

July 18, 2012

Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

**RE: EB-2011-0210 – Union Gas Limited – 2013 Rates Application – Day 3
Undertaking Responses**

Dear Ms. Walli,

Please find attached Union's responses to the undertakings from Day 3 of the EB-2011-0210 proceeding.

Yours truly,

[original signed by]

Chris Ripley
Manager, Regulatory Applications

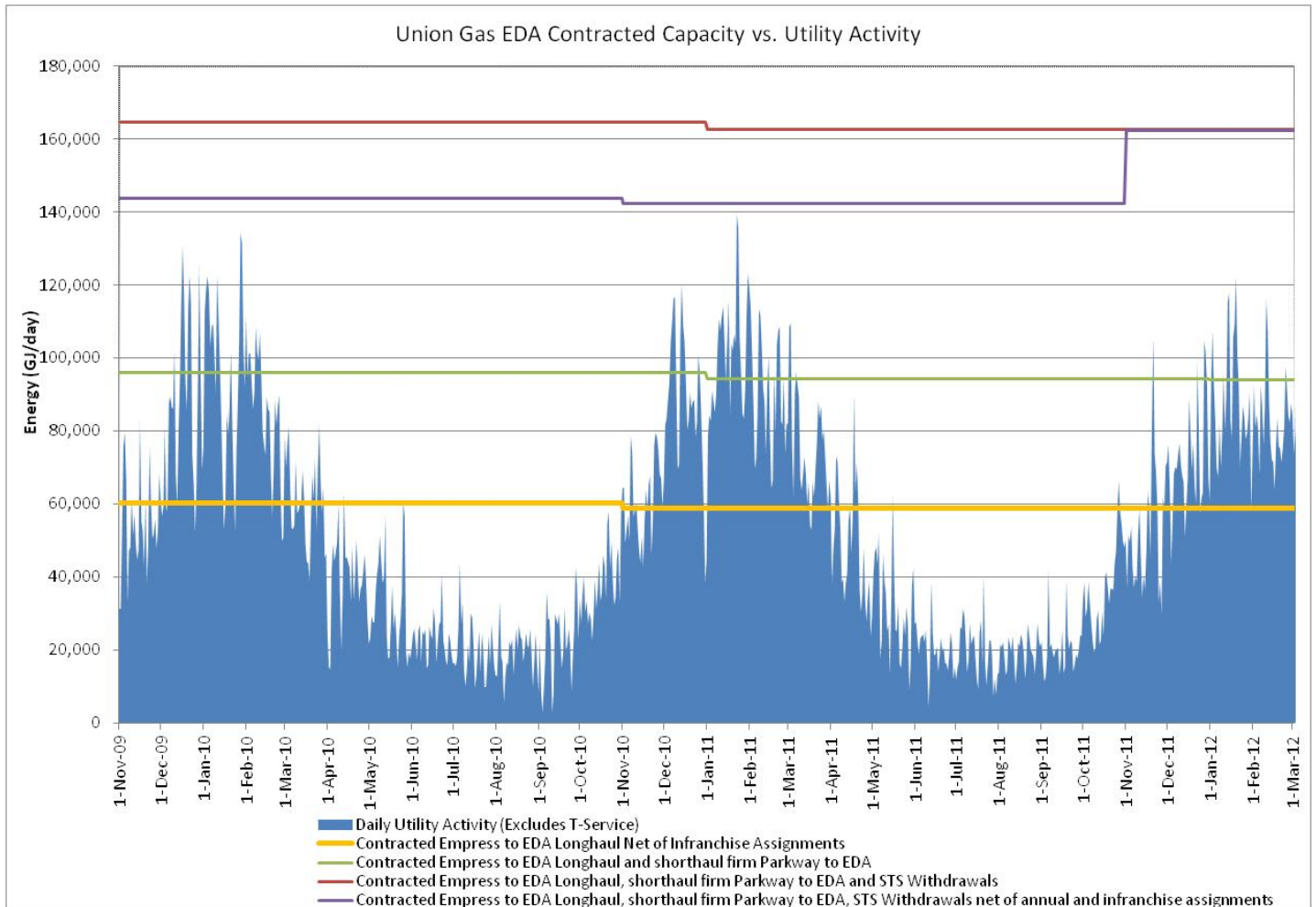
cc: Crawford Smith, Torys
EB-2011-0210 Intervenors

UNION GAS LIMITED

Undertaking of Mr. Quinn
To Mr. Quigley

Please provide contracted FT and contracted STFT to Union's Eastern delivery area, actual deliveries received from TCPL for in-franchise customers, November 1, 2009 to March 31, 2012.

The attached graph reflects Union's contracted capacity and daily utility activity on TCPL in the Eastern Delivery Area.



Note: The Gas supply plan utilizes firm TCPL services (Longhaul, Shorthaul and STS) as shown above to meet design day obligations.

UNION GAS LIMITED

Undertaking of Mr. Quinn
To Ms. Evers

Please indicate how much it was funded and what came back as recovery for ratepayers for period November 2009 to March 2012.

All Interruptible Transportation (IT), except the mandatory minimum charge, used to offset Load Balancing Agreement (LBA) fees comes back as recovery for ratepayers since it was funded by RAM credits. For the period January 2007 – March 2012, the amount of IT funded by RAM credits for the benefit of ratepayers was:

	\$000's
2007	\$320.0
2008	\$550.3
2009	\$121.4
2010	\$224.1
2011	\$552.3
2012	\$261.6 ⁽¹⁾

(1) Data for YTD March, 2012

UNION GAS LIMITED

Undertaking of Mr. Quinn
To Ms. Evers

On a monthly basis, please provide demand cost associated with assigned contracts and proceeds from commercial transactions for this assignment, and show for each month how much went to offset UDC, how much went to reduce cost of transport and how much flowed to S&T revenues.

For the period November, 2009 – March, 2012, there were no capacity assignments of Eastern Zone transportation for purposes of mitigating supply position (UDC). Union purchased all of the planned supply for the Eastern Zone, and the demand charge for the related transportation capacity was charged to ratepayers.

The capacity releases for the Eastern Zone reflected in Exhibit J.C4.7.10 were initiated by S&T. S&T made alternative arrangements to deliver the purchased supply to Union's market and all proceeds from the capacity releases and costs from the alternative arrangements are captured in exchange revenue.

Demand charges and net proceeds by month are in the table below.

			\$000's	\$000's
		Demand Charge	Demand	Net
		(\$/GJ/mo)	Charges	Proceeds
Nov-09		\$ 33.37571	\$ 2,670	\$ 749
Dec-09		\$ 33.37571	\$ 2,670	\$ 807
Jan-10		\$ 47.77094	\$ 3,822	\$ 582
Feb-10		\$ 47.77094	\$ 3,822	\$ 452
Mar-10		\$ 47.77094	\$ 3,822	\$ 461
Apr-10		\$ 47.77094	\$ 4,435	\$ 800
May-10		\$ 47.77094	\$ 4,435	\$ 826
Jun-10		\$ 47.77094	\$ 4,435	\$ 804
Jul-10		\$ 47.77094	\$ 4,435	\$ 827
Aug-10		\$ 47.77094	\$ 4,435	\$ 822
Sep-10		\$ 47.77094	\$ 4,435	\$ 806
Oct-10		\$ 47.77094	\$ 4,435	\$ 827
Nov-10		\$ 47.77094	\$ 2,866	\$ 555
Dec-10		\$ 47.77094	\$ 2,866	\$ 377
Jan-11		\$ 47.77094	\$ 2,866	\$ 551
Feb-11		\$ 47.77094	\$ 2,866	\$ 345
Mar-11		\$ 47.77094	\$ 2,866	\$ 428
Apr-11		\$ 47.77094	\$ 2,866	\$ 599
May-11		\$ 63.84842	\$ 6,180	\$ 1,011
Jun-11		\$ 63.84842	\$ 7,023	\$ 1,253
Jul-11		\$ 63.84842	\$ 7,023	\$ 1,295
Aug-11		\$ 63.84842	\$ 7,023	\$ 1,301
Sep-11		\$ 63.84842	\$ 7,023	\$ 1,260
Oct-11		\$ 63.84842	\$ 7,023	\$ 1,290
Nov-11		\$ 63.84842	\$ 4,776	\$ 1,811
Dec-11		\$ 63.84842	\$ 3,831	\$ 1,092
Jan-12		\$ 63.84842	\$ 3,831	\$ 1,171
Feb-12		\$ 63.84842	\$ 3,831	\$ 1,346
Mar-12		\$ 63.84842	\$ 5,108	\$ 2,071

UNION GAS LIMITED

Undertaking of Mr. Brett
To Ms. Hodgson

Please explain FT contract requirement needed to be eligible to purchase an STS contract from TransCanada.

The Storage and Transportation Service (“STS”) is a distinct service that TransCanada provides. However, there is the prerequisite of contracting a TransCanada long-haul Firm Transportation contract, amongst other prerequisites, in order to be eligible to purchase the service. Specific references are found both in the Contract Template at:

http://www.transcanada.com/customerexpress/docs/ml_regulatory_tariff/22_STSContract.pdf

The specific reference to the long-haul, firm transportation requirement is found at Sheet No. 1, third paragraph:

“Whereas TransCanada provides firm transportation service to Shipper from empress, Alberta or a receipt point in the Province of Saskatchewan to _____ the delivery point (the “Market Point”) under a FT Contract(s) dated _____ and identified with the TransCanada contract identifier _____ (the “FT Contract”), and...”

The STS Toll Schedule also details this requirement. It is found at:

http://www.transcanada.com/customerexpress/docs/ml_regulatory_tariff/06_STSTollSchedule.pdf

The specific reference to the long-haul, firm transportation requirement is found on Sheet No. 1, at Section 1.1 (a) under the heading of Availability,

- Sub-section 1.1,
 - “Any Shipper shall be eligible to receive service pursuant to this Storage Transportation Service (“STS”) Toll Schedule, provided such Shipper:”
- Paragraph (a),
 - “has entered into a Firm Transportation Service Contract(s) with TransCanada (the “FT Contract(s)”) with a receipt point at Empress, Alberta or in the province of Saskatchewan and such FT Contracts have been identified in Shippers STS Contract;”

STS service, because it is separately contracted for, can still be utilized even if the firm long-haul is assigned on a temporary basis.

UNION GAS LIMITED

Undertaking of Mr. Brett
To Ms. Evers

Please provide how much spent for 2009 to 2012 for interruptible transportation using FT RAM credits.

All Interruptible Transportation (IT) that was used by the utility for operational purposes was to offset Load Balance Agreement (LBA) fees. The level of this IT spending that was funded using RAM credits for 2007-2012 (YTD March) can be found at Exhibit J3.2.

Please see Exhibit J.C-4-7-9, Attachment 1 for the total RAM credits generated from 2007 to 2011. Union has generated \$9.7 million in RAM credits from January 1, 2012 to March 31, 2012.

UNION GAS LIMITED

Undertaking of Mr. Buonaguro
To Ms. Evers

Please quantify capacity assignments done on a monthly basis, a seasonal basis, and an annual basis.

Please see the Attachment.

Capacity Assignments*
GJ/d

Line No.	Receipt Point	Delivery Area		Winter 07/08					Summer '08						
				Nov '07	Dec '07	Jan '08	Feb '08	Mar '08	Apr '08	May '08	June '08	Jul '08	Aug '08	Sept '08	Oct '08
1	Empress	Eastern Zone	TOTAL	-	35,000	35,000	35,000	35,000	65,753	80,753	60,753	60,753	60,753	65,753	65,753
2			Monthly		35,000	35,000	35,000	35,000	13,000	28,000	8,000	8,000	8,000	13,000	13,000
3			Seasonal						52,753	52,753	52,753	52,753	52,753	52,753	52,753
4	Empress	Northern Zone	TOTAL	-	-	-	-	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000
5			Seasonal						5,000	5,000	5,000	5,000	5,000	5,000	5,000
6	Empress	Western Zone	TOTAL	-	-	-	-	-	-	-	-	12,000	12,000	8,000	5,000
7			Monthly									12,000	12,000	8,000	5,000
				Winter 08/09					Summer '09						
				Nov '08	Dec '08	Jan '09	Feb '09	Mar '09	Apr '09	May '09	June '09	Jul '09	Aug '09	Sept '09	Oct '09
8	Empress	Eastern Zone	TOTAL	28,000	48,000	48,000	48,000	48,000	77,556	97,556	97,556	108,556	108,556	108,556	97,556
9			Monthly		20,000	20,000	20,000	20,000	9,556	29,556	29,556	40,556	40,556	40,556	29,556
10			Seasonal						40,000	40,000	40,000	40,000	40,000	40,000	40,000
11			Annual	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
12	Empress	Northern Zone	TOTAL	8,000	8,000	8,000	8,000	8,000	-	-	-	-	40,000	-	30,000
13			UDC										40,000		30,000
14			Seasonal	8,000	8,000	8,000	8,000	8,000							
15	Empress	Western Zone	TOTAL	-	-	-	-	-	-	-	-	-	-	-	20,000
16			UDC	-	-	-	-	-	-	-	-	-	-	-	20,000
				Winter 09/10					Summer '10						
				Nov '09	Dec '09	Jan '10	Feb '10	Mar '10	Apr '10	May '10	June '10	Jul '10	Aug '10	Sept '10	Oct '10
17	Empress	Eastern Zone	TOTAL	80,000	80,000	80,000	80,000	80,000	92,832	92,832	92,832	92,832	92,832	92,832	92,832
18			Seasonal	20,000	20,000	20,000	20,000	20,000	32,832	32,832	32,832	32,832	32,832	32,832	32,832
19			Annual	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
20	Empress	Northern Zone	TOTAL	20,062	20,062	-	-	-	-	30,000	40,000	40,000	40,000	40,000	20,000
21			UDC							30,000	40,000	40,000	40,000	40,000	20,000
22			Monthly	20,062	20,062										
23	Empress	Western Zone	TOTAL	-	-	-	-	-	-	-	-	-	-	-	-
				Winter 10/11					Summer 11						
				Nov '10	Dec '10	Jan '11	Feb '11	Mar '11	Apr '11	May '11	June '11	July '11	Aug '11	Sept '11	Oct '11
24	Empress	Eastern Zone	TOTAL	60,000	60,000	60,000	60,000	60,000	60,000	96,796	110,000	110,000	110,000	110,000	110,000
25			Monthly							36,796	50,000	50,000	50,000	50,000	50,000
26			Annual	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
27	Empress	Northern Zone	TOTAL	-	-	-	-	-	40,000	40,000	49,000	49,000	49,000	49,000	49,000
28			UDC							5,000					
28			Monthly						40,000	35,000	49,000	49,000	49,000	49,000	49,000
29	Empress	Western Zone	TOTAL	-	-	-	-	-	-	-	-	-	-	-	-
				Winter 11/12					Summer 12						
				Nov '11	Dec '11	Jan '12	Feb '12	Mar '12	Apr '12	May '12					
30	Empress	Eastern Zone	TOTAL	74,796	60,000	60,000	60,000	80,000	117,796	117,796					
31			Monthly	74,796	60,000	60,000	60,000	80,000							
32			Seasonal						117,796	117,796					
33	Empress	Northern Zone**	TOTAL	-	-	-	-	-	42,000	50,500					
34			UDC							2,000					
35			Monthly							8,500					
35			Seasonal						40,000	40,000					
36	Empress	Western Zone**	TOTAL	-	-	-	-	33,340	30,000	33,430					
37			UDC	-	-	-	-	33,340	30,000	33,430					

* not including capacity assignments to Union's franchise customers

** updated

UNION GAS LIMITED

Undertaking of Mr. Buonaguro
To Mr. Quigley

Please provide firm transport net of assignments in graphical form.

Please see the response at Exhibit J3.1.

UNION GAS LIMITED

Undertaking of Mr. Cameron
To Mr. Shorts

Please provide the agreements referenced under Note 3 of Exhibit A1, Tab 9, page 2 of 2.

Please see the Attachment.

AGREEMENT FOR TRANSPORTATION SERVICES

THIS AGREEMENT made as of the 1st day of May, 1988, between ST. CLAIR PIPELINE, LIMITED, a Canada corporation ("Transporter") and UNION GAS LIMITED, an Ontario corporation ("Shipper") witnesses that whereas:

- A. Transporter owns and will construct and operate a natural gas pipeline (the "Pipeline") from the International Border to the St. Clair Valve Site;
- B. Shipper has requested Transporter to transport natural gas on Shipper's behalf; and
- C. Transporter is willing to provide the requested transportation subject to the terms and conditions contained in this Agreement;

NOW THEREFORE, Transporter and Shipper agree as follows:

1. DEFINITIONS

- 1.1 "Additional Quantity" has the meaning attributed to it in Section 3.2.
- 1.1 "Authorization" has the meaning attributed to it in Section 8.1.
- 1.3 "British Thermal Unit" or "BTU" means the amount of heat required to raise one pound of water one degree Farenheit, from 59 to 60 degrees Farenheit at a pressure of one standard atmosphere.
- 1.4 "Contract Quantity" has the meaning attributed to it in Section 3.1.
- 1.5 "Day" means a period of 24 consecutive hours commencing at noon, Eastern Standard Time (E.S.T.) or such other time as may be mutually agreed upon.
- 1.6 "Delivery Point" has the meaning attributed to it in Section 5.1.
- 1.7 "Equivalent Volume(s)" means a thermally equivalent volume of Gas.

1.8 "Force Majeure" has the meaning attributed to it in Section 13.1.

1.9 "International Border" means the point on the Belle River - Bickford Pipeline which corresponds to the international border between the United States and Canada.

1.10 "MMBTU" means 1,000,000 BTU's.

1.11 "Month" means the period beginning at noon E.S.T. on the first day of a calendar month.

1.12 "Natural Gas" or "Gas" means a natural gas consisting predominantly of methane and includes natural and synthetic gas.

1.13 "Pipeline Quality Gas" means non-odorized Gas which meets all the standards, tests and specifications necessary for it to be accepted by ANR Pipeline Company and Great Lakes Gas Transmission Company for transmission by them.

1.14 "Receipt Point" has the meaning attributed to it in Section 4.

1.15 "St. Clair Valve Site" means the valve site located on the Canadian shore of the St. Clair River owned by Shipper.

1.16 "Section" means a section of this Agreement.

1.17 "Year" means a period of 12 consecutive months commencing on November 1st of each year; provided, however, that the first year will commence on the date of first delivery of Gas hereunder and end on the November 1 next following the date of such first delivery.

2. GAS TRANSPORTATION SERVICE

2.1 Subject to the terms and conditions of this Agreement, Shipper may deliver or cause to be delivered to Transporter, at the Receipt Point, Natural Gas up to the Contract Quantity and any Additional Quantity in effect, in which event Transporter shall receive, transport and redeliver to Shipper, or for the account of Shipper, Equivalent Volumes of Gas at the Delivery Point.

2.2 Gas delivered or redelivered at the International Border shall be at a pressure of 750 psig and, at the St. Clair Valve Site, shall be at such pressure as would result in, or would have resulted from, depending on the direction of flow, a pressure of 750 psig at the International Border.

2.3 Shipper shall advise Transporter, not less than two days prior to the first day of each month, of the volume of Gas that Shipper shall cause to be delivered to Transporter for transportation during that month together with the direction of flow. On 24 hours advance notice to Transporter, Shipper may reschedule, with Transporter's approval, acting reasonably, the daily volumes of Gas to be delivered and redelivered hereunder.

2.4 Because of the inability of Transporter and Shipper to maintain precise control over the rates of flow and volumes of Gas to be received and transported, each party shall use all reasonable efforts to maintain the receipts and deliveries in balance.

3. CONTRACT QUANTITY

3.1 Transporter and Shipper agree that the volume of Gas which Shipper may request to be transported under the terms of this Agreement (the "Contract Quantity") shall be 200 million cubic feet per day.

3.2 During subsequent Years of this Agreement, and provided additional capacity is available on the Pipeline, Shipper may, at its discretion, request from time to time transportation (the "Additional Quantity") in addition to the Contract Quantity. Transporter shall notify Shipper in writing no later than August 31st of the preceding Year if it anticipates transportation capacity greater than the Contract Quantity to be available in the upcoming Year. If the Additional Quantity is requested within 60 days of the receipt of such notice by Shipper, Shipper will be entitled to deliver and Transporter to transport the Additional Quantity for the Year in question.

4. POINTS OF RECEIPT

Shipper may deliver, or cause to be delivered to Transporter, Natural Gas in accordance with this Agreement at one of the following receipt points ("Receipt Point")

(determined by Shipper as provided in Section 2.3): St. Clair Valve Site and the International Border.

5. POINTS OF DELIVERY

If Gas has been delivered to Transporter for transportation hereunder, Transporter shall redeliver to Shipper, or for the account of Shipper, Equivalent Volumes of Gas, at one or more of the following delivery points ("Delivery Point") (determined by Shipper as provided in Section 2.3): St. Clair Valve Site and the International Border.

6. NATURE OF SERVICE

6.1 The parties to this Agreement expressly agree that, except as provided in Section 13.1, the transportation of Gas hereunder is on a "firm" basis during the term of this Agreement.

6.2 Transportation on a "firm" basis means that Transporter agrees to transport the Contract Quantity and, any Additional Quantity each day during the term of this Agreement to and from the Receipt Point and the Delivery Point except for reasons of Force Majeure.

7. TERM

The initial term of this Agreement shall be for a period commencing on the date of first receipt of Gas and terminating on the November 1 next following such date. Thereafter, the term shall be automatically extended for successive periods of one Year each, unless either party indicates its intention to terminate this Agreement by giving the other notice in writing to that effect no later than August 31 of the Year after which the Shipper does not want a renewal. However, in no event shall the term of this Agreement extend beyond November 1, 2008.

8. REGULATION

8.1 This Agreement and the respective obligations of the parties are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

8.2 Shipper's and Transporter's obligations under this Agreement are conditioned upon the receipt and maintenance in good standing of all authorizations, approvals, licenses and the like ("Authorizations") necessary or advisable to transport Natural Gas.

8.3 In the event the Authorizations initially required to commence to transport Gas hereunder are not received by November 1, 1989, either party may terminate this Agreement upon 30 Days prior written notice to that effect to the other.

8.4 Should Authorizations be received from the appropriate regulatory authorities containing terms or conditions which, in Transporter's or Shipper's reasonable judgment, are unacceptable, either may terminate this agreement upon 30 Days prior written notice to that effect to the other.

8.5 Shipper and Transporter shall have 30 Days from the receipt of an Authorization to determine whether such Authorization contains terms and conditions which are determined to be unacceptable. In the event that no notice of termination is sent by either party within that time, the right to terminate under Section 8.4 with respect to that Authorization shall expire.

8.6 Shipper's obligations hereunder are conditioned on its obtaining gas supply and transportation arrangements to enable it to utilize the transportation services contemplated hereunder. If such arrangements have not been completed by September 1, 1988, either party may, upon 30 Days written notice to the other, terminate this Agreement.

9. RATES

9.1 Commencing on the later of November 1, 1988 and the date the Pipeline is completed and in service, Shipper agrees to pay to Transporter a monthly rate of \$23,000, subject to final adjustment of accounts and approval by the National Energy Board in exchange for which Shipper shall be entitled to have transported volumes of Gas up to the Contract Quantity, including any Additional Quantity, from any Receipt Point to any Delivery Point.

9.2 The monthly fee set forth in Section 9.1 shall, subject to Section 13, be payable in respect of any Month during the term hereof when the Pipeline is operational

and available to transport the Contract Quantity, whether or not Shipper tenders Gas for transportation.

10. MEASUREMENT AND MONITORING

All Gas received by Transporter at the Receipt Point(s) for the account of Shipper or redelivered by the Transporter at the Delivery Point(s) for the Shipper shall be measured by Michigan Consolidated Gas Company.

11. QUALITY

11.1 All Gas delivered by Shipper at Receipt Point(s) or redelivered by Transporter at Delivery Point(s) shall be Pipeline Quality Gas.

11.2 In the event the Gas delivered by Shipper at the Receipt Point(s) or by Transporter at the Delivery Point(s) fails at any time to be Pipeline Quality Gas, Transporter or Shipper, as the case may be, shall notify the other of such deficiency and thereupon may, at its option, refuse to accept delivery pending correction. Upon demonstration acceptable to Transporter or Shipper, as the case may be, that the Gas being tendered for delivery of Pipeline Quality Gas, Transporter or Shipper, as the case may be, shall resume taking delivery of Gas.

12. BILLING AND PAYMENT

12.1 On approximately the 20th day of each calendar month, Transporter shall render a statement to Shipper for the monthly transportation charge for the preceding calendar month. Shipper will pay to Transporter on the 10th day after the statement is received, the amount billed in that statement.

12.2 All payments shall be made in the form of immediately available funds (electronic funds) directed to a bank account designated by Transporter.

12.3 Shipper shall have the right at all reasonable times to examine the books, records and charts of Transporter to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any provisions of this Agreement.

12.4 Should Shipper fail to pay the amount of any statement rendered by Transporter when such amount is due, Shipper shall be liable for a monthly late payment charge calculated at an annual rate equal to the prime rate announced from time to time by principal lenders plus 2% on the unpaid balance.

12.5 Should Shipper fail to pay the amount of any statement rendered by Transporter when such amount is due, unless such amount is in good faith disputed by Shipper, Transporter may, after 10 days prior written notice, suspend further transportation services hereunder to Shipper until such amount is paid.

12.6 If Shipper or Transporter shall find, within 12 months after the date of any statement rendered by Transporter, that Shipper has been overcharged in the amount billed, and if such overcharge is verified, Transporter will refund the overcharge within 30 days together with interest thereon calculated as in Section 12.4.

12.7 If Transporter or Shipper shall find, within 12 months after the date of any statement rendered by it, that Shipper has been undercharged in the amount billed, Transporter may submit a statement for such undercharge, and Shipper, upon verification, shall pay such amount within 30 days together with interest thereon calculated as in Section 12.4.

13. FORCE MAJEURE AND REMEDIES

13.1 Neither party shall be liable to the other for damages or any other remedy, legal or equitable, for any act, omission or circumstances caused by or resulting from acts of nature, strikes, lockouts, explosions, breakage or accident to machinery or lines of pipe or the necessity to make repairs, test, or alterations to machinery or lines of pipe, line freezeups, or the binding order of any court or governmental authority ("Force Majeure"). Nothing in this Section shall relieve either party from any obligation to make payments of amounts already due and owing. However, the rates provided for in Sections 9.1 and 9.2 which are associated with Gas not flowing as a result of Force Majeure, shall not become due and payable.

13.2 Neither party shall be relieved of liability by Force Majeure unless notice and full particulars are first

given to the other party either in writing or by telegraph, telecopy or telex as soon as possible after the occurrence of the event of Force Majeure. Each party shall notify the other immediately whenever, in the notifying party's sole judgment, circumstances exist that might lead to a request to invoke Force Majeure under Section 13.1. In order to continue the protection of Section 13.1, the party suffering the Force Majeure must use all reasonable efforts on a continuing basis to rectify the cause of the Force Majeure. However, nothing in the foregoing sentence shall interfere with either party's right to settle labour disputes on terms they see fit.

14. POSSESSION AND LIABILITY

Shipper is deemed to be in exclusive control and possession of the Gas until it is delivered to Transporter at the Receipt Point and after it is redelivered by Transporter at the Delivery Point, and is liable for any damage or injury caused to third parties or Transporter, by the Gas, during that time of possession. Transporter is deemed to be in exclusive control and possession of such Gas from the time it is delivered at the Receipt Point until it is redelivered to the Shipper at the Delivery Point, and is liable for any damage or injury caused to third parties or the Shipper, by the Gas, during that time of control and possession. Each party will indemnify and save the other harmless from and in respect of any damages or injuries for which it is liable in accordance with this Section.

15. WARRANTY OF TITLE TO GAS

Shipper and Transporter warrant each to the other that, at the time of delivery of Gas to the other, the Shipper or Transporter, as the case may be, has the right to deliver the Gas and will indemnify the other and save it harmless from suits, actions, debts, adverse claims to said Gas or to royalties, taxes, license fees or other charges in respect thereof.

16. NON-WAIVER OF FUTURE DEFAULTS

No waiver by either party of any one or more defaults by the other in the performance of any provisions

of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.

17. GOVERNING LAW

This Agreement shall be governed by the law of Ontario.

18. NOTICES

18.1 Notices under this Agreement shall be addressed to:

St. Clair Pipeline, Limited
21 St. Clair Avenue East
Toronto, Ontario M4T 2T7
Attention: President

Tel. (416) 961-1200
Telecopy (416) 923-3299

or

Union Gas Limited
50 Keil Drive North
Chatham, Ontario N7M 5M1
Attention: Manager Gas Control

Tel. (519) 436-4524
Telecopy (519) 436-4630

18.2 Either party may change its address under this Agreement by written notice to the other party. Unless otherwise provided herein, all notices given by one party to the other shall be sent by registered mail, overnight mail or by telex, telecopy and shall be effective upon receipt. However, routine communications, including monthly statements, shall be considered as duly delivered when received. No notice may be given by mail during an actual or apprehended mail disruption between Chatham and Toronto.

19. PRO-RATIONING AND ASSIGNMENT

19.1 Intention: The parties intend that the Pipeline will be operated, to the extent possible, as an open access Pipeline.

19.2 Assignment: Shipper may assign or sub-let its rights hereunder to any person provided that Shipper shall, unless Transporter otherwise agrees in writing, at all times remain liable for its obligations hereunder.

19.3 Pro-Rationing: In the event Shipper is not utilizing its full transportation rights hereunder and some other person wishes to use the unutilized capacity, Shipper agrees that, subject to the conditions set forth in Section 19.4, it will relinquish the unutilized capacity in favour of such person.

19.4 Conditions. Shipper's obligation in Section 19.3 is conditioned on the following conditions, each of which must be fulfilled:

- (a) the person requiring the capacity must need it to actually transport Gas;
- (b) the relinquishment shall be only in respect of such volumes and for such period of time as are required by such person;
- (c) the relinquishment must not, in Shipper's opinion, acting reasonably, jeopardize Shipper's needs for transportation services during the period of relinquishment; and
- (d) during the period of relinquishment, Shipper will not be liable for the rates set forth in Section 9 in respect of the volume relinquished.

20. MISCELLANEOUS PROVISIONS

20.1 Headings: The headings used throughout this Agreement are inserted for convenience of reference only and are not to be considered or taken into account in construing the terms or provisions hereof nor are they to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.

20.2 Gender, Number and Internal References: Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. The words "herein", "hereunder" and words of similar import refer to the entirety of this Agreement and not only to the Section in which such use occurs.

20.3 Time of Essence: Time shall be of the essence hereof.

20.4 Successors and Assigns: This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.

20.5 Counterparts: This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an originally executed copy, and it shall not be necessary to produce all counterparts in order to prove this Agreement.

20.6 Indemnity: Wherever in this Agreement a party (hereinafter referred to as "the indemnifying party") has agreed to indemnify and/or hold the other party (hereinafter referred to as the "other party") harmless, the other party shall promptly notify the indemnifying party of any claim made against it and shall keep the indemnifying party fully informed of the progress of the proceedings. The indemnifying party may, in its sole discretion, elect to assume the defence of the action and in such event the other party shall co-operate fully, including providing such witnesses, data and other evidence as may be available to it.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

ST. CLAIR PIPELINE, LIMITED

By M. Romanuk
Title PRESIDENT

By L. W. E.
Title SECRETARY

UNION GAS LIMITED

By J. H. Hunter
Title Vice President

By [Signature]
Title Assistant Secretary



St. Clair Pipelines (1996) Ltd.
50 Keil Drive North
Chatham, Ontario
Canada N7M 5M1

September 16, 1996

Union Gas Limited
50 Keil Drive North
Chatham, Ontario
N7M 5M1

Attention: Mr. A.F. Hassan

Dear Fred,

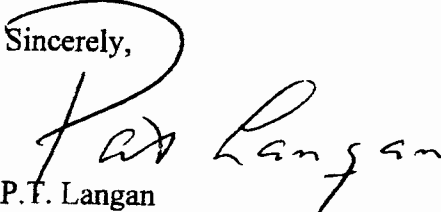
Re: Transportation Agreement between St. Clair Pipelines (1996) Ltd. and Union Gas Limited dated May 1, 1988

In response to Union's request for a decrease in the toll for the St. Clair River Crossing, St. Clair will agree to a decrease in the monthly demand charge to \$28,500 /month to reflect the current changes to the cost of service on the pipeline.

Over the next year St. Clair will evaluate further the position the river crossing has in the marketplace and whether the existing toll structure, tariff and contract are reflective of the current market environment.

Please sign and return this document as acceptance of this toll change. Upon receipt, St. Clair will file a revised tariff with the N.E.B. and make amendments to the Transportation Agreement as required.

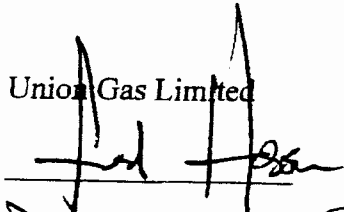
Sincerely,


P.T. Langan
Vice-president, Operations

Acceptance: Union Gas Limited

By:

Title:


Director Gas Supply



St. Clair Pipelines (1996) Ltd.
50 Keil Drive North
Chatham, Ontario
Canada N7M 5M1

August 8, 1997

Mr. M. Mantha
Secretary
National Energy Board
311 - Sixth Avenue S.W.
CALGARY, Alberta
T2P 3H2

Dear Mr. Mantha:

RE: ST. CLAIR PIPELINES (1996) LIMITED TRANSPORTATION TARIFF

Pursuant to Part IV of the National Energy Board Act and in accordance with the National Energy Board ("the Board") MEMORANDUM OF GUIDANCE regarding regulation of Group 2 Companies, St. Clair Pipelines (1996) Limited ("St. Clair") wishes to inform the Board that as a result of discussions with its sole shipper, St. Clair has revised its monthly demand charge for 100% of its capacity to \$28,500. In particular, this amount supersedes the \$32,000 listed in clause "(C) (a)" on Page 1 of 2 of St. Clair's "Firm Transportation Service Toll Schedule" which was last updated in a memo to the Board dated February 6, 1995.

Attached are twenty (20) copies of this memo, as per the Board's guidelines. I trust that this is satisfactory.

Sincerely,

A handwritten signature in cursive script, appearing to read 'James R. Anderson'.

James R. Anderson
President
St. Clair Pipelines (1996) Ltd.

JRA/mhg
encl.

AMENDING AGREEMENT

THIS AGREEMENT effective as of April 1, 2008, between St. Clair Pipelines L.P. ("**St. Clair**"), by its general partner St. Clair Pipelines Management Inc. and Union Gas Limited ("**Union**") witnesses that

WHEREAS Union and St. Clair Pipelines Ltd. were the original parties to a Transportation Services Agreement ("**Contract**") dated May 1, 1988;

AND WHEREAS St. Clair is the successor in interest to St. Clair Pipelines Ltd.;

AND WHEREAS the parties wish to amend the Contract as more fully set out herein;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Amendment.** The Contract is hereby amended as follows:

1.1 Section 7 of the Contract is deleted and replaced with the following:

"The initial term of this Agreement shall be for a period commencing on the date of first receipt of Gas and terminating on the November 1 next following such date. Thereafter, the term shall automatically be extended for successive periods of one Year each, unless either party indicates its intention to terminate this Agreement by giving the other notice in writing to that effect no later than January 31 of the then-current term."

2. **Acknowledgement.** The parties acknowledge that save as otherwise indicated herein, the Contract shall continue unamended, is in all respects confirmed, ratified and preserved.
3. **Further Assurances.** The parties shall, at all times hereafter at the reasonable request of the other, execute and deliver to the other all such further documents and instruments and shall do and perform such acts as may be necessary to give full effect to the intent and meaning of this Agreement.
4. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario, without regard to the principles governing the conflict of laws.
5. **Counterparts.** This Agreement may be executed in any number of counterparts. Each executed counterpart shall be deemed to be an original. All executed counterparts taken together shall constitute one agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

St. Clair Pipelines L.P., by its general partner
St. Clair Pipelines Management Inc.

By: Bert Donackan
Authorized Signatory

Bert Donackan

James G. Redford
James G. Redford

Union Gas Limited

By: [Signature]
Authorized Signatory

APPROVED FOR EXECUTION
LEGAL <u>DRQ</u>
FINANCE <u>[Signature]</u>
ACQUISITION <u>[Signature]</u>

AGREEMENT FOR TRANSPORTATION SERVICES

THIS AGREEMENT effective the 1st day of November, 1995.

BETWEEN:

ST. CLAIR PIPELINES (1996) LTD., a company
incorporated under the laws of Canada

hereinafter called the "Transporter"

OF THE FIRST PART

- and -

UNION GAS LIMITED, a company incorporated
under the laws of the Province of Ontario

-- hereinafter called the "Shipper"

OF THE SECOND PART

WHEREAS Transporter owns and/or leases a natural gas pipeline (the "Pipeline") from the International Border to the Bluewater Valve Site near Sarnia, Ontario;

AND WHEREAS Shipper has requested Transporter to transport natural gas through the Pipeline on Shipper's behalf;

AND WHEREAS Transporter is willing to provide the requested transportation subject to the terms and conditions contained in this Agreement;

NOW THEREFORE in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Transporter and Shipper agree as follows:

1. **DEFINITIONS**

- 1.1 "Additional Quantity" has the meaning attributed to it in Section 3.2.
- 1.2 "Authorization" has the meaning attributed to it in Section 8.2.
- 1.3 "Joule" has the meaning of the work done when the point of application of a force of one newton is displaced a distance of one metre in the direction of the force. The term megajoule means a million joules.
- 1.4 "Contract Quantity" has the meaning attributed to it in Section 3.1.
- 1.5 "Day" means a period of twenty-four (24) consecutive hours commencing at 0800 Eastern Time Zone or such other time as may be mutually agreed upon.
- 1.6 "Delivery Point" has the meaning attributed to it in Section 5.1.

- 1.7 "Equivalent Volume(s)" means a thermally equivalent volume of Gas.
- 1.8 "Force Majeure" has the meaning attributed to it in Section 13.1.
- 1.9 "GISB" means Gas Industry Standards Board.
- 1.10 "International Border" means the point on the Bluewater Pipeline which corresponds to the international border between the United States and Canada.
- 1.11 "Mcf" means thousand cubic feet.
- 1.12 "MMBTU" means 1,000,000 BTUs.
- 1.13 "Month" means the period beginning at 0800 in the Eastern Time Zone on the first day of a calendar month and ending at 0800 on the first day of the next calendar month.
- 1.14 "Natural Gas" or "Gas" means a natural gas consisting predominantly of methane and includes natural and synthetic gas.
- 1.15 "Pipeline Quality Gas" means non-odourized Gas which meets all the standards, tests and specifications as set out in Schedule "A".
- 1.16 "Receipt Point" has the meaning attributed to it in Section 4.
- 1.17 "Bluewater Valve Site" means the valve site located on the interconnect between Shipper and Transporter, on the Canadian shore of the St. Clair River, owned by Shipper.
- 1.18 "Section" means a section of this Agreement.
- 1.19 "Year" means a period of twelve (12) consecutive months commencing on November 1st of each year; provided, however, that the first year will commence on the date of first delivery of Gas hereunder and end on the October 31 next following the date of such first delivery.

2. GAS TRANSPORTATION SERVICE

- 2.1 Subject to the terms and conditions of this Agreement, Shipper may deliver or cause to be delivered to Transporter, at the Receipt Point, a volume of Gas up to the Contract Quantity and any Additional Quantity in effect, in which event Transporter shall receive, transport and deliver to Shipper, or for the account of Shipper, Equivalent Volumes of Gas at the Delivery Point.
- 2.2 Unless agreed to otherwise, Gas delivered to the Bluewater Valve Site from the U.S. shall be at a pressure of 750 psig. Gas redelivered flowing to the U.S. shall have a minimum pressure of 400 psig.
- 2.3 Shipper shall advise Transporter, not less than forty eight hours prior to the first day of each month, of the volume of Gas that Shipper shall cause to be delivered to Transporter for transportation during that month together with the direction of flow.

On twenty-four (24) hours' advance notice to Transporter, Shipper may reschedule, with Transporter's approval, acting reasonably, the daily volumes of Gas to be delivered and redelivered hereunder.

- 2.4 In recognition of the inability of Transporter and Shipper to maintain precise control over the rates of flow and volumes of Gas to be received and transported, each party shall use all reasonable efforts to maintain the receipts and deliveries in balance.
- 2.5 Unless otherwise agreed to in writing, the parties agree to adopt Shipper's nomination practices as they exist from time to time.

3. CONTRACT QUANTITY

- 3.1 Transporter and Shipper agree that the volume of Gas which Shipper may request to be transported under the terms of this Agreement (the "Contract Quantity") shall be a maximum of 200 million cubic feet per day.
- 3.2 During subsequent Years of this Agreement, Transporter shall notify Shipper in writing no later than August 31st of the preceding Year if it anticipates transportation capacity greater than the Contract Quantity to be available in the upcoming Year ("Additional Capacity"). In the event that new facilities are required to provide such Additional Capacity, then the parties agree to negotiate a rate for such Additional Capacity. In the event that the parties are unable to agree on the rate, then St. Clair shall not be obligated to provide service for the Additional Capacity. Within sixty (60) days of the receipt of such notice by Shipper, Shipper may elect to deliver an additional volume of Gas over and above the Contract Quantity ("Additional Quantity") which shall not exceed the Additional Capacity. Transporter shall transport the Additional Quantity for that year in the same manner as the Contract Quantity.

4. POINTS OF RECEIPT

- 4.1 Shipper may deliver, or cause to be delivered to Transporter, Gas in accordance with this Agreement at one of the following receipt points ("Receipt Point") (determined by Shipper as provided in Section 2.3): Bluewater Valve Site and the International Border.

5. POINTS OF DELIVERY

- 5.1 If Gas has been delivered to Transporter at a Receipt Point for transportation hereunder, Transporter shall deliver to Shipper, or for the account of Shipper, Equivalent Volumes of Gas, at one or more of the following delivery points ("Delivery Point") (determined by Shipper as provided in Section 2.3): Bluewater Valve Site and the International Border.

6. NATURE OF SERVICE

- 6.1 The parties to this Agreement expressly agree that, except as provided in Section 13.1, the transportation of Gas hereunder is on a "firm" basis during the term of this Agreement. Transportation on a "firm" basis means that Transporter agrees to transport the Contract Quantity and any Additional Quantity each day during the term of this Agreement to and from the Receipt Point and the Delivery Point except

for reasons of Force Majeure.

7. **TERM**

- 7.1 The initial term of this Agreement shall be for a period commencing on the date of first receipt of Gas and terminating on October 31 next following such date. Thereafter, the term shall be automatically extended for successive periods of one Year each, unless either party indicates its intention to terminate this Agreement by giving the other three (3) months prior notice in writing. However, in no event shall the term of this Agreement extend beyond October 31, 2005, unless agreed to in writing by Transporter.

8. **REGULATION AND CONDITIONS OF SERVICE**

- 8.1 This Agreement and the respective obligations of the parties are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.
- 8.2 Shipper's and Transporter's obligations under this Agreement are conditioned upon the receipt and maintenance in good standing of all authorizations, approvals, licenses, pipeline leases, and the like ("Authorizations") necessary or advisable to transport Gas.
- 8.3 In the event the Authorizations initially required to commence to transport Gas hereunder are not received by November 1, 1995, either party may terminate this Agreement upon thirty (30) Days' prior written notice to that effect to the other.
- 8.4 Should Authorizations be received from the appropriate regulatory authorities containing terms or conditions which, in Transporter's or Shipper's reasonable judgement are unacceptable, either may terminate this Agreement upon thirty (30) Days' prior written notice to that effect to the other.
- 8.5 Shipper and Transporter shall have thirty (30) Days from the receipt of an Authorization to determine whether such Authorization contains terms and conditions which are reasonably determined to be unacceptable. In the event that no notice of termination is sent by either party within that time, the right to terminate under Section 8.4 with respect to that Authorization shall expire.
- 8.6 Shipper's obligations hereunder are conditioned on its obtaining gas supply and transportation arrangements to enable it to utilize the transportation service contemplated hereunder. If such arrangements have not been completed by September 1, 1995, either party may, upon thirty (30) Days' written notice to the other, terminate this Agreement.
- 8.7 If an Authorization, previously granted or obtained, is for any reason not maintained, then Shipper or Transporter, immediately upon receipt of knowledge that said Authorization's maintenance is or may reasonably be in jeopardy, shall notify the other party of such knowledge to the extent that it may reasonably affect the receipt, transportation or delivery of Gas under this Agreement.

9. RATES

- 9.1 Commencing on the date the Pipeline is completed and in service, Shipper agrees to pay to Transporter a commodity rate of \$0.015/Mcf, exclusive of any applicable Goods and Services Tax or any other tax, royalty or levy imposed prior to or subsequent to the commencement of this agreement, subject to final adjustment of accounts and approval by the National Energy Board, in exchange for which Shipper shall be entitled to have transported volumes of Gas up to the Contract Quantity, plus any Additional Quantity, from any Receipt Point to any Delivery Point. ✓
- 9.2 The parties agree to the renegotiated rate and rate mechanism in Section 9.1. Any new rate would be subject to the approval of the National Energy Board from time to time.
- 9.3 In the event that Shipper utilizes the capacity on the Bluewater Line to resell as a firm service, Shipper agrees to share fifty per cent (50%) of any resulting profit with Transporter.

10. MEASUREMENT AND MONITORING

- 10.1 Both Parties agree that all Gas received by Transporter at the Receipt Point for the account of Shipper and delivered by the Transporter at the Delivery Point for the Shipper shall be measured by CMS Gas Transmission and Storage.

11. QUALITY

- 11.1 All Gas received by Shipper at the Receipt Point and delivered by Transporter at the Delivery Point shall be Pipeline Quality Gas.
- 11.2 In the event the Gas delivered by Shipper at the Receipt Point(s) or by Transporter at the Delivery Point(s) fails at any time to be Pipeline Quality Gas, Transporter or Shipper, as the case may be, shall notify the other of such deficiency and thereupon may, at its option, refuse to accept delivery pending correction. Upon demonstration acceptable to Transporter or Shipper, as the case may be, that the Gas being tendered for delivery is Pipeline Quality Gas, Transporter or Shipper, as the case may be, shall resume taking delivery of Gas. Both Transporter and Shipper shall, notwithstanding the provisions of this s. 11.2, use reasonable efforts to accept gas that is not Pipeline Quality Gas.

12. BILLING AND PAYMENT

- 12.1 On the 20th day of each calendar month or the first business day thereafter, Transporter shall render a statement to Shipper for the transportation charges for the preceding calendar month. Shipper will pay to Transporter on or before the 10th day after the statement is received, the amount billed in that statement.
- 12.2 All payments shall be made in the form of immediately available funds (electronic funds) directed to a bank account designated from time to time by Transporter.

- 12.3 Shipper shall have the right during regular business hours to examine the books, records and charts of Transporter to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any provisions of this Agreement.
- 12.4 Should Shipper fail to pay the amount of any statement rendered by Transporter when such amount is due, Shipper shall be liable for a monthly late payment charge calculated at an annual rate equal to the prime rate declared at that time by the Bank of Canada plus 3% on the unpaid balance.
- 12.5 Should Shipper fail to pay the amount of any statement rendered by Transporter when such amount is due, unless such amount is in good faith disputed by Shipper, Transporter may, after 10 days prior written notice, suspend further transportation services hereunder to Shipper until such amount is paid.
- 12.6 If Shipper or Transporter shall find, within twelve (12) months after the date of any statement rendered by Transporter, that Shipper has been overcharged in the amount billed, and if such overcharge is verified, Transporter will refund the overcharge within thirty (30) days together with interest thereon calculated as in Section 12.4.
- 12.7 If Transporter or Shipper shall find, within twelve (12) months after the date of any statement rendered by it, that Shipper has been undercharged in the amount billed, Transporter may submit a statement for such undercharge, and Shipper, upon verification, shall pay such amount within thirty (30) days together with interest thereon calculated as in Section 12.4.

13. FORCE MAJEURE

- 13.1 Neither party shall be liable to the other for damages or any other remedy, legal or equitable, for any act, omission or circumstances caused by or resulting from acts of nature, strikes, lockouts, explosions, breakage or accident to machinery or lines of pipe or the necessity to make repairs, test, or alterations to machinery or lines of pipe, line freezups, or the binding order of any court of governmental authority ("Force Majeure"). Nothing in this Section shall relieve either party from any obligation to make payments of amounts already due and owing. However, the rates provided for in Sections 9.1 and 9.2 which are associated with Gas not flowing as a result of Force Majeure, shall not become due and payable.
- 13.2 Neither party shall be relieved of liability by Force Majeure unless notice and full particulars are first given to the other party either in writing or by telegraph, telecopy or telex as soon as possible after the occurrence of the event of Force Majeure. Each party shall notify the other immediately whenever, in the notifying party's sole judgement, circumstances exist that might lead to a request to invoke Force Majeure under Section 13.1. In order to continue the protection of Section 13.1, the party suffering the Force Majeure must use all reasonable efforts on a continuing basis to rectify the cause of the Force Majeure. However, nothing in the foregoing sentence shall interfere with either party's right to settle labour disputes on terms they see fit.
- 13.3 Transporter's facilities, from time to time, may require maintenance or construction. In the event that such event occurs and in Transporter's sole opinion, acting reasonably, may impact its ability to meet Shipper's requirements, Transporter shall provide at least two (2) days notice to the Shipper. In the event the maintenance

impacts Transporter's ability to meet Shipper's requirements, Transporter shall not be liable for any damages and shall not be deemed to be in breach of the Agreement.

14. POSSESSION AND LIABILITY

14.1 Shipper is deemed to be in exclusive control and possession of the Gas until it is received by the Transporter at the Receipt Point and after it is delivered by Transporter to the Delivery Point, and is liable for any damage or injury caused to third parties or Transporter, by the Gas, during that time of possession. Transporter is deemed to be in exclusive control and possession of such Gas from the time it is received at the Receipt Point until it is delivered to the Shipper at the Delivery Point, and is liable for any damage or injury caused to third parties or the Shipper, by the Gas, during that time of control and possession. The party in possession will indemnify and save the other harmless from and in respect of any damages or injuries for which it is liable in accordance with this Section.

14.2 Wherever in this Agreement a party (hereinafter referred to as "the indemnifying party") has agreed to indemnify and/or hold the other party (hereinafter referred to as the "other party") harmless, the other party shall promptly notify the indemnifying party of any claim made against it and shall keep the indemnifying party fully informed of the progress of the proceedings. The indemnifying party may, in its sole discretion, elect to assume the defence of the action and in such event, the other party shall co-operate fully, including providing such witnesses, data and other evidence as may be available to it.

15. WARRANTY OF TITLE OR GOOD RIGHT TO GAS

15.1 Shipper and Transporter warrant each to the other that, at the time of delivery of Gas to the other, the Shipper or Transporter, as the case may be, has the right to deliver the Gas and will indemnify the other and save it harmless from suits, actions, debts or adverse claims to said Gas or to royalties, taxes, license fees or other charges in respect thereof.

16. NON-WAIVER OF FUTURE DEFAULTS

16.1 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.

17. GOVERNING LAW

17.1 This Agreement shall be governed by the laws of the Province of Ontario or Canada, as applicable, and both parties agree to attorn to the jurisdiction of the Province of Ontario or Canada, as applicable.

18. NOTICES

- 18.1 Notices under this Agreement shall be addressed to:

St. Clair Pipelines (1996) Ltd.
Keil Drive North
CHATHAM, Ontario
N7M 5M1

Attention: Manager, Business Development

Telephone: (519) 436-4657
Fax: (519) 436-4521

or

Union Gas Limited
Keil Drive North
CHATHAM, Ontario
N7M 5M1

Attention: Manager, Gas Control

Telephone: (519) 436-4524
Fax: (519) 436-4630

- 18.2 Either party may change its address under this Agreement by written notice to the other party. Unless otherwise provided herein, all notices given by one party to the other shall be sent by registered mail, overnight mail or by telex, telecopy and shall be effective upon receipt or if received after 1700 hours or on Saturday, Sunday or Statutory Holiday effective 0800 on the following business day. However, routine communications, including monthly statements, shall be considered as duly delivered when received. No notice may be given by mail during an actual or apprehended mail disruption between Chatham and Toronto.

19. PRO-RATIONING AND ASSIGNMENT

- 19.1 The parties intend that the Pipeline will be operated, to the extent possible, as an open access Pipeline.
- 19.2 Shipper may not assign or sub-let its rights hereunder to any person unless Transporter, in its sole discretion, agrees in writing.
- 19.3 In the event Shipper is not utilizing its full transportation rights hereunder and some other person wishes to use the unutilized capacity, Shipper agrees that, subject to the conditions set forth in Section 19.4, it will relinquish the unutilized capacity in favour of such person.

19.4 Shipper's obligation in Section 19.3 is dependant upon the following conditions, each of which must be fulfilled:

- i) the person requiring the capacity must use the capacity to transport Gas on the Pipeline;
- ii) the relinquishment shall be only in respect of such volumes and for such period of time as are required by such person;
- iii) Shipper shall retain priority to such relinquished capacity, in accordance with section 2.3, over such person; and
- iv) during the period of relinquishment, Shipper will not be liable for the rates or a proportion thereof as set forth in Section 9 in respect of the volume relinquished.

20. MISCELLANEOUS

- 20.1 The headings used throughout this Agreement are inserted for convenience of reference only and are not to be considered or taken into account in construing the terms or provisions hereof nor are they to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.
- 20.2 Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. The words "herein", "hereunder" and words of similar import refer to the entirety of this Agreement and not only to the Section in which such use occurs.
- 20.3 Words, phrases or expressions which are not defined herein and which, in the usage or custom of the business of the transportation, storage, and distribution or sale of natural gas have an accepted meaning shall have that meaning.
- 20.4 All reference to dollars in this Contract shall mean Canadian dollars.
- 20.5 Time shall be of the essence hereof.
- 20.6 This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns. Either party may assign this Agreement upon thirty (30) days written notice.
- 20.7 This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an originally executed copy, and it shall not be necessary to produce all counterparts in order to prove this Agreement.
- 20.8 The Parties hereby acknowledge that the gas industry is standardizing certain aspects of how gas is nominated and measured. In the event either party wishes to update this Agreement to conform to GISB standards, the parties agree to co-operate to effect such changes.
- 20.9 This Agreement constitutes the entire agreement between the parties hereto, and supercedes any prior or contemporaneous agreements, understandings, negotiations or discussions in respect of the subject matter hereof.

- 20.10 The liability of the parties hereunder is limited to direct third party damages only and all other remedies or damages are waived. In no event shall either party be liable for consequential, incidental, punitive, or indirect damages, in tort, contract or otherwise.
- 20.11 This Agreement shall be binding and shall ensure to the benefit of the parties hereto and their respective successors and permitted and lawful assigns.

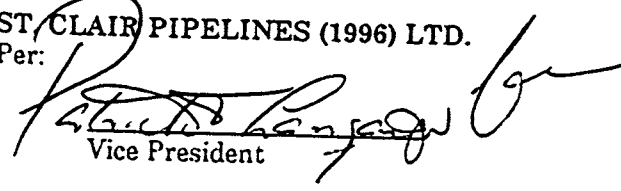
IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

UNION GAS LIMITED
Per:


Vice President


Assistant Secretary

ST. CLAIR PIPELINES (1996) LTD.
Per:


Vice President

SCHEDULE "A"

Natural Gas

The minimum gross heating value of the gas delivered and redelivered hereunder shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered and redelivered hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Customer's natural gas sources of supply. The gas to be redelivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons except methane may be removed prior to redelivery to Customer. Further, Union may subject, or permit the subjection of, the gas to compression, hydration, cooling, cleaning and other processes.

Freedom from Objectionable Matter

The gas to be delivered and/or redelivered hereunder:

- a) shall be commercially free from sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to or interference with the proper operation of the lines, regulators, meters or other appliances through which it flows;
- b) shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas as determined by standard methods of testing;
- c) shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas;
- d) shall not contain more than two point zero (2.0) molar per cent by volume of carbon dioxide in the gas;
- e) shall not contain more than zero point five (0.5) molar per cent by volume of carbon monoxide in the gas;
- f) shall not contain more than zero point four (0.4) molar per cent by volume of oxygen in the gas.
- g) shall not contain more than four point zero (4.0) molar per cent by volume of hydrogen in the gas;
- h) shall not contain more than eighty (80) milligrams of water vapour per cubic metre of the gas;
- i) shall not have a hydrocarbon dewpoint exceeding minus ten (-10) degrees Celsius at five thousand-five hundred (5500) kPa pressure;
- j) shall not contain less than one point zero (1.0) molar per cent by volume of ethane in the gas;
- k) shall at all times be interchangeable with other pipeline gas such that the yellow tipping, flashback and lifting factors shall be within the range permitted for gas according to AGA Research Bulletin No. 36.

**First Amendment to the Transportation Services Agreement
Between St. Clair Pipeline and Union Gas Limited dated November 1, 1995**

Whereas Union and St. Clair entered into a transportation services dated November 1, 1995 for capacity up to 200,000 mcf/d

And Whereas the parties wish to amend certain provisions of the Agreement

Now Therefore in consideration of a sum of Two Dollars (\$2.00) and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. To delete paragraph 3.1 in its entirety and replace it with the following:

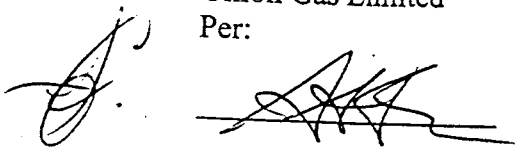
"Transporter and Shipper agree that the volume of Gas which Shipper may request to be transported under the terms of this Agreement (the "Contract Quantity") shall be a maximum of 115,000 million cubic feet per day."

2. To delete paragraph 9.1 in its entirety and replace it with the following:

"Effective November 1, 1999 and continuing until October 31, 2005, the Shipper agrees to pay Transporter a monthly demand charge equal to the applicable amount approved by the National Energy Board from time to time. Such amount shall be exclusive of any applicable Goods and Services Tax or any other similar tax or royalty, or levy imposed during the term of this Agreement. Such amount shall be applicable for the Contract Quantity. In the event that Shipper requests Additional Capacity pursuant to paragraph 3.2, the Parties agree to negotiate the rate for the Additional Capacity."

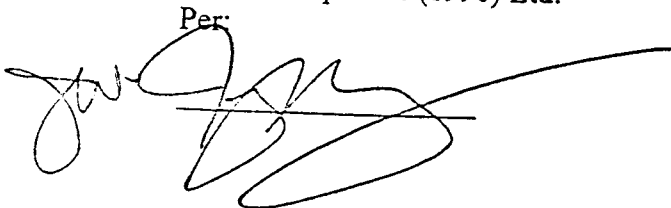
Union Gas Limited

Per:



St. Clair Pipelines (1996) Ltd.

Per:



- 1.7 "Equivalent Volume(s)" means a thermally equivalent volume of Gas.
- 1.8 "Force Majeure" has the meaning attributed to it in Section 13.1.
- 1.9 "GISB" means Gas Industry Standards Board.
- 1.10 "International Border" means the point on the Bluewater Pipeline which corresponds to the international border between the United States and Canada.
- 1.11 "Mcf" means thousand cubic feet.
- 1.12 "MMBTU" means 1,000,000 BTUs.
- 1.13 "Month" means the period beginning at 0800 in the Eastern Time Zone on the first day of a calendar month and ending at 0800 on the first day of the next calendar month.
- 1.14 "Natural Gas" or "Gas" means a natural gas consisting predominantly of methane and includes natural and synthetic gas.
- 1.15 "Pipeline Quality Gas" means non-odourized Gas which meets all the standards, tests and specifications as set out in Schedule "A".
- 1.16 "Receipt Point" has the meaning attributed to it in Section 4.
- 1.17 "Bluewater Valve Site" means the valve site located on the interconnect between Shipper and Transporter, on the Canadian shore of the St. Clair River, owned by Shipper.
- 1.18 "Section" means a section of this Agreement.
- 1.19 "Year" means a period of twelve (12) consecutive months commencing on November 1st of each year; provided, however, that the first year will commence on the date of first delivery of Gas hereunder and end on the October 31 next following the date of such first delivery.

2. GAS TRANSPORTATION SERVICE

- 2.1 Subject to the terms and conditions of this Agreement, Shipper may deliver or cause to be delivered to Transporter, at the Receipt Point, a volume of Gas up to the Contract Quantity and any Additional Quantity in effect, in which event Transporter shall receive, transport and deliver to Shipper, or for the account of Shipper, Equivalent Volumes of Gas at the Delivery Point.
- 2.2 Unless agreed to otherwise, Gas delivered to the Bluewater Valve Site from the U.S. shall be at a pressure of 750 psig. Gas redelivered flowing to the U.S. shall have a minimum pressure of 400 psig.
- 2.3 Shipper shall advise Transporter, not less than forty eight hours prior to the first day of each month, of the volume of Gas that Shipper shall cause to be delivered to Transporter for transportation during that month together with the direction of flow.

On twenty-four (24) hours' advance notice to Transporter, Shipper may reschedule, with Transporter's approval, acting reasonably, the daily volumes of Gas to be delivered and redelivered hereunder.

- 2.4 In recognition of the inability of Transporter and Shipper to maintain precise control over the rates of flow and volumes of Gas to be received and transported, each party shall use all reasonable efforts to maintain the receipts and deliveries in balance.
- 2.5 Unless otherwise agreed to in writing, the parties agree to adopt Shipper's nomination practices as they exist from time to time.

3. CONTRACT QUANTITY

- 3.1 Transporter and Shipper agree that the volume of Gas which Shipper may request to be transported under the terms of this Agreement (the "Contract Quantity") shall be a maximum of 200 million cubic feet per day.
- 3.2 During subsequent Years of this Agreement, Transporter shall notify Shipper in writing no later than August 31st of the preceding Year if it anticipates transportation capacity greater than the Contract Quantity to be available in the upcoming Year ("Additional Capacity"). In the event that new facilities are required to provide such Additional Capacity, then the parties agree to negotiate a rate for such Additional Capacity. In the event that the parties are unable to agree on the rate, then St. Clair shall not be obligated to provide service for the Additional Capacity. Within sixty (60) days of the receipt of such notice by Shipper, Shipper may elect to deliver an additional volume of Gas over and above the Contract Quantity ("Additional Quantity") which shall not exceed the Additional Capacity. Transporter shall transport the Additional Quantity for that year in the same manner as the Contract Quantity.

4. POINTS OF RECEIPT

- 4.1 Shipper may deliver, or cause to be delivered to Transporter, Gas in accordance with this Agreement at one of the following receipt points ("Receipt Point") (determined by Shipper as provided in Section 2.3): Bluewater Valve Site and the International Border.

5. POINTS OF DELIVERY

- 5.1 If Gas has been delivered to Transporter at a Receipt Point for transportation hereunder, Transporter shall deliver to Shipper, or for the account of Shipper, Equivalent Volumes of Gas, at one or more of the following delivery points ("Delivery Point") (determined by Shipper as provided in Section 2.3): Bluewater Valve Site and the International Border.

6. NATURE OF SERVICE

- 6.1 The parties to this Agreement expressly agree that, except as provided in Section 13.1, the transportation of Gas hereunder is on a "firm" basis during the term of this Agreement. Transportation on a "firm" basis means that Transporter agrees to transport the Contract Quantity and any Additional Quantity each day during the term of this Agreement to and from the Receipt Point and the Delivery Point except

for reasons of Force Majeure.

7. **TERM**

- 7.1 The initial term of this Agreement shall be for a period commencing on the date of first receipt of Gas and terminating on October 31 next following such date. Thereafter, the term shall be automatically extended for successive periods of one Year each, unless either party indicates its intention to terminate this Agreement by giving the other three (3) months prior notice in writing. However, in no event shall the term of this Agreement extend beyond October 31, 2005, unless agreed to in writing by Transporter.

8. **REGULATION AND CONDITIONS OF SERVICE**

- 8.1 This Agreement and the respective obligations of the parties are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.
- 8.2 Shipper's and Transporter's obligations under this Agreement are conditioned upon the receipt and maintenance in good standing of all authorizations, approvals, licenses, pipeline leases, and the like ("Authorizations") necessary or advisable to transport Gas.
- 8.3 In the event the Authorizations initially required to commence to transport Gas hereunder are not received by November 1, 1995, either party may terminate this Agreement upon thirty (30) Days' prior written notice to that effect to the other.
- 8.4 Should Authorizations be received from the appropriate regulatory authorities containing terms or conditions which, in Transporter's or Shipper's reasonable judgement are unacceptable, either may terminate this Agreement upon thirty (30) Days' prior written notice to that effect to the other.
- 8.5 Shipper and Transporter shall have thirty (30) Days from the receipt of an Authorization to determine whether such Authorization contains terms and conditions which are reasonably determined to be unacceptable. In the event that no notice of termination is sent by either party within that time, the right to terminate under Section 8.4 with respect to that Authorization shall expire.
- 8.6 Shipper's obligations hereunder are conditioned on its obtaining gas supply and transportation arrangements to enable it to utilize the transportation service contemplated hereunder. If such arrangements have not been completed by September 1, 1995, either party may, upon thirty (30) Days' written notice to the other, terminate this Agreement.
- 8.7 If an Authorization, previously granted or obtained, is for any reason not maintained, then Shipper or Transporter, immediately upon receipt of knowledge that said Authorization's maintenance is or may reasonably be in jeopardy, shall notify the other party of such knowledge to the extent that it may reasonably affect the receipt, transportation or delivery of Gas under this Agreement.

9. RATES

- 9.1 Commencing on the date the Pipeline is completed and in service, Shipper agrees to pay to Transporter a commodity rate of \$0.015/Mcf, exclusive of any applicable Goods and Services Tax or any other tax, royalty or levy imposed prior to or subsequent to the commencement of this agreement, subject to final adjustment of accounts and approval by the National Energy Board, in exchange for which Shipper shall be entitled to have transported volumes of Gas up to the Contract Quantity, plus any Additional Quantity, from any Receipt Point to any Delivery Point. ✓
- 9.2 The parties agree to the renegotiated rate and rate mechanism in Section 9.1. Any new rate would be subject to the approval of the National Energy Board from time to time.
- 9.3 In the event that Shipper utilizes the capacity on the Bluewater Line to resell as a firm service, Shipper agrees to share fifty per cent (50%) of any resulting profit with Transporter.

10. MEASUREMENT AND MONITORING

- 10.1 Both Parties agree that all Gas received by Transporter at the Receipt Point for the account of Shipper and delivered by the Transporter at the Delivery Point for the Shipper shall be measured by CMS Gas Transmission and Storage.

11. QUALITY

- 11.1 All Gas received by Shipper at the Receipt Point and delivered by Transporter at the Delivery Point shall be Pipeline Quality Gas.
- 11.2 In the event the Gas delivered by Shipper at the Receipt Point(s) or by Transporter at the Delivery Point(s) fails at any time to be Pipeline Quality Gas, Transporter or Shipper, as the case may be, shall notify the other of such deficiency and thereupon may, at its option, refuse to accept delivery pending correction. Upon demonstration acceptable to Transporter or Shipper, as the case may be, that the Gas being tendered for delivery is Pipeline Quality Gas, Transporter or Shipper, as the case may be, shall resume taking delivery of Gas. Both Transporter and Shipper shall, notwithstanding the provisions of this s. 11.2, use reasonable efforts to accept gas that is not Pipeline Quality Gas.

12. BILLING AND PAYMENT

- 12.1 On the 20th day of each calendar month or the first business day thereafter, Transporter shall render a statement to Shipper for the transportation charges for the preceding calendar month. Shipper will pay to Transporter on or before the 10th day after the statement is received, the amount billed in that statement.
- 12.2 All payments shall be made in the form of immediately available funds (electronic funds) directed to a bank account designated from time to time by Transporter.

- 12.3 Shipper shall have the right during regular business hours to examine the books, records and charts of Transporter to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any provisions of this Agreement.
- 12.4 Should Shipper fail to pay the amount of any statement rendered by Transporter when such amount is due, Shipper shall be liable for a monthly late payment charge calculated at an annual rate equal to the prime rate declared at that time by the Bank of Canada plus 3% on the unpaid balance.
- 12.5 Should Shipper fail to pay the amount of any statement rendered by Transporter when such amount is due, unless such amount is in good faith disputed by Shipper, Transporter may, after 10 days prior written notice, suspend further transportation services hereunder to Shipper until such amount is paid.
- 12.6 If Shipper or Transporter shall find, within twelve (12) months after the date of any statement rendered by Transporter, that Shipper has been overcharged in the amount billed, and if such overcharge is verified, Transporter will refund the overcharge within thirty (30) days together with interest thereon calculated as in Section 12.4.
- 12.7 If Transporter or Shipper shall find, within twelve (12) months after the date of any statement rendered by it, that Shipper has been undercharged in the amount billed, Transporter may submit a statement for such undercharge, and Shipper, upon verification, shall pay such amount within thirty (30) days together with interest thereon calculated as in Section 12.4.

13. FORCE MAJEURE

- 13.1 Neither party shall be liable to the other for damages or any other remedy, legal or equitable, for any act, omission or circumstances caused by or resulting from acts of nature, strikes, lockouts, explosions, breakage or accident to machinery or lines of pipe or the necessity to make repairs, test, or alterations to machinery or lines of pipe, line freezeups, or the binding order of any court of governmental authority ("Force Majeure"). Nothing in this Section shall relieve either party from any obligation to make payments of amounts already due and owing. However, the rates provided for in Sections 9.1 and 9.2 which are associated with Gas not flowing as a result of Force Majeure, shall not become due and payable.
- 13.2 Neither party shall be relieved of liability by Force Majeure unless notice and full particulars are first given to the other party either in writing or by telegraph, telecopy or telex as soon as possible after the occurrence of the event of Force Majeure. Each party shall notify the other immediately whenever, in the notifying party's sole judgement, circumstances exist that might lead to a request to invoke Force Majeure under Section 13.1. In order to continue the protection of Section 13.1, the party suffering the Force Majeure must use all reasonable efforts on a continuing basis to rectify the cause of the Force Majeure. However, nothing in the foregoing sentence shall interfere with either party's right to settle labour disputes on terms they see fit.
- 13.3 Transporter's facilities, from time to time, may require maintenance or construction. In the event that such event occurs and in Transporter's sole opinion, acting reasonably, may impact its ability to meet Shipper's requirements, Transporter shall provide at least two (2) days notice to the Shipper. In the event the maintenance

impacts Transporter's ability to meet Shipper's requirements, Transporter shall not be liable for any damages and shall not be deemed to be in breach of the Agreement.

14. POSSESSION AND LIABILITY

14.1 Shipper is deemed to be in exclusive control and possession of the Gas until it is received by the Transporter at the Receipt Point and after it is delivered by Transporter to the Delivery Point, and is liable for any damage or injury caused to third parties or Transporter, by the Gas, during that time of possession. Transporter is deemed to be in exclusive control and possession of such Gas from the time it is received at the Receipt Point until it is delivered to the Shipper at the Delivery Point, and is liable for any damage or injury caused to third parties or the Shipper, by the Gas, during that time of control and possession. The party in possession will indemnify and save the other harmless from and in respect of any damages or injuries for which it is liable in accordance with this Section.

14.2 Wherever in this Agreement a party (hereinafter referred to as "the indemnifying party") has agreed to indemnify and/or hold the other party (hereinafter referred to as the "other party") harmless, the other party shall promptly notify the indemnifying party of any claim made against it and shall keep the indemnifying party fully informed of the progress of the proceedings. The indemnifying party may, in its sole discretion, elect to assume the defence of the action and in such event, the other party shall co-operate fully, including providing such witnesses, data and other evidence as may be available to it.

15. WARRANTY OF TITLE OR GOOD RIGHT TO GAS

15.1 Shipper and Transporter warrant each to the other that, at the time of delivery of Gas to the other, the Shipper or Transporter, as the case may be, has the right to deliver the Gas and will indemnify the other and save it harmless from suits, actions, debts or adverse claims to said Gas or to royalties, taxes, license fees or other charges in respect thereof.

16. NON-WAIVER OF FUTURE DEFAULTS

16.1 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.

17. GOVERNING LAW

17.1 This Agreement shall be governed by the laws of the Province of Ontario or Canada, as applicable, and both parties agree to attorn to the jurisdiction of the Province of Ontario or Canada, as applicable.

18. NOTICES

- 18.1 Notices under this Agreement shall be addressed to:

St. Clair Pipelines (1996) Ltd.
Keil Drive North
CHATHAM, Ontario
N7M 5M1

Attention: Manager, Business Development

Telephone: (519) 436-4657
Fax: (519) 436-4521

or

Union Gas Limited
Keil Drive North
CHATHAM, Ontario
N7M 5M1

Attention: Manager, Gas Control

Telephone: (519) 436-4524
Fax: (519) 436-4630

- 18.2 Either party may change its address under this Agreement by written notice to the other party. Unless otherwise provided herein, all notices given by one party to the other shall be sent by registered mail, overnight mail or by telex, telecopy and shall be effective upon receipt or if received after 1700 hours or on Saturday, Sunday or Statutory Holiday effective 0800 on the following business day. However, routine communications, including monthly statements, shall be considered as duly delivered when received. No notice may be given by mail during an actual or apprehended mail disruption between Chatham and Toronto.

19. PRO-RATIONING AND ASSIGNMENT

- 19.1 The parties intend that the Pipeline will be operated, to the extent possible, as an open access Pipeline.
- 19.2 Shipper may not assign or sub-let its rights hereunder to any person unless Transporter, in its sole discretion, agrees in writing.
- 19.3 In the event Shipper is not utilizing its full transportation rights hereunder and some other person wishes to use the unutilized capacity, Shipper agrees that, subject to the conditions set forth in Section 19.4, it will relinquish the unutilized capacity in favour of such person.

19.4 Shipper's obligation in Section 19.3 is dependant upon the following conditions, each of which must be fulfilled:

- i) the person requiring the capacity must use the capacity to transport Gas on the Pipeline;
- ii) the relinquishment shall be only in respect of such volumes and for such period of time as are required by such person;
- iii) Shipper shall retain priority to such relinquished capacity, in accordance with section 2.3, over such person; and
- iv) during the period of relinquishment, Shipper will not be liable for the rates or a proportion thereof as set forth in Section 9 in respect of the volume relinquished.

20. MISCELLANEOUS

- 20.1 The headings used throughout this Agreement are inserted for convenience of reference only and are not to be considered or taken into account in construing the terms or provisions hereof nor are they to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.
- 20.2 Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. The words "herein", "hereunder" and words of similar import refer to the entirety of this Agreement and not only to the Section in which such use occurs.
- 20.3 Words, phrases or expressions which are not defined herein and which, in the usage or custom of the business of the transportation, storage, and distribution or sale of natural gas have an accepted meaning shall have that meaning.
- 20.4 All reference to dollars in this Contract shall mean Canadian dollars.
- 20.5 Time shall be of the essence hereof.
- 20.6 This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns. Either party may assign this Agreement upon thirty (30) days written notice.
- 20.7 This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an originally executed copy, and it shall not be necessary to produce all counterparts in order to prove this Agreement.
- 20.8 The Parties hereby acknowledge that the gas industry is standardizing certain aspects of how gas is nominated and measured. In the event either party wishes to update this Agreement to conform to GISB standards, the parties agree to co-operate to effect such changes.
- 20.9 This Agreement constitutes the entire agreement between the parties hereto, and supercedes any prior or contemporaneous agreements, understandings, negotiations or discussions in respect of the subject matter hereof.

- 20.10 The liability of the parties hereunder is limited to direct third party damages only and all other remedies or damages are waived. In no event shall either party be liable for consequential, incidental, punitive, or indirect damages, in tort, contract or otherwise.
- 20.11 This Agreement shall be binding and shall ensure to the benefit of the parties hereto and their respective successors and permitted and lawful assigns.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

UNION GAS LIMITED

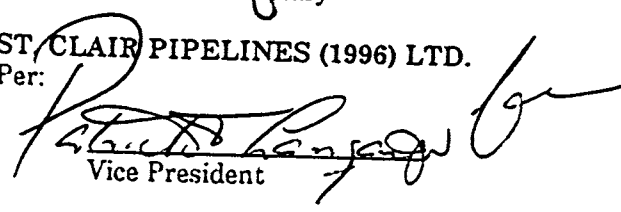
Per:


Vice President


Assistant Secretary

ST. CLAIR PIPELINES (1996) LTD.

Per:


Vice President

SCHEDULE "A"

Natural Gas

The minimum gross heating value of the gas delivered and redelivered hereunder shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered and redelivered hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Customer's natural gas sources of supply. The gas to be redelivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons except methane may be removed prior to redelivery to Customer. Further, Union may subject, or permit the subjection of, the gas to compression, hydration, cooling, cleaning and other processes.

Freedom from Objectionable Matter

The gas to be delivered and/or redelivered hereunder:

- a) shall be commercially free from sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to or interference with the proper operation of the lines, regulators, meters or other appliances through which it flows;
- b) shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas as determined by standard methods of testing;
- c) shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas;
- d) shall not contain more than two point zero (2.0) molar per cent by volume of carbon dioxide in the gas;
- e) shall not contain more than zero point five (0.5) molar per cent by volume of carbon monoxide in the gas;
- f) shall not contain more than zero point four (0.4) molar per cent by volume of oxygen in the gas.
- g) shall not contain more than four point zero (4.0) molar per cent by volume of hydrogen in the gas;
- h) shall not contain more than eighty (80) milligrams of water vapour per cubic metre of the gas;
- i) shall not have a hydrocarbon dewpoint exceeding minus ten (-10) degrees Celsius at five thousand-five hundred (5500) kPa pressure;
- j) shall not contain less than one point zero (1.0) molar per cent by volume of ethane in the gas;
- k) shall at all times be interchangeable with other pipeline gas such that the yellow tipping, flashback and lifting factors shall be within the range permitted for gas according to AGA Research Bulletin No. 36.

**SECOND AMENDMENT TO THE AGREEMENT FOR TRANSPORTATION SERVICES
BETWEEN ST. CLAIR PIPELINES, L.P. (as successor by assignment to St. Clair Pipelines
(1996) Ltd.) AND UNION GAS LIMITED
DATED NOVEMBER 1, 1995**

THIS AGREEMENT effective the 1st day of November 2005

BETWEEN:

ST. CLAIR PIPELINES, L.P., a limited partnership formed under the laws
of Ontario

Hereinafter called "St. Clair"

OF THE FIRST PART

- and -

UNION GAS LIMITED, a company incorporated under the laws of the
Province of Ontario

Hereinafter called the "Union"

OF THE SECOND PART

WHEREAS St. Clair Pipelines (1996) Ltd. and Union are parties to an Agreement for
Transportation Services dated November 1, 1995 (the "Transportation Agreement");

AND WHEREAS St. Clair Pipelines (1996) Ltd. and Union are parties to an amendment to the
Transportation Agreement (The "First Amendment") effective November 1, 1999;

AND WHEREAS the Transportation Agreement was assigned from St. Clair Pipelines (1996) Ltd
to St. Clair on November 27, 2002;

NOW THEREFORE in consideration of the premises set out herein and other good and valuable
consideration, the receipt and sufficiency of which is hereby acknowledged, St. Clair and Union
agree as follows:

**1. Section 7 of the Transportation Agreement shall be deleted in its entirety and replaced
with the following:**

7. TERM ROLLOVER AND RIGHT OF FIRST REFUSAL

7.1. The initial term of this Agreement shall be for a period commencing on the date of first
receipt of Gas and shall end on the 31st day of October 2007.

7.2. Thereafter, the term shall automatically be extended for successive periods of one (1)
Year each, unless either party indicates its intention to terminate this Agreement by
giving the other twenty-four (24) months prior notice in writing in which event this
Agreement shall terminate at the end of the then current term in which the notice period
expires, except that St. Clair shall not give such notice if the sole reason is that it is in
receipt of an acceptable offer for all or a portion of the Contract Quantity (the "Requested
Capacity")

7.3.

- a) If St. Clair receives an acceptable offer for all or a portion of the Contract Quantity (the "Requested Capacity"), St. Clair shall notify Union of such offer by giving no less than twenty-four (24) months notice in writing prior to the start date of the offer.
- b) Union shall respond in writing to St. Clair within thirty (30) days after St. Clair's notification indicating whether Union will match the net present value ("NPV") of the revenues generated from the reservation charge component of the Requested Capacity as calculated and presented by St. Clair.
- c) If Union agrees to match the NPV of the Requested Capacity, the parties to this Agreement shall execute a new agreement on the same terms and conditions as those in this Agreement, except that the rate and term shall be amended to match the NPV of the Requested Capacity and such other changes shall be made as are necessary to reflect such amendment.
- d) If Union does not agree to match or does not respond in writing within such 30 day period, then notice to terminate the Transportation Agreement shall be deemed to have been given by Union pursuant to Section 7.2 of the Transportation Agreement.

2. Section 9.3 shall be deleted in its entirety.

3. Except as herein modified, the Transportation Agreement is hereby ratified, confirmed and preserved.

IN WITNESS WHEREOF the parties have caused this Second Amendment to be executed by their duly authorized officers as of the day and year first above written.

St. Clair Pipelines, L.P. by its General Partner
St. Clair Pipelines Management Inc.



Union Gas Limited


Stephen W. Baker
Vice President
Business Development & Commercial Accounts

APPROVED FOR EXECUTION
LEGAL DRJ
FINANCE R
ACQUISITION CH
TAX Dpt

THIRD AMENDING AGREEMENT (the "Agreement")

THIS THIRD AMENDING AGREEMENT, effective as of February 7, 2011 (the "**Effective Date**"), between St. Clair Pipelines, L.P. ("**St. Clair**") and Union Gas Limited ("**Union**") witnesses that:

WHEREAS St. Clair (as successor by assignment to St. Clair Pipelines (1996) Ltd.) and Union are parties to an Agreement for Transportation Services, dated November 1, 1995 (the "**Transportation Agreement**");

AND WHEREAS St. Clair Pipelines (1996) Ltd. and Union are parties to an amendment to the Transportation Agreement (the "**First Amendment**") effective November 1, 1999;

AND WHEREAS the Transportation Agreement was assigned from St. Clair Pipelines (1996) Ltd. to St. Clair on November 27, 2002;

AND WHEREAS St. Clair and Union are parties to a second amendment to the Transportation Agreement (the "**Second Amendment**") effective November 1, 2005;

AND WHEREAS the parties wish to amend the Transportation Agreement (as amended by the First Amendment and the Second Amendment) as more fully set out herein;

NOW THEREFORE in consideration of the foregoing recitals and the agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. **Amendment.** The Transportation Agreement (as amended by the First Amendment and the Second Amendment) is hereby amended as follows, effective as at the Effective Date:
 - (a) Section 7.2 of the Transportation Agreement (as amended by the First Amendment and the Second Amendment) is hereby deleted in its entirety and replaced with the following:

"7.2 Thereafter, the term shall automatically be extended for successive periods of one (1) Year each, unless either party indicates its intention to terminate this Agreement by giving the other party notice in writing, in which event this Agreement shall terminate twelve (12) months after the date of such notice, except that St. Clair shall not give such notice if the sole reason is that it is in receipt of an acceptable offer for all or a portion of the Contract Quantity (the "Requested Capacity")."
 - (b) Section 7.3 a) of the Transportation Agreement (as amended by the First Amendment and the Second Amendment) is hereby deleted in its entirety and replaced with the following:

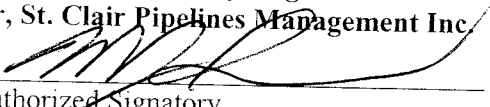
"7.3 a) If St. Clair receives an acceptable offer for all or a portion of the Contract Quantity, St. Clair shall notify Union of such offer by giving no less than twelve (12) months' notice in writing prior to the start date of the offer."
2. **Acknowledgement.** The parties acknowledge that save as otherwise indicated herein, the Contract shall continue unamended, is in all respects confirmed, ratified and preserved.
3. **Further Assurances.** The parties shall, at all times hereafter at the reasonable request of the other, execute and deliver to the other all such further documents and instruments and shall do and perform such acts as may be necessary to give full effect to the intent and meaning of this

Agreement.

4. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario, without regard to the principles governing the conflict of laws.
5. **Counterparts.** This Agreement may be executed in any number of counterparts. Each executed counterpart shall be deemed to be an original. All executed counterparts taken together shall constitute one agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the dates written below.

St. Clair Pipelines, L.P. by its general partner, St. Clair Pipelines Management Inc.

By:  *SP*
Authorized Signatory

Name: Mark Isherwood
Title: Vice President

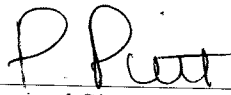
Date:

By:  *SP*
Authorized Signatory

Name: Jim Redford
Title: Vice President

Date:

Union Gas Limited

By: 
Authorized Signatory

Name: Patricia Piatt
Title: Director, Gas Supply

Date:

UNION GAS LIMITED

Undertaking of Mr. Cameron
To Mr. Shorts

Please provide design day and peak day capacity of Bluewater River crossing after new NPS 20 river crossing pipe is in place and in service.

The operating capacity of the Bluewater Pipeline with the leased NPS 12 river crossing is approximately 200 MMcfd and the operating capacity of the Bluewater Pipeline with the proposed NPS 20 river crossing is approximately 250 MMcfd.