

## PRECEDENT AGREEMENT

**THIS PRECEDENT AGREEMENT** (“**Precedent Agreement**”) dated this 7<sup>th</sup> day of May, 2012 by and between Union Gas Limited, an Ontario corporation (“**Union**”), and Enbridge Gas Distribution Inc. (“**Shipper**”) (Union and Shipper may sometimes be referred to separately as “**Party**” or jointly as “**Parties**” in this Precedent Agreement) witnesseth that:

**WHEREAS**, Union owns and operates a natural gas transmission system in south-western Ontario, through which Union offers firm transportation services;

**WHEREAS**, Union intends, subject to Shipper’s execution of this Precedent Agreement, Shipper’s execution of the Transportation Agreement defined below, and Union’s determination of capacity requirements, to own, build and operate certain facilities, being the Brantford to Kirkwall NPS 48 pipeline loop, the Parkway D compression facilities and the Parkway (GTA) Interconnect, all proposed to be in service by November 1, 2015 (the “**Dawn-Parkway Expansion Facilities**”); and the Parkway (Consumers2) Interconnect, proposed to be in service by November 1, 2014, and the Parkway C compression facilities, proposed to be in service by November 1, 2015 (the “**Parkway West Project Facilities**”) (the Dawn-Parkway Expansion Facilities and the Parkway West Project Facilities, collectively, the “**Expansion Facilities**”);

**WHEREAS**, this Precedent Agreement is executed as evidence of Shipper’s request for firm transportation service as well as Shipper’s acknowledgement that Union requires the benefit of certain construction and regulatory conditions precedent not contained in the tariff applicable to the Transportation Agreement, defined below;

**WHEREAS**, Shipper acknowledges that Union is relying on Shipper’s commitments and obligations set forth in this Precedent Agreement in order to own, build and operate the Expansion Facilities;

**WHEREAS**, the design of the Expansion Facilities may change based on the final capacity requirements or project design as determined by Union in Union’s sole discretion, which may result in a reduction in scope or elimination of the requirement for Expansion Facilities;

**WHEREAS**, Shipper agrees to enter into a transportation agreement whereby Union will provide service and Shipper will receive service in Ontario in accordance with and in the form included in Union’s M12 Rate Schedule (such transportation agreement shall be referred to herein as the “**Transportation Agreement**”); and

**WHEREAS**, Shipper agrees to enter into a financial backstopping agreement (the “**Financial Backstopping Agreement**”) associated with this Precedent Agreement and the Transportation Agreement (attached hereto at Schedule 1) whereby Shipper agrees to financially indemnify Union, subject to the terms and conditions as provided for pursuant to the Financial Backstopping Agreement, for the costs to develop and construct the Expansion Facilities.

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

May 7, 2012 FINAL (UG Dec 17, 12)

## **1.0 Effective Date and Term**

This Precedent Agreement shall become effective as of the date first stated above and shall remain in effect until the earlier of: (a) all of the conditions precedent in Section 3.0 have been satisfied or waived by the Party claiming the benefit thereof, or (b) either Union or Shipper exercises their respective termination rights pursuant to this Precedent Agreement.

## **2.0 Firm Transportation Services**

Shipper agrees that it will execute the firm Transportation Agreement necessary to satisfy Shipper's firm transportation requirements under the terms set forth below and in the form attached as Schedule 1, Transportation Agreement (M12225). The Transportation Agreement (M12225) shall provide firm transportation services including, without limitation, the following terms:

- (a) Contract Demand
- (b) Start and End Dates
- (c) Receipt Point(s)
- (d) Delivery Point(s)
- (e) Demand Charge
- (f) Renewal Rights

Shipper shall be responsible for all charges, pursuant to Union's M12 or C1 Rate Schedule, as applicable.

## **3.0 Conditions Precedent**

3.1 The obligations of Union to provide the Transportation Services as defined in the Transportation Agreement are subject to the conditions precedent for Union's benefit in the Transportation Agreement and to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided for in this Precedent Agreement:

- (a) Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders, and authorizations that are required to:

- i. construct and operate the Expansion Facilities; and
- ii. provide the Transportation Services,

under a regulatory framework satisfactory to Union, in its sole discretion;

- (b) Union shall have obtained all internal approvals (by the dates noted below) that are necessary or appropriate to provide the Transportation Services and to construct and operate:

- i. the Parkway West Project Facilities, no later than September 30, 2013; and
- ii. the Dawn-Parkway Expansion Facilities, no later than October 31, 2013.

- (c) Union shall have completed and placed into service the Expansion Facilities;

May 7, 2012 FINAL (UG Dec 17, 12)



(d) Union, where applicable, shall have received from Shipper an executed Financial Backstopping Agreement, in form and substance reasonably acceptable to the Parties; and

(e) Shipper shall have executed the Transportation Agreement.

3.2 The obligations of Shipper under the Transportation Agreement are subject to the conditions precedent for the benefit of Shipper in the Transportation Agreement and to the following conditions precedent, which are for the sole benefit of Shipper, and which may be waived or extended in whole or in part in the manner provided for in this Precedent Agreement:

(a) Enbridge shall have obtained, in form and substance satisfactory to Enbridge, and all conditions shall have been satisfied under all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required from federal, state or provincial authorities for the gas quantities handled under the Contract, including, without limitation, approvals, consents, orders and authorizations related to any required new Enbridge facilities.

3.3 Union and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfill the conditions precedent, if applicable, specified in Section 3.1 (a), (c), (d), and (e), and the conditions precedent specified in Section 3.2 (if any). Each Party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such Party's benefit. Subject to Section 3.5 herein, if a Party concludes that it will not be able to satisfy a condition precedent that is for its benefit, that Party may, upon written notice to the other Party, terminate this Precedent Agreement and the Transportation Agreement and upon the giving of such notice, this Precedent Agreement and the Transportation Agreement shall be of no further force and effect and each of the Parties shall be released from all further obligations hereunder.

3.4 Subject to Section 3.5 herein, if any of the conditions precedent in Section 3.1 (d) or (e) are not satisfied or waived by the Party entitled to the benefit of such condition, by January 29, 2013, (or if any of the conditions precedent in Section 3.2 are not satisfied or waived by the Party entitled to the benefit of such condition, by September 30, 2013), then either Party may, upon written notice to the other Party, terminate this Precedent Agreement and the Transportation Agreement and upon the giving of such notice, this Precedent Agreement and the Transportation Agreement shall be of no further force or effect and each of the Parties shall be released from all further obligations hereunder.

3.5 In the event of termination of the Precedent Agreement and Transportation Agreement pursuant to Sections 3.3, 3.4 or 4.0 herein, then (i) such termination shall be without prejudice to any rights or remedies that a Party may have for breaches of this Precedent Agreement and the Transportation Agreement prior to such termination and any liability a Party may have incurred before such termination shall not thereby be released; and (ii) any obligations and any liabilities that the Shipper may have incurred or be liable for pursuant to the Financial Backstopping Agreement shall not thereby be released, affected or diminished.

#### **4.0 Union's Authorizations and Approvals**

During the term of this Precedent Agreement, Shipper agrees to support and cooperate with, and to not oppose, obstruct or otherwise interfere with in any manner, the efforts of Union to obtain all authorizations and/or exemptions and supplements and amendments thereto necessary for Union to construct, own, operate, and maintain, under Union's proposed regulatory framework,



the Expansion Facilities and to provide the firm transportation service contemplated in this Precedent Agreement and to perform its obligations as contemplated by this Precedent Agreement; provided however, that Shipper's obligations in this regard shall not obligate Shipper to support any aspect of Union's efforts to the extent that it is not reasonable or prudent for Shipper to do so having regard to any material adverse impact Union's efforts may have on Shipper. In the event that Shipper does not support any aspect of Union's efforts to obtain all authorizations and/or exemptions and supplements and amendments thereto necessary for Union to construct, own, operate, and maintain, under Union's proposed regulatory framework, the Dawn-Parkway Expansion Facilities and/or the Parkway West Project Facilities, Union may, subject to Section 3.5, upon written notice to Shipper, terminate this Precedent Agreement and the Transportation Agreement and upon the giving of such notice, this Precedent Agreement and the Transportation Agreement shall be of no further force and effect and each of the Parties shall be released from all further obligations hereunder.

## **5.0 Allocation of Capacity in the Event of Partial Completion of Expansion Facilities**

If Expansion Facilities are required to satisfy any Transportation Service,

- (a) then to the extent that such Expansion Facilities are only partially completed and placed in service by the Commencement Date or at any time thereafter, then any firm capacity available on such partially completed Expansion Facilities (the "**Partial Expansion Capacity**") will be allocated in accordance with this Section 5.0 to all Transportation Agreements: (a) which require the same Expansion Facilities for the Contract Demand; and (b) under which all conditions precedent have been satisfied or waived except for such conditions precedent that relate to the completion and placing in-service of the Expansion Facilities.
- (b) Such allocation shall be made in priority of the NPV as such term is defined in Article XVI of Schedule "A2010" of the M12 Rate Schedule, and allocated in accordance with said Article.
- (c) If, pursuant to this Section, a Transportation Agreement is allocated any portion of Partial Expansion Capacity, then the conditions precedent that relate to the completion and placing in-service of the Expansion Facilities shall be deemed to have been waived such that the Initial Term under the Transportation Agreement will commence. If a Transportation Agreement is not allocated the entirety of the Contract Demand under such Transportation Agreement, then such Contract Demand shall be deemed to be such lower allocated amount (and for greater certainty, the Initial Term shall nevertheless be deemed to have commenced) until such time as the Transportation Agreement is allocated additional Partial Expansion Capacity pursuant to this Section or until the entirety of the Expansion Facilities are completed and placed in-service.
- (d) The procedure contemplated by this Section will be applicable from time to time on each occasion that the Expansion Facilities are incrementally completed and placed in service.

## **6.0 Limitation of Damages**

THE PARTIES HERETO AGREE THAT NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY PUNITIVE, SPECIAL, EXEMPLARY, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS OR BUSINESS INTERRUPTIONS) ARISING OUT OF OR IN ANY MANNER

RELATED TO THIS PRECEDENT AGREEMENT, AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF OR THE SOLE, CONCURRENT OR CONTRIBUTORY NEGLIGENCE (WHETHER ACTIVE OR PASSIVE), STRICT LIABILITY (INCLUDING, WITHOUT LIMITATION, STRICT STATUTORY LIABILITY AND STRICT LIABILITY IN TORT) OR OTHER FAULT OF EITHER PARTY. THE IMMEDIATELY PRECEDING SENTENCE SPECIFICALLY PROTECTS EACH PARTY AGAINST SUCH PUNITIVE, EXEMPLARY, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES EVEN IF WITH RESPECT TO THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, STRICT LIABILITY OR OTHER FAULT OR RESPONSIBILITY OF SUCH PARTY, AND ALL RIGHTS TO RECOVER SUCH DAMAGES OR PROFITS ARE HEREBY WAIVED AND RELEASED. NOTWITHSTANDING THE FOREGOING, IN NO EVENT SHALL THIS SECTION 6.0 HEREIN LIMIT OR EXCLUDE ANY PRE-SERVICE COSTS THAT THE SHIPPER MAY INCUR OR BE LIABLE FOR PURSUANT TO THE FINANCIAL BACKSTOPPING AGREEMENT.

#### **7.0 Modification or Waiver**

No modification or waiver of the terms and provisions of this Precedent Agreement may be made except by the execution of a written amendment to this Precedent Agreement. The waiver by any Party of a breach or violation of any provision of this Precedent Agreement shall not operate as or be construed to be a waiver of any subsequent breach or violation thereof.

#### **8.0 Supersedes Other Agreements**

This Precedent Agreement, Transportation Agreement and the Financial Backstopping Agreement reflect the whole and entire agreement among the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings among the Parties with respect to the subject matter hereof.

#### **9.0 Notices**

Notices under this Precedent Agreement must be sent,

##### **If to Union:**

Union Gas Limited  
50 Keil Drive North  
Chatham, ON N7M 5M1  
Attention: Director, Business Development and Strategic Accounts  
Facsimile: (519) 436-4543

##### **If to Shipper:**

Enbridge Gas Distribution Inc.  
500 Consumers Road  
North York, ON M2J 1P8  
Attention: Director, Energy Supply and Policy  
Facsimile: (416) 495-5802

Any Party may change its address by written notice to that effect to the other Party. Notices given under this Section are deemed to have been effectively given upon receipt, if mailed via

May 7, 2012 FINAL (UG Dec 17, 12)



prepaid overnight mail by a reputable carrier or if delivered by courier. Notices sent by mail will be deemed effectively given on the third (3rd) business day following the day when the notice properly addressed and postpaid is placed in the Canadian mail. It is expressly understood and agreed, however, that any notices must first be delivered by facsimile or other similar means, and if mailed or sent by courier, must be mailed or sent by courier as soon as practicable thereafter.

#### **10.0 Governing Law**

This Precedent Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and each of the parties shall attorn to the exclusive jurisdiction of the courts of the Province of Ontario.

#### **11.0 No Third Party Beneficiaries**

This Precedent Agreement shall not create any rights in third parties, and no provision of this Precedent Agreement shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than the Parties.

#### **12.0 No Drafting Presumption**

No presumption shall operate in favor of or against any Party as a result of any responsibility that any Party may have had for drafting this Precedent Agreement.

#### **13.0 Recitals**

The recitals and representations appearing first above are hereby incorporated in and made a part of this Precedent Agreement.

#### **14.0 Counterparts**

This Precedent Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

#### **15.0 In Service Timing**

Notwithstanding anything in this Precedent Agreement or the Transportation Agreement, Shipper agrees that it shall have no cause of action or claims against Union if the in-service date for the Expansion Facilities is later than the date stated in the recitals. This Section 15.0 is intended to survive the termination of this Precedent Agreement.

#### **16.0 Definitions**

Capitalized terms used in this Precedent Agreement shall have the meaning given those terms in the Transportation Agreement, unless defined herein.

#### **17.0 Assignment**

The Parties hereto shall not assign this Precedent Agreement without the prior written consent of the other Party, which shall not be unreasonably withheld. This Precedent Agreement shall be

May 7, 2012 FINAL (UG Dec 17, 12)

binding upon and shall enure to the benefit of the Parties hereto and their permitted successors and assigns. In no event will the assignment of this Precedent Agreement be permitted unless the Transportation Agreement and the Financial Backstopping Agreement are also assigned to the same permitted assignee.

#### **18.0 Conflict**

For the period that this Precedent Agreement is in effect, in the event of any conflict between the provisions of the main body of this Precedent Agreement and the Transportation Agreement (M12225) included as Schedule 1 herein, the provisions of the main body of this Precedent Agreement shall prevail over the Transportation Agreement.

*[signature page follows]*

May 7, 2012 FINAL (UG Dec 17, 12)

IN WITNESS WHEREOF, the Parties hereto have caused this Precedent Agreement to be duly executed by their duly authorized officers effective as of the date first written above.

**UNION GAS LIMITED**

By: \_\_\_\_\_

Authorized Signatory

**Mark J. Isherwood**

*Vice President, Business Development, Storage & Transmission*

Execution Date: \_\_\_\_\_

Feb 14, 2013

**ENBRIDGE GAS DISTRIBUTION INC.**

By: \_\_\_\_\_

Authorized Signatory

**D. Guy Jarvis**  
President

Execution Date: \_\_\_\_\_

Jan 28, 2013

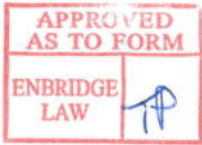
By: \_\_\_\_\_

Authorized Signatory

**Mark Giridhar**  
Vice President, Gas Supply

Execution Date: \_\_\_\_\_

Jan 28, 2013





**Schedule 1 to the Precedent Agreement**

**Transportation Agreement (M12225)**

**THIS FIRM M12 TRANSPORTATION CONTRACT** dated as of the 7th day of May, 2012,

**UNION GAS LIMITED**, a company existing under the laws of the Province of Ontario,  
(hereinafter referred to as “**Union**”)

- and -

**ENBRIDGE GAS DISTRIBUTION INC.**, a company continued under the laws of the Province of Ontario,  
(hereinafter referred to as “**Shipper**”)

**WHEREAS**, Union owns and operates a natural gas transmission system in south-western Ontario, through which Union offers “Transportation Services”, as defined in Article II herein;

**AND WHEREAS**, Shipper wishes to retain Union to provide such Transportation Services, as set out herein, and Union has agreed, subject to the terms and conditions of this Contract, to provide the Transportation Services requested;

**NOW THEREFORE**, this Contract witnesses that, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

**ARTICLE I - INTERPRETATION AND DEFINITIONS**

1.01 Divisions, Headings and Index: The division of this Contract into Articles, Sections and Subsections, and the insertion of headings and any table of contents or index provided are for convenience of reference only, and shall not affect the construction or interpretation hereof.

1.02 Industry Usage: 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.

1.03 Extended Meaning: 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” and “hereunder” and words of similar import refer to the entirety of this Contract, including the Schedules incorporated into this Contract, and not only to the Section in which such use occurs.

1.04 Conflict: In the event of any conflict between the provisions of the main body of this Contract (including Schedule 1) and Union's M12 Rate Schedule, as defined below, the provisions of Union's M12 Rate Schedule shall prevail over the main body of this Contract.

1.05 Currency: All reference to dollars in this Contract shall mean Canadian dollars.

1.06 Schedules: Refers to the schedules attached hereto which are specifically included as part of this Contract, and include:  
Schedule 1 – Contract Parameters

1.07 Rate Schedule: "Union's M12 Rate Schedule" or the "M12 Rate Schedule" or "M12" shall mean Union's M12 Rate Schedule, (including the Storage and Transportation Rates, Schedule "A 2010" ("**General Terms and Conditions**"), Schedule "B 2010" ("**Nominations**"), Schedule "C" ("**Monthly Fuel Rates and Ratios**") and Schedule "D 2010" ("**Receipt and Delivery Points and Pressures**")), or such other replacement rate schedule which may be applicable to the Transportation Services provided hereunder as approved by the Ontario Energy Board, and shall apply hereto, as amended from time to time, and which is incorporated into this Contract pursuant to Section 5.03 hereof.

1.08 Measurements: Units set out in SI (metric) are the governing units for the purposes of this Contract. Units set out in Imperial measurement in parentheses beside their SI (metric) equivalent are for reference only and in the event of a conflict between SI (metric) and Imperial measurement herein, SI (metric) shall prevail.

## ARTICLE II - TRANSPORTATION SERVICES

2.01 Transportation Services: Union shall, subject to the terms and conditions herein, transport Shipper's gas on a firm basis on Union's system (the "**Transportation Services**"). Shipper agrees to the following upon nomination to Union for the provision of the Transportation Services:

(a) Contract Demand, Term, Receipt Point and Delivery Point shall be as set out in Schedule 1.

(b) Gas Transported by Union:

(i) Union agrees, on any Day, and subject to Sections (b) ii) and (b) iii), to receive on Shipper's behalf at the Receipt Point, any quantity of gas which Shipper nominates and which Union has authorized for Transportation Service and to deliver that quantity of gas to Shipper at the Delivery Point as per Shipper's nomination; and,

(ii) Under no circumstances shall Union be required to transport a quantity of gas in excess of the Contract Demand; and,

(iii) Union agrees that it shall, upon the request of Shipper, use reasonable efforts to transport gas in excess of the Contract Demand, as Authorized Overrun, on an interruptible basis; and,

(iv) Union agrees that it shall, upon request of Shipper, use reasonable efforts to accommodate changes to either the Receipt Point or Delivery Point, after the Timely Nomination Cycle, on an interruptible basis.



(c) Fuel:

Shipper shall provide the fuel requirements per the M12 Rate Schedule based on the Authorized Quantity.

2.02 Accounting for Transportation Services: All quantities of gas handled by Union shall be accounted for on a daily basis.

2.03 Commingling: Union shall have the right to commingle the quantity of gas referenced herein with gas owned by Union or gas being stored and/or transported by Union for third parties.

2.04 Imbalances: The parties hereto recognize that with respect to Section 2.01, on any Day, receipts of gas by Union and deliveries of gas by Union may not always be exactly equal, but each party shall cooperate with the other in order to balance as nearly as possible the quantities transacted on a daily basis, and any imbalances arising shall be allocated to the Facilitating Agreements and shall be subject to the respective terms and charges contained therein, and shall be resolved in a timely manner.

### ARTICLE III - CHARGES AND RATES

3.01 Except as otherwise stated herein, the charges and rates to be billed by Union and paid by Shipper for the Transportation Services provided under this Contract will be those specified in Union's M12 Rate Schedule.

### ARTICLE IV - NOMINATIONS

4.01 Transportation Services provided hereunder shall be in accordance with the prescribed nominations procedure as set out in Schedule "B 2010" of Union's M12 Rate Schedule.

### ARTICLE V - MISCELLANEOUS PROVISIONS

5.01 Notices: All communications provided for or permitted hereunder shall be in writing, personally delivered to an officer or other responsible employee of the addressee or sent by registered mail, charges prepaid, or by facsimile or other means of recorded telecommunication, charges prepaid, to the applicable address set forth below or to such other address as either party hereto may from time to time designate to the other in such manner, provided that no communication shall be sent by mail pending any threatened, or during any actual, postal strike or other disruption of the postal service. Any communication personally delivered shall be deemed to have been validly and effectively received on the date of such delivery. Any communication so sent by facsimile or other means of telecommunication shall be deemed to have been validly and effectively received on the Business Day following the day on which it is sent. Any communication so sent by mail shall be deemed to have been validly and effectively received on the seventh Business Day following the day on which it is postmarked.

Notwithstanding the above, nominations shall be made by facsimile or other recorded electronic means, subject to execution of an agreement for use of the secured portion of Union's website (the secured portion of Union's website is known as "*Unionline*") or such other agreement, satisfactory to Union, and will be deemed to be received on the same Day and same time as sent. Each party may from time to time change its address for the purpose of this Section by giving notice of such change to the other party in accordance with this Section.

May 7, 2012 FINAL (UG Dec 17, 12)

5.02 Law of Contract: Union and Shipper agree that this Contract is made in the Province of Ontario and that, subject to Article X of the General Terms and Conditions, the courts of the Province of Ontario shall have exclusive jurisdiction in all matters contained herein. The parties further agree that this Contract shall be construed exclusively in accordance with the laws of the Province of Ontario.

5.03 Entire Contract: This Contract (including Schedule 1), all applicable rate schedules and price schedules, and any applicable Precedent Agreement and Financial Backstopping Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes any prior or contemporaneous agreements, understandings, negotiations or discussions, whether oral or written, of the parties in respect of the subject matter hereof.

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

5.05 Counterparts: This Contract may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original but all of which together shall constitute one and the same agreement. This Contract may be executed by facsimile or other electronic communication and this procedure shall be as effective as signing and delivering an original copy.

5.06 Severability: If any provision hereof is invalid or unenforceable in any jurisdiction, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be construed in order to carry out the intention of the parties as nearly as possible and (b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of any provision in any other jurisdiction.

5.07 General Liability: The liability of the parties hereunder is limited to direct 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.

*[signature page follows]*



**THIS CONTRACT SHALL BE BINDING UPON** and shall enure to the benefit of the parties hereto and their respective successors and permitted and lawful assigns.


**IN WITNESS WHEREOF** this Contract has been properly executed by the parties hereto by their duly authorized officers effective as of the date first above written.

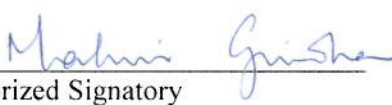
**UNION GAS LIMITED**

Per:   
Authorized Signatory **Mark J. Isherwood**  
Vice President, Business Development, Storage & Transmission  
Execution Date: Feb 14, 2013



**ENBRIDGE GAS DISTRIBUTION INC.**

Per:   
Authorized Signatory **D. Guy Jarvis**  
President  
Execution Date: Jan 28, 2013

Per:   
Authorized Signatory **Malini Girdhar**  
Vice President, Gas Supply  
Execution Date: Jan 28, 2013

May 7, 2012 FINAL (UG Dec 17, 12)

SCHEDULE 1  
Contract No. M12225

**SCHEDULE 1**

**CONTRACT PARAMETERS**

**Contract Demand**

Union shall transport a quantity of gas, on a firm basis, on any one Day, of:

- up to 400,000 GJ (the “**Contract Demand**”).

**Receipt Points, Delivery Points and Transportation Services Paths**

A “**Receipt Point**”, as noted in the chart below, shall mean the point where Union shall receive gas from Shipper on a firm basis and a “**Delivery Point**”, as noted in the chart below, shall mean the point where Union shall deliver gas to Shipper on a firm basis, which points are more particularly described in the M12 Rate Schedule.

**The Transportation Services are available for the following paths:**

<b>Path</b>	<b>Receipt Point(s)</b>	<b>Delivery Point(s)</b>
1	Dawn (Facilities), Dawn (TCPL), Dawn (Vector), Dawn (Tecumseh), Dawn (TSLE)	Parkway (GTA)

**Term**

This Contract shall be effective as of the date of execution hereof; however, the obligations, terms and conditions for the Transportation Services herein shall commence on the later of:

- November 1, 2015;
- the date that Shipper provides in writing to Union, on or before November 15, 2013, such date representing the in-service date for Shipper’s GTA Project (EB-2012-0451) and being no later than January 1, 2016;
- the day following the date that all of the conditions precedent set out in Article XXI of Schedule “A 2010” of Union’s M12 Rate Schedule have been satisfied or waived by the party entitled to the benefit thereof;
- and the day following the date that all of the conditions precedent set out in the agreement setting out certain construction and related conditions (“**Precedent Agreement**”) dated May 7, 2012 have been satisfied or waived by the party entitled to the benefit thereof;

(such later date being referred to as the “**Commencement Date**” and shall continue in full force and effect until October 31, 2025 (the “**Initial Term**”).

May 7, 2012 FINAL



### **Conditions Date**

As referred to in Article XXI of Schedule "A 2010": January 29, 2013

### **Contact Information**

Communications to the parties hereto shall be directed as follows:

IF TO SHIPPER:	Enbridge Gas Distribution Inc. 500 Consumers Road North York, ON M2J 1P8
Nominations: Attention:	Manager, Gas Supply Operations Telephone: 780-420-8469 Facsimile: 780-420-8533
Secondary Contact: Attention:	Director, Energy Supply and Policy Telephone: 416-495-5255 Facsimile: 416-495-5802
IF TO UNION:	Union Gas Limited, 50 Keil Drive North, CHATHAM, Ontario N7M 5M1
Nominations: Attention:	Manager, Gas Management Services Telephone: 519-436-5360 Facsimile: 519-436-4635
Secondary Contact: Attention:	Manager, Strategic Accounts Telephone: 519-436-5356 Facsimile: 519-436-4643

### **Shipper's Representations and Warranties**

Check here if Article XIX.3 of Schedule "A 2010" (Point of Consumption Warranty) is applicable: ☐

Check here if Article XIX.4 of Schedule "A 2010" (Non-Resident and Non-GST Registrant) is applicable: ☐

### **Special Provisions**

*Intentionally blank*

May 7, 2012 FINAL (UG Dec 17, 12)



**uniongas**  
A Spectra Energy Company