Contract SA6233 Contract TRANSALTA-SRCP Name

T2 CONTRACT

This GAS STORAGE AND DISTRIBUTION CONTRACT ("Contract"), made as of the 1st day of November, 2014

BETWEEN:

UNION GAS LIMITED

hereinafter called "Union"

- and -

TRANSALTA GENERATION PARTNERSHIP

hereinafter called "Customer"

WHEREAS, Customer has requested Union and Union has agreed to provide Customer Services;

AND WHEREAS, Union will deliver Customer owned Gas to Customer's Point(s) of Consumption or Storage under this Contract pursuant to the T2 Rate Schedule;

IN CONSIDERATION of the mutual covenants contained herein, the parties agree as follows:

1 INCORPORATIONS

The following are hereby incorporated in and form part of this Contract:

- a) Contract Parameters contained in Schedule 1 DCQ, Storage and Distribution Services Parameters, and Schedule 1a – Supplemental Services Parameters as amended from time to time; and
- b) The latest posted version of the T2 Contract Terms and Conditions contained in Schedule 2 subject to Section 12.18 of Union's General Terms and Conditions; and
- c) The latest posted version of Union's General Terms and Conditions subject to Section 12.18 of Union's General Terms and Conditions; and
- d) The applicable T2 Rate Schedule as amended from time to time and as approved by the Ontario Energy Board.

For the purposes of this Contract, "Point(s) of Receipt" shall mean those points identified in Schedule 1 where Union may receive Gas from Customer.

2 PRELIMINARY AND CONTINUING CONDITIONS

This Contract and the rights and obligations of the Parties hereunder shall be conditional upon the fulfillment and maintenance in good standing of the following conditions:





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- a) Security arrangements acceptable to Union shall be supplied and maintained in accordance with the General Terms and Conditions; and
- b) Union shall have received all required OEB approvals.

The above conditions must be initially satisfied by Customer 25 days prior to the Day of First Delivery.

3 <u>CONTRACT TERM</u>

This Contract shall be effective from the date hereof. However, the Service, obligations, terms and conditions hereunder shall commence on the Day of First Delivery. Subject to the provisions hereof, this Contract shall continue in full force and effect for each Contract Year until notice to terminate is provided by either Union or Customer. Such notice must be delivered at least three (3) months prior to the end of a Contract Year.

4 <u>SERVICES PROVIDED</u>

Union agrees to provide Storage Services and Distribution Services as specified in Schedule 1 and Schedule 1a.

To be eligible for services under the T2 Rate Schedule, Customer must have an aggregated Firm Daily Contract Demand of at least 140,870 m³ for all Point(s) of Consumption. If the Customer does not maintain this level of aggregated Firm Daily Contract Demand during the current contract year or is not expected to maintain this level of Firm Daily Contract Demand then, notwithstanding any other remedy available to Union under this Contract or any other term of this Contract, effective the following contract year, the Customer, may no longer qualify for service under the T2 Rate Schedule and may be placed on an alternate service by Union.

5 RATES FOR SERVICE

Customer agrees to pay for Services herein pursuant to the terms and conditions of the following:

- a) The R1 Rate Schedule and the T2 Rate Schedule as they may be amended from time to time by the Ontario Energy Board; and
- b) This Contract and the incorporations hereto.

6 <u>NOTICES</u>

Notices shall be delivered pursuant to the Notice provision of the General Terms and Conditions and delivered to the addresses as referenced in Schedule 1.

7 <u>AGENCY</u>

If an agent on behalf of the Customer executes this Contract then, if requested by Union, the agent shall at any time provide a copy of such authorization to Union.





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Notwithstanding the provisions of Section 2(a) the agent shall be responsible for providing security arrangements acceptable to Union in accordance with the General Terms and Conditions.

The agent and Customer acknowledge and agree that they are unconditionally and irrevocably jointly and severally liable for all Customer obligations under the Contract.

8 <u>CONTRACT SUCCESSION</u>

This Contract replaces all previous Gas Storage and Distribution Contracts, subject to settlement of any Surviving Obligations.

9 <u>RESTATED CAPSTONE AGREEMENT</u>

Despite Section 12.05 of Union's General Terms and Conditions, it is the intention of the parties hereto that the Firm and Interruptible Contract Demand figures in Section 5 of Schedule 1 of this Contract be as stated in a certain Restated Capstone Agreement between Union, Customer and others dated November 1, 2012 (the "**RCA**"), during the term of the RCA. It is further intended the daily quantities of Gas attributable to Customer shall be as stated in the "Individual Customer Volume Consumption Report" as issued pursuant to the RCA. In the event of a conflict between the provisions of the RCA and this Contract related to the aforementioned parameters, the RCA shall prevail. For greater clarity the aforementioned parameters shall be as per this Agreement in the event the RCA is no longer in effect.

The undersigned execute this Contract as of the above date. If an Agent on behalf of Customer executes this Contract then, if requested by Union, Agent or Customer shall at any time provide a copy of such authorization to Union.

UNION GAS LIMITED

Authorized Signatory

Please Print Name

TRANSALTA GENERATION PARTNERSHIP by its managing partner TRANSALTA CORPORATION

I have the Authority to bind the Corporation, or Adhere C/S, if applicable

Plcase Print Name





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Schedule 1 DCQ, Storage and Distribution Services Parameters Rate T2

1. DATES

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This Schedule 1 is effective the 1st day of November 2014. "Day of First Delivery" means the 1st day of November 2014.

2. DAILY CONTRACT QUANTITY (DCQ)*

Upstream Point(s) of Receipt

Location	Obligated DCQ GJ per Day
Western	*

Ontario Point(s) of Receipt

Location	Obligated DCQ GJ per Day
Dawn	Mint

*Obligated DCQ does not include Compressor Fuel.

3. SUPPLY OF COMPRESSOR FUEL

Customer shall supply compressor fuel for Union's distribution and storage services.

4. STORAGE PARAMETERS

Parameters	Amount	Unit of Measure
Firm Cost-based Storage Space		GJ
Firm Injection/Withdrawal Right (Union provides deliverability inventory)		GJ per Day
Firm Injection/Withdrawal Right (Customer provides deliverability inventory)	4	GJ per Day
Interruptible Injections/Withdrawal Right (Union provides deliverability inventory)		GJ per day





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5. DISTRIBUTION PARAMETERS

Point(s) of Consumption

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	A	В	С	D
Location				
Union Meter Number				

		Point(s) of Consumption			
	Unit of Measure	A	В	C	D
Daily Contract Demand (CD):					
Firm Contract Demand	m ³ /Day	****			1
Interruptible Contract Demand	m ³ /Day				1
Firm Hourly Quantity*	m ³ /hour				
Maximum Hourly Volume	m ³ /hour	See Note 1			
Minimum Gauge Pressure	kPa	4007	113		
Notice Period for Interruption	hours	-	#		1
Maximum Number of Days Interruption	days	#	A.M-		

*Firm Hourly Quantity (FHQ) means the maximum quantity of natural gas that may flow during any hourly period when an interruption in Interruptible Service becomes effective within a Gas Day.

Note 1: It is the intention of the parties that the Maximum Hourly Volume for each Point of Consumption shall be as in the following table:

	Firm Maximum Hourly Volume (m3/hr)	Interruptible Maximum Hourly Volume (m3/hr)	Total Maximum Hourly Volume (m3/hr)
Consumption point A			
Consumption Point B			
Total			

If the Firm CD's in the RCA change, the Maximum Hourly Volumes may be re adjusted, subject to a maximum of m3/hour for Firm Maximum Hourly Volume.

Rate Parameters		Point(s) of Consumption			
	Unit of Measure	A	В	С	D
Firm Transportation Demand	As per the Rate T2 Rate Schedule				
Firm Transportation Commodity	As per the Rate T2 Rate Schedule				
Interruptible Transportation Commodity	cents per m ³	ø			





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6. MINIMUM ANNUAL VOLUME

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		Point(s) of Consumption			
	Unit of Measure	A	В	C	D
Firm Minimum Annual Volume	m³/year				
Interruptible Minimum Annual Volume	m ³ /year	1			

7. CONTACT LIST FOR NOTICES

Customer contact information is found in Unionline. Where multiple contacts have been identified by Customer, Union is obligated to contact the first party only.

Union Gas contact information is found on Union's website.

