

- (b) the Service Commencement Date(s) for such Existing Capacity which shall be no later than 12 months from the date such Existing Capacity is posted; and
- (c) the Closing Date for such Existing Capacity Open Season.

4.1.2 Existing Capacity Bid Process

If Company posts Existing Capacity pursuant to subsection 4.1.1, Prospective Shippers may bid for such Existing Capacity, on any Banking Day up to and including the Closing Date, as follows:

- (a) Prospective Shippers shall submit a completed and unedited Bid Form set out as Appendix B;
- (b) The Requested Term shall be a minimum term of one year and shall end of the last day of a Month;
- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the Closing Date;
- (d) Within 2 Banking Days of the Closing Date, Prospective Shippers, except those who are also Shippers receiving gas transportation service pursuant to a Service Agreement, shall provide to Company for each Bid Form, a deposit equal to the lesser of:
 - (i) one month demand charges for the Requested Maximum Daily Delivery Quantity; or
 - (ii) \$10,000.

The deposit, if provided, shall be refunded to unsuccessful bidders within 5 Banking Days from the date the Service Agreements, Firm Transportation Service are executed for all Existing Capacity posted in the Existing Capacity Open Season.

If Company awards Existing Capacity to a Prospective Shipper and such shipper executes the Service Agreement, Firm Transportation Service for such Existing Capacity, the deposit, if provided, will be credited to the bill for the first month of service or returned to the Shipper if requested.

If Company awards Existing Capacity to a Prospective Shipper who is also a Shipper receiving gas transportation service pursuant to a Service Agreement and such Prospective Shipper fails to meet the requirements for Existing Capacity set out in Paragraph 4.1.5, the Existing Capacity awarded to such Prospective Shipper shall be withdrawn and such Prospective Shipper shall pay Company an amount equal to the lesser of:

(i) one month demand charges for the Requested Maximum Daily Delivery Quantity; or

(ii) \$10,000; or

- (e) A Prospective Shipper and/or its affiliate, either together or individually, shall not submit a Bid Form for a quantity greater than the Existing Capacity being offered or submit multiple bids where the aggregate MDDQ of the multiple bids exceeds the Existing Capacity being offered; and
- (f) Company shall not be obligated to accept any bid if:
- (i) the Requested Service Commencement Date is within 5 Banking Days of the Closing Date;
 - (ii) the Requested Service Commencement Date is more than 12 months from the Closing Date; or
 - (iii) the Prospective Shipper has not met the criteria set forth in subsection 4.1.

- (c) All bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the Closing Date;
- (d) Within 2 Banking Days of the Closing Date, Prospective Shippers, except those who are also Shippers receiving gas transportation service pursuant to a Service Agreement, shall provide to Company for each Bid Form, a deposit equal to the lesser of:
- (i) one month demand charges for the Requested Maximum Daily Delivery Quantity; or
 - (ii) \$10,000.

The deposit, if provided, shall be refunded to unsuccessful bidders within 5 Banking Days from the date the Service Agreements, Firm Transportation Service are executed for all Expansion Capacity posted in the Expansion Capacity Open Season.

If Company awards Expansion Capacity to a Prospective Shipper and such shipper executes the Service Agreement, Firm Transportation Service for such Expansion Capacity, the deposit, if provided, will be credited to the bill for the first month of Service or returned to the Shipper if requested

If Company awards Expansion Capacity to a Prospective Shipper who is also a Shipper receiving gas transportation service pursuant to a Service Agreement and such Prospective Shipper fails to meet the requirements for Expansion Capacity set out in Paragraph 4.3.5, the Expansion Capacity awarded to such Prospective Shipper shall be withdrawn and such Prospective Shipper shall pay Company an amount equal to the lesser of:

- (i) one month demand charges for the Requested Maximum Daily Delivery Quantity; or

(ii) \$10,000;

- (e) Company shall not be obligated to accept any bid if:
- (i) the Requested Service Commencement Date is different from the date such Expansion Capacity may be available, as set out by Company in subsection 4.3.1(a); or
 - (ii) the Prospective Shipper has not met the criteria set forth in subsection 4.3.

4.3.3 Conditional Bids

- (a) If a Prospective Shipper's bid is subject to the condition set out in section 13 of the Bid Form that such Prospective Shipper has been awarded capacity through a direct interconnecting pipeline open season process (the "Interconnecting Pipeline Open Season"), Prospective Shipper shall within 2 Banking Days from the Closing Date provide written notice to Company that either the condition has been satisfied or waived. If such Prospective Shipper fails to provide Company with such notice, the condition shall be deemed satisfied and Company may award Existing Capacity to such Prospective Shipper pursuant to subsection 4.3.4.
- (b) If the capacity awarded to a Prospective Shipper through an Interconnecting Pipeline Open Season is less than the Requested Maximum Daily Delivery Quantity, Prospective Shipper may reduce the Requested Maximum Daily Delivery Quantity to a quantity not less than the capacity awarded through such Interconnecting Pipeline Open Season.

4.3.4 Awarding of Expansion Capacity

4.3.5 Requirements for Expansion Capacity

Where Company determines Expansion Capacity may be required pursuant to subsection 4.3.1, the Prospective Shipper shall at the request of Company:

- (a) provide evidence of long term supply and market;
- (b) provide evidence that the Prospective Shipper will obtain the requisite governmental and regulatory authorizations in a timely manner;
- (c) provide sufficient financial information to demonstrate its creditworthiness;
- (d) provide an agreement which sets forth the Financial Assurances that may be requested by Company pursuant to Section 5.8 of the General Terms and Conditions of this Gas Transportation Tariff (the “Financial Assurance”);
- (e) provide a Financial Assurance to Company pursuant to subsection 5.8 of the General Terms and Conditions of this Gas Transportation Tariff; and
- (f) execute, within the time period specified by Company, a Service Agreement, Firm Transportation Service including Schedule A to that agreement, for the provision of the transportation service requested for a minimum term of 10 years. Such Service Agreement, Firm Transportation Service may be made subject to the fulfilment of conditions precedent as agreed to between the Prospective Shippers and the Company in a Precedent Agreement.

5. GENERAL TERMS AND CONDITIONS

5.1 These terms and conditions are subject to the terms and conditions set forth in the Gas Transportation Tariff.