Northern Gas to assume liability for clean up and other costs associated with the contamination. If Pacific Northern Gas, acting reasonably, determines that contamination is present it is the obligation of the occupant of the land to satisfy Pacific Northern Gas that the contamination does not have the potential to adversely affect Pacific Northern Gas or its workers. For the purposes of this Section, "contamination" means the presence in the soil, sediment or groundwater of special waste or another substance in quantities or concentrations exceeding criteria, standards or conditions established by the British Columbia Ministry of Environment or as prescribed by present and future laws, rules, regulations and orders of any other legislative body, governmental agency or duly constituted authority now or hereafter having jurisdiction over the environment.

20.2 **Discontinuance or Refusal Without Notice** - Pacific Northern Gas may discontinue without notice or refuse the supply of Gas or Service to a Customer for any of the following reasons:

- (a) the Customer or applicant has failed to provide reference information and identification acceptable to Pacific Northern Gas, when applying for Service or at any subsequent time on request by Pacific Northern Gas,
- (b) the Customer has defective pipe, appliances, or Gas fittings in the Premises,
- (c) the Customer uses Gas in such a manner as in Pacific Northern Gas' opinion
 - (i) may lead to a dangerous situation, or
 - (ii) may cause undue or abnormal fluctuations in the Gas pressure in Pacific Northern Gas' Gas transmission or distribution systems,
- (d) the Customer fails to make modifications or additions to the Customer's equipment which have been required by Pacific Northern Gas in order to prevent the danger or to control the undue or abnormal fluctuations described under paragraph (c),
- (e) the Customer breaches any of the terms and conditions upon which Service is provided to the Customer by Pacific Northern Gas,
- (f) the Customer fraudulently misrepresents to Pacific Northern Gas its use of Gas or the volume delivered,
- (g) the Customer vacates the Premises,

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- (h) the Customer's Service Agreement is terminated for any reason, or
- (i) the Customer stops consuming Gas on the Premises.

20.3 **Application to Former Tariffs** - Section 20.1 (Discontinuance With Notice and Refusal Without Notice), parts (c), (d) and (e), apply to bills rendered under these General Terms and Conditions and under the following former tariffs:

PNG-West - Gas Tariff BCUC No. 3,


Fort St. John/Dawson Creek - Gas Tariff BCUC No. 4,

Tumbler Ridge - Gas Tariff B.C.U.C. No.1.

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21. Limitations on Liability

- 21.1 **Responsibility for Delivery of Gas** - Pacific Northern Gas, its employees, contractors or agents are not responsible or liable for any loss, damage, costs or injury (including death) incurred by any Customer or any Person claiming by or through the Customer caused by or resulting from, directly or indirectly, any discontinuance, suspension or interruption of, or failure or defect in the supply or delivery or transportation of, or refusal to supply, deliver or transport Gas, or provide Service, unless the loss, damage, costs or injury (including death) is directly attributable to the gross negligence or willful misconduct of Pacific Northern Gas, its employees, contractors or agents provided, however that Pacific Northern Gas, its employees, contractors and agents are not responsible or liable for any loss of profit, loss of revenues, or other economic loss even if the loss is directly attributable to the gross negligence or willful misconduct of Pacific Northern Gas, its employees, contractors or agents.
- 21.2 **Responsibility Before Delivery Point** - The Customer is responsible for all expense, risk and liability with respect to
- (a) the use or presence of Gas before it passes the Delivery Point in the Customer's Premises, and
 - (b) Pacific Northern Gas-owned facilities serving the Customer's Premises
- if any loss or damage caused by or resulting from failure to meet that responsibility is caused, or contributed to, by the act or omission of the Customer or a Person for whom the Customer is responsible.
- 21.3 **Responsibility After Delivery Point** - The Customer is responsible for all expense, risk and liability with respect to the use or presence of Gas after it passes the Delivery Point.

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21.4 **Responsibility for Meter Set** - The Customer is responsible for all expense, risk and liability with respect to all Meter Sets or related equipment at the Customer's Premises unless any loss or damage is

- (a) directly attributable to the negligence of Pacific Northern Gas, its employees, contractors or agents, or
- (b) caused by or resulting from a defect in the equipment. The Customer must prove that negligence or defect.

For greater certainty and without limiting the generality of the foregoing, the Customer is responsible for all expense, risk and liability arising from any measures required to be taken by Pacific Northern Gas in order to ensure that the Meter Sets or related equipment on the Customer's Premises are adequately protected, as well as any updates or alterations to the Service Line(s) on the Customer's Premises necessitated by changes to the grading or elevation of the Customer's Premises or obstructions placed on such Service Line(s).

21.5 **Customer Indemnification** - The Customer will indemnify and hold harmless Pacific Northern Gas, its employees, contractors and agents from all claims, loss, damage, costs or injury (including death) suffered by the Customer or any Person claiming by or through the Customer or any third party caused by or resulting from the use of Gas by the Customer or the presence of Gas in the Customer's Premises, or from the Customer or Customer's employees, contractors or agents damaging Pacific Northern Gas' facilities.

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22. Miscellaneous Provisions

- 22.1 **Taxes** - The rates and charges specified in the applicable Rate Schedules do not include any local, provincial or federal taxes, assessments or levies imposed by any competent taxing authorities which Pacific Northern Gas may be lawfully authorized or required to add to its normal rates and charges or to collect from or charge to the Customer.
- 22.2 **Conflicting Terms and Conditions** - Where anything in these General Terms and Conditions conflicts with special terms or conditions specified under an applicable Rate Schedule or Service Agreement, then the terms or conditions specified under the Rate Schedule or Service Agreement govern.
- 22.3 **Authority of Agents of Pacific Northern Gas** - No employee, contractor or agent of Pacific Northern Gas has authority to make any promise, agreement or representation not incorporated in these General Terms and Conditions or in a Service Agreement, and any such unauthorized promise, agreement or representation is not binding on Pacific Northern Gas.
- 22.4 **Additions, Alterations and Amendments** - These General Terms and Conditions, fees and charges, and Rate Schedules may, with the approval of the British Columbia Utilities Commission, be added to, cancelled, altered or amended by Pacific Northern Gas from time to time.
- 22.5 **Headings** - The headings of the Sections set forth in these General Terms and Conditions are for convenience of reference only and will not be considered in any interpretation of these General Terms and Conditions.

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23. Direct Purchase Agreements

- 23.1 **Collection of Incremental Direct Purchase Costs** - Where Pacific Northern Gas incurs any costs relating to implementing, providing or facilitating the direct purchase arrangements of a Customer, agent, broker or marketer, Pacific Northern Gas may, subject to British Columbia Utilities Commission approval, collect those costs from the Customer, agent, broker or marketer. Such costs may include the costs of arranging, acquiring or transporting substitute Gas supplies as well as any other costs or obligations relating to the direct purchase arrangement that are incurred by Pacific Northern Gas. Pacific Northern Gas can bill the Customer for such costs as part of the regular Pacific Northern Gas bill for Service.
- 23.2 **Direct Purchase Customers Returning to Pacific Northern Gas System Supply** - Where a Customer has acquired Gas under a direct purchase arrangement and later wishes to return to the system Gas supply of Pacific Northern Gas,
- (a) Pacific Northern Gas may require that the Customer provide Pacific Northern Gas up to one Year's written notice before the date on which the Customer wishes to return to system Gas supply,
 - (b) Pacific Northern Gas will supply the Customer with system Gas when the Customer wishes to return to system Gas supply if Pacific Northern Gas is able to secure additional Gas supply and transportation to accommodate the Customer, and
 - (c) Pacific Northern Gas may, subject to British Columbia Utilities Commission approval, charge the Customer for any costs associated with the Customer returning to system Gas supply. Such costs may include, among other things, the costs of securing additional Gas supply and transportation to accommodate the Customer, a security deposit or adjustments to an existing security deposit. Pacific Northern Gas can bill the Customer for such costs as part of the regular Pacific Northern Gas bill for Service.

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Standard Fees and Charges Schedule

New Service Line Cost

\$450.00 plus tax for services requiring up to 42 mm diameter pipe and up to 21 metres of pipe and all other associated equipment required at the Premises including 22 metres of tracer wire, riser, meter stop, regulator and gas meter. For installations in excess of 21 metres, an extra metre charge of \$10 per metre will apply.

For services requiring 60 mm diameter or greater pipe, the cost will be Pacific Northern Gas' actual cost to install the new Service Line. Pacific Northern Gas will provide the customer with the estimated cost prior to installation.

Application Fee

Existing Installation	\$30.00
New Installation	\$30.00

Reconnection Fee	\$60.00
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Administrative Charges

Late Payment Charge	1.5% per month (19.56% per annum) on outstanding balance
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Dishonoured Cheque Charge	\$20.00
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Dishonoured Pre-Authorized Payment Charge	\$20.00
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Payment Transfer Fee	\$15.00
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Metering Related Charges

Disputed Meter Testing Fees

Meters rated at less than or equal to 14.2 m ³ /Hour	\$60.00
Meters rated greater than 14.2 m ³ /Hour	Actual Costs of Removal and Replacement

Customer requested Meter reading	\$30.00
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Interest on Cash Security Deposits

Pacific Northern Gas will pay interest on cash security deposits at Pacific Northern Gas' prime interest rate minus 2 percent. Pacific Northern Gas' prime interest rate is defined as the floating annual rate of interest declared from time to time by Pacific Northern Gas' lead bank as its "prime rate" for loans in Canadian dollars.

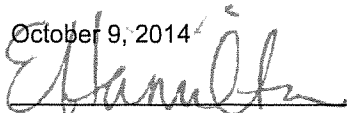
Payment of interest will be credited to the Customer's account in January of each Year.

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Residential Service (RS1)

Available

This Rate Schedule is available in all territory served by Pacific Northern Gas, provided adequate capacity exists in Pacific Northern Gas Systems.

Applicable

This Rate Schedule is applicable to firm Gas supplied at one Premises for use in approved appliances for all residential applications in single-family residences, separately metered single-family townhouses, rowhouses, condominiums, duplexes and apartments and single metered apartment blocks with four or less apartments.

Rates

<u>Delivery Charges</u>	<u>PNG-West Service Area</u>	<u>Dawson Creek Service Area</u>	<u>Fort St. John Service Area</u>	<u>Tumbler Ridge Service Area</u>
Basic Charge⁽¹⁾	\$ 10.75 /mo.	\$ 7.00 /mo.	\$ 7.00 /mo.	\$ 8.50 /mo.
Tomslake System Monthly Charge⁽³⁾		\$ 10.00 /mo.		
Delivery Charge	\$ 12.615 /GJ A	\$ 4.252 /GJ A	\$ 4.450 /GJ A	\$ 9.468 /GJ A
Interim Rate Adjustment Rider	\$ - /GJ	\$ - /GJ	\$ - /GJ	\$ - /GJ
Company Use Rider⁽²⁾	\$ (0.009) /GJ A	\$ (0.043) /GJ A	\$ (0.043) /GJ A	\$ (0.080) /GJ D
RSAM Rider⁽²⁾	\$ 0.551 /GJ D	\$ 0.540 /GJ A	\$ 0.540 /GJ A	\$ 0.373 /GJ D
Subtotal of \$/GJ Delivery Charges	<u>\$ 13.157 /GJ D</u>	<u>\$ 4.749 /GJ A</u>	<u>\$ 4.947 /GJ A</u>	<u>\$ 9.761 /GJ A</u>
<u>Commodity Charges</u>				
Commodity Cost Recovery Charge	\$ 2.034 /GJ D	\$ 1.779 /GJ D	\$ 1.779 /GJ D	\$ 2.689 /GJ D
GCVA Rider⁽²⁾	\$ (0.396) /GJ D	\$ (0.460) /GJ D	\$ (0.460) /GJ D	\$ (0.641) /GJ D
Subtotal of \$/GJ Commodity Charges	<u>\$ 1.638 /GJ D</u>	<u>\$ 1.319 /GJ D</u>	<u>\$ 1.319 /GJ D</u>	<u>\$ 2.048 /GJ D</u>
Total \$/GJ Delivery + Commodity Charges	<u>\$ 14.795 /GJ D</u>	<u>\$ 6.068 /GJ D</u>	<u>\$ 6.266 /GJ D</u>	<u>\$ 11.809 /GJ D</u>

Order No: G-186-17/ G-187-17 / G-191-17 / G-193-17

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**Granisle Propane Service
in PNG-West Service Area**

Basic Charge⁽¹⁾	\$ 10.75 /mo.	
Delivery Charge	\$ 7.222 /GJ	A
Interim Rate Adjustment Rider	\$ - /GJ	
Commodity Cost Recovery Charge	\$ 16.820 /GJ	A
GCVA Rider⁽²⁾	<u>\$ 0.208 /GJ</u>	A
Total \$/GJ Delivery + Commodity Charges	<u>\$ 24.250 /GJ</u>	A

1. The Basic Charge may be billed, at the option of Pacific Northern Gas, as a daily charge equal to 12 times the \$/month charge divided by the number of days in the year.
2. The Riders refund to and/or recover from Customers the credit/debit balances in Pacific Northern Gas' Rate Stabilization Adjustment Mechanism ("RSAM") and Gas/Propane Cost Variance ("GCVA") Accounts.
3. The Tomslake System Monthly Charge applies at the request of a Tomslake customer upon commencement of service in lieu of payment of a lump sum contribution of \$1,420. The charge applies for 20 consecutive years regardless of whether a new customer takes over the premise.

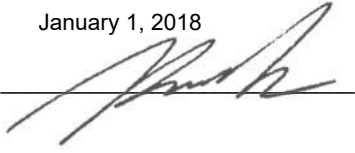
Franchise Fee Charge – A Franchise Fee Charge of 3.00% of the aggregate of the above charges is payable (in addition to the above charges) if the Premises to which Gas is delivered under this Rate Schedule is located within the boundaries of a municipality to which Pacific Northern Gas pays Franchise Fees.

Minimum Charge per Month - The minimum charge per Month will be the aggregate of the Basic Charge and the Franchise Fee Charge.

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Small Commercial Service (RS2)

Available

This Rate Schedule is available in all territory served by Pacific Northern Gas, provided adequate capacity exists in Pacific Northern Gas Systems.

Applicable

This Rate Schedule is applicable to firm Gas supplied at one Premises for use in approved appliances in commercial or institutional operations consuming less than 5 500 GJ per year.

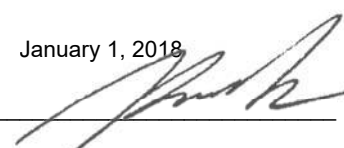
Rates

<u>Delivery Charges</u>	<u>PNG-West Service Area</u>	<u>Dawson Creek Service Area</u>	<u>Fort St. John Service Area</u>	<u>Tumbler Ridge Service Area</u>
Basic Charge⁽¹⁾	\$ 25.00 /mo.	\$ 7.00 /mo.	\$ 7.00 /mo.	\$ 8.50 /mo.
Tomslake System Monthly Charge⁽³⁾		\$ 10.00 /mo.		
Delivery Charge	\$ 10.620 /GJ A	\$ 2.959 /GJ A	\$ 3.496 /GJ A	\$ 7.643 /GJ A
Interim Rate Adjustment Rider	\$ - /GJ	\$ - /GJ	\$ - /GJ	\$ - /GJ
Company Use Rider⁽²⁾	\$ (0.009) /GJ A	\$ (0.043) /GJ A	\$ (0.043) /GJ A	\$ (0.080) /GJ D
RSAM Rider⁽²⁾	\$ 0.551 /GJ D	\$ 0.540 /GJ A	\$ 0.540 /GJ A	\$ 0.373 /GJ D
Subtotal of \$/GJ Delivery Charges	<u>\$ 11.162 /GJ D</u>	<u>\$ 3.456 /GJ A</u>	<u>\$ 3.993 /GJ A</u>	<u>\$ 7.936 /GJ A</u>
<u>Commodity Charges</u>				
Commodity Cost Recovery Charge	\$ 2.030 /GJ D	\$ 1.778 /GJ D	\$ 1.778 /GJ D	\$ 2.689 /GJ D
GCVA Rider⁽²⁾	\$ (0.396) /GJ D	\$ (0.460) /GJ D	\$ (0.460) /GJ D	\$ (0.641) /GJ D
Subtotal of \$/GJ Commodity Charges	<u>\$ 1.634 /GJ D</u>	<u>\$ 1.318 /GJ D</u>	<u>\$ 1.318 /GJ D</u>	<u>\$ 2.048 /GJ D</u>
Total \$/GJ Delivery + Commodity Charges	<u>\$ 12.796 /GJ D</u>	<u>\$ 4.774 /GJ D</u>	<u>\$ 5.311 /GJ D</u>	<u>\$ 9.984 /GJ D</u>

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**Granisle Propane Service
in PNG-West Service Area**

Basic Charge⁽¹⁾	\$ 10.75 /mo.	
Delivery Charge	\$ 7.222 /GJ	A
Interim Rate Adjustment Rider	\$ - /GJ	
Commodity Cost Recovery Charge	\$ 16.820 /GJ	A
GCVA Rider⁽²⁾	\$ 0.208 /GJ	A
Total \$/GJ Delivery + Commodity Charges	<u>\$ 24.250 /GJ</u>	A

1. The Basic Charge may be billed, at the option of Pacific Northern Gas, as a daily charge equal to 12 times the \$/month charge divided by the number of days in the year.
2. The Riders refund to and/or recover from Customers the credit/debit balances in Pacific Northern Gas' Rate Stabilization Adjustment Mechanism ("RSAM") and Gas/Propane Cost Variance ("GCVA") Accounts.
3. The Tomslake System Monthly Charge applies at the request of a Tomslake customer upon commencement of service in lieu of payment of a lump sum contribution of \$1,420. The charge applies for 20 consecutive years regardless of whether a new customer takes over the premise.

Franchise Fee Charge – A Franchise Fee Charge of 3.00% of the aggregate of the above charges is payable (in addition to the above charges) if the Premises to which Gas is delivered under this Rate Schedule is located within the boundaries of a municipality to which Pacific Northern Gas pays Franchise Fees.

Minimum Charge per Month - The minimum charge per Month will be the aggregate of the Basic Charge and the Franchise Fee Charge.

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Large Commercial Service (RS3)

Available

This Rate Schedule is available in all territory served by Pacific Northern Gas, provided adequate capacity exists in Pacific Northern Gas Systems.

Applicable

This Rate Schedule is applicable to firm Gas supplied at one Premises for use in approved appliances in commercial or institutional operations consuming a minimum of 5 500 GJ per year.

Rates

<u>Delivery Charges</u>	<u>PNG-West Service Area</u>	<u>Dawson Creek Service Area</u>	<u>Fort St. John Service Area</u>	<u>Tumbler Ridge Service Area</u>
Basic Charge⁽¹⁾	\$ 150.00 /mo.	\$ 150.00 /mo.	\$ 150.00 /mo.	\$ 8.50 /mo.
Delivery Charge	\$ 8.521 /GJ A	\$ 2.076 /GJ A	\$ 2.624 /GJ A	\$ 6.360 /GJ A
Interim Rate Adjustment Rider	\$ - /GJ	\$ - /GJ	\$ - /GJ	\$ - /GJ
Company Use Rider⁽²⁾	\$ (0.009) /GJ A	\$ (0.043) /GJ A	\$ (0.043) /GJ A	\$ (0.080) /GJ D
Subtotal of \$/GJ Delivery Charges	\$ <u>8.512</u> /GJ A	\$ <u>2.033</u> /GJ A	\$ <u>2.581</u> /GJ A	\$ <u>6.280</u> /GJ A
<u>Commodity Charges</u>				
Commodity Cost Recovery Charge	\$ 2.030 /GJ D	\$ 1.682 /GJ D	\$ 1.682 /GJ D	\$ 2.689 /GJ D
GCVA Rider⁽²⁾	\$ (0.396) /GJ D	\$ (0.460) /GJ D	\$ (0.460) /GJ D	\$ (0.641) /GJ D
Subtotal of \$/GJ Commodity Charges	\$ <u>1.634</u> /GJ D	\$ <u>1.222</u> /GJ D	\$ <u>1.222</u> /GJ D	\$ <u>2.048</u> /GJ D
Total \$/GJ Delivery + Commodity Charges	\$ <u>10.146</u> /GJ D	\$ <u>3.255</u> /GJ D	\$ <u>3.803</u> /GJ D	\$ <u>8.328</u> /GJ A

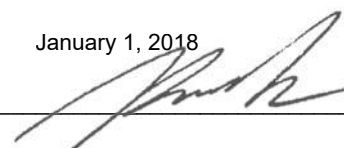
1. The Basic Charge may be billed, at the option of Pacific Northern Gas, as a daily charge equal to 12 times the \$/month charge divided by the number of days in the year.

2. The Riders refund to and/or recover from Customers the credit/debit balances in Pacific Northern Gas' Gas Cost Variance Account ("GCVA").

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Franchise Fee Charge – A Franchise Fee Charge of 3.00% of the aggregate of the above charges is payable (in addition to the above charges) if the Premises to which Gas is delivered under this Rate Schedule is located within the boundaries of a municipality to which Pacific Northern Gas pays Franchise Fees.

Minimum Charge per Month – The minimum charge per Month will be the aggregate of the Basic Charge and the Franchise Fee Charge.

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Industrial Service (RS4)

Available

This Rate Schedule is available in all territory served by Pacific Northern Gas, provided adequate capacity exists in Pacific Northern Gas Systems.

Applicable

This Rate Schedule is applicable to firm Gas supplied at one Premises for use in approved equipment in industrial operations which are those processing or manufacturing goods.

Rates

<u>Delivery Charges</u>	<u>PNG-West Service Area</u>	<u>Dawson Creek Service Area</u>	<u>Fort St. John Service Area</u>	<u>Tumbler Ridge Service Area</u>
Basic Charge⁽¹⁾	\$ 410.00 /mo.	\$ 410.00 /mo.	\$ 410.00 /mo.	Not Available
Delivery Charge	\$ 3.825 /GJ A	\$ 1.801 /GJ A	\$ 1.533 /GJ A	N/A
Interim Rate Adjustment Rider	\$ - /GJ	\$ - /GJ	\$ - /GJ	N/A
Company Use Rider⁽²⁾	\$ (0.009) /GJ A	\$ (0.043) /GJ A	\$ (0.043) /GJ A	N/A
Subtotal of \$/GJ Delivery Charges	\$ <u>3.816</u> /GJ A	\$ <u>1.758</u> /GJ A	\$ <u>1.490</u> /GJ A	
<u>Commodity Charges</u>				
Commodity Cost Recovery Charge	\$ 1.807 /GJ D	\$ 1.530 /GJ D	\$ 1.530 /GJ D	N/A
GCVA Rider⁽²⁾	\$ (0.396) /GJ D	\$ (0.460) /GJ D	\$ (0.460) /GJ D	N/A
Subtotal of \$/GJ Commodity Charges	\$ <u>1.411</u> /GJ D	\$ <u>1.070</u> /GJ D	\$ <u>1.070</u> /GJ D	
Total \$/GJ Delivery + Commodity Charges	\$ <u>5.227</u> /GJ D	\$ <u>2.828</u> /GJ D	\$ <u>2.560</u> /GJ D	

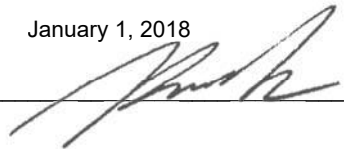
1. The Basic Charge may be billed, at the option of Pacific Northern Gas, as a daily charge equal to 12 times the \$/month charge divided by the number of days in the year.

2. The Riders refund to and/or recover from Customers the credit/debit balances in Pacific Northern Gas' Gas Cost Variance Account ("GCVA").

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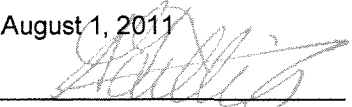
Franchise Fee Charge – A Franchise Fee Charge of 3.00% of the aggregate of the above charges is payable (in addition to the above charges) if the Premises to which Gas is delivered under this Rate Schedule is located within the boundaries of a municipality to which Pacific Northern Gas pays Franchise Fees.

Minimum Charge per Month - The minimum charge per Month will be the aggregate of the Basic Charge and the Franchise Fee Charge.

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Commercial Interruptible Service (RS5)

Available

This Rate Schedule is only available in the PNG-West Service Area.

Applicable

This Rate Schedule is applicable to Gas supplied at one Premises for use in approved appliances in commercial or institutional operations that is subject to interruption by Pacific Northern Gas in accordance with this Rate Schedule.

Rates

<u>Delivery Charges</u>	<u>PNG-West Service Area</u>	<u>Dawson Creek Service Area</u>	<u>Fort St. John Service Area</u>	<u>Tumbler Ridge Service Area</u>
Basic Charge⁽¹⁾	\$ 125.00 /mo.	Not Available	Not Available	Not Available
Delivery Charge	\$ 5.217 /GJ A	N/A	N/A	N/A
Interim Rate Adjustment Rider	\$ - /GJ	N/A	N/A	N/A
Company Use Rider⁽²⁾	\$ (0.009) /GJ A	N/A	N/A	N/A
Subtotal of \$/GJ Delivery Charges	<u>\$ 5.208 /GJ</u> A			
<u>Commodity Charges</u>				
Commodity Cost Recovery Charge	\$ 1.448 /GJ D	N/A	N/A	N/A
GCVA Rider⁽²⁾	\$ (0.396) /GJ D	N/A	N/A	N/A
Subtotal of \$/GJ Commodity Charges	<u>\$ 1.052 /GJ</u> D			
Total \$/GJ Delivery + Commodity Charges	<u>\$ 6.260 /GJ</u> D			

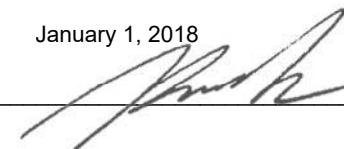
1. The Basic Charge may be billed, at the option of Pacific Northern Gas, as a daily charge equal to 12 times the \$/month charge divided by the number of days in the year.

2. The Riders refund to and/or recover from Customers the credit/debit balances in Pacific Northern Gas' Gas Cost Variance Account ("GCVA").

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Special Condition – The Customer shall have at all times alternative fuel-burning equipment which shall be maintained in good operating order and have on hand an adequate supply of fuel to operate such equipment should Pacific Northern Gas interrupt Gas Service under this Rate Schedule.

Interruption of Service – Pacific Northern Gas may interrupt Gas Service under this Rate Schedule at any time and from time to time if it deems it is necessary to do so having regard to, among other things, the need to maintain Service to its firm Service Customers. Pacific Northern Gas shall endeavour to provide up to 24 hours prior notice of interruption of Gas Service and the notice shall specify the date and time when the interruption will commence. Pacific Northern Gas shall give notice of recommencement of Gas Service in a timely manner.

Overrun Penalty – If a Customer under this Rate Schedule continues to take Gas after the effective time set forth in a notice of interruption of Gas Service, the Customer shall pay for such Gas at a rate per Gigajoule equal to 2.5 times the sum of the \$/GJ Delivery Charges and Commodity Charges set forth under this Rate Schedule.

Franchise Fee Charge – A Franchise Fee Charge of 3.00% of the aggregate of the above charges is payable (in addition to the above charges) if the Premises to which Gas is delivered under this Rate Schedule is located within the boundaries of a municipality to which Pacific Northern Gas pays Franchise Fees.

Minimum Charge per Month - The minimum charge per Month will be the aggregate of the Basic Charge and the Franchise Fee Charge.

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Seasonal Service (RS6)

Available

This Rate Schedule is only available in the PNG-West Service Area.

Applicable

This Rate Schedule is applicable to Gas supplied at one Premises for use in approved appliances and equipment in commercial, institutional or industrial operations where Gas will be used primarily during the Off-Peak Period as defined in this Rate Schedule.

Rates

During the Off-Peak Period from March to November

<u>Delivery Charges</u>	<u>PNG-West Service Area</u>	<u>Dawson Creek Service Area</u>	<u>Fort St. John Service Area</u>	<u>Tumbler Ridge Service Area</u>
Basic Charge⁽¹⁾	\$ 125.00 /mo.	Not Available	Not Available	Not Available
Delivery Charge	\$ 7.540 /GJ A	N/A	N/A	N/A
Interim Rate Adjustment Rider	\$ - /GJ	N/A	N/A	N/A
Company Use Rider⁽²⁾	\$ (0.009) /GJ A	N/A	N/A	N/A
Subtotal of \$/GJ Delivery Charges	\$ 7.531 /GJ A			
<u>Commodity Charges</u>				
Commodity Cost Recovery Charge	\$ 1.340 /GJ D	N/A	N/A	N/A
GCVA Rider⁽²⁾	\$ (0.396) /GJ D	N/A	N/A	N/A
Subtotal of \$/GJ Commodity Charges	\$ 0.944 /GJ D			
Total \$/GJ Delivery + Commodity Charges	\$ 8.475 /GJ D			

1. The Basic Charge may be billed, at the option of Pacific Northern Gas, as a daily charge equal to 12 times the \$/month charge divided by the number of days in the year.
2. The Riders refund to and/or recover from Customers the credit/debit balances in Pacific Northern Gas' Gas Cost Variance Account ("GCVA").

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During the Peak Period from December to February

<u>Delivery Charges</u>	<u>PNG-West Service Area</u>	<u>Dawson Creek Service Area</u>	<u>Fort St. John Service Area</u>	<u>Tumbler Ridge Service Area</u>
Basic Charge	\$ - /mo.	Not Available	Not Available	Not Available
Delivery Charge	\$ 15.492 /GJ A	N/A	N/A	N/A
Interim Rate Adjustment Rider	\$ - /GJ	N/A	N/A	N/A
Company Use Rider⁽¹⁾	\$ (0.009) /GJ A	N/A	N/A	N/A
Subtotal of \$/GJ Delivery Charges	\$ <u>15.483</u> /GJ A			
<u>Commodity Charges</u>				
Commodity Cost Recovery Charge	\$ 1.340 /GJ D	N/A	N/A	N/A
GCVA Rider⁽¹⁾	\$ (0.396) /GJ D	N/A	N/A	N/A
Subtotal of \$/GJ Commodity Charges	\$ <u>0.944</u> /GJ D			
Total \$/GJ Delivery + Commodity Charges	\$ <u><u>16.427</u></u> /GJ D			

Off-Peak Period – The Off-Peak Period is defined as the period of time from March 1 to November 30 in any year. Pacific Northern Gas may interrupt Gas Service under this Rate Schedule during March and November of the Off-Peak Period if it deems it is necessary to do so having regard to, among other things, the need to maintain Service to its firm Service Customers.

Peak Period – The Peak Period is defined as the period of time commencing as the end of the Off-Peak Period and terminating at the beginning of the next Off-Peak Period.

Franchise Fee Charge – A Franchise Fee Charge of 3.00% of the aggregate of the above charges is payable (in addition to the above charges) if the Premises to which Gas is delivered under this Rate Schedule is located within the boundaries of a municipality to which Pacific Northern Gas pays Franchise Fees.

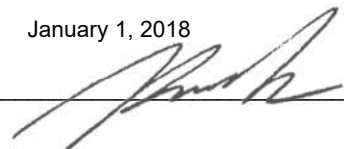
Minimum Charge per Month - The minimum charge per Month will be the aggregate of the Basic Charge and the Franchise Fee Charge.

1. The Riders refund to and/or recover from Customers the credit/debit balances in Pacific Northern Gas' Gas Cost Variance Account ("GCVA").

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Natural Gas Vehicle Service (RS7)

Available

This Rate Schedule is only available in the PNG-West Service Area.

Applicable

This Rate Schedule is applicable to firm Gas supplied at one Premises for the purpose of being further compressed and dispensed as natural gas vehicle fuel to operate vehicles.

Rates

<u>Delivery Charges</u>	<u>PNG-West Service Area</u>	<u>Dawson Creek Service Area</u>	<u>Fort St. John Service Area</u>	<u>Tumbler Ridge Service Area</u>
Basic Charge⁽¹⁾	\$ 10.75 /mo.	Not Available	Not Available	Not Available
Delivery Charge	\$ 3.874 /GJ A	N/A	N/A	N/A
Interim Rate Adjustment Rider	\$ - /GJ	N/A	N/A	N/A
Company Use Rider⁽²⁾	\$ (0.009) /GJ A	N/A	N/A	N/A
Subtotal of \$/GJ Delivery Charges	<u>\$ 3.865 /GJ</u> A			
<u>Commodity Charges</u>				
Commodity Cost Recovery Charge	\$ 1.509 /GJ D	N/A	N/A	N/A
GCVA Rider⁽²⁾	\$ (0.396) /GJ D	N/A	N/A	N/A
Subtotal of \$/GJ Commodity Charges	<u>\$ 1.113 /GJ</u> D			
Total \$/GJ Delivery + Commodity Charges	<u>\$ 4.978 /GJ</u> D			

1. The Basic Charge may be billed, at the option of Pacific Northern Gas, as a daily charge equal to 12 times the \$/month charge divided by the number of days in the year.
2. The Riders refund to and/or recover from Customers the credit/debit balances in Pacific Northern Gas' Gas Cost Variance Account ("GCVA").

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Franchise Fee Charge – A Franchise Fee Charge of 3.00% of the aggregate of the above charges is payable (in addition to the above charges) if the Premises to which Gas is delivered under this Rate Schedule is located within the boundaries of a municipality to which Pacific Northern Gas pays Franchise Fees.

Minimum Charge per Month - The minimum charge per Month will be the aggregate of the Basic Charge and the Franchise Fee Charge.

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