

- (a) the quantity of STFT Capacity which is available for such STFT Capacity Open Season;
- (b) the period that the STFT Capacity is available; and
- (c) the Closing Date for such STFT Capacity Open Season.

4.2.2 STFT Capacity Bid Process

If Company posts STFT Capacity pursuant to subsection 4.2.1, Prospective Shippers may bid for such STFT Capacity, on any Banking Day up to and including the Closing Date, as follows:

- (a) Prospective Shippers shall submit a completed and unedited ~~Service Agreement, Short Term Firm Transportation Service including~~ Appendix A to Service Agreement, Short Term Firm Transportation Service in accordance with the terms of such STFT Capacity Open Season as posted by Company pursuant to 4.2.1;
- (b) Prospective Shippers' bids shall be irrevocable and must be received by Company by 11:00 hours CCT on the Closing Date of such STFT Capacity Open Season;
- (c) No deposit is required to accompany the Prospective Shipper's bid;
- (d) A Prospective Shipper and/or its affiliate(s), either together or individually, shall not submit a bid for a quantity greater than the STFT Capacity being offered or submit multiple bids where the aggregate MDDQ of the multiple bids exceeds the STFT Capacity being offered; and
- (e) Company shall not be obligated to accept any bid if the Prospective Shipper has not met any of the criteria set forth in section 4.2.

RATE SCHEDULE STFT
SHORT TERM FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule STFT, Short Term Firm Transportation Service is available to any Shipper in Zone 8 or Zone 9 which has:

- (a) Satisfied all applicable requirements as set forth in the Capacity Allocation Procedures and subsection 5.8 of the General Terms and Conditions of this Gas Transportation Tariff; and
- (b) Executed a Service Agreement, Short Term Firm Transportation Service with Company, and executed an Appendix A to such Service Agreement for a minimum term of 7 days and up to a maximum term of one year less one day and shall end on the last day of a month.

2. APPLICABILITY

This Rate Schedule STFT, Short Term Firm Transportation Service shall apply to all transportation services under Shipper's Service Agreement, Short Term Firm Transportation Service, as of the Billing Commencement Date, whether or not gas is actually transported.

3. SERVICE DESCRIPTION

Service rendered by Company for Shipper under this Rate Schedule STFT, Short Term Firm Transportation Service consists of:

- (a) The receipt of gas from Shipper (or for Shipper's account) at the Receipt Point as specified in the Service Agreement, Short Term Firm Transportation Service;

ARTICLE 3

Term of Agreement

3.1 ~~The term of this Service Agreement shall be as set forth in Appendix A, which shall be for a period as described in subsection 1(b) of Rate Schedule STFT~~Shippers Service Agreement, Short Term Firm Transportation Service shall remain in full force and effect until terminated in accordance with subsection 3.2.

3.2 Either Company or Shipper shall be entitled to terminate Shipper's Service Agreement, Short Term Firm Transportation Service by providing the other with at least 60 days prior written notice of such termination. The Service Agreement, Short Term Firm Transportation Service shall terminate and be of no further force or effect upon expiration of such notice period, provided however that nothing herein shall relieve any party from any obligations which arose prior to the effective date of such termination, including all obligations under Appendix A to Shippers Service Agreement, Short Term Firm Transportation Service.

3.2.3 Notwithstanding the provisions of subsection 3.1, if at any time during the term hereof Foothills Pipe Lines Ltd. Gas Transportation Tariff with Shippers transporting U.S. Gas from the Prudhoe Bay area of Alaska through all or any part of the Phase I facilities takes effect, Shipper and Company agree to forthwith execute a Gas Transportation Tariff identical in form and substance to the aforementioned Gas Transportation Tariff which shall be identical in form and substance to that attached as Appendix B hereto. Upon execution of such new Gas Transportation Tariff this Gas Transportation Tariff shall terminate.

ARTICLE 4

Receipt and Delivery Points and Pressures

4.1 All receipts of gas from Shipper shall be at the Receipt Point of such gas, as identified in Appendix A attached to this Service Agreement, Short Term Firm Transportation Service, as the same may be in effect from time to time.

4.2 Should measuring equipment not be provided at either the Receipt Point or the Delivery Point, Shipper shall be responsible for measuring the gas volume and quality as specified in the General Terms and Conditions of this Gas Transportation Tariff subject to approval by Company.

4.3 The Delivery Point for gas to be transported hereunder shall be the point set forth in Appendix A attached to this Service Agreement, Short Term Firm Transportation Service as the same may be in effect from time to time.

4.4 The delivery pressure of the gas tendered by Shipper to Company for transportation shall be at a pressure sufficient to enter Company's system at the Receipt Point, up to that specified for such Receipt Point in Appendix A attached to this Service Agreement, Short Term Firm Transportation Service.

Company: Foothills Pipe Lines Ltd.

450 First Street S.W.

Calgary, AB

T2P 5H1

Attention: Manager, ~~Western Markets and Interconnects~~ Commercial West, Markets Team

Fax: •

E-mail •

6.2 Any Notice may be given by telecopier or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) Banking Days after mailing. In the event regular mail service, courier service, telecopier or other telecommunication shall be interrupted by a cause beyond the control of the parties hereto, then the party sending the Notice shall utilize any service that has not been so interrupted to deliver such Notice. Each party shall provide Notice to the other of any changes of address for the purposes hereof. Any Notice may also be given by telephone followed immediately by personal delivery, courier, prepaid mail, telecopier, or other telecommunication, and any such Notice so given shall be deemed to be given as of the date and time of the telephone Notice.

ARTICLE 7

Miscellaneous Provisions

7.1 The Tariff shall be governed by and construed in accordance with the laws of the Province of Alberta and the applicable laws of Canada, and Company and Customers irrevocably submit to the jurisdiction of the courts of the Province of Alberta for the interpretation and enforcement of the Tariff.

APPENDIX A
to the Service Agreement, Short Term Firm Transportation Service
Dated _____ Between

Foothills Pipe Lines Ltd.

AND

(Shipper)

- 1. Receipt Point: _____
- 2. Delivery Point: _____
- 3. Shipper's Haul Distance _____ Km
- 4. Applicable Company Zone _____
- 5. Maximum Day Delivery Quantity (MDDQ) _____ GJ/d
- 6. Minimum Day Delivery Quantity (MDDQ) _____ GJ/d
- 7. Service Commencement Date _____
- 8. Service Termination Date _____
- 9. STFT Bid Price _____ (% of FT Rate)

SHIPPER
Limited Ltd.

~~TransCanada~~ Foothills Pipe Lines

(signature)

(signature)

(name/title)

(name/title)

(signature)

(signature)

| (name/title)

—(name/title)