



***TERMS & CONDITIONS
OF SERVICE SCHEDULE***

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INTRODUCTION

General

SaskEnergy Incorporated is a Crown Corporation wholly owned by the Province of Saskatchewan and governed by The SaskEnergy Act S.S. 1992, c. S-35.1, as amended from time to time.

Pursuant to Section 16 of the Act, SaskEnergy may establish rates and charges that Persons who accept, use or receive Services from SaskEnergy are required to pay, and may establish terms and conditions that Persons who accept, use or receive Services from SaskEnergy are required to comply with.

Application

This Schedule sets out the rates and charges and the terms and conditions of Service that apply to all of SaskEnergy's Customers, including existing Customers. Except as otherwise provided for herein, this Schedule supersedes and replaces all previous rates, charges, terms and conditions of Service. In the event of conflict between a provision expressly set out in a written Service Agreement and this Schedule, the written Service Agreement shall govern.

Interpretation

Capitalized terms shall have the meaning set out in Appendix A.

In Force

This Schedule comes into effect on September 30, 2005.

Consideration

In consideration of the provision of Services to the Customer and the mutual covenants and agreements herein, the receipt and sufficiency of which is hereby acknowledged, the parties hereby covenant and agree as follows.

1. APPLICATION FOR SERVICE

1.1 General

1.1.1 Unless otherwise provided for herein, SaskEnergy may, in its sole discretion, accept verbal applications for Services, verbal applications for Services over the telephone, and on-line applications for Services through ExpressAddress™ at www.saskenergy.com. A verbal or on-line application accepted by SaskEnergy shall constitute a Contract.

1.1.2 SaskEnergy shall not be deemed to have accepted a verbal or internet application for Service until the Service is provided, or communication of said acceptance is made by SaskEnergy in writing.

1.1.3 Notwithstanding anything in this Schedule, SaskEnergy may, in its sole discretion, require a Service Agreement in writing before providing a Service.

1.2 Service Applications – General Requirements

1.2.1 SaskEnergy may request from the Applicant, and the Applicant shall provide, such information as SaskEnergy may reasonably require to provide a Service, to collect on its accounts and to otherwise ensure the proper functioning of its business. This information may include but shall not be limited to:

- (a) The names of all Persons occupying or residing at a Premises or that will otherwise accept, use or receive the Service (hereinafter referred to as ‘the Customer’ or ‘the Customers’).
- (b) Where the Applicant or any Customer is an individual, such Personal Information with regards to the Applicant and each Customer as SaskEnergy may reasonably require to provide a Service, to collect on its accounts or to otherwise ensure the proper functioning of its business. This information may include the information required in [1.2.1(f)] and will generally include, but shall not be limited to: name, address, telephone number, driver’s license number, and date of birth.
- (c) The name, address and telephone number of the Owner or Owners of the Premises.
- (d) Where the Applicant or a Customer is a corporation, the name, address and telephone number of the company, the officers of the company and their contact information, proof of incorporation satisfactory to SaskEnergy, and any additional information or supporting documents required by SaskEnergy, in its sole discretion.
- (e) Where the Applicant or a Customer is a partnership, joint venture, sole proprietorship or other non-incorporated body, the partners, participants, or proprietor of such Person shall provide such information as SaskEnergy may require, to the same extent as if that individual or corporation was applying for or receiving the Service directly.
- (f) At SaskEnergy’s sole discretion, a credit report from a credit reporting agency, financial information, credit history, transaction

history with SaskEnergy or its Subsidiaries, credit references, business or trade names, bank account information, e-mail address, demographic information, additional verification of identity or such other information as SaskEnergy may reasonably require to provide a Service, to collect on its accounts or to otherwise ensure the proper functioning of its business.

A Customer is required to contact SaskEnergy to make changes to the information provided pursuant to this Paragraph [1.2.1], as and when it changes.

In obtaining and using Personal Information pursuant to this Paragraph [1.2.1], SaskEnergy shall endeavour to be governed by its Privacy Policy dated August 30, 2004, as amended, supplemented or replaced from time to time.

1.2.2 In addition to the information required by [1.2.1], SaskEnergy may demand and obtain from an Applicant all or any of the following before SaskEnergy provides a Service:

- (a) A Deposit or Security in an amount and in a form which is acceptable to SaskEnergy;
- (b) A contribution, in an amount and paid in a manner that is directed by SaskEnergy or its Subsidiary, towards the construction costs of any Facility and the costs of acquiring any equipment required to provide the Service; and
- (c) A Queue Deposit, in an amount and in a form which is acceptable to SaskEnergy, to maintain the Applicant's priority position for Service in the queue.

1.2.3 SaskEnergy has the right to deny Service to any Person or group of Persons with outstanding debts, Bad Debts or a Bad Debt Record.

1.2.4 Where an Applicant has outstanding debts owing, Bad Debts, or a Bad Debt Record, an Applicant may be required to provide one or more of the following before Service will be provided:

- (a) Payment in full of sums owing to SaskEnergy or its Subsidiaries; or
- (b) Payment arrangements acceptable to SaskEnergy, in its sole discretion; and
- (c) A Deposit or Security in an amount and in a form which is acceptable to SaskEnergy.

- 1.2.5 Where a Person, other than the Applicant, will occupy a Premise, will reside at a Premise with the Applicant, or will otherwise accept, use or receive the benefit of a Service, an Application for Service may be denied unless:
- (a) Payment in full of sums owing by that Person to SaskEnergy or its Subsidiaries is provided; or
 - (b) Payment arrangements acceptable to SaskEnergy, in its sole discretion, are made; and
 - (c) A Deposit or Security is provided in an amount and in a form which is acceptable to SaskEnergy.
- 1.2.6 Customers who fail to maintain the terms of any payment arrangement may be subject to debt collection proceedings and Discontinuation or Disconnection of Service.
- 1.2.7 SaskEnergy may refuse to open an account or enter into a Contract with a party which is not a distinct legal entity with the capacity to contract in its own right.
- 1.2.8 As a condition of receiving Service, the Customer shall provide Gas equipment specifications, Loads, location plans, piping data, regulator information and other data, as required by SaskEnergy, in its sole discretion.
- 1.2.9 Notwithstanding anything in this Schedule, Customers shall be responsible for ensuring that their Gas installations conform to all relevant and applicable federal, provincial, municipal or band legislation or enactments. The Customer shall be responsible for all necessary licenses and authorizations, and shall comply with the provisions of The Gas Inspection Act S.S. 1993, c.G-3.2, as amended or replaced from time to time, and obtain all necessary permits or licences as a condition of obtaining Service.
- 1.2.10 Where band council approvals or consents are required prior to receiving Natural Gas Service or other Service, the Customer shall consult with and obtain approval and consent from the applicable band council. If any required band council approvals or consents are not granted to the Customer, SaskEnergy may refuse Natural Gas Service or any other Service to the Customer.

- 1.2.11 Subject to staff availability, and unless otherwise provided for herein, SaskEnergy will schedule a Service Activation for the Business Day next following the date of the Applicant or Customer request. Provided that:
- (a) On request, and subject to staff availability, SaskEnergy may schedule a Service Activation for the same Business Day if the Customer request is received and all requirements of this Schedule (including without limitation Articles 1 and 6) have been met by 12:00 (noon).
 - (b) SaskEnergy shall not be obligated to provide Service Activations after Business Hours, and no Service Activation shall be scheduled for or occur outside of Business Hours, except at SaskEnergy's sole discretion. All requests for Service Activations will be subject to an increased after hours Service Activation Fee, if the Customer requests the Service Activation to occur after Business Hours and SaskEnergy establishes or re-establishes service outside of Business Hours. See Appendix C – Tariff of Fees.
 - (c) If Natural Gas Service to a particular Customer is Disconnected for any reason described in Paragraph [5.2.1 (c), (d), or (e)], Service shall generally be restored as soon as practicable and this Paragraph [1.2.11] will not apply. *New Provision – February 8, 2008*

1.3 Service Applications – No Existing Facilities

- 1.3.1 Unless otherwise agreed to by SaskEnergy in a written Service Agreement, an Applicant or Customer who authorizes construction for a new Service installation will be responsible for all SaskEnergy construction costs and Service Fees associated with that new Service.
- 1.3.2 A Person requesting the installation of new Facilities shall complete an application for Service on a form provided by SaskEnergy. Subject to Paragraph [8.1], the application, when signed by the Person and accepted by SaskEnergy, shall constitute a Contract for Service.
- 1.3.3 Temporary Services are installed at full cost to the Customer and must be prepaid prior to installation. Customers requesting Temporary Service will be charged the Service Fee for installation and removal of Facilities, including the costs of unsalvageable material. If the Temporary Service is ultimately required for a period longer than twelve (12) months, the Service will be considered a permanent Service and Customer will be credited or refunded the cost savings, if any, on request.

1.4 Load Changes

- 1.4.1 A Customer shall give to SaskEnergy reasonable written notice of any material change in the Customer's Gas Load requirements in order to permit SaskEnergy to determine whether or not it can supply such Load without changes to its equipment or system. A material change in a Customer's Load shall be an increase or projected increase of 2,500 Cubic Metres per annum or greater. Notwithstanding this or any other provision of this Schedule, SaskEnergy shall not be obligated to supply to any Customer any Load in excess of that agreed to by SaskEnergy.
- 1.4.2 A Customer shall be responsible for and pay for all damages caused to SaskEnergy Facilities as a result of that Customer changing its Load without the permission of SaskEnergy.
- 1.4.3 If a change in a Customer's Load would require changes to SaskEnergy's Facilities, that Customer shall be required to pay SaskEnergy's Service Fees for such changes.

2. RATE CODES

2.1 Rate Structure

- 2.1.1 The rates and charges payable by Customers for the Supply and Delivery of Gas vary depending on the use of the Gas and the annual volume of Gas consumed.
- 2.1.2 The five basic Rate Codes for Full Service Customers purchasing Supply and Delivery of Gas are as follows:
- Residential Service – G01 Rate Code;
 - Farm Service – G17 Rate Code - Maximum annual Load of $10 \times 10^3 \text{m}^3$;
 - General Service II– G02 Rate Code - Maximum annual Load of $100 \times 10^3 \text{m}^3$; and
 - General Service III – G03 Rate Code - Annual Load between $100 \times 10^3 \text{m}^3$ and $660 \times 10^3 \text{m}^3$.
 - Small Industrial – G04 Rate Code - Annual load between $660 \times 10^3 \text{m}^3$ and $1,320 \times 10^3 \text{m}^3$. *Amended – December 1, 2008*
- 2.1.3 A qualifying Customer may choose to purchase Gas from a supplier other than SaskEnergy pursuant to Paragraph [16.2] (a 'Gas Retailer'). The four basic Rate Codes for Delivery Service Customers purchasing Delivery of Gas only from SaskEnergy are as follows:
- Residential Service – B01 Rate Code;
 - Farm Service – B17 Rate Code - Maximum annual Load of $10 \times 10^3 \text{m}^3$;

- General Service II– B02 Rate Code - Maximum annual Load of 100 10³m³; and
- General Service III – B03 Rate Code - Annual Load in excess of 100 10³m³. *Amended – November 1, 2009*

2.1.4 The remaining Rate Classification is Contract Industrial. Contract Industrial Customers are Full Service or Delivery Service Customers with an annual consumption in excess of 660,000 m³, or with a daily contracted consumption volume in excess of 10,000 m³. Contract Industrial rates, charges and terms and conditions are not published, and are as quoted and provided for in a written Service Agreement. *Amended – December 1, 2008*

2.1.5 Rate administration shall be at the sole discretion of SaskEnergy. Customers who are initially placed within a Rate Classification may be changed to another Rate Classification, in the sole discretion of SaskEnergy, if their Customer usage type or annual volume of Gas consumed changes.

2.1.6 Subject to Paragraph [2.2], the Rates charged for Delivery Service and Full Service Customers, as amended from time to time, are set out in the Rate Tariff appended to this Schedule as Appendix B, and forming part hereof. Rates for Supply and Delivery to Contract Industrial Customers are as quoted and provided for in a written Service Agreement, and are provided on a Special Service basis only.

2.2 Applicability

2.2.1 Bills will be rendered in accordance with the Rate Tariff (Appendix B), Tariff of Fees (Appendix C) and this Schedule, unless otherwise agreed to in a written Service Agreement. If the rates or charges are changed and the effective date of the change falls between the dates of two successive meter readings, SaskEnergy shall render a bill determined upon a pro rata basis.

2.2.2 In the event of a change in the Rate Tariff or Tariff of Fees, Customers shall be responsible for the adjusted Rate from the effective date thereof, irrespective of whether actual notice of the change was given or received.

2.2.3 On an application for Service, SaskEnergy may, in its sole discretion, refuse to provide Service in accordance with the terms, conditions, charges or rates set out in the Rate Tariff, Tariff of Fees, or this Schedule, or at all. SaskEnergy may enter into a Service Agreement with a Person to provide a Special Service to that Person if, in the opinion of SaskEnergy, a charge, rate, term or condition described herein is not adequate to allow SaskEnergy to provide that Service to that Person.

3. BILLING AND PAYMENTS

3.1 General

- 3.1.1 A Customer's Natural Gas Service invoice or bill is made up of three (3) main components - the Basic Monthly Charge, the Delivery Charge, and the Gas Consumption Charge, as found in Appendix B. A Customer will also be charged for other Services used, accepted or received. The most common Service charges can be found in Appendix C.
- 3.1.2 Delivery Service Customers purchasing their Gas Supply from a supplier other than SaskEnergy may continue to receive a bill from SaskEnergy for the Basic Monthly Charge, Delivery Charge, Gas Retailer's Gas Consumption Charge and other Services pursuant to an agreement with the Gas Retailer. In this event, the total billed is payable to SaskEnergy.
Amended – November 1, 2009
- 3.1.3 Customers will be subject to any applicable payment in lieu of taxes provided for in the Act or Regulations ('Municipal Payments' or 'Municipal Charges'). All Services and Municipal Charges are subject to any applicable GST, taxes and/or surcharges imposed by municipal, provincial or federal authorities.
- 3.1.4 SaskEnergy has developed three billing options that Customers may choose to enrol in and utilize as a bill management tool. These plans are known as the Equalized Payment Plan ('EPP'), the Pre-Authorized Payment Plan ('PPP'), and Consolidated Billing and are discussed below.

3.2 Rendering Bills

- 3.2.1 SaskEnergy will send a Customer an invoice or bill for Natural Gas Service at regular intervals. Charges for Services other than Natural Gas Service may be billed as they are provided or may be added as a component of the Customer's regular bill for Natural Gas Service, at the sole discretion of SaskEnergy. Bills will be rendered monthly, quarterly, annually or seasonally, or at such other interval as SaskEnergy may determine. Billing or account information is available on request.
- 3.2.2 The Customer shall pay the full amount of any SaskEnergy bill issued to the Customer, including any disputed portion, without prejudice to the Customer's right to subsequently contest any rate or fee charged.
- 3.2.3 Bills will be provided by ordinary mail, or, where requested by the Customer and agreed upon by SaskEnergy, by fax, e-mail or online. For bills provided by ordinary mail, bills shall be deemed received on the earlier of the date of actual receipt or three (3) Days after the date of mailing to the last known address, regardless of actual receipt. Invoices

that are issued via e-mail or fax shall be deemed to have been received by the Customer on sending, regardless of actual receipt. Online bills and e-mail notifications that are generated by SaskEnergy's computer systems to advise customers when their bills are available for viewing shall also be deemed to have been received by the Customer on sending or posting, regardless of actual receipt. SaskEnergy's records of the date of mailing, sending or posting of bills or bill notifications shall be conclusive evidence of the date of mailing, sending or posting.

- 3.2.4 Notwithstanding anything in this Schedule, bills are due on rendering and not on receipt. Failure to receive a bill does not release a Customer from the obligation to pay. SaskEnergy's records of the date of mailing, sending or posting of bills or a bill notification shall be conclusive evidence of the date of rendering.
- 3.2.5 A failure to pay any amount billed by SaskEnergy on the due date shall be a default of payment, which may result in the Discontinuation or Disconnection of Natural Gas Service or termination of any other SaskEnergy Service.
- 3.2.6 Unless otherwise expressly provided for herein, no interest will be payable by SaskEnergy on account credits. Overpayments will appear as a credit on the Customer's account or shall be refunded in SaskEnergy's sole discretion.
- 3.2.7 Where an account is in a Customer's name, that Customer shall remain liable for future Services provided to that Premises notwithstanding that he or she has sold or vacated the Premises, unless SaskEnergy is notified of the change.

3.3 Equalized Payment Plan

- 3.3.1 The Equalized Payment Plan ('EPP') spreads the estimated annual cost of Natural Gas Service over eleven (11) equal monthly payments. The eleven (11) equal monthly payments will be billed in each of the first eleven (11) Months of a twelve (12) Month term (the 'EPP Term'), with the balance credited or payable by the Customer and billed at the end of the twelfth (12th) Month. EPP is generally available to monthly billed Residential Service Customers and to General Service II accounts, with a credit risk satisfactory to SaskEnergy.
- 3.3.2 SaskEnergy requires that the current bill be paid in full as a condition of enrolment in EPP. The Customer will automatically remain under EPP from Year to Year until terminated. The Customer may terminate the EPP at any time by giving seven (7) Days' notice of termination to SaskEnergy. SaskEnergy may terminate EPP at any time, without cause, on thirty (30) Days' notice, or without notice in the event that the Customer: (i) ceases to

be a Customer, (ii) fails to meet any obligations under this Schedule; (iii) becomes insolvent (however evidenced); (iv) commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or has such petition filed or proceeding commenced against it; (v) makes an assignment or any general arrangement for the benefit of its creditors; or (vi) fails to maintain payment of sums due to SaskEnergy's satisfaction.

- 3.3.3 For greater certainty, upon the expiration of the EPP Term or upon early termination as referred to above, the amount that would be payable to SaskEnergy by the Customer pursuant to this Schedule for Gas actually consumed from the beginning of each twelve (12) Month period to its end or earlier termination, shall be compared with the aggregate of the monthly installments actually paid by the Customer during such time, and if the amount payable exceeds the aggregate of the amounts actually paid, such excess shall be paid by the Customer to SaskEnergy, or if the amount actually paid exceeds the amount payable, such excess shall be paid or credited by SaskEnergy to the Customer, in SaskEnergy's sole discretion.
- 3.3.4 The Customer can generally be placed on EPP at any time of the Year, and, wherever possible, the EPP Term will commence the following bill cycle. SaskEnergy may, in its sole discretion, elect to spread the equalized payments over ten (10) or twelve (12) installments in the first Year, and to utilize an eleven (11) or thirteen (13) Month EPP Term, so that the initial EPP Term ends on a Month where an actual meter read is scheduled. In such event, the amount that would be payable to SaskEnergy by the Customer pursuant to this Schedule for Gas actually consumed from the beginning of the EPP Term to its end or earlier termination, shall be compared with the aggregate of the monthly installments actually paid by the Customer during such time, and the balance credited or billed in the usual way. After the first EPP Term, SaskEnergy will automatically revert to a twelve (12) Month EPP Term with eleven (11) equal installments.
- 3.3.5 Notwithstanding anything in [3.3.4], SaskEnergy may require General Service II and other high Load Customers to commence the initial EPP Term during the summer months (June 1 to September 30) so as to reduce the credit exposure of SaskEnergy.
- 3.3.6 SaskEnergy may, at any time, revise its estimate of a Customer's Gas consumption, and accordingly, may increase or decrease the amount of monthly installments payable by the Customer. In addition, the monthly installments may be adjusted to reflect rate changes.

3.4 Pre-Authorized Payment Plan

- 3.4.1 The Pre-Authorized Payment Plan (PPP) is a plan which allows Customers to pay their Natural Gas Service bills by having their bank account debited. Under PPP, SaskEnergy will issue an automatic debit on the Customer's bank account for the amount of the Customer's Natural Gas Service bill. PPP is generally accepted on any chequing account from a recognized financial institution in the province. The plan can also be set up on a savings account with the proper verification from the bank. The verification shall be in writing and shall confirm the Customer's bank account number.
- 3.4.2 The Customer will automatically remain under PPP from Year to Year until terminated. The Customer may terminate PPP at any time by giving seven (7) Days' notice of termination to SaskEnergy. SaskEnergy may terminate the PPP at any time, without cause, on thirty (30) Days' notice, or without notice in the event that the Customer: (i) ceases to be a Customer, (ii) fails to meet any obligations under this Schedule; (iii) becomes insolvent (however evidenced); (iv) commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or has such petition filed or proceeding commenced against it; (v) makes an assignment or any general arrangement for the benefit of its creditors; or (vi) fails to maintain payment of sums due to SaskEnergy's satisfaction.
- 3.4.3 Customers may qualify to enrol in both EPP and PPP. The amount of the EPP instalment will automatically be debited from the Customer's bank account on the agreed upon due Day.

3.5 Consolidated Billing

- 3.5.1 Consolidated Billing generally permits Residential Service, Farm Service, General Service II or General Service III account holders to receive all of their Natural Gas Service bills on one statement. Customers must have more than 10 accounts to qualify, and a maximum of 100 accounts can be consolidated in one statement. More than one statement can be provided to accommodate larger numbers of accounts. There is generally no charge for this Service.
- 3.5.2 The Customer will automatically remain under Consolidated Billing from Year to Year until terminated. Addition or deletion of accounts from Consolidated Billing will require 30 Days notice. The Customer may terminate Consolidated Billing at any time by giving thirty (30) Days' notice of termination to SaskEnergy. SaskEnergy may terminate the Consolidated Billing at any time, without cause, on thirty (30) Days' notice, or without notice in the event that the Customer: (i) ceases to be a Customer, (ii) fails to meet any obligations under this Schedule; (iii)

becomes insolvent (however evidenced); (iv) commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or has such petition filed or proceeding commenced against it; (v) makes an assignment or any general arrangement for the benefit of its creditors; or (vi) fails to maintain payment of sums due to SaskEnergy's satisfaction.

3.6 Returned and Late Payments

- 3.6.1 A Return Payment Fee may be added to the Customer's account for payments returned or not honoured by a financial institution for any reason, including but not limited to: cheques returned 'NSF', stopped payment, funds not found, funds frozen, account closed, or account not found. The current Return Payment Fee is found in the attached Tariff of Fees (Appendix C).
- 3.6.2 SaskEnergy may refuse to accept payment on a Customer's account when payment by cheque is drawn on a form other than a bank cheque form. In the event SaskEnergy accepts payment by cheque drawn on any other form, the Customer shall be liable for and pay to the Company all charges and costs incurred to process the cheque.
- 3.6.3 SaskEnergy may charge a Late Payment Charge on sums owing to SaskEnergy and past due. The Late Payment Charge is a debt due to SaskEnergy and SaskEnergy may recover that amount in the same manner as the principal sum.
- 3.6.4 A Late Payment Charge shall be payable on estimated accounts in the same fashion as bills based on actual readings. An adjustment to a subsequent bill, based on an actual meter reading, will not increase or decrease the total Late Payment Charge due.
- 3.6.5 The Late Payment Charge is subject to change from time to time and is calculated from the Late Payment Charge date indicated on the bill, which date will be at least fourteen (14) Days after the date of rendering of the account. The Late Payment Charge date is not the due date. Please reference the attached Tariff of Fees (Appendix C) for SaskEnergy's current Late Payment Charge.

3.7 Deposits and Security

- 3.7.1 SaskEnergy may demand and obtain from an Applicant or Customer a Deposit or Security in an amount and in a form acceptable to SaskEnergy, before SaskEnergy provides a Service. SaskEnergy's current Deposit Guidelines are attached as Appendix D hereto.

- 3.7.2 SaskEnergy is not liable to any Applicant or Customer for any interest on any Deposit or Security provided, unless otherwise agreed to in writing.
- 3.7.3 Where SaskEnergy has agreed in writing to pay interest on a Deposit, interest will be payable at the Deposit Interest Rate set out in the Deposit Guidelines. A Deposit shall cease to draw interest at the earliest of: the date it is credited to the Customer's account or repaid; the date notice is sent to the Customer's last known address that the Deposit is no longer required; the date the Deposit is applied or set off against the outstanding indebtedness of the Customer; or the date when Natural Gas Service is Discontinued.
- 3.7.4 SaskEnergy may, in its sole discretion and depending on a Customer's account status, credit risk and payment history, repay the Deposit after a period of time, apply (or credit) the Deposit to the Customer's account, hold the Deposit until the Customer discontinues the use of the Service, or transfer the Deposit to another account of the Customer without notice. SaskEnergy may, in its sole discretion and depending on a Customer's account status, credit risk and payment history, return Security after a period of time, hold Security until the Customer discontinues the use of the Service, or transfer Security to another account of the Customer without notice. Unlike Security, a Deposit which is no longer required is generally applied to an account and not returned or repaid.
- 3.7.5 For Residential Customers, excluding Farm Service (except residence only Farm Service), an acceptable payment history can generally be achieved by paying all bills within thirty (30) Days of rendering for twelve (12) consecutive months. For General Service II, General Service III, Small Industrial, other Non-Residential Customers, and Farm Service an acceptable payment history can generally be achieved by paying all bills within thirty (30) Days of rendering for a thirty-six (36) month period.
Amended – April 8, 2010
- 3.7.6 The Deposit, in full or part, may be set-off against any sums owing to SaskEnergy at any time, and from time to time, in SaskEnergy's sole discretion, and the Customer may be required to forthwith replenish the Deposit.
- 3.7.7 In the event of default under this Schedule, SaskEnergy may enforce on Security. In that event, the Customer shall forthwith replace the Security. In the event Security expires or is withdrawn, the Customer shall forthwith replace the Security. Notwithstanding anything in this paragraph, SaskEnergy may require Security to be renewed or replaced prior to expiration.

3.8 Service Fees and Costs

3.8.1 Unless otherwise provided for herein, SaskEnergy's Service Fees and costs of construction, alterations, installation, repair and other work performed by SaskEnergy are calculated on a Variable Charge Basis using SaskEnergy's loaded hourly rate for equipment and labour, together with all disbursements, travel time, travel expenses, parts and material costs, and other charges, as set out in SaskEnergy's Cost & Methods Manual, as amended, supplemented or replaced from time to time, which manual shall form part of this Schedule and is available for viewing at any SaskEnergy office on request. In the event of a conflict between this Schedule and the manual this Schedule shall govern. SaskEnergy's Service Fees set out in the Tariff of Fees and charges set out in the Cost & Methods Manual shall be conclusive evidence of SaskEnergy's cost of providing a Service.

4. MEASUREMENT, CORRECTIONS, AND DISPUTES

4.1 General

4.1.1 SaskEnergy shall furnish, install and maintain metering equipment and reserves the right to determine the type of metering equipment used.

4.1.2 The schedule for meter readings shall be in the sole discretion of SaskEnergy. Meters shall be read with such frequency as SaskEnergy may decide. SaskEnergy shall have the right at any time to estimate Customer consumption and to render a bill based on such estimated consumption.

4.1.3 Notwithstanding the foregoing, SaskEnergy may, at its option, require the Customer to read the meter and report such reading in the manner specified by SaskEnergy. A Customer may also voluntarily provide readings to SaskEnergy by telephone or online.

4.1.4 In the event estimates are used, the next bill that is based on an actual meter reading will be credited or adjusted for the difference between estimated and actual use during the interval between meter readings. Where a Customer provides a meter reading, SaskEnergy shall have the right to utilise same, or disregard same in favour of an estimate, where the reading is not timely or appears to be inaccurate.

4.1.5 SaskEnergy shall, at its sole discretion, have the right to remove, repair and test a meter or metering equipment at any reasonable time. Depending on the type of meter installed, it may be necessary for SaskEnergy to remove a meter from Service and install a replacement meter. If the Customer becomes aware of any deficiency in the operation

of a meter or metering or Regulating Equipment, the Customer shall promptly notify SaskEnergy.

- 4.1.6 Where access to a meter or metering equipment is unattainable due to locked doors, the local SaskEnergy office may require that SaskEnergy or its agent be provided with a key to the locked doors by the Customer.

4.2 Billing Corrections

- 4.2.1 SaskEnergy has the right to make a billing adjustment in instances where an inaccuracy in billing has taken place. The Customer will receive a refund or a corrected bill, or a debit or credit to its account, at SaskEnergy's sole discretion. Absent fraud or intentional misrepresentation, no interest or penalty shall be payable by either party on the resulting debt or credit to the date of the billing adjustment. For greater certainty, Late Payment Charges shall accrue from the date specified on the bill when rendered for the correct amount.
- 4.2.2 If the measurement equipment ceases to register properly, the quantity of Gas used will be estimated by SaskEnergy using the most appropriate method as determined in the sole opinion of SaskEnergy. A correction in billing shall be made for the period that the measurement equipment failed to register properly, not exceeding two (2) Years retroactive from the date of discovery. Such methods may include but are not limited to:
- (a) Mathematical calculations and comparisons, including comparison with a parallel meter;
 - (b) The use of the Customer's check measuring equipment; and
 - (c) The amount consumed during the corresponding period of the previous Month(s) or Year(s), giving due consideration to the weather and connected Load.
- 4.2.3 Where bills have been rendered and it is subsequently determined that they have been incorrectly calculated for any reason other than the failure of measurement equipment to register properly, the amount payable shall be recalculated with reference to actual Gas usage. In such cases the recalculation may be retroactive for a maximum of five (5) Years.

4.3 Disputes

- 4.3.1 In the event that SaskEnergy or the Customer questions the accuracy of a meter, either party may request that the matter be resolved by Measurement Canada pursuant to the provisions of the Electricity and Gas Inspection Act R.S. 1985, c. E-4 (Canada), as amended from time to time, or such other legislation as may be enacted in replacement thereof.

- 4.3.2 A Meter Dispute Fee shall be payable to SaskEnergy by a Customer requesting that the matter be referred to Measurement Canada. This fee covers the cost of SaskEnergy removing a meter for testing. The Meter Dispute Fee does not include any fees chargeable by Measurement Canada. Please reference the attached Tariff of Fees (Appendix C) for SaskEnergy's current Meter Dispute Fee.
- 4.3.3 In the event that the Customer requests a Meter Dispute Test, and the meter does not meet the accuracy standards set out in the Electricity and Gas Inspection Regulations, as amended or replaced from time to time, SaskEnergy will credit the Meter Dispute Fee to the Customer's account or provide a refund, in SaskEnergy's sole discretion.
- 4.3.4 The party requesting the Meter Dispute Test will be responsible for any fees charged by Measurement Canada, if any, unless otherwise provided for under the Electricity and Gas Inspection Act.

5. DISCONTINUATION OF SERVICE

5.1 General

- 5.1.1 SaskEnergy shall not be obligated to remove its pipelines or other equipment on Discontinuation or Disconnection of Service, or on request of the Customer or Owner. See [8.6]: Alterations to Facilities.

5.2 Discontinuation Initiated by SaskEnergy

- 5.2.1 SaskEnergy its officers, employees and agents, its Subsidiaries and any officers, employees and agents of its Subsidiaries, may enter, at any reasonable time, the Premises of any of its Customers to Discontinue or Disconnect, for any period of time, any Service to any Customer or remove its property from the Customer's Premises:
- (a) If the Customer fails to comply with any terms and conditions set out herein, set out in the Act or Regulations, as amended or replaced from time to time, or set by SaskEnergy or its Subsidiaries in any agreement with the Customer;
 - (b) If the Customer fails to pay, when due, any indebtedness of the Customer to SaskEnergy or its Subsidiaries;
 - (c) If, in the opinion of SaskEnergy, or its Subsidiary, modifications or improvements are required to its or its Subsidiary's Gas system or related Facilities or equipment;

- (d) If the Customer is not primarily a Customer using Gas solely for heating purposes and, in the opinion of SaskEnergy or its Subsidiary, Service must be interrupted in order to maintain Service to Customers using Gas solely for heating purposes;
- (e) If, in the opinion of SaskEnergy or its Subsidiary, Service must be interrupted for safety reasons;
- (f) If, in the opinion of SaskEnergy or its Subsidiary, the Customer is tampering or has tampered with equipment or Facilities owned by SaskEnergy or its Subsidiaries;
- (g) If the Contract relating to the supply of the Service is terminated;
- (h) If the Customer Discontinues use of the Service;
- (i) If the Customer makes an assignment in bankruptcy or is insolvent;
or
- (j) If the Customer fails to provide any Deposit or Security requested by SaskEnergy or its Subsidiaries.

5.2.2 If SaskEnergy Discontinues or Disconnects the Customer's Service, the Customer must still pay any amount owing to SaskEnergy. SaskEnergy reserves the right to collect its Disconnect Fee from the Customer when the conditions set out in [5.2.1] are met, [5.2.1 (c), (d) and (e)] excluded. Please refer to the attached Tariff of Fees (Appendix C) for SaskEnergy's current Disconnect Fee.

5.2.3 The Landlord shall be responsible for SaskEnergy's Disconnect Fee in the circumstances set out in Article [7] herein.

5.3 Customer Requested Discontinuation

5.3.1 The Customer shall communicate with SaskEnergy if the Customer intends to Discontinue Services and provide seven (7) Days' notice of Discontinuation. Notwithstanding such Discontinuation or termination of Service, SaskEnergy retains its rights of access, as outlined in this Schedule, to its equipment on or in the Customer's property and the Customer remains responsible to SaskEnergy for any amounts payable under the Contract up to the latter of the date of termination or Discontinuation, or the remaining period of the Contract.

5.3.2 If the Customer Discontinues Service, the Customer shall provide SaskEnergy with access to read the meter, provide forwarding mailing and contact information, and pay all amounts owing on the Customer's final bill.

5.3.3 All requests by the Customer, Landlord or Owner to Disconnect Service may be subject to a Disconnect Fee as determined by SaskEnergy. Please reference the attached Tariff of Fees (Appendix C) for SaskEnergy's current Disconnect Fee.

5.3.4 The Landlord shall be responsible for SaskEnergy's Disconnect Fee in the circumstances set out in Article [7] herein.

6. RECONNECTION OF SERVICE

6.1 If the Customer is applying for Natural Gas Service or other Services following the Discontinuation of Service, the final account balance may be transferred to the new account. If Service to a Customer is Discontinued for any reason described in Paragraph [5.2], or at the request of the Customer, SaskEnergy may require the Customer to do all or any of the following before restoring Service:

- (a) Pay all outstanding debts to SaskEnergy or its Subsidiaries or enter into a payment arrangement satisfactory to SaskEnergy;
- (b) Pay a Service Activation Fee as determined by SaskEnergy;
- (c) Provide a Deposit or Security in an amount and in a form which is acceptable to SaskEnergy.

Please reference the attached Tariff of Fees (Appendix C) for SaskEnergy's current Service Activation Fee.

6.2 A Service Activation Fee paid or Deposit or Security provided pursuant to [6.1] is in addition to any other fees or deposits that may be required pursuant to the Act, the Regulations, the terms and conditions set out herein or the terms and conditions of any Contract between the Customer and SaskEnergy.

7. RENTAL PROPERTY PROCESS

7.1 SaskEnergy, in its sole discretion, may refuse Natural Gas Service to Customers or potential Customers who are or identify themselves as Tenants unless a separate Service Agreement is entered into between SaskEnergy and the Landlord, in a form acceptable to SaskEnergy. All such Service Agreements shall be in writing.

7.2 SaskEnergy offers a choice of standardized Service Agreements to Landlords. By entering into such an agreement, the Landlord consents to

the provision of Service to Tenants and provides instructions to SaskEnergy in the event a Tenant is Discontinued from Natural Gas Service or Discontinues Natural Gas Service.

- 7.3 Unless otherwise provided for in a written Service Agreement, SaskEnergy may Discontinue Service to a Landlord or Tenant in accordance with Article [5].
- 7.4 Where the existing Natural Gas Service is known to be in the name of a Tenant, and no written Service Agreement is in place between SaskEnergy and the Landlord, SaskEnergy may, in its sole discretion, elect not to Disconnect Natural Gas Service to a Premise where the following three conditions are met:
- (a) The anticipated Discontinuation or Disconnection is for failure to pay, or arises from the Tenant's instruction, act or omission;
 - (b) SaskEnergy, acting reasonably, is not able to obtain instructions from the Landlord or Owner with regards to future Service and preservation of the property; and
 - (c) The provision of Natural Gas Service to the Premises may prevent reasonably foreseeable damage to the Premises or otherwise reasonably constitute a benefit to the Owner.

In such circumstance, a new Natural Gas Service account will be opened in the name of the Owner, effective as of the date the Tenant was taken out of billing. The Owner will become a Customer for the purposes of this Schedule, and shall be subject to the terms and conditions applicable to Customers hereunder.

- 7.5 Tenant acknowledges and agrees that SaskEnergy may in many circumstances notify a Landlord when Tenant Discontinues Natural Gas Service to a Premise or the Tenant's Service is Discontinued.
- 7.6 Landlords who request a Disconnection of Natural Gas Service shall be charged a Disconnect Fee in addition to any other Service Fees payable hereunder. Unless otherwise provided for, Landlords who are parties to a Service Agreement and who notify SaskEnergy that they wish a Disconnection of Service shall be responsible for the Disconnection Fee and Service Fees, if any, to the date of the Disconnect.
- 7.7 **Nothing in this Schedule shall create any obligation on SaskEnergy to make inquiries as to the ownership of the Premises, to make inquiries as to winterization of the Premises, or to take any active steps to preserve the Landlord's property whatsoever. Nothing in this Article [7] shall create any obligation on SaskEnergy to notify the Landlord when a Premise is vacant or to maintain Natural Gas**

Service during winter months. SaskEnergy encourages Landlords to protect their interest by notifying SaskEnergy of the tenancy and by entering into a Landlord Service Agreement.

- 7.8 Notwithstanding anything in this Article [7], where a Premise has two or more suites, apartments, or units, attached or detached, served by a single Gas meter, SaskEnergy may require that the account be placed in the Landlord or Owner's name.

8. SASKENERGY FACILITIES

8.1 Installation of Facilities

- 8.1.1 SaskEnergy and any of its Subsidiaries may install on a Customer's Premises any Facilities that SaskEnergy or its Subsidiary considers necessary to deliver, measure or regulate Gas that is:

- (a) Supplied by SaskEnergy or its Subsidiary; or
- (b) Used by, delivered to or received on the behalf of the Customer.

- 8.1.2 No Customer shall allow any Person, other than SaskEnergy, its Subsidiary or any of their employees and agents, to alter, modify, remove or interfere with any of the Facilities.

- 8.1.3 Where the Customer is not the registered Owner of the Premises, or adjacent properties which must be crossed to reach the Premises, the Customer must at its own expense, and as a condition of obtaining Service, obtain from the Owner(s), in writing, any right of way, written consent, easements, or other documentation or encumbrance required by SaskEnergy for the installation and maintenance in said Premises of all necessary Facilities for supplying Gas; provided that SaskEnergy may, at its option, itself acquire such documentation or encumbrance.

- 8.1.4 Additional meters may be installed on request at the Customer's expense. SaskEnergy reserves the right to refuse installation of additional meters in its sole discretion.

- 8.1.5 SaskEnergy will install Facilities in the most cost efficient manner, where practicable, and shall conform to then existing codes and regulations. Where the Customer requests that the Service Line and other SaskEnergy Facilities be installed in a particular manner or location, the installation must conform to existing codes and regulations, and the Customer shall pay for all additional costs incurred in installing the Facilities in accordance with the Customer's requests, provided that nothing herein obligates SaskEnergy to install the Facilities at such alternate point or along such alternative route.

- 8.1.6 SaskEnergy shall have the final discretion as to the manner in which Facilities are installed and the amount of space that must be left unobstructed for the installation and maintenance of such equipment. In the event the parties cannot agree on a suitable installation, SaskEnergy shall be entitled to refuse Service, and neither acceptance of an application nor any Deposit or Security from the Customer shall be construed as a commitment by SaskEnergy to install any Service Line or other Facility.
- 8.1.7 SaskEnergy may refuse to install a Service Line or other Facility if, in the opinion and sole discretion of SaskEnergy, such installation is not reasonable and practical and would not furnish sufficient return to SaskEnergy to justify the construction and maintenance thereof, and neither acceptance of an application nor any Deposit or Security from the Customer shall be construed as a commitment by SaskEnergy to install any Service Line or other Facility.
- 8.1.8 SaskEnergy does not generally provide Facilities downstream of the Metering Point. Gas piping and appliances other than those supplied by SaskEnergy shall be installed at the expense of the Customer or Owner.
- 8.1.9 SaskEnergy reserves the right to determine the timing of the installation of Facilities when by reason of weather, conditions of excavation, and/or other circumstances beyond its control, SaskEnergy deems it inadvisable to install Facilities. **SaskEnergy shall not be held responsible for any damages whatsoever caused by or arising from such delay.** SaskEnergy may also delay the construction of Facilities until the Customer has completed the piping and installation of equipment necessary to receive and use Natural Gas Service. **SaskEnergy shall not be held responsible for any damages whatsoever caused by or arising from such delay.**

8.2 Right of Access to Facilities

- 8.2.1 SaskEnergy, its officers, employees and agents, its Subsidiaries and any officers, employees and agents of its Subsidiaries may enter, at any reasonable time, the Premises of any of its Customers to inspect Service conditions, read meters and, when Service is Discontinued, to remove meters and other equipment belonging to SaskEnergy or its Subsidiaries. Similarly, SaskEnergy and its Subsidiaries may enter a Customer's Premises at any reasonable time and may dig out, locate, install, repair, replace, maintain, remove and inspect the Regulating Equipment.
- 8.2.2 Notwithstanding [8.2.1], if, in the opinion of SaskEnergy or its Subsidiary, there is an immediate danger to the health or safety of any individual or the safety of any property, SaskEnergy or its Subsidiary may immediately

enter on a Customer's Premises and may dig out, locate, install, repair, replace, maintain, remove and inspect the Regulating Equipment.

8.2.3 Notwithstanding anything in this Schedule, SaskEnergy and TransGas have the right of access to and egress from their pipelines when, in the opinion of SaskEnergy or TransGas, as the case may be, there are reasonable and probable grounds to believe there is an imminent danger to property or human life resulting from or connected in any way with its pipeline.

8.2.4 If SaskEnergy exercises its rights pursuant to this Paragraph [8.2], it shall exercise all reasonable precautions necessary to ensure that minimal damage to property arises as a result of the access or egress.

8.3 Ownership of Facilities

8.3.1 All Facilities on a Customer's Premises are the property of SaskEnergy or its Subsidiary and shall remain the property of SaskEnergy or its Subsidiary notwithstanding any Customer contribution to the cost of installation.

8.3.2 As a condition of Service, the Customer shall provide a suitable location to install the required Facilities at no cost.

8.4 Damage to Facilities

8.4.1 SaskEnergy is responsible for damages to SaskEnergy Facilities that are caused by ordinary wear and tear or by the negligence of SaskEnergy, its Subsidiaries or any of their officers, directors, employees or agents.

8.4.2 The Customer shall pay for damage to SaskEnergy Facilities that is caused by the negligence or deliberate action of the Customer. Customers are responsible for maintenance, Service, and repairs downstream of the Metering Point, which is generally the outlet side of the meter.

8.5 Encroachments on Facilities or Right-of-Way

8.5.1 No Person shall construct or allow the construction of any building or other structure over any of the regulators, shut-off valves, meters, pipelines, Service Lines, Main Lines or other Facilities of SaskEnergy or a Subsidiary of SaskEnergy without the prior written consent of SaskEnergy or its Subsidiary. *Amended – February 8, 2008*

8.5.2 If, in the opinion of SaskEnergy or its Subsidiary, a building or structure over or near any of the regulators, shut-off valves, meters, pipelines, Service Lines, Main Lines or other Facilities of SaskEnergy or its Subsidiary constitutes a safety hazard, SaskEnergy or its Subsidiary may demand in writing that the Owner of land on which the building or structure is situated remove the building or structure at the Owner's expense.

Amended – February 8, 2008

8.5.3 If an Owner fails to comply with a written demand pursuant to [8.5.2] within the time specified in the demand, or any further time that SaskEnergy or its Subsidiary may allow, SaskEnergy or its Subsidiary may enter on the land and do any of the following that it considers necessary to remove a safety hazard:

(a) Remove the building or structure;

(b) Re-route a pipeline, Service Line, or Main;

(c) Install a new pipeline, Service Line, or Main;

(d) Move any regulator, shut-off valve, meter or other Facility of SaskEnergy or its Subsidiary. *Amended – February 8, 2008*

8.5.4 SaskEnergy or its Subsidiary may charge the Owner with SaskEnergy's or its Subsidiary's costs in carrying out any of the activities mentioned in subsection [8.5.3]. *Amended – February 8, 2008*

8.5.5 If the Owner and SaskEnergy or its Subsidiary are unable to agree with respect to any of the costs mentioned in subsection [8.5.4] or with respect to any compensation that the Owner may claim as a result of SaskEnergy or its Subsidiary carrying out any of the activities mentioned in subsection [8.5.3], both parties shall submit the issue to arbitration in accordance with The Arbitration Act, 1992. *Amended – February 8, 2008*

8.5.6 SaskEnergy shall not be liable for any damage to any structure or improvement erected, installed or placed over any of SaskEnergy's or its Subsidiary's regulators, shut-off valves, Service Lines pipelines, Facilities or Mains without the prior written consent of SaskEnergy or its Subsidiary. *Amended – February 8, 2008*

8.5.7 Notwithstanding anything in this Paragraph [8.5], the parties shall have all such additional rights and obligations provided for in an applicable right of way, easement, caveat, miscellaneous encumbrance, or encumbrance agreement, consent or other written agreement. Unless otherwise provided for, no Person shall excavate, drill, install or erect, or permit to be excavated, drilled, installed or erected upon or under an easement or right of way any pit, well, foundation, pavement, building, or other structure or installation.

8.6 Alterations to Facilities

- 8.6.1 If a Customer wishes to move or alter (including removal of) any Facilities on the Customer's Premises, the Customer shall apply in writing to SaskEnergy or its Subsidiary setting out details of the proposed move or alteration.
- 8.6.2 On receipt of a written application pursuant to [8.6.1], SaskEnergy or its Subsidiary may refuse the request or grant the request and impose any condition on the move or alteration that SaskEnergy or its Subsidiary considers necessary.
- 8.6.3 If SaskEnergy or its Subsidiary agrees to perform the requested work related to moving or altering (including removal of) the Facilities, SaskEnergy or its Subsidiary may require the Customer to pay all or any part of the costs of the move or alteration before the work has begun.

9. LIABILITY AND INDEMNITY

- 9.1 SaskEnergy and its wholly owned Subsidiaries may:
- (a) Sue with respect to any tort; and
 - (b) Be sued with respect to liabilities in tort to the extent to which the Crown is subject pursuant to The Proceedings Against the Crown Act R.S.S. 1978, c. P-27, as amended or replaced from time to time.
- 9.2 **Notwithstanding Paragraph (9.1), no action or proceeding lies against SaskEnergy or its Subsidiary or any of their officers, directors, employees or agents for any injury, loss or damage to any Person or property arising out of, or directly or indirectly resulting from:**
- (a) **The failure to Supply, Distribute or Transport gas due to any cause, except a failure by SaskEnergy or its Subsidiary or any of their officers, directors, employees or agents to exercise a reasonable standard of care having regard to the circumstances; or**
 - (b) **The Supply, Distribution or Transportation of Gas to, or use of Gas by a Customer, beyond the point of Delivery to the Customer's Premises.**
- 9.3 **Notwithstanding anything to the contrary contained in this Schedule, SaskEnergy or its Subsidiary, or any of their officers, directors,**

employees or agents, shall be liable only for direct physical damages. “Direct physical damages” shall not include damages, injuries, losses, expenses, liabilities, fees (including legal fees), or costs which are of an indirect, special or consequential nature (‘indirect damages’) regardless of whether they arise in contract, tort, or otherwise and regardless of whether or not the Customer has advised SaskEnergy or its Subsidiary or any of their officers, directors, employees or agents of same. Without limiting the generality of the foregoing, indirect damages shall include loss of profits, loss of revenue, loss of production, loss of earnings, loss of contract, cost of capital, cost of purchased or replacement capacity or energy, loss of any use of any facilities or equipment or property owned, leased or operated by any Person and any other indirect, special or consequential damages, injuries, losses, expenses, liabilities, fees (including legal fees) or costs whatsoever.

- 9.4 The Customer shall be solely responsible for the installation, condition and maintenance of all piping, equipment, and apparatus downstream of the Metering Point, and the **Customer shall indemnify and save harmless** SaskEnergy and its Subsidiaries and any of their officers, directors, employees or agents from and against any claim or demand for injury to Persons or damage to property, whether in contract, tort or otherwise, arising out of or in any way connected with piping, equipment, and apparatus downstream of the Metering Point and the use made by the Customer of Gas supplied to the Customer by SaskEnergy or its Subsidiary, so long as such injury or damage is not caused by the negligence or wilful misconduct of SaskEnergy or its Subsidiaries or any of their officers, directors, employees or agents.
- 9.5 **Customer shall indemnify and save harmless** SaskEnergy and its Subsidiaries or any of their officers, directors, employees or agents of and from all manner of actions, causes of action, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought or made against SaskEnergy or its Subsidiaries or any of their officers, directors, employees or agents or which they may sustain, pay or incur as a result of or in connection with any act, omission or default on the part of Customer, whether in contract, tort or otherwise, with respect to any of its obligations assumed under the provisions of this Schedule, or as a result of the negligence or wilful misconduct of Customer, its officers, directors, employees, or agents.

10. LIABILITY FOR DAMAGES TO BURIED PIPELINES

- 10.1 No Person shall dig, grade, level, excavate, blast or conduct any other activity on any land within which SaskEnergy's or its Subsidiary's buried pipelines are located, and no Person shall request, or enter into a contract with, a third party to dig, grade, level, excavate, blast or conduct any other activity on that land, unless that Person, at least two working Days before the activity, has requested SaskEnergy or its Subsidiary to accurately locate the pipelines within that land.
- 10.2 A Person is liable to SaskEnergy or its Subsidiary for damages in an amount calculated pursuant to Paragraph [10.3] where that Person:
- (a) Digs, grades, levels, excavates, blasts or conducts any other activity on land within which SaskEnergy's or its Subsidiary's pipelines are buried or requests or enters into a contract with a third party to dig, grade, level, excavate, blast or conduct any other activity on that land;
 - (b) Fails to request the accurate location of those pipelines in accordance with [10.1] or obtains an accurate location of those pipelines; and
 - (c) Damages the pipelines.
- 10.3 For the purposes of [10.2], the damages are equal to the total of:
- (a) The cost to SaskEnergy or its Subsidiary of repairing the pipeline, together with all other costs reasonably incurred by SaskEnergy or its Subsidiary as a result of the damage to the pipeline; and
 - (b) An amount equal to 50% of the costs described in clause (a) as compensation to SaskEnergy or its Subsidiary for loss of revenues.
- 10.4 SaskEnergy or its Subsidiary is conclusively deemed to have accurately located a buried pipeline if it has identified the location or route of the pipeline by means of visible markers that are:
- (a) Attached along the surface of the land along the route above the pipeline; and
 - (b) Spaced not more than seventy (70) metres apart and not more than one metre in horizontal distance from the route of the pipeline.
- 10.5 SaskEnergy's or its Subsidiaries' permanent crossing signs are not to be considered accurate markers.

11. OFFENCES AND PENALTIES

11.1 No Person shall:

- (a) Willfully or maliciously damage, destroy, pull down, deface, alter or remove or cause or knowingly permit the damaging, destroying, pulling down, defacing, altering or removing of any pipelines or other property of SaskEnergy or its Subsidiaries;
- (b) Willfully alter or impair any of SaskEnergy's meters or meters of its Subsidiaries, or knowingly permit any of SaskEnergy's meters or meters of its Subsidiaries to be altered or impaired, so that the meter indicates less Gas than the amount of Gas that actually passes through it;
- (c) By any improper or wrongful means increase the amount of Gas delivered by SaskEnergy or its Subsidiaries over the amount of that SaskEnergy has agreed or its Subsidiaries have agreed to provide;
- (d) Fail to comply with any of the provisions of the Act.

11.2 Any Person who fails to comply with [11.1] is guilty of an offence. SaskEnergy takes a zero tolerance position and any of the actions described in [11.1] will be reported to the local police authority.

11.3 When it has been determined that a Customer has been deliberately diverting or stealing Gas, tampering with a meter, or deliberately misleading SaskEnergy employees with respect to matters including, but not limited to, billing, rates or pre-payments, SaskEnergy may recover the under-billed amount.

12. FORCE MAJEURE

12.1 Except as otherwise provided for in this Schedule, if SaskEnergy or Customer fails to observe or perform any of the covenants or obligations herein imposed upon it and such failure shall have been occasioned by, or in connection with, or in consequence of Force Majeure, as hereinafter defined, such failure shall be deemed not to be a breach of such covenants or obligations.

12.2 For the purposes of this Schedule, the term "Force Majeure" shall mean any cause not reasonably within the control of a party, which by the exercise of due diligence, the party is unable to prevent or overcome, including but without limiting the generality of the foregoing:

- (a) Lightning, storms, earthquakes, landslides, floods, washouts and other acts of God;
- (b) Fires, explosions, ruptures, breakages or accidents to machines or lines of pipe;
- (c) Freezing of pipelines or wells, or hydrate obstructions of pipelines or appurtenances thereto, causing temporary failure of Gas supply;
- (d) Civil disturbances, terrorism, sabotage, acts of public enemies, wars, blockades, insurrections, vandalism, riots, or epidemics;
- (e) Arrests and restraints of governments and people;
- (f) Shortages of necessary labour due to strikes, lockouts or other industrial disturbances;
- (g) The order of any court, government body or regulatory body;
- (h) Inability to obtain or curtailment of supplies of Gas, electric power, water, fuel or other utilities or Services;
- (i) Inability to obtain or curtailment of supplies of any other materials or equipment;
- (j) Inability to obtain, or revocation, or amendment of any permit, license, certificate or authorization of any governmental or regulatory body, unless the revocation or amendment of such permit, license, certificate or authorization was caused by the violation of the terms thereof or consented to by the Person holding the same;
- (k) Any claim by any third Person that any covenant or obligation of such third Person is suspended by reason of Force Majeure, including without limiting the generality of the foregoing, any such claim by any transporter of Gas to, from or for SaskEnergy, its Subsidiary or Customer; and
- (l) Any other cause, whether herein enumerated or otherwise, not reasonably within the control of the party, which by the exercise of due diligence the party is unable to prevent or overcome, excluding, however, lack of funds or economic cause.

12.3 Notwithstanding anything to the contrary in this Article [12], expressed or implied, the parties agree that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the sole discretion of SaskEnergy or its Subsidiary and SaskEnergy or its Subsidiary may make settlement thereof at such time and on such terms and conditions as it

may deem to be advisable and no delay in making such settlement shall deprive SaskEnergy of the benefits stated herein.

13. CONFIDENTIALITY AND RELEASE OF INFORMATION

13.1 Any Customer who accepts uses or receives a Service from SaskEnergy consents to the collection, use, retention, disclosure and release of Confidential Information or Personal Information in accordance with this Schedule. *Amended – February 8, 2008*

13.1.1 SaskEnergy agrees that SaskEnergy and any of its affiliates shall not, and shall ensure that each of their employees, sub-contractors, or agents used to perform the Services shall not, use or disclose any Confidential Information for any purpose, commercial or otherwise, other than the performance of the Services for and on behalf of the Customer, without the prior consent of the Customer (whether express or reasonably implied); provided however that SaskEnergy may disclose certain Confidential Information to those employees or sub-contractors participating in the performance of the Services relating to this Schedule, and who have a need to know such Confidential Information for purposes of such performance, and agree to be bound by provisions of confidentiality. *New Provision – February 8, 2008*

13.2 SaskEnergy values its Customer's privacy. SaskEnergy shall endeavour to collect, use, retain, disclose and release Personal Information pertaining to a Customer only in accordance with its Privacy Policy, as amended or replaced from time to time. SaskEnergy's current privacy policy is available at www.saskenergy.com or on request at any SaskEnergy office. *Amended – February 8, 2008*

13.3 Notwithstanding anything in [13.2], it is SaskEnergy's practice to comply with the privacy legislation in the jurisdiction in which it operates. Sometimes the privacy legislation and/ or an individual's right to privacy are different from one jurisdiction to another. SaskEnergy's Privacy Policy applies only to those activities subject to the provisions of Saskatchewan's provincial privacy laws or Canada's federal privacy laws, where applicable. *Amended – February 8, 2008*

14. ENVIRONMENT

14.1 To prevent any incidents that may put the health or safety of SaskEnergy's employees or Customers at risk or create environmental concerns, the Customer shall supply SaskEnergy any and all information regarding potential or actual contamination, wastes or hazardous materials or other adverse environmental conditions on the Customer's property on or near

where SaskEnergy Facilities or equipment are to be located. The Customer shall provide, and has the continuing obligation to provide SaskEnergy with copies of all environmental assessments related to the Customer's property on or near where SaskEnergy Facilities or equipment are located.

15. USE OF SERVICES

- 15.1 Customers shall ensure that Services are not used for an illegal purpose, in an illegal manner, or in any way that prevents other Customers from fairly or proportionately using or accessing SaskEnergy Services.

16. GAS SUPPLY

- 16.1 Title to Gas purchased from SaskEnergy, and all risk in respect thereto, shall remain with SaskEnergy until the Gas is delivered to the Customer at the Metering Point. At that point, title and risk shall pass to the Customer. SaskEnergy or its Subsidiaries shall at no time obtain ownership of Gas purchased by a Customer from a seller of Gas other than SaskEnergy and SaskEnergy and its Subsidiaries assume no risk in respect thereto. SaskEnergy shall have the right to co-mingle Gas delivered to it by or for a Customer with Gas owned by SaskEnergy or others. *Amended – November 1, 2009*
- 16.2 Purchase of Gas Supply from a party other than SaskEnergy shall be in accordance with Appendix E, as amended or replaced from time to time.

17. JOINT AND SEVERAL LIABILITY

- 17.1 All liability pursuant to this Schedule shall be **joint and several**, and a Customer is not released or discharged from liability if one or more other Customers are released or discharged.

18. ADDITIONAL IMPORTANT TERMS

- 18.1 The division of this Schedule into paragraphs, subsections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Schedule
- 18.2 No Contracts shall be assigned or be assignable by the Customer without the consent in writing of SaskEnergy first being obtained, which consent will not be unreasonably withheld by SaskEnergy.

- 18.3 The provisions of this Schedule are subject at all times to all applicable legislation including The SaskEnergy Act and The SaskEnergy Regulations as amended from time to time, or such other legislation as may be enacted in replacement thereof. Notwithstanding any provisions in this Schedule to the contrary, if any provision of this Schedule is contrary to any present or future law, rule, regulation or order of any governmental authority having jurisdiction therein, now or hereafter in effect, the contravening provision of this Schedule shall be amended and read to be in compliance with the said law, rule, regulation or order.
- 18.4 SaskEnergy shall not be deemed to have waived the exercise of any right that it holds under this Schedule unless such waiver is made in writing. Forbearance or indulgence by SaskEnergy in any regard whatsoever shall not constitute a waiver and SaskEnergy shall be entitled to invoke any remedy available under this Schedule or by law despite the forbearance or indulgence. No waiver made with respect to any instance involving the exercise of any such right will be deemed to be a waiver with respect to any other instance involving the exercise of the right or with respect to any other such right.
- 18.5 If any provision in this Schedule or any part thereof shall be held by a court of competent jurisdiction to be invalid, illegal, void, voidable, or unenforceable for any reason whatsoever, such provision, or part thereof, shall be severable herefrom and of no force and effect without invalidating the remaining provisions hereof and this Schedule shall continue in full force and effect as if the same had not been a part hereof.
- 18.6 The words “hereof”, “hereto”, “hereunder” and “this Agreement”, “this Schedule” or “these terms and conditions” shall be construed as references to this Schedule and the tariffs and appendices attached hereto and not as references to any particular clause of this Schedule or tariff or appendix attached hereto.
- 18.7 References to a “Section”, “Clause”, “Paragraph” or “Article” shall be construed as references to a section, clause, paragraph or article of this Schedule, and the word “Clause”, “Paragraph” or “Section” shall include subclauses, subparagraphs or subsections and sub-subclauses, sub-subparagraphs or sub-subsections as the context may require.
- 18.8 In this Agreement words (including defined terms) importing the singular shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter or vice versa, and words importing Persons shall include corporate bodies.
- 18.9 This Schedule enures to the benefit of and binds the Customer and his or her respective heirs, executors, administrators, personal and legal representatives, successors and permitted assigns.

- 18.10 The tariffs and appendices to this Schedule are incorporated into this Schedule by reference and are deemed to be part hereof.
- 18.11 **Customer acknowledges that e-mail, fax or internet communications are transmitted over the internet and communication lines, and SaskEnergy cannot guarantee the privacy or security of, nor will SaskEnergy be responsible or liable for damages to, information sent in these ways or for any malfunction, interruption or failure in electronic communication or transmission.**
- 18.12 Each party shall at any time and from time to time, upon request of the other, execute and deliver such further documents and consents and do such further acts and things as the other party may reasonably request to evidence, carry out and give full effect to the terms, conditions, intent and meaning of this Schedule.
- 18.13 This Schedule shall be governed by, construed and interpreted in accordance with the laws of the Province of Saskatchewan. Except as otherwise provided for herein, the parties hereto hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Saskatchewan and all courts competent to hear appeals therefrom.
- 18.14 Time shall be of the essence of this Schedule.
- 18.15 Each and every right and remedy granted to a party hereunder pursuant to this Article or pursuant to this Schedule shall be cumulative and shall be in addition to any other right or remedy herein specifically granted or existing in equity, at law, by virtue of statute or otherwise and every other such right and remedy may be exercised by a party from time to time concurrently or independently and as often and in such order as such party may deem expedient.
- 18.16 The provisions of this Schedule which by their context are intended to survive termination of Service shall survive notwithstanding such termination including, without limitation, the provisions of Articles 9 (Liability and Indemnity) and 13 (Confidentiality and Release of Information).
- 18.17 Any reference to a statute is to such statute and to the regulations made pursuant to such statute as such statute and such regulations may at any time be amended or modified and in effect and to any statute or regulations that may be passed that have the effect of supplementing or superseding such statute or regulation.
- 18.18 Except as otherwise provided for herein, all notices and communications shall be effective on actual receipt.

APPENDIX A – DEFINITIONS

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| Act: | Means <u>The SaskEnergy Act</u> , as amended from time to time, or such other legislation as may be enacted in replacement thereof. |
| AECO/NIT: | Means the intra-Alberta notional pricing hub commonly referred to as “AECO” or “NIT” (Nova Inventory Transfer). <i>New Provision – December 1, 2008</i> |
| Administrative Service Fees: | Means Tenancy Change Fees, Service Activation Fees, Disconnection Fees, Missed Appointment Fees, Meter Dispute Fees, or Custom Service Fees. |
| Agricultural: | Means a use of Gas related to the cultivation of soil, production, processing or storage of crops on a Farm, or the raising of livestock. |
| Applicant: | Means the Person who applies or applied for a Service. |
| Bad Debt: | Means a debt which is at least forty-five (45) Days past due and which has been transferred to a Bad Debt status in SaskEnergy’s computer system for collection purposes. |
| Bad Debt Record: | Means a record retained by SaskEnergy that indicates that a Bad Debt is outstanding or existed but has been paid. |
| Basic Monthly Charge: | Means a fixed monthly charge payable by the Customer for Natural Gas Services provided by SaskEnergy or made available to the Customer irrespective of the volume of Gas consumed. |
| Business Day: | Means Monday to Friday, excluding statutory holidays, during Business Hours. <i>New Provision – February 8, 2008</i> |
| Business Hours: | For the purposes of this Schedule, means the Hours between 8 A.M and 5 P.M. Saskatchewan time, Monday to Friday, excluding statutory holidays. |
| Commercial Customers: | Means General Service II or General Service III Customers. |



Confidential Information:

Means information, other than Personal Information, about an identifiable Customer that a Customer might reasonably expect to be confidential. For greater certainty, Confidential Information does not include:

- (i) information that at the time of disclosure or acquisition is already known to SaskEnergy and was not acquired under any obligation of confidentiality or as a result of a Customer's previous contracts with SaskEnergy;
- (ii) information that at the time of disclosure or acquisition is or thereafter becomes part of the public domain through no act or failure to act on the part of SaskEnergy, or on the part of any third party under an obligation of confidentiality with respect to the information;
- (iii) information that is disclosed, either directly or indirectly to SaskEnergy via a third party who did not acquire the information from the Customer or SaskEnergy under an obligation of confidentiality;
- (iv) information which may be required to be disclosed in accordance with any legal proceeding, law, regulation, order, or directive of a court or government;
- (v) information of a Person, other than an individual, that SaskEnergy would be required or permitted to disclose if that Customer were an individual under The Freedom of Information and Protection of Privacy Act S.S. 1990-91, c. F-22.01. *New Provision – February 8, 2008*

Contract:

Means an agreement to provide Service.

Contract Industrial:

Means a Customer with an annual consumption in excess of 660,000 m³, or a Customer with a daily contracted consumption volume in excess of 10,000 m³, who has executed a written Service Agreement with SaskEnergy.
Amended – December 1, 2008

Cost and Methods Manual:

A manual used by SaskEnergy in calculating Service Fees and costs.

Cubic Metre:

Means a quantity of Gas which, at a temperature of fifteen (15) degrees Celsius and at a pressure of 101.325 kPa absolute, occupies one (1) Cubic Metre of space. May be shown as "m³".



- Custom Service Fee:** Means a Special Service Fee. A Fee for a Service requested where, in the opinion of SaskEnergy, a charge, rate, term or condition described in the Tariff of Fees, Rate Tariff or this Schedule is not applicable or adequate to allow SaskEnergy to provide that Service to that Person.
- Customer:** Means the Applicant or any Person who accepts, uses or receives a Service from SaskEnergy or its Subsidiary.
- Day:** Means a period of 24 consecutive Hours beginning and ending at 9:00 a.m., Saskatchewan time. The reference date for any Day shall be the calendar date on which the 24-Hour period commences.
- Delivery:** Means the Distribution, Storage, and/or Transportation of Gas.
- Delivery Charge:** Means the fee paid by a Customer for the Delivery of Gas.
- Delivery Service Customers:** Means a Customer, other than a Full Service Customer, who has entered into a Contract with SaskEnergy for Delivery Services, including Distribution, Storage, and Transportation of Gas, where the Gas is not sold to the Customer by SaskEnergy. *Amended – December 1, 2008*
- Delivery Point:** Means the Metering Point unless otherwise specified in a written Service Agreement.
- Delivery Pressure:** Means the pressure of the Gas at the Metering Point.
- Deposit:** Means the transfer of cash to SaskEnergy as a deposit. With respect to the Deposit, the relationship between the Customer and SaskEnergy shall be a relationship of creditor and debtor respectively and all right, title and interest in the Deposit (legal and beneficial) is transferred absolutely by the Customer to SaskEnergy. The Customer grants to SaskEnergy a right to commingle and use said funds in its sole discretion and to set-off any amounts payable by the Customer to SaskEnergy against the debt of SaskEnergy to the Customer created by the Deposit.
- Deposit Guidelines:** Means the guidelines for Deposits attached to this Schedule as Appendix D.

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| Deposit Interest Rate: | Means interest payable on a Deposit (but not Security) where SaskEnergy has agreed in writing to pay interest on that Deposit. Deposit Interest is payable at the rate set out in the Deposit Guidelines, Appendix D. |
| Disconnect(ed) (Disconnection): | Means to Discontinue Service by physically preventing the flow of Gas. |
| Disconnection Fee (Disconnect Fee): | Means the fee charged by SaskEnergy to Disconnect Service at a Customer's request. |
| Discontinue(d) (Discontinuation): | Means to discontinue Service or discontinue billing a Customer for a Service, with or without physically preventing the flow of Gas, for any period of time and for any reason. |
| Distribution (Distribute): | Means the movement of Gas, by means of all Gas pipeline facilities, that is: <ul style="list-style-type: none">(i) downstream of the outlet of the shut-off valves of Gas Transmission pipelines at stations where pressure reduction first occurs; and(ii) upstream of the outlet of a Metering Point at the location where the Gas is delivered to a Person for consumption. |
| Emergency/Hazard Fee: | Means the fee applicable to Services provided on an emergent basis where, in SaskEnergy's opinion, an immediate attendance is required to avoid a hazard to the public. Includes, but is not limited to, emergency response to fires, Gas explosions, line hits or damaged meter/service. |
| EPP Term: | Means the Equalized Payment Plan term as defined in [3.3]. |
| Equalized Payment Plan (EPP): | A plan that spreads the annual cost of Natural Gas Service out over several (usually 11) equal monthly payments, with the balance credited to or payable by the Customer at the end of the term (usually one year). |
| Equipment Service Fee: | Means a fee charged to restore Gas service at the Customer's appliance, excluding repair or appliance maintenance, but including (without limitation) relighting a Customer's Gas equipment. |

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| Facilities: | Means <ul style="list-style-type: none">(i) Regulating Equipment as defined in the Regulations and herein,(ii) all Gas or Service related facilities, pipelines, buildings and equipment on a Customer's property and upstream of the Metering Point, and(iii) all other Gas or Service related facilities, pipelines, buildings and equipment whatsoever installed or acquired by SaskEnergy, its Subsidiaries or Predecessors. |
| Farm: | Means a tract of land devoted in whole or part to the growing of crops or raising of livestock, including a residence or dwelling on such lands. |
| Farm Service: | A type of Residential Service, with or without a Farm residence used primarily for living purposes, where the Supply or Delivery of Gas is for Agricultural purposes, or to a Farm Premises, where the annual consumption does not exceed 10,000 m ³ . <i>Amended - April 8, 2010</i> |
| Force Majeure: | Shall have the meaning set out in Paragraph [12.2] herein. |
| Full Service Customer: | Means a Customer who has entered into a Contract with SaskEnergy for the Supply and Delivery of Gas. |
| Gas: | Means all natural gas and manufactured gas, both before and after it has been treated or processed by absorption, purification, scrubbing or other means. |
| Gas Consumption Charge: | Means the charge to the Customer, in cents per Cubic Metre, for the gas consumed by the Customer. |
| Gas Retailer: | A supplier of Gas under SaskEnergy's Gas Retailer Master Services Agreement. <i>Amended - November 1, 2009</i> |
| Gas Retailer Master Services Agreement: | Means an agreement between a Gas Retailer and SaskEnergy governing the parties Supply and sale of Gas. <i>Amended - November 1, 2009</i> |
| Gas Retailer's Price | A Gas Retailer's Gas Consumption Charge as provided for in the Customer's agreement with the Seller. <i>Amended - November 1, 2009</i> |

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| Gas Retailer's Supply Agreement: | An Agreement between a Gas Retailer and SaskEnergy whereby the Gas Retailer will provide Supply and SaskEnergy will provide Delivery of Gas to a Customer. <i>Amended – November 1, 2009</i> |
| Gas Year: | Means the period of time from November 1 to October 31 of the following Year. |
| General Service II: | Customers, other than Small Industrial, Contract Industrial, Residential or Farm Service Customers, whose annual consumption does not exceed 100,000 m ³ . <i>Amended – December 1, 2008</i> |
| General Service III: | All Customers with an annual consumption in excess of 100,000 m ³ and less than or equal to 660,000 m ³ . |
| Hour: | Means any consecutive 60 minute period. |
| Landlord: | Means <ul style="list-style-type: none">(i) a Person who is the Owner of a property that is leased or rented or otherwise in the possession of another Person, called the Tenant; or(ii) a Person authorized to manage such a property on behalf of the Owner. |
| Landlord Service Agreement | A Service Agreement wherein the Landlord consents to the provision of a Service to Tenants and provides instructions to SaskEnergy in the event a Tenant is Discontinued from Service. |
| Late Payment Charge: | Means the interest payable by a Customer to SaskEnergy pursuant to Section 16 of the Act on sums payable and overdue, as set out in the Tariff of Fees. |
| Line Locate Fee: | Means the fee charged by SaskEnergy to locate a Gas line or Facility at a Customer's Premises. |
| Load | Means a Customer's consumption of Gas. |
| Main or Main Line: | Means a pipeline capable of feeding one or many tributary branches of the Gas Distribution system. |
| Meter Dispute Fee: | Means a fee charged to a Customer who elects to dispute the accuracy of a SaskEnergy meter under the <u>Electricity and Gas Inspection Act</u> . This fee covers the removal of a |

Customer's meter for testing. It does not include any fees chargeable by Measurement Canada.

Meter Dispute Test: Means an investigation conducted by an inspector from Measurement Canada pursuant to the Electricity and Gas Inspection Act when the Customer or SaskEnergy is dissatisfied with the condition or registration of a meter. May include the actual testing of the meter.

Metering Point: Means the point at which Gas is measured and physical possession of Gas is transferred from SaskEnergy to a Person for consumption.

Missed Appointment Fee: Means the fee charged by SaskEnergy to the Customer, when a Customer or Customer's contractor misses a second or subsequently scheduled appointment for Service.

Month: The period beginning at 9:00 a. m. Saskatchewan time on the first Day of the calendar Month and ending at the same Hour on the first Day of the next succeeding calendar Month.

Municipal Charges/Payments: Means a payment in lieu of taxes. A charge collected pursuant to the Act and Regulations and remitted to certain municipal governments.

Natural Gas Service: Means the Supply and/or Delivery of Gas to a Premises, and Services incidental to the Supply and/or Delivery of Gas to a Premises.

Non-Residential Service: Means Services to Premises other than Residential Premises, and includes Services to General Service II, General Service III, Small Industrial or Contract Industrial Premise. *Amended – April 8, 2010*

Non-Safety Service Fee: Means an Equipment Service Fee or Thermocouple Fee.

Other Service Fees: Charges for Services not expressly listed in the Rate Tariff or Tariff of Fees, including but not limited to, the installation, removal, repair or alteration of SaskEnergy Facilities.

Owner: Means:

- (i) the Person registered in the Land Titles Registry as owner of the title to a parcel of land; or

- (ii) a Person who has purchased the parcel from the Person mentioned in sub-clause (i) pursuant to an agreement for sale.

Person: Means and includes SaskEnergy, an individual, a corporation, a company, a partnership, an association, a joint venture, a trust, an unincorporated organization, a government, or department of a government or a section, branch, or division of a department of a government.

Personal Information: Means personal information about an identifiable individual that is recorded in any form, and for greater certainty, shall have the meaning set out in The Freedom of Information and Protection of Privacy Act S.S. 1990-91, c. F-22.01.

Pre-Authorized Payment Plan (PPP): The Pre-Authorized Payment Plan is a plan which allows Customers to pay their Natural Gas Service bills by having their bank account debited.

Predecessor: Means, for the purposes of this Schedule, a predecessor of SaskEnergy and includes Saskatchewan Power Corporation, the body corporate incorporated under The Business Corporations Act on April 25, 1988 as Saskatchewan Energy Corporation and which changed its name on December 20, 1990 to Saskatchewan Energy Holdings Ltd., the body corporate incorporated under The Business Corporations Act on March 30, 1988 as Provincial Gas Limited and which changed its name on December 20, 1990 to SaskEnergy Incorporated, and the body corporate resulting from the amalgamation on May 15, 1992 of SaskEnergy Incorporated and Saskatchewan Energy Holdings Ltd.

Premise(s): Means the location specified in an application for Service, or such other location to which SaskEnergy delivers Gas.

Queue Deposit: Means a Deposit paid to maintain a person's priority position in a line or file of persons waiting for a Service.

Rate Classification: SaskEnergy rates and charges for the Supply and Delivery of Gas vary depending on the use of the Gas and the annual volume of Gas consumed. The Rate Classifications are Residential Service (G01 – B01), Farm Service (G17 – B17), General Service II (G02 – B02), General Service III (G03 – B03), Small Industrial (G04), and Contract Industrial. *Amended – December 1, 2008*



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| Rate Code: | An alphanumeric descriptor corresponding with the four basic Rate Classifications. A 'G' Rate Code indicates a Full Service Customer. A 'B' Rate Code indicates a Delivery Service Customer. |
| Rate Tariff: | Means Appendix B attached to and forming part of this Schedule, which sets out the charges for providing Natural Gas Service to each classification of Customer. |
| Regulations: | Means <u>The SaskEnergy Regulations</u> , as amended from time to time, or such other legislation as may be enacted in replacement thereof. |
| Regulating Equipment: | Means any equipment and related facilities that SaskEnergy or any of its Subsidiaries require to measure or regulate Gas provided to a Customer and includes pipes, Service Lines, meters and regulators used for those purposes. |
| Rental Property: | Means any Premise that is owned by one party and controlled or occupied by another. |
| Residential Premises: | Means the single unit, individually metered Premises of a Customer that is used primarily for living purposes and not a business purpose. May include such Premises as a house, a single condominium unit, a single duplex unit, a single apartment unit, a resort cottage, or any other individually metered residence or dwelling. Unless otherwise indicated does not include a residence on a Farm. <i>Amended – March 26, 2010</i> |
| Residential Service: | Means Farm Service (G17 or B17) or Services supplied to a Residential Premises (G01 or B01). <i>Amended – March 26, 2010</i> |
| Return Payment Fee: | A fee added to the Customer's account for payments returned or not honoured by a financial institution for any reason, including, but not limited to: cheques returned 'NSF', stopped payment, funds not found, funds frozen, account closed, or account not found. |
| Safety Service Fees: | Means a Gas Leak or Odour Fee, a Line Locate Fee, or an Emergency/Hazard Fee. |
| SaskEnergy | Means SaskEnergy Incorporated continued pursuant to Section 3 of the Act. |



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| SaskEnergy Facilities: | Means Facilities, and includes Facilities which are the property of SaskEnergy or its Subsidiaries. |
| Schedule: | Means the Terms & Conditions of Service Schedule, as amended, supplemented or replaced from time to time, including the appendices thereto, as amended, supplemented or replaced from time to time. |
| Security: | A letter of credit or similar financial or other assurances, in a form acceptable to SaskEnergy, given to SaskEnergy to secure payment or performance under this Schedule or a Service Agreement. |
| Service(s): | Means any service provided by SaskEnergy or any of its Subsidiaries to a Customer, including but not limited to transmitting Gas, providing and maintaining Facilities and equipment to transmit Gas and selling Gas. |
| Service Activation: | The procedure followed by SaskEnergy staff to physically turn on the flow of natural gas to a new installation or to re-establish the flow of natural gas when the Gas Supply or Delivery has been Disconnected. <i>New Provision – February 8, 2008</i> |
| Service Activation Fee: | Means a Fee payable to SaskEnergy for a Service Activation. <i>New Provision – February 8, 2008</i> |
| Service Agreement: | An agreement in writing with SaskEnergy for the provision of SaskEnergy Services. <i>Amended – December 1, 2008</i> |
| Service Fee: | A fee payable to SaskEnergy for a Service. |
| Service Line or Pipe: | Means those parts of the SaskEnergy Facilities or equipment that start at the Main Line and ends at the outlet of the Metering Point. |
| Service Transfer Date: | Means the effective date on which a Customer transfers the Supply of Gas from SaskEnergy to a Gas Retailer or from a Gas Retailer to SaskEnergy. <i>Amended – November 1, 2009</i> |
| Service Transfer Notice: | Means a written notice which must be provided to SaskEnergy to advise of a new Delivery Service Customer or transfer of a Supply Customer from SaskEnergy to a Gas Retailer or a Gas Retailer to SaskEnergy. <i>Amended – November 1, 2009</i> |

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| Short Notice Charge: | A charge payable to SaskEnergy in certain circumstances involving a transfer of Supply from SaskEnergy to a Gas Retailer. <i>Amended – November 1, 2009</i> |
| Short Notice Return Charge | A charge payable to SaskEnergy in certain circumstances involving a transfer of Supply from a Gas Retailer to SaskEnergy. <i>Amended – November 1, 2009</i> |
| Small Industrial: | Means Full Service Customers with an annual consumption in excess of 660,000 m ³ and less than or equal to 1,320,000 m ³ , who are not Contract Industrial Customer <i>New Provision – December 1, 2008</i> |
| Special Service: | A Service requested where, in the opinion of SaskEnergy, a charge, rate, term or condition described herein is not applicable or adequate to allow SaskEnergy to provide that Service to that Person. |
| Storage: | Means the storage of Gas. |
| Subsidiary: | Means any company controlled by SaskEnergy and includes TransGas Limited. |
| Supply: | The provision or sale of Gas molecules, as opposed to the Delivery of the Gas molecules. |
| Tariff of Fees: | Means Appendix C attached to and forming part of this Schedule, which sets out charges generally applicable to common SaskEnergy Services not included within the Rate Tariff. |
| Temporary Service: | Any Service that will be used by a Customer for a period of less than one Year. |
| Tenancy Change Fee: | The fee payable to SaskEnergy when a new Natural Gas Service account is set up at an existing Premise where the Gas has not been physically Disconnected. |
| Tenant(s): | Means any Person who has the use of or occupies a Premises or property owned by another Person. |
| Terms and Conditions of Service: | The terms and conditions set out in this document. May also be referred to as the “Schedule”. |

- Thermocouple Fee:** Means a fee charged to provide and replace a thermocouple safety device on the Customer's space and/or water heating appliance.
- TransGas:** Means TransGas Limited, a wholly owned Subsidiary of SaskEnergy.
- TransGas Direct Purchase Customer:** Means a Person who has entered into a Contract with TransGas for the Delivery of Gas by TransGas, where the Gas is not sold by TransGas. *Amended – December 1, 2008*
- TransGas Energy Pool (TEP):** A notional hub. TEP contains a collection of Customer energy accounts that relate to the movement of Gas from a point of receipt to a point of delivery on the TransGas transmission system through this notional hub.
- Transportation (Transport):** Means the movement of Gas by means of any Gas pipeline and compression facilities, where that movement is:
- (i) downstream of the point where physical possession of the Gas is transferred to a Gas transmission pipeline from:
 - (a) a Gas gathering and processing system;
 - (b) a Gas gathering system;
 - (c) an interconnected interprovincial or international Gas transmission pipeline; or
 - (d) a Gas storage facility; and
 - (ii) upstream of:
 - (a) the outlet of the shut-off valves of Gas transmission pipelines at stations where pressure reduction first occurs; or
 - (b) the point where physical possession of the Gas is transferred to:
 - (I) an interconnected interprovincial or international Gas transmission pipeline;
 - (II) a consumer of Gas in Saskatchewan who takes delivery of the Gas from a Gas transmission pipeline; or
 - (III) a Gas storage facility.

Transportation of Gas incidental to Delivery is performed under contract to SaskEnergy by TransGas Limited.



Variable Charge Basis:

A charge calculated per hour of work performed, and per unit of materials used, together with disbursements equipment charges, travel time, travel expenses, and other charges, which hourly rates and unit costs are as set out in or permitted by SaskEnergy's Cost & Methods Manual, as amended or replaced from time to time.

Year(s):

Means a period of 365 consecutive Days; provided however, that any such Year which contains a date of February 29 shall consist of 366 Days.



APPENDIX B - RATE TARIFF

EFFECTIVE JANUARY 14, 2010

RESIDENTIAL SERVICE

Applicability:

Individually metered Residential Premises

| Rate Code: | G01 | B01 |
|------------------------|-----------------------|-------------------------|
| Charges | Full Service | Delivery Service |
| Basic Monthly Charge | \$16.60 | \$16.60 |
| Delivery Charge | 7.10¢/m ³ | 7.10¢/m ³ |
| Gas Consumption Charge | 19.61¢/m ³ | Gas Retailer's Price |

NOTE: Rates effective January 14, 2010

Minimum bill – Basic Monthly Charge

FARM SERVICE

Applicability: Farm and Agricultural use where annual consumption does not exceed 10,000 m³.

NOTE: Effective January 14, 2010, SaskEnergy harmonized the G01/B01 and G17/B17 Rate Codes, therefore for billing purposes, Farm Service Customers will be Residential Service Customers, providing that annual consumption does not exceed 10,000 m³.

New provision – April 8, 2010

| Rate Code: | G17 | B17 |
|------------------------|-----------------------|-------------------------|
| Charges | Full Service | Delivery Service |
| Basic Monthly Charge | \$16.60 | \$16.60 |
| Delivery Charge | 7.10¢/m ³ | 7.10¢/m ³ |
| Gas Consumption Charge | 19.61¢/m ³ | Gas Retailer's Price |

NOTE: Rates effective November 1, 2009

Minimum bill – Basic Monthly Charge

GENERAL SERVICE II

Applicability:

Customers, other than Contract Industrial, Residential or Farm Service Customers, whose annual consumption does not exceed 100,000 m³. Includes Farm Service Customers whose annual consumption exceeds 10,000 m³. *New Provision – April 8, 2010*

| Rate Code: | G02 | B02 |
|------------------------|-----------------------|-------------------------|
| Charges | Full Service | Delivery Service |
| Basic Monthly Charge | \$25.75 | \$25.75 |
| Delivery Charge | 6.31¢/m | 6.31¢/m |
| Gas Consumption Charge | 19.61¢/m ³ | Gas Retailer's Price |

NOTE: Rates effective January 14, 2010

Minimum bill – Basic Monthly Charge

GENERAL SERVICE III

Applicability:

Full Service Customers with an annual consumption in excess of 100,000 m³ and less than or equal to 660,000 m³.

Delivery Service Customers with an annual consumption in excess of 100,000 m³.

| Rate Code: | G03 | B03 |
|------------------------|-----------------------|-------------------------|
| Charges | Full Service | Delivery Service |
| Basic Monthly Charge | \$77.40 | \$77.40 |
| Delivery Charge | 5.51¢/m | 5.51¢/m |
| Gas Consumption Charge | 19.61¢/m ³ | Gas Retailer's Price |

NOTE: Rates effective January 14, 2010

Minimum bill – Basic Monthly Charge



SMALL INDUSTRIAL

Applicability:

Full Service Customers with an annual consumption in excess of 660,000 m³ but less than 1,320,000 m³.

| Rate Code: | G04 |
|---------------------------------|-----------------------|
| Charges | Full Service |
| Basic Monthly Charge | \$216.00 |
| Delivery Charge: | |
| First 40,000m ³ /Mo. | 3.90¢/ m ³ |
| Balance | 3.33¢/ m ³ |
| Gas Consumption Charge | 19.61¢/m ³ |

Note: Rates effective November 1, 2009

Minimum Bill – Basic Monthly Charge

CONTRACT INDUSTRIAL

Applicability:

Customers with an annual consumption in excess of 660,000 m³, or Customers with a daily contracted consumption volume in excess of 10,000 m³ who have executed a written Service Agreement.

Rates and charges are as quoted and provided for in the written Service Agreement.

APPENDIX C - TARIFF OF FEES

EFFECTIVE February 1, 2010

| Service | Applicable Customer Rate Code | Service Fee During Business Hours. | Service Fee After Business Hours. |
|-----------------------------------------------------------|-------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Safety Service | | | |
| Gas Leaks/Odors Fee | All Rate Codes | No Charge | No Charge |
| Line Locate Fee | All Rate Codes | No Charge | \$50 |
| Emergency/Hazard Fee | All Rate Codes | Variable Charge Basis | Variable Charge Basis |
| Non-Safety Service | | | |
| Equipment Service Fee | All Rate Codes | \$68 | \$95 |
| Thermocouple Fee | All Rate Codes | \$45 | \$45 |
| Administrative Service Fees | | | |
| Tenancy Change Fee | All Rate Codes | \$30 | \$65 |
| Service Activation Fee | G/B 01, 02, & 17 | \$68 | \$95 |
| | G/B 03 and Larger | \$100 | \$135 |
| Disconnection Fee | All Rate Codes | \$35 | \$70 |
| Missed Appointment Fee | All Rate Codes | \$25 | \$60 |
| Meter Dispute Fee | G/B 01, 02, & 17 | \$25 | N/A |
| | G/B 03 and Larger | \$50 | N/A |
| Other Service Fees, excluding Custom Services Fees | All Rate Codes | Variable Charge Basis or as otherwise quoted prior to the supply of Service. | Variable Charge Basis or as otherwise quoted prior to the supply of Service. |

Late Payment Charge

The interest rate payable to SaskEnergy on all SaskEnergy accounts is 1.17% per Month, compounded monthly, or 15% per annum.

Return Payment Fee

The Return Payment Fee is \$25.00 for each returned payment.

APPENDIX D – DEPOSIT GUIDELINES

EFFECTIVE SEPTEMBER 30, 2005

This Appendix contains guidelines for Deposits only. SaskEnergy reserves the discretion and right to require a Deposit or Security in any circumstance and in any amount SaskEnergy deems appropriate.

In SaskEnergy's sole discretion, Deposits may be collected when the application is made, or may be billed on the first Natural Gas Service bill. Failure to pay the Deposit may result in Discontinuance of Service.

a) Residential Service, excluding Farm Service (except residence only Farm Service):

SaskEnergy will collect a Deposit equal to 15 % of the anticipated annual bill for Customers requesting Natural Gas Service under the following circumstances:

- i) Customer has a previous Disconnect or Discontinuation of Service for non-payment; or
- ii) Customer applying for Service has a Bad Debt or Bad Debt Record.

b) Farm Service, General Service II and General Service III:

Farm Service (other than residence only), General Service II or General Service III Customers will be required to provide a Deposit equal to 30% of the anticipated annual bill unless excepted as per the criteria outlined in (d). Non-Residential Customers and Farm Service Customers (other than residence only) who enrol in SaskEnergy's Pre-Authorized Payment Plan (PPP) will have their Deposit assessment reduced to 15% of the annual bill for such period as the Customer remains enrolled.

c) Small Industrial

Small Industrial Customers will be individually assessed. A minimum Deposit based on 15% of the annual bill will be required and credit risk will be considered.

New Provision – December 1, 2008

d) Contract Industrial:

A Deposit will be individually assessed and included in a written Service Agreement. A minimum Deposit based on 15% of the annual bill will be applied and credit risk will be considered.

- e) The following Customers will generally be excused from the requirement for a Deposit:
- i) Federal, provincial and municipal government departments, agencies, and crown corporations; school boards, universities, and technical schools; and national charitable organizations;
 - ii) Financial institutions including banks, trust companies and credit unions;
 - iii) Non-Residential Customers and Farm Service Customers (other than residence only) who currently have an acceptable credit rating with SaskEnergy and are requesting a new or additional Service(s) under the same name, same business type, and same owner(s);
 - iv) Non-Residential Customers and Farm Service Customers (other than residence only) that supply a credit references satisfactory to SaskEnergy from another gas or electric utility; and
 - v) Customers providing Security in a form acceptable to SaskEnergy, such as a letter of credit.

All consumption estimates shall be in the sole discretion of SaskEnergy.

Deposit Interest

The interest rate per annum payable by SaskEnergy on all Deposits during a calendar year is the average TD Canada Trust Prime interest rate for the immediately previous calendar year, rounded to the next higher quarter-percent, less one percent. In the event the TD Canada Trust Prime rate is not published or available, or the rate payable is otherwise incapable of calculation, the interest rate payable shall be three percent per annum.

“TD Canada Trust Prime” means the annual rate of interest announced by TD Canada Trust from time-to-time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada. *Amended – December 1, 2008*

APPENDIX E – THIRD PARTY GAS SUPPLY

EFFECTIVE NOVEMBER 1, 2009

1. Subject to some exceptions, under The SaskEnergy Act, SaskEnergy has the exclusive right to Distribute Gas in and through any area in Saskatchewan and TransGas has the exclusive right to Transport Gas in and through any area in Saskatchewan.

Third Party Supply – TransGas Delivery

2. Qualifying Persons may purchase Gas Supply from third parties and Delivery Services directly from TransGas, in some circumstances, subject to some conditions. Please contact TransGas for more information.
3. Customers leaving SaskEnergy Supply to purchase Gas from a third party and Delivery Services directly from TransGas are required to utilise a Service Transfer Date of November 1st. Customers shall provide SaskEnergy with a Service Transfer Notice a minimum of sixty (60) Days prior to the November 1st Service Transfer Date. If either of these requirements is not met, SaskEnergy may, at its sole discretion, refuse to transfer the Customer, or impose a Short Notice Charge payable by Customer, calculated in accordance with [13] below.
4. If Customer wishes to transfer from third party Supply to SaskEnergy Supply, then sixty (60) Days' prior written notice shall be given to SaskEnergy together with a Service Transfer Date of November 1st. If either of these requirements is not met, SaskEnergy may, at its sole discretion, refuse to transfer the Customer, or impose a Short Notice Return Charge payable by customer, calculated in accordance with [14] below.

Gas Retailer Supply – SaskEnergy Delivery

5. A Person may be eligible to purchase Supply from a Gas Retailer and Delivery from SaskEnergy. The following terms and conditions shall apply:
 - (a) The Gas Retailer must be a party to a Gas Retailer Master Services Agreement with SaskEnergy, and have provided Security to SaskEnergy as required by that agreement, and meet all of the terms and conditions and conditions precedent set out therein;
 - (b) The Customer must execute a disclosure/enrolment form which, along with appointing the Gas Retailer as Customer's agent for certain purposes and providing information to the Customer, will permit SaskEnergy to exchange Customer account information with the Gas Retailer;

- (c) The Service Transfer Date must be November 1st;
 - (d) Where the Customer is a SaskEnergy Supply Customer or existing Gas Retailer Customer, the Customer or Gas Retailer on behalf of the Customer must provide SaskEnergy with a Service Transfer Notice a minimum of sixty (60) Days prior to the Service Transfer Date;
 - (e) The Customer's historical average annual gas consumption must not be greater than 660,000 m³.
6. In the event that the Gas Retailer or the Customer fails to meet all the conditions described in [5(c)], [5(d)] or [5(e)] above for the transfer of Gas Supply to a Gas Retailer, SaskEnergy may refuse to transfer the Customer, or impose a Short Notice Charge calculated in accordance with [13] below, payable to SaskEnergy by the Customer or the Gas Retailer on behalf of the Customer, at SaskEnergy's sole discretion.
 7. If Customer wishes his Supply transferred from a Gas Retailer to SaskEnergy, then sixty (60) Days' prior written notice shall be given to SaskEnergy together with a Service Transfer Date of November 1st. If either of these requirements is not met, then SaskEnergy may impose a Short Notice Return Charge calculated in accordance with [14] below, payable by the Customer or the Gas Retailer on behalf of the Customer, at SaskEnergy's sole discretion.
 8. The actual date that the Customer begins to receive Supply from the Gas Retailer shall correspond with the Service Transfer Date, where practicable, or the closest Business Day when an actual meter reading is reasonably available. If an actual meter reading is not obtained, an estimated meter reading may be used.
 9. Gas Retailer Gas Supply Service is specific to the Customer and the account for the Premise(s) listed on the enrollment and disclosure form. If a Customer currently utilizing Gas Retailer Supply moves from that Premise, it is the responsibility of the Customer to notify both SaskEnergy and the Gas Retailer. If the Customer wishes to continue to receive Gas Supply Service from the Gas Retailer at the new Premise, SaskEnergy must be provided with a minimum of thirty (30) Days' advance notice, together with a new enrolment and disclosure form and all other information reasonably required by SaskEnergy, or the Customer will automatically be placed on SaskEnergy Supply Service at the new address.
 10. Delivery Service Customers must comply with SaskEnergy's Terms and Conditions of Service. SaskEnergy may Disconnect or withhold Service to a Customer choosing Gas Supply from a Gas Retailer in the event that the Customer defaults in the payment of sums required to be paid to SaskEnergy,



the Customer fails to meet required Service conditions as outlined under these terms and conditions, The SaskEnergy Act, or The SaskEnergy Regulations, or the conditions set out in [5.2.1] of the Schedule are otherwise met.

11. SaskEnergy will notify the Gas Retailer of Disconnection or Discontinuation of Gas Retailer's Customers.

General

12. All Gas delivered by SaskEnergy shall be measured by SaskEnergy in accordance with this Schedule.
13. For the purposes of this Appendix E, Short Notice Charges are calculated as follows:

Short Notice Charge = Q x P, where:

Q - Means the Customer's consumption (in gigajoules), as estimated by SaskEnergy, acting reasonably, for the period from the Service Transfer Date of the Customer to the following November 1st; and

P - Means the price to be assessed for the Customer's Gas which is based on the difference between (a) and (b) below at the time of the Service Transfer Notice:

- (a) SaskEnergy's then current Gas Consumption Charge (converted to \$/GJ); less
- (b) The market price of Gas per gigajoule for the period from the Service Transfer Date to the following November 1.

If the price of Gas utilizing this formula is zero or less, no Short Notice Charge is required.

For the purposes of the calculations, the market price shall be the bid side of the market price of Gas per gigajoule at AECO/NIT, utilizing an average of three (3) independent price publications chosen by SaskEnergy, adjusted for the basis differential to the TransGas Energy Pool (TEP). If the Service Transfer Date is not the first day of a month, the market price will be based on the period beginning the first day of the month in which the Service Transfer Date is effective, to the following November 1.

14. For the purposes of this Appendix E, Short Notice Return Charges are calculated as follows:

Short Notice Return Charge = Q x P, where:

Q - Means the Customer's estimated or actual consumption (in gigajoules), at the sole discretion of SaskEnergy, acting reasonably, for the period from the Service Transfer Date of the Customer to the following November 1st; and

P - Means the price to be assessed for the Customer's Gas which is based on the difference between (a) and (b) below at the time of the Service Transfer Notice:

- (a) The market price of Gas per gigajoule for the period from the Service Transfer Date to the following November 1st; less
- (b) SaskEnergy's then current Gas Consumption Charge (converted to \$/GJ).

For the purposes of these calculations, the market price shall be the offer side of the market price of Gas per gigajoule at AECO/NIT, utilizing an average of three (3) independent price publications chosen by SaskEnergy, adjusted for the basis differential to the TransGas Energy Pool (TEP). If the Service Transfer Date is not the first day of a month, the market price will be based on the period beginning the first day of the month in which the Service Transfer Date is effective, to the following November 1.

15. Short Notice Charges and Short Notice Return Charges payable under this Schedule shall be paid as liquidated damages and not as a penalty. The parties acknowledge and agree that actual damages are extremely difficult or impossible to determine and that such payment is intended to be a reasonable approximation of the amount of such damages. All liability for Short Notice Charges and Short Notice Return Charges shall be **joint and several** as between Customer(s) and Gas Retailer, and a Customer or Gas Retailer is not released or discharged from liability if the other, or another Customer or Gas Retailer, is released or discharged.