

# **Gas Retailer Tariff**

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## Defined Terms

In this Gas Retailer Tariff and its Schedules, the following terms shall have the following meanings:

- (a) **“Accounts Receivable”** means the amount to be billed and collected from each individual Gas Retailer’s Customer by SaskEnergy
- (b) **“Annual Administrative Fee”** means a fee charged by SaskEnergy to the Gas Retailer annually for administrative costs, including without limitation, the cost of administering Gas Retailer’s contracts, generating billing histories, rate administration, and computer programming.
- (c) **“Average Daily Quantity”** or **“ADQ”** means the Average Daily Quantity of natural gas calculated by using the Customer’s estimated annual consumption divided by the number of days in the year.
- (d) **“AECO/NIT”** means the intra-Alberta notional pricing hub commonly referred to as “AECO” or “NIT” (Nova Inventory Transfer).
- (e) **“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 Customer Information System for collection purposes.
- (f) **“Bad Debt Recovery Fees”** means a fee payable to SaskEnergy calculated as a percentage of the gross Commodity Revenues payable equal to the bad debt factor that SaskEnergy includes in its commodity rate for that month.
- (g) **“Balance Report”** means the Balance Report (daily, weekly or monthly) on the status of Gas Retailer’s Storage Account as compared to the Gas Retailer’s Required Storage Balance, which may also describe any corrective action required by the Gas Retailer.
- (h) **“Billing Rate”** means the price/m<sup>3</sup> provided by the Gas Retailer to be applied by SaskEnergy in performing Services.
- (i) **“Billing and Collection Services”** means the services to be provided by SaskEnergy under the Gas Retailer Tariff.
- (j) **“Business Day”** means any day except Saturday, Sunday and statutory holidays in the Province of Saskatchewan.
- (k) **“Commodity Revenues”** means the total of all Consumption Charges payable by SaskEnergy to Gas Retailer for a month, prior to any set off or permitted deduction.

- (l) **“Consumption Charge”** means the amount determined by multiplying the volume of gas delivered to the Point of Delivery by the Billing Rate provided by the Gas Retailer.
- (m) **“Contract Year”** or **“Gas Year”** means a period of twelve (12) consecutive months beginning at 09:00 central standard time on the first (1<sup>st</sup>) day of November of one calendar year and ending at 09:00 central standard time on the first (1<sup>st</sup>) day of November of the next following calendar year.
- (n) **“Cubic metre”** and **“m<sup>3</sup>”** means the volume of gas which occupies one (1) Cubic metre when such gas is at the temperature of fifteen (15) degrees Celsius and the pressure of one hundred and one and three hundred and twenty-five thousandths (101.325) kilopascals.
- (o) **“Customers”** means a person or company who purchases or procures gas supply and is in a rate classification described in Article 2.2 of Schedule 1.
- (p) **“Day”** means a period of 24 hours beginning at 09:00 central standard time and ending at 09:00 central standard time the following day.
- (q) **“Delivery Service”** means the service provided by SaskEnergy to deliver gas from the Point of Receipt through SaskEnergy’s infrastructure to the Point of Delivery.
- (r) **“Delivery Service Customer”** means a Customer of Gas Retailer who has contracted for SaskEnergy’s Delivery Services.
- (s) **“Effective Date”** means the date this Gas Retailer Tariff is effective as set out in the Gas Retailer’s Service Agreement with SaskEnergy.
- (t) **“Emergency Supply Charge”** means the charge to be assessed by SaskEnergy as defined in Article 21 of Schedule 1.
- (u) **“Failure to Supply”** means the failure of a Gas Retailer to supply all or any portion of the quantity of gas required to be supplied in accordance with this Schedule at the Point of Receipt.
- (v) **“Gas Retailer”** means the party, other than SaskEnergy, which has entered into a Gas Retailer Services Agreement for the supply of Gas Retailer’s Customer’s gas to the Point of Receipt for ultimate delivery to the Point of Delivery.
- (w) **“Gas Retailer Tariff”** means the Gas Retailer Tariff as amended from time to time.

- (x) **“Gas Retailer’s Storage Account”** means the allocation of storage capacity designated to the Gas Retailer as described in Article 12 of Schedule 1.
- (y) **“Gigajoule (GJ)”** means 1,000,000,000 joules.
- (z) **“GST”** means the goods and services tax imposed under *The Excise Tax Act (Canada)* as amended or any successor or parallel legislation whether federal or provincial or otherwise that is intended to impose a tax on the provision of services or goods under this Schedule.
- (aa) **“Heating Value”** shall be determined by Transporter at the Point of Delivery and shall be expressed in Megajoules per Cubic metre. This heating value may be a deemed heating value for a general area as determined by SaskEnergy or Transporter if there is no heat value measurement available at the specific Delivery Point.
- (bb) **“Joule” or “J”** means the amount of work done when the point of application of a force of one (1) Newton is displaced a distance of one (1) meter in the direction of the force.
- (cc) **“Maximum Storage Balance”** means the maximum capacity to which the Gas Retailer’s Storage Account may be filled as described in Service Specification “A”.
- (dd) **“Megajoule” or “MJ”** mean 1,000,000 joules.
- (ee) **“Month”** means a period of time beginning at 09:00 central standard time on the first day of a calendar month and ending immediately prior to 09:00 hours central standard time on the first day of the succeeding calendar month.
- (ff) **“Monthly Administration Fee”** means a fee charged to Gas Retailer by SaskEnergy for administrative costs.
- (gg) **“Monthly Billing Fee”** means the fee charged by SaskEnergy to the Gas Retailer for generating a bill to Gas Retailer’s Customers.
- (hh) **“Municipal Payments”** means an amount as a payment in lieu of taxes as required under *The SaskEnergy Act* and *The SaskEnergy Regulations*, as amended from time to time, to be remitted to certain municipal governments
- (ii) **“Net Funds”** means the amount calculated by aggregating the Total Billed Funds on behalf of Gas Retailer less all Third Party Payments under this Gas Retailer Tariff, and any other sums owed to SaskEnergy under the Gas Retailer Tariff.

- (jj) **“Point of Delivery”** means the natural gas meter located at the address for service for natural gas supply Customers to which SaskEnergy provides gas to Customers through Delivery Services.
- (kk) **“Point of Receipt”** shall be the TransGas Energy Pool as defined by the Transporter, TransGas Limited.
- (ll) **“Prime Rate”** means the annual rate of interest established by TD Canada Trust from time to time as the referenced rate it will use to determine the rates of interest on loans made in Canada and designated by it as its prime rate.
- (mm) **“Rate Change Read”** means an additional meter read performed outside of SaskEnergy’s regular meter reading schedule, as requested by the Gas Retailer, or for any customer switching to a different gas supplier.
- (nn) **“Required Storage Balance”** means the minimum capacity to which the Gas Retailer’s Storage Account is required to be filled as described in Article 12 of Schedule 1.
- (oo) **“SaskEnergy’s Gas Consumption Charge”** means the Gas Consumption Charge, as defined in SaskEnergy’s Terms and Conditions of Service Schedule, in effect at the time of the Service Transfer Notice.
- (pp) **“Operating Plan”** means SaskEnergy’s ongoing operating plans and system requirements which are amended by SaskEnergy annually.
- (qq) **“Security”** means any letters of credit, guarantees or similar financial or other assurances given by the Gas Retailer, or others on behalf of the Gas Retailer, from time to time to SaskEnergy to secure payment or performance under this Schedule 1, in a form and format acceptable to SaskEnergy.
- (rr) **“Service Specification “A””** means a list of various details relating to the quantity and terms and conditions relating to the supply of gas attached hereto.
- (ss) **“Service Transfer Date”** means the effective date on which a Customer changes its gas supplier to a Gas Retailer, or from a Gas Retailer to SaskEnergy.
- (tt) **“Service Transfer Notice”** means a written notice in a form acceptable to SaskEnergy to be provided by Gas Retailer (or the Customer) to SaskEnergy to advise of a new Customer or proposed transfer of a Customer to a Gas Retailer, or from Gas Retailer to SaskEnergy.

- (uu) **“Shortfall”** means the difference between the quantity of gas required to be supplied at TEP by Gas Retailer in accordance with this Schedule and the quantity of gas actually delivered or supplied at TEP by the Gas Retailer;
- (vv) **“Exit Charge”** means the charge to be paid to SaskEnergy as described in Article 4 of Schedule 1.
- (ww) **“Return Charge”** means the charge to be paid to SaskEnergy as described in Article 22 of Schedule 1.
- (xx) **“Storage”** means the storage service for natural gas provided by TransGas Limited.
- (yy) **“Supply Schedule”** means the quantity of gas to be supplied by the Gas Retailer at the Point of Receipt as specified in Schedule 1.
- (zz) **“Terms and Conditions of Service Schedule”** means SaskEnergy Incorporated’s terms and conditions of service schedule pursuant to Section 16 of *The SaskEnergy Act*, as amended or replaced from time to time.
- (aaa) **“Third Party Payments”** means payments required to be remitted to certain municipalities or to the federal government as GST.
- (bbb) **“Transition Plan”** means the transition plan for adding or deleting Customers as defined in Article 11 of Schedule 1.
- (ccc) **“Tolerance Zone”** means the tolerance zone relating to gas balancing as defined in Service Specification A.
- (ddd) **“Total Billed Funds”** means the total cumulative sum billed to Gas Retailer’s Customers, including taxes and third-party payments.
- (eee) **“TransGas Energy Pool”** or **“TEP”** means the notional point as identified by TransGas Limited, at which the Gas Retailer’s gas is supplied to SaskEnergy for Delivery Service to Gas Retailer’s Customers.
- (fff) **“Transporter”** means TransGas Limited or its successors.
- (ggg) **“Transporter’s General Comprehensive Tariff”** means the Transporter’s then current comprehensive tariff or terms and conditions of service, as amended or replaced from time to time.

## Term

2.1 This Gas Retailer Tariff shall be effective on the Effective Date, and subject to the provisions of this Gas Retailer Tariff, shall continue in force and effect for an initial term from such Effective Date until October 31 of the same year, and thereafter, from Contract Year to Contract Year, subject to cancellation after the initial term or after the end of any renewal term by either party upon sixty (60) days' prior written notice to the other party. In the event of a cancellation or termination for any reason other than a Default (as defined in Section 22.1 of the Gas Retailer's Supply Schedule) of the Gas Retailer, an Event of Default (as described in Section 22.3 of the Gas Retailer's Supply Schedule), or a material breach of the Gas Retailer (as described in Section 15.1 of the Billing and Collection Services Schedule) the effect of cancellation or termination will be that Gas Retailer may not enter into any new Customer contracts after the date of cancellation or termination.

## Schedules

3.1 Gas Retailer and SaskEnergy agree that the following Schedules shall be incorporated into and shall form an integral part of this Gas Retailer Tariff:

- (a) **Schedule 1 – Gas Retailer's Supply Schedule**
- (b) **Schedule 2 – Billing and Collection Services Schedule**
- (c) **Schedule 3 – Rates and Charges**
- (d) **Schedule 4 – Code of Conduct**
- (e) **Schedule 5 – Minimum Contract Terms**
- (f) **Schedule 6 – Dispute Resolution**
- (g) **Schedule 7 – Customer Enrolment Forms**

3.2 Unless otherwise provided for in the Schedules hereto, SaskEnergy may terminate this Gas Retailer Tariff on written notice to the Gas Retailer if the Gas Retailer is in breach of this Gas Retailer Tariff or any of the Schedules hereto and fails to cure such breach to SaskEnergy's satisfaction within fifteen (15) days of receipt of notice of the breach from SaskEnergy.

3.3 The Gas Retailer shall obtain a signed appointment of agent and disclosure statement from each of its Customers as set out by the Code of Conduct (Schedule 4), in exactly the form attached as Appendix E to Schedule 7 (the "Appointment of Agent and Disclosure Statement"). The Gas Retailer acknowledges that the Appointment of Agent and Disclosure Statement also acts as a written consent for SaskEnergy to release the Customer's personal information to the Gas Retailer, and agrees that it is the responsibility of the Gas Retailer to obtain, review and retain that consent on SaskEnergy's behalf.

By enrolling a Customer the Gas Retailer represents to SaskEnergy that such Appointment of Agent and Disclosure Statement is in place and the Gas Retailer is entitled to the information described therein. Notwithstanding anything in this Gas Retailer Tariff or the Schedules hereto, and without limiting SaskEnergy's rights thereunder, Gas Retailer shall obtain a signed Appointment of Agent and Disclosure Statement in accordance with Schedule 7 and shall preserve the original Appointment of Agent and Disclosure Statement for the life of the Gas Retailer's contract with the Customer, plus two years.

- 3.4 All Appointment of Agent and Disclosure Statements shall be provided by Gas Retailer to SaskEnergy within five business days of SaskEnergy's request, at Gas Retailer's expense. Whether SaskEnergy obtains, verifies or reviews individual Appointment of Agent and Disclosure Statements shall be in SaskEnergy's sole discretion. Unless otherwise provided for herein, each party shall provide the other, at the requesting party's expense, with true copies of any other document required to be preserved under this Gas Retailer Tariff, or the Schedules hereto (including without limitation Sections 17.4 and 18.4 of Schedule 1) within seven (7) days of receipt of a request. Further, each party shall have the right, at its own expense, upon reasonable notice and at reasonable times, to attend at the premises of the other party and to examine said documents. Provided however, that copies or access to books and records shall only be requested or afforded where reasonably necessary to ensure compliance with the Code of Conduct, to verify the existence and sufficiency of Appointment of Agent and Disclosure Statements, or to verify the accuracy of any statement, charge, payment, or computation made under this Gas Retailer Tariff.
- 3.5 All references to TransGas Limited in this Gas Retailer Tariff or the Schedules hereto shall be deemed a reference to TransGas Limited, its successors and assigns. All references to a party to this Gas Retailer Tariff, or the Schedules hereto, shall be deemed a reference to that party, its successors and permitted assigns.

### **Representations and Warranties**

- 4.1 SaskEnergy represents and warrants to Gas Retailer that it is a corporation duly incorporated, validly existing and in good standing under the laws of Saskatchewan and has the requisite power, capacity and corporate authority to enter into this Gas Retailer Tariff and the Schedules hereto and to carry out its terms to the full extent.
- 4.2 Gas Retailer represents and warrants to SaskEnergy that it is duly organized, validly existing and in good standing under the laws of its organization or incorporation and has the requisite power, capacity and authority to enter into

this Gas Retailer Tariff and the Schedules hereto and to carry out its terms to the full extent.

### **Indemnifications and Limitations on Liabilities**

- 5.1 Subject to the other provisions contained in this Gas Retailer Tariff, Gas Retailer shall be liable to SaskEnergy for all claims, damages, expenses, liabilities and losses whatsoever which SaskEnergy may bear, sustain, pay, incur or suffer as a result of or in connection with any negligent act or omission, any willful misconduct or default on the part of Gas Retailer with respect to any of its obligations assumed under the provisions of this Gas Retailer Tariff.
- 5.2 Gas Retailer shall indemnify and save harmless SaskEnergy of and from all manner of actions, causes of action, proceedings, claims, demand, losses, costs, damages and expenses whatsoever which may be brought or made against SaskEnergy or which SaskEnergy may sustain, pay or incur as a result of or in connection with any breach on the part of Gas Retailer with respect to any of its obligations assumed under the provisions of this Gas Retailer Tariff or as a result of the negligence or willful misconduct of Gas Retailer, its employees, agents, or contractors. In the event any such manner of action, cause of action, proceeding, claim, demand, loss, costs, damage or expenses is caused by the concurrent negligence or willful default of SaskEnergy, Gas Retailer shall be relieved of its obligation to indemnify SaskEnergy to the extent such manner of action, cause of action, proceeding, claim, demand, loss, costs, damage or expenses was caused by such concurrent negligence or willful default.
- 5.3 Notwithstanding any provision of this Gas Retailer Tariff or any Schedule, in no event shall SaskEnergy be liable to Gas Retailer for loss of anticipated profits or revenues, loss by reason of plant or other facility shutdown, cost of purchased or replacement gas or other alternative forms of fuel, claims of Gas Retailer's Customers or for any special or consequential loss or damage of any nature, whether similar or dissimilar to those enumerated above, arising at any time or from any cause whatsoever. SaskEnergy's total liability under the Gas Retailer Tariff and its Schedules for any cause whatsoever shall be limited to the total amount of fees paid by Gas Retailer to SaskEnergy under the Gas Retailer Tariff for the six (6) month period prior to the first event that gave rise to the first claim.

### **Miscellaneous**

- 6.1 Gas Retailer shall provide such assurances and information as SaskEnergy may reasonably require respecting any Services to be provided pursuant to this Gas Retailer Tariff, as detailed in the provisions of the Schedules attached hereto.
- 6.2 Time shall be the essence of this Gas Retailer Tariff.

- 6.3 This Gas Retailer Tariff shall be governed by and interpreted in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein.
- 6.4 This Gas Retailer Tariff shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, provided that no party hereto may assign its interest herein or hereunder, in whole or in part, without the prior written consent of the other party which consent may be reasonably withheld by any such party.
- 6.5 The division of this Gas Retailer Tariff into articles, sections, paragraphs, subsections and clauses and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Gas Retailer Tariff. The parties hereto acknowledge that they have reviewed and participated in settling the terms of this Gas Retailer Tariff and the parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the interpretation of this Gas Retailer Tariff.
- 6.6 In the event of a conflict between the provisions of this Gas Retailer Tariff and any Schedule, the provisions of this Gas Retailer Tariff will govern to the extent of the inconsistency.
- 6.7 The Schedules shall form an integral part of this Gas Retailer Tariff.
- 6.8 This Gas Retailer Tariff, its terms and conditions and all data, documents and information of a confidential nature concerning the business or assets of either party to this Gas Retailer Tariff which is made available or disclosed to the other party hereto pursuant to the terms of this Gas Retailer Tariff, shall be kept and maintained on a confidential basis by the party which is the recipient thereof. Provided that, the name, address and contact information of Gas Retailer, Schedule 4, Schedule 5, Schedule 6 and Schedule 7, shall not be confidential and may be freely disclosed by SaskEnergy. Each party shall implement such measures and shall take such precautions as may be reasonably necessary to endeavor to ensure the confidentiality of all such information. Notwithstanding the foregoing, either party may, without consultation with or notice to any other party, from time to time disclose such confidential information where necessary to facilitate the dispute resolution process outlined in Schedule 6, or to any court, government, governmental agency, regulatory body or quasi judicial agency at any time and from time to time, and may, thereby, cause such confidential information to become a part of the public record, if and to the extent that may be required by any such agency or the rules, regulations, procedures, requirements or practices of any such agency. This Article shall survive termination or expiration of this Gas Retailer Tariff.

6.9 SaskEnergy shall be, in the first instance, the initial interpreter of the requirements of this Gas Retailer Tariff and judge of the performance by both parties. Interpretations and decisions of SaskEnergy shall be consistent with the intent of the Gas Retailer Tariff to foster and uphold a sense of responsibility toward Customers and toward the general public by all those engaged in Commodity Sale of natural gas and related services in the province of Saskatchewan.

## **Schedule 1 – Gas Retailer’s Supply Schedule**

### ARTICLE 1 – MODIFICATION

- 1.1 SaskEnergy may change the provisions of this Schedule from time to time. These changes may include, without limitation, changes to fees payable by the Gas Retailer. SaskEnergy will notify the Gas Retailer of any change in this Schedule by mail, hand delivery, electronic mail, or facsimile transmission.

### ARTICLE 2 – CONDITIONS FOR GAS RETAILER SUPPLY

- 2.1 The following shall be conditions precedent for the sale of natural gas by a Gas Retailer to any Customer:
  - (a) That the Gas Retailer has executed a Gas Retailer Services Agreement with SaskEnergy and has provided Security to SaskEnergy as required under this Schedule;
  - (b) The Gas Retailer has complied with all bonding and licensing requirements for the sale and marketing of natural gas under *The Consumer Protection and Business Practices Act*, S.S. 2013, c.C-30.2, and *The Direct Seller’s Act*, R.S.S. 1978, c.D-28, both as amended, as they pertain to the Gas Retailer’s operations;
  - (c) The Gas Retailer being in compliance with all provisions of this Schedule, the Billing and Collection Services Schedule, and the Code of Conduct; and
  - (d) The Customer has provided SaskEnergy with any deposit or security required by SaskEnergy pursuant to its Terms and Conditions of Service Schedule.
- 2.2 Classes of SaskEnergy Customers eligible for gas supply by Gas Retailers and Delivery Service are the Residential Service, Farm Service, General Service II and General Service III classes as defined in SaskEnergy’s General Terms and Conditions of Service Schedule, and any other Customer class in which Customers consume a volume of less than 660,000 m<sup>3</sup> of gas per year. This eligibility is established by SaskEnergy pursuant to relevant legislation and policies and is subject to change if relevant legislation or policy changes.
- 2.3 This Schedule applies to the supply of gas by the Gas Retailer to SaskEnergy on behalf of the Gas Retailer’s Customers.

## ARTICLE 3 – SECURITY

### 3.1 **Security**

Security of \$250,000 in the form of a letter of credit shall be payable by Gas Retailer to SaskEnergy on execution of the Gas Retailer Services Agreement. If estimated annual load of Gas Retailer, as determined by SaskEnergy based on annual enrollments, is greater than 250,000GJ/year, then the Gas Retailer must provide an additional \$250,000 letter of credit for a total of \$500,000 in available credit. If SaskEnergy has reasonable grounds for insecurity, including the inadequacy of previously granted Security, regarding the payment, performance or enforceability of any obligation of Gas Retailer under the Gas Retailer Services Agreement or the Gas Retailer Tariff and its Schedules, SaskEnergy may demand additional Security, whether or not a default or non-performance has occurred.

Estimated Annual Load	Letter of Credit Required
0 to 250,000GJ per year	\$250,000
Greater than 250,000GJ per year	\$500,000

The amount of the Security demanded, in aggregate, shall not exceed the reasonably foreseeable obligations of the Gas Retailer on default, suspension or termination of the Gas Retailer Services Agreement or the Gas Retailer Tariff and its Schedules, before any permissible deduction or set off. Customer shall provide the requested Security to SaskEnergy within five (5) days of SaskEnergy's request, to be held in accordance with the terms of this Schedule. The Gas Retailer hereby agrees and acknowledges that all Security deposited with SaskEnergy from time to time is free and clear from any encumbrances, charges or liens ranking in priority to or equal with SaskEnergy.

To secure its obligations under the Gas Retailer Tariff and its Schedules, to the extent it delivers Security hereunder, Gas Retailer hereby grants to SaskEnergy, as secured party, a present and continuing security interest in, lien on, and right of setoff against, all Security, and any and all proceeds resulting therefrom, held by or on behalf of SaskEnergy. The Gas Retailer hereby authorizes SaskEnergy to file such financial statements, financing change statements, and other documents and do such acts, matters and things (including, without limitation, completing and adding schedules hereto identifying the collateral) as SaskEnergy may deem appropriate to perfect and continue the security interest, to protect and preserve the collateral and to realize upon the security interest and the Gas Retailer hereby irrevocably constitutes and appoints SaskEnergy the true and lawful attorney of Gas Retailer, with full power of substitution, to do any of the foregoing in the name of the Gas Retailer whenever and wherever it may be deemed necessary or

expedient. Notwithstanding the foregoing, the Gas Retailer further agrees to take such further action and execute and deliver all such further deeds and documents as SaskEnergy may reasonably require in order to perfect, maintain, and protect SaskEnergy's security interest in such collateral.

### **3.2 Draw Down**

SaskEnergy will be entitled to realize upon, use or draw down the Security in respect of amounts due and owing pursuant to the terms of this Agreement on ten (10) Business Days Notice or immediately on termination or suspension of the Gas Retailer Services Agreement or the Gas Retailer Tariff and its Schedules. For greater certainty, SaskEnergy may (i) exercise any of the rights and remedies of a secured party under applicable law with respect to all Security; (ii) exercise its right of setoff against any and all Security; (iii) draw on any letter of credit issued for its benefit, and (iv) liquidate all Security then held by SaskEnergy free from any claim or right of any nature whatsoever of Gas Retailer. SaskEnergy shall either apply the proceeds of the Security realized upon exercise of such rights or remedies to reduce the Gas Retailer's obligations under the Gas Retailer Tariff and the Gas Retailer shall remain liable for any amounts owing to SaskEnergy after such application, subject to SaskEnergy's obligation to return any surplus proceeds remaining after such obligations are satisfied in full, or hold such surplus proceeds as collateral security for the Gas Retailer's obligations under the Gas Retailer Services Agreement or the Gas Retailer Tariff and its Schedules.

### **3.3 Bonding and Licensing**

Gas Retailer acknowledges that SaskEnergy will provide information to the Ministry of Justice and Attorney General for Saskatchewan regarding the quantity and cost of gas sold by the Gas Retailer to enable the Ministry of Justice and Attorney General for Saskatchewan to monitor the licensing and bonding amounts required pursuant to relevant legislation. SaskEnergy will notify the Ministry of Justice and Attorney General for Saskatchewan of all Gas Retailers with whom which it has entered into a Gas Retailer Services Agreement.

### **3.4 Financial Information**

Upon request, or as soon as publicly available, each party agrees to deliver to the other (i) the annual audited consolidated financial statements of such party or such party's guarantor, as applicable; and (ii) the quarterly unaudited consolidated financial statements of such party or such party's guarantor, as applicable, in each case then prepared in accordance with generally accepted accounting principles. Failure to deliver such financial statements within 5 business days following the request, or within 5 days of same becoming publicly available, shall constitute a material breach, provided that, for all purposes hereof, posting of financial statements by a party on its website or

on SEDAR.com shall constitute effective delivery thereof to the other party as at the date of such posting and provided further that such posting is maintained until the subsequent annual or quarterly financial statements, as applicable, are similarly posted.

#### ARTICLE 4 – NOTIFICATION OF SERVICE TRANSFER FROM SASKENERGY FULL SERVICE, OR FROM GAS RETAILER TO GAS RETAILER GAS SUPPLY

##### 4.1 **Notice**

Gas Retailer who is receiving the Customer shall notify SaskEnergy that new or existing Customers wish to purchase natural gas directly from the Gas Retailer and to become Gas Retailer's Customers while remaining Delivery Service Customers of SaskEnergy. SaskEnergy requires a Service Transfer Notice, and will permit transfer of the Customer to the receiving Gas Retailer (or establishment of a new Gas Retailer's Customer) upon completion of the following criteria:

- (a) The conditions precedent described in section 2.1;
- (b) The receiving Gas Retailer (or the Customer) providing SaskEnergy with the Service Transfer Notice by 11:59 PM CST on September 1 prior to a Service Transfer Date of November 01;
- (c) The term of any gas supply contract with receiving Gas Retailer's Customers must be for a minimum of one (1) year from the Service Transfer Date; and
- (d) The receiving Gas Retailer being in compliance with all other provisions of the Gas Retailer Tariff.

##### 4.2 **Exit Charge**

In the event that the receiving Gas Retailer or the Gas Retailer's Customer fails to meet all the conditions for the transfer of gas supply described in section 4.1(b), SaskEnergy may, at its sole discretion, refuse to transfer the Customer to the receiving Gas Retailer, or SaskEnergy may charge a Exit Charge to the Customer or to the receiving Gas Retailer on behalf of the Customer, at SaskEnergy's sole discretion.

##### 4.3 **Exit Charge Calculation**

The Exit Charge is calculated as follows:

$$\text{Exit Charge} = Q \times P$$

where:

Q -means the quantity of the Customer's estimated consumption (in Gigajoules) for the period from the Service Transfer Date of the Customer to November 1 of the following year; 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 November 1 of the following year.

If the price of gas utilizing this formula is zero or less, there shall be a minimum Exit Charge applied per meter. For Residential meters, the minimum Exit Charge shall be \$100.00 per meter and for Commercial meters, the minimum Exit Charge shall be \$250.00 per meter.

For the purposes of these calculations, the market price shall be the bid side of the market price of gas per Gigajoule at AECO/NIT for the period referenced above, , adjusted for the basis differential to 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 November 1 of the following year.

#### 4.4 **Gas Retailer's Customer Relocation**

Gas supply service is specific to the Customer and the premises. If Gas Retailer's Customers transfer premises and wish to continue gas supply service at the new premises, SaskEnergy must be provided with a minimum of thirty (30) days' advance notice, together with a new Appointment of Agent and Disclosure Statement and all other information as required in the Gas Retailer Tariff.

### ARTICLE 5 – NOTIFICATION OF SERVICE TRANSFER FROM TRANSGAS DIRECT PURCHASE TO GAS RETAILER GAS SUPPLY SERVICE

- 5.1 Gas Retailer may notify TransGas that existing direct purchase Customers wish to purchase natural gas directly from the Gas Retailer and to become Gas Retailer's Customers. SaskEnergy requires a Service Transfer Notice and will permit transfer of the Customer to the Gas Retailer upon completion of the following criteria:

- (a) The conditions precedent described in section 2.1;
- (b) Gas Retailer (or the Customer) providing the Service Transfer Notice a minimum of thirty (30) days prior to the Service Transfer Date;
- (c) The Gas Retailer meeting SaskEnergy's storage requirements as specified in Article 12 and 13;
- (d) The term of any gas supply contract with Gas Retailer's Customers must be for a minimum of one (1) year from the Service Transfer Date; and.
- (e) Gas Retailer being in compliance with the other provisions of the Gas Retailer Tariff.

5.2 In the event that the Gas Retailer fails to meet all conditions for the transfer of service set forth above, SaskEnergy may refuse to transfer Customer to Gas Retailer.

#### ARTICLE 6 – CUSTOMER INFORMATION

- 6.1 If requested by Customer or Gas Retailer on behalf of Gas Retailer's Customer, SaskEnergy will provide, within a reasonable period of time and upon receipt of a Service Transfer Notice, information regarding annual quantity of gas historically consumed by that Customer in the past two years. For greater certainty, SaskEnergy is not required to share Customer's payment history or collection history with Gas Retailer.
- 6.2 Where SaskEnergy learns that a Customer has moved, or intends to move, SaskEnergy will provide Gas Retailer with the effective date, and the forwarding address of Customer, where SaskEnergy is in possession of that information. Where Gas Retailer learns that a Customer has moved, or intends to move, Gas Retailer will provide SaskEnergy with the effective date, and the forwarding address of Customer, where Gas Retailer is in possession of that information.
- 6.3 Pursuant to its Terms and Conditions of Service Schedule and *The SaskEnergy Regulations*, SaskEnergy may discontinue Delivery Service, *inter alia*, where a Customer enters into an assignment in bankruptcy or is insolvent. SaskEnergy will advise Gas Retailer and Gas Retailer shall advise SaskEnergy when either learns that a Customer (i) has become insolvent (however evidenced); (ii) has commenced, authorized or acquiesced 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; or (iii) has made an assignment or any general arrangement for the benefit of its creditors.

6.4 On notifying SaskEnergy that new or existing Customers wish to purchase natural gas directly from the Gas Retailer and to become Gas Retailer's Customers while remaining Delivery Service Customers of SaskEnergy, and thereafter on request of SaskEnergy, Gas Retailer will provide SaskEnergy with Customer's name, service address and SaskEnergy account number.

#### ARTICLE 7 – SASKENERGY DELIVERY SERVICES

7.1 Subject to the provisions of the Gas Retailer Tariff and its Schedules, SaskEnergy will accept Gas Retailer's gas at the Point of Receipt and deliver gas to Gas Retailer's Customers at the Point of Delivery in accordance with SaskEnergy's standard published Terms and Conditions of Service Schedule at the rates and charges specified in SaskEnergy's Terms and Conditions of Service Schedule for such Delivery Service, as amended from time to time.

7.2 Gas Retailer, on its own behalf and on behalf of Gas Retailer's Customers, acknowledges that SaskEnergy may disconnect or withhold service to a Gas Retailer's Customers in the event Gas Retailer's Customers fail to meet required service conditions as outlined under *The SaskEnergy Act*, *The SaskEnergy Regulations*, SaskEnergy's policies and SaskEnergy's Terms and Conditions of Service Schedule, or default in the payment of sums required to be paid to SaskEnergy.

7.3 Notice of disconnection of Gas Retailer's Customer will be provided to Gas Retailer as soon as practical.

#### ARTICLE 8 – RECEIPT OF GAS AND TRANSFER OF CUSTODY

8.1 Gas Retailer acknowledges and agrees on its own behalf and on behalf of Gas Retailer's Customers that supply of gas shall be subject to the requirements of the Gas Retailer Tariff and its Schedules and agrees that all gas supplied to the Point of Receipt shall meet and comply, without limitation, with the following:

(a) Gas Retailer shall supply gas purchased on behalf of Gas Retailer's Customers to SaskEnergy at the Point of Receipt. All quantities of gas to be supplied by Gas Retailer and accepted by SaskEnergy pursuant to the Gas Retailer Tariff and its Schedules shall be supplied on a firm basis at the Point of Receipt.

(b) That gas for delivery to Gas Retailer's Customers shall be under the exclusive control of SaskEnergy from the time such gas is accepted by SaskEnergy at the Point of Receipt until it is delivered to the Gas Retailer's Customers' Point of Delivery.

(c) That SaskEnergy does not dedicate any portion of its pipeline network or infrastructure for the Gas Retailer's Customers, and all routing and distribution of gas shall be at SaskEnergy's discretion and performed exclusively by SaskEnergy in accordance with its distribution franchise. SaskEnergy will charge Gas Retailer's Customers rates as specified in its Terms and Conditions of Service Schedule for the Delivery Services. SaskEnergy agrees to take possession or custody of Gas Retailer's gas at the Point of Receipt. SaskEnergy shall, at no time, obtain ownership of the gas delivered by the Gas Retailer.

## ARTICLE 9 – WARRANTIES

### 9.1 **Title**

Gas Retailer hereby warrants and represents to SaskEnergy that at the Point of Receipt Gas Retailer has good right, title and interest to all gas for which the custody is transferred to SaskEnergy hereunder, and has the authority to sell the gas to the Gas Retailer's Customers free and clear of all liens, charges, encumbrances and adverse claims of every nature and kind whatsoever.

### 9.2 **Permits and Approvals**

The Gas Retailer has obtained all necessary removal permits from the province of production and any and other necessary regulatory approvals, certificates, permits, licenses and authorizations which are necessary for the transfer of custody of gas at the Point of Receipt for ultimate delivery to the Gas Retailer's Customers.

## ARTICLE 10 – POINT OF RECEIPT

### 10.1 **Point of Receipt**

The Point of Receipt for all gas delivered and accepted hereunder shall be the TransGas Energy Pool.

## ARTICLE 11 – SUPPLY SCHEDULE

### 11.1 **Calculation of ADQ**

The Average Daily Quantity of gas to be supplied by Gas Retailer will be calculated as follows: the estimated annual consumption of all of the Gas Retailer's Customers that were successfully enrolled as per the requirements of Schedule 7, divided by the number of days in the year for which the ADQ is being calculated.

### 11.2 **Service Specification "A"**

Attached as Service Specification "A" is a list of various details relating to the quantity and terms and conditions relating to the supply of gas. This Service Specification and Supply Schedule are subject to SaskEnergy's Operating Plan.

### 11.3 **Transfer Adjustment for Customers**

Upon a Customer being eligible for gas supply from the Gas Retailer pursuant to the provisions of this Gas Retailer Tariff, SaskEnergy will provide a transition plan ("the Transition Plan") to the Gas Retailer to address the following:

- (a) Any action required to meet SaskEnergy storage requirements as further described in Article 12 and Article 13;
- (b) An initial calculation of proposed or revised ADQ pursuant to section 11.1 (or upon Customer being transferred to SaskEnergy or another Gas Retailer) as of the Service Transfer Date;
- (c) The proposed or revised ongoing quantity of gas to be supplied by Gas Retailer to Point of Receipt calculated in accordance with Service Specification "A";
- (d) Any other action reasonably required by SaskEnergy pursuant to the Gas Retailer Tariff.

### 11.4 **Supply of Gas**

Gas Retailer agrees to supply to the Point of Receipt the quantity of gas described in the Supply Schedule as described in this Article 11, including any initial or ongoing supplies identified in the Transition Plan.

## ARTICLE 12 – ALLOCATION OF STORAGE CAPACITY

- 12.1 The Gas Retailer acknowledges that Customer's annual gas consumption varies with actual weather conditions. The Gas Retailer also acknowledges that storage plays an integral role in balancing the supply of gas with ultimate delivery of gas to the Point of Delivery. SaskEnergy will determine an allocation of SaskEnergy Storage capacity for the Gas Retailer to establish the Gas Retailer's Storage Account. This allocation will be calculated prorata based on the estimated aggregate annual consumption of Gas Retailer's Customers versus SaskEnergy's total estimated aggregate annual consumption of SaskEnergy's customers.

12.2 The Gas Retailer shall establish and maintain at all times the required minimum quantity in Gas Retailer's Storage Account in accordance with Service Specification "A", which will be the Required Storage Balance.

#### ARTICLE 13 – SALE OF SASKENERGY GAS IN STORAGE

13.1 Should Gas Retailer provide a Service Transfer Notice after the start of the storage injection period (June 01 to November 01), SaskEnergy may, at its option, require Gas Retailer to purchase a proportionate share of the gas that SaskEnergy has injected into storage from June 1<sup>st</sup> to the date of the Services Transfer Notice. The amount of the gas that may be sold to Gas Retailer will be established by SaskEnergy, and shall be limited to the prorata share of the gas injected into storage based on the estimated annual consumption of the Gas Retailer's Customers for which the Service Transfer Notice was received, divided by the estimated annual consumption of SaskEnergy's customers prior to the receipt of the Service Transfer Notice.

13.2 The sale price of gas for each month will be the monthly market price of gas at TEP, weighted by the quantity of gas injected into storage by SaskEnergy during the applicable months. The sale price will be based on the monthly AECO/NIT price as per the Canadian Gas Price Reporter Line 5A adjusted for the then current basis differential to TEP, plus a gas management fee of two (2) cents per GJ.

13.3 SaskEnergy reserves the right to require the Gas Retailer to receive or deliver any TEP trade in the event the Gas Retailer's gas storage allocation changes based on forecasted load requirements. Specifically, the Gas Retailer must receive or deliver any TEP trade for storage inventory within 5 days.

#### ARTICLE 14 – GAS RETAILER'S STORAGE ACCOUNT

14.1 Gas Retailer's Storage Account is available to SaskEnergy for the purposes of balancing Gas Retailer's aggregate gas supply to the Point of Receipt and the aggregate of Gas Retailer's Customers' consumption at the Point of Delivery.

14.2 **Calculation**

SaskEnergy will assess the actual level of Gas Retailer's Storage Account calculated using the following formula:

$$S + T - D + A = B$$

where:

S - Gas Retailer's Storage balance forward (GJ's)

- T - Quantity of gas supplied by the Gas Retailer to the Point of Receipt
- D - Quantity of gas delivered to Gas Retailer's Customers at Point of Delivery as determined by SaskEnergy's billing, metering and estimating systems
- A - Adjustment to previous estimates
- B - New Storage balance (GJ's)

Given that actual quantity of gas delivered to Customer are not known on a daily or weekly basis, estimates of the deliveries will be made by SaskEnergy to determine the Gas Retailer's Storage Account.

- 14.3 SaskEnergy will provide a Balance Report (daily, weekly or monthly) on the status of Gas Retailer's Storage Account as compared to the Gas Retailer's Required Storage Balance. The Balance Report may also describe any corrective action required by the Gas Retailer. The frequency of the Balance Report will be determined by SaskEnergy based on the time of year and other requirements.
- 14.4 The Gas Retailer will take any corrective action as required in the Balance Report including an increase or curtailment of supplies at the Point of Receipt. Corrective action shall commence within three (3) business days from receipt of the Balance Report or from notification by SaskEnergy. It is recognized that no action will be required if the Gas Retailer is within the Tolerance Zone for the applicable period.
- 14.5 If the Gas Retailer fails to complete the corrective action set out in the Balance Report within seven (7) days of receipt (or within one (1) Day in the emergency circumstances described in Service Specification "A"), then:
  - (a) if the Balance Report requires Gas Retailer to obtain additional gas supply, SaskEnergy may buy such gas on behalf of the Gas Retailer pursuant to section 21.1;
  - (b) if the Balance Report requires the Gas Retailer to curtail gas supply at the Point of Receipt, SaskEnergy may reduce its nominations (i.e. suspend acceptance of Gas Retailer's supply) at the Point of Receipt;

Without limiting the foregoing, SaskEnergy may require the Gas Retailer to receive or deliver any TEP trade in the event the Balance Report indicates that the Gas Retailer will be outside storage inventory levels acceptable to SaskEnergy. Specifically, the Gas Retailer must receive or deliver any TEP trade for storage inventory within 5 days.

14.6 If SaskEnergy, acting reasonably, determines that a Gas Retailer may in the future require additional supply or need to curtail supply because of weather or other operational factors to maintain the Gas Retailer's Required Storage Balance, SaskEnergy may provide a notice requiring the Gas Retailer to increase or curtail supply at the Point of Receipt as required. If the Gas Retailer fails to comply with the notice as required, SaskEnergy may take the action described in section 14.5 (a) or (b).

## ARTICLE 15 – SETTLEMENT OF GAS RETAILER'S STORAGE ACCOUNT ON TERMINATION

15.1 In the event the Gas Retailer Tariff is terminated, SaskEnergy will issue a Balance Report to settle any difference between the Gas Retailer's Storage Account and the Required Storage Balance. The Balance Report will include a reconciliation of the total quantity of gas supplied at the Point of Receipt and the total quantity of gas consumed by all Gas Retailer's Customers at the various Points of Delivery over the term of the Gas Retailer Tariff, as well as any required action or settlement. The Gas Retailer shall take the action and pay any settlement outlined in the Balance Report within five (5) days of receipt. If the Gas Retailer fails to do so, SaskEnergy may take the action described in section 14.5(a) or (b) or any other action authorized under the Gas Retailer Tariff.

## ARTICLE 16 – SPECIFICATIONS OF GAS

### 16.1 **General Specifications**

The gas supplied by the Gas Retailer to the Point of Receipt shall meet the standards as to heating value and gas quality specifications as set forth by the Transporter from time to time.

### 16.2 **Common Stream Clause**

All gas supplied hereunder will be supplied from a commingled stream of gas and shall be received on account of the Gas Retailer or Gas Retailer's Customer at the Point of Receipt and delivered on account of Gas Retailer or Gas Retailer's Customer at the Point of Delivery.

## ARTICLE 17 – MEASUREMENT OF GAS AT THE POINT OF RECEIPT

### 17.1 **Measurement**

All gas supplied to the Point of Receipt hereunder shall be measured in Gigajoules by the Transporter in accordance with the Transporter's General Comprehensive Tariff.

## 17.2 **Acceptance of Measurement**

All determinations by Transporter as to quality, quantity, temperature, pressure and heating value of the gas made in accordance with the Transporter's General Comprehensive Tariff shall be accepted and used by the Gas Retailer and SaskEnergy, subject to the right, if any, of either party to question or dispute any such determinations directly with the Transporter. Any determination which has changed as a result of any such question or dispute shall result in a reconciliation to any invoice previously rendered which is based upon an incorrect determination. Any such reconciliation shall be limited to invoices issued two (2) years previously.

## 17.3 **Amendments to Measurement Provisions**

The parties acknowledge the provisions for measurement of gas, operation and maintenance of measuring equipment and the correction of metering errors or failures as designated by Transporter may change from time to time. The parties agree to such changes on the same date that changes to such Transporter's General Comprehensive Tariff, as approved by the relevant regulatory agencies, become effective.

## 17.4 **Preservation of Records**

All books, accounts, records, testing data and recording charts that belong to or are made available to either party hereto and that relate to the delivery, supply, or transportation of gas in respect of the Gas Retailer Tariff, shall be preserved for a period of at least seven (7) years. Microfilms and/or reliable electronic records shall be considered true records.

# ARTICLE 18 – MEASUREMENT OF GAS AT THE POINT OF DELIVERY

## 18.1 **Measurement**

All gas delivered to Point of Delivery of the Gas Retailer's Customers through SaskEnergy's Delivery Services shall be measured in Cubic metres by SaskEnergy in accordance with SaskEnergy's then current Terms and Conditions of Service Schedule. The cubic metres will be converted to gigajoules based on the deemed heating value at the Delivery Point.

## 18.2 **Acceptance of Measurement**

All determinations by SaskEnergy as to the quantity of gas provided to the Point of Delivery and made in accordance with SaskEnergy's Terms and Conditions of Service Schedule shall be accepted and used by the Gas Retailer and SaskEnergy, subject to the right, if any, of either party to question or dispute any such determinations. Any determination which has changed

as a result of any such question or dispute shall result in a reconciliation to any invoice previously rendered which is based upon an incorrect determination. Any such reconciliation shall be limited to invoices issued two (2) years previously.

### **18.3 Amendments to Measurement Provisions**

The parties acknowledge the provisions for measurement of gas, operation and maintenance of measuring equipment and the correction of metering errors or failures as designated by SaskEnergy may change from time to time. The parties agree that any such changes are deemed incorporated into the Gas Retailer Tariff on the same date that the changes to SaskEnergy's Terms and Conditions of Service Schedule become effective.

### **18.4 Preservation of Records**

All books, accounts, records, testing data and recording charts that belong to or are made available to either party hereto that relate to the delivery, supply, or distribution of gas in respect of the Gas Retailer Tariff, shall be preserved for a period of at least seven (7) years. Microfilms or reliable electronic records shall be considered true records.

### **18.5 Meter Reading**

Gas Retailer and SaskEnergy acknowledge that notwithstanding the transfer of gas supply services from SaskEnergy to Gas Retailer in relation to Gas Retailer's Customers, the Gas Retailer's Customers will remain on SaskEnergy's regular meter reading schedule, route and frequency. Notwithstanding the foregoing, an actual meter reading may be required by SaskEnergy for customers switching to Gas Retailer's supply. The actual meter reading shall be obtained by SaskEnergy on or as close as reasonably possible to the Service Transfer Date.

## **ARTICLE 19 – BILLING AND PAYMENT**

### **19.1 Gas Retailer agrees to pay to SaskEnergy the following fees and charges:**

- (a) A Monthly Administration Fee in the amount set forth in Schedule 3 to the Gas Retailer Tariff; and**
- (b) Other fees and charges specified in Schedule 3, Rates and Charges;**

### **19.2 The parties acknowledge that fees and charges referenced herein may be changed from time to time by SaskEnergy.**

### **19.3 (a) SaskEnergy will provide the Gas Retailer with an invoice on or before the fifteenth (15<sup>th</sup>) day of each Month for fees and charges during the**

prior Month, outlining any amount payable for GST in respect of fees, and any amount of fees owing to SaskEnergy.

- (b) For annual charges or payments, SaskEnergy will provide the Gas Retailer with an invoice on or before the fifteenth (15<sup>th</sup>) day of February of the calendar year to which the charge relates, including an amount payable for GST in respect of fees.

19.4 Subject to any amount hereunder becoming due and payable at an earlier time pursuant to the provisions hereof, the invoice amount to the Gas Retailer from SaskEnergy will be due and payable thirty (30) days after the date the invoice is issued. If the due date falls on a weekend or holiday, the invoice will be due on the next Business Day.

19.5 Payments by the Gas Retailer will be made payable to SaskEnergy and may be made by inter-bank transfers, or certified cheque or other approved form of payment. Late payments will bear interest after the due date at the Prime Rate, plus two (2%) percent per annum to and including the date of payment to SaskEnergy of all such amounts.

19.6 SaskEnergy hereby agrees as prescribed by law to collect any GST that is required to be paid in respect of service fees and to remit any such GST to the federal government. SaskEnergy shall provide the Gas Retailer with any information required to enable it to claim an input tax credit. The Gas Retailer hereby agrees to provide SaskEnergy with its registration number for payment of GST and to appoint SaskEnergy acting on its behalf as agent for all matters in respect of GST as set forth in the Gas Retailer Tariff.

19.7 Parties agree that all fees and charges payable pursuant to the Gas Retailer Tariff are exclusive of GST, and that such sums are assessable in addition to the fees and charges prescribed herein. If during the term of the Gas Retailer Tariff, any sales, excise, franchise or revenue tax, carbon tax, or taxes of similar nature or equivalence in effect shall be imposed by any authority on the gas transferred or the service provided hereunder, such that SaskEnergy shall be required to pay such tax then the rates and charges payable hereunder by the Gas Retailer to SaskEnergy shall be increased by the amount of such tax.

## ARTICLE 20 – TERM

### 20.1 **Term**

This Schedule shall continue in force and effect for the period for which the Gas Retailer Services Agreement is in effect.

## ARTICLE 21 – GAS RETAILER’S FAILURE TO SUPPLY

### 21.1 **Emergency Supply Charge**

Except in the case of Force Majeure as described in Article 23 herein, in the event of a Failure to Supply by the Gas Retailer, in addition to any amounts otherwise payable to SaskEnergy in respect of the Gas Retailer Tariff, the Billing and Collection Services Schedule or this Schedule, the Gas Retailer shall pay to SaskEnergy, which payment is defined as the “Emergency Supply Charge,” the following:

- (a) An amount equal to one hundred and fifty (150%) percent of the highest daily price for natural gas at AECO/NIT plus TEP basis, as reported in the Canadian Gas Price Reporter during the Month of the Failure to Supply, which shall apply to the entire Shortfall of supply;
- (b) The transportation costs equal to the cost of transportation for the entire Shortfall of supply from AECO/NIT to TEP for the Month of the Shortfall; and
- (c) Interest from the date of the occurrence of the Failure to Supply at the Prime Rate plus two (2%) percent per annum to and including the date of payment to SaskEnergy of all such amounts.

## ARTICLE 22 – DEFAULT AND TERMINATION

### 22.1 **Notice of Default**

Except for an event of Force Majeure, any material breach of a term or condition of the Gas Retailer Tariff shall constitute a “Default”. Upon the happening of a Default:

- (a) the party not in Default may cause a written notice to be served on the party in Default stating in reasonable detail the nature of the Default, and whether in its opinion, such Default materially and adversely affects its rights as the non-Defaulting party;
- (b) if the Default materially and adversely affects the rights or obligations of the party not in Default and the party in Default does not, within thirty (30) days from the date of its receipt of this notice advising of such effect, remedy the breach referred to in the notice, the party not in Default may, at its option, and without affecting any other remedies available to it, either suspend or terminate the Gas Retailer Services Agreement by written notice, which action shall be effective on the day specified in such notice;

(c) in the event of suspension or termination, the remedies available to SaskEnergy as set forth in this Article shall apply, *mutatis mutandis*. Notwithstanding any suspension of services under this provision, Gas Retailer shall be obligated to pay all charges accruing under the Gas Retailer Tariff.

## 22.2 **Netting, Set-off and Use of Security**

(a) **Netting.** All outstanding obligations to make payment under the Gas Retailer Tariff may be net or offset against each other such that the party owing the greater amount shall make a single payment of the net amount to the other party;

(b) **Set-off.** The parties further agree that upon the suspension, expiry or termination of the Gas Retailer Services Agreement for whatever reason, any amount owing to the Gas Retailer by SaskEnergy (including without limitation any Commodity Revenues payable to Gas Retailer under Schedule 2) may, at the option of SaskEnergy (and without prior notice to the Gas Retailer) be reduced by its set-off against any other amounts owing (whether at such time or in the future or upon the occurrence of a contingency) by the Gas Retailer to SaskEnergy (irrespective of currency) under this or any other agreement or agreements. For this purpose, amounts owing may be converted to Canadian currency by SaskEnergy at the rate of exchange at which SaskEnergy would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency. SaskEnergy will give notice to Gas Retailer of any set-off effected under this Section.

If an obligation is unascertained, SaskEnergy may in good faith estimate the obligation and set-off in respect of the estimate, subject to SaskEnergy accounting to the Gas Retailer when the obligation is ascertained.

Nothing in this Section 22.2 shall be effective to create a charge or other security interest. This Section 22.2 shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract, or otherwise).

(c) **Use of Security.** Without limiting Section 3.2, SaskEnergy may use all or part of any of the Security provided, deposited or paid by the Gas Retailer, in order to recover or set off any amount owing to SaskEnergy as a result of Gas Retailer's failure to pay any rates or charges which may be assessed, or Gas Retailer's failure to carry on business, or Gas Retailer's breach of the Gas Retailer Tariff.

(d) **Return Charge.** Without limiting the foregoing, the Security provided, deposited or paid by the Gas Retailer or any other amount owing from

time to time by the Gas Retailer may be applied to or set off against any Return Charge assessed to or payable by the Gas Retailer or Gas Retailer's Customers.

### **22.3 Events of Default**

Notwithstanding Section 22.1, SaskEnergy may immediately terminate the Gas Retailer Services Agreement or suspend Delivery Service without notice, in the event of the following:

- (a) The failure by the Gas Retailer to make, when due, any payment required under the Gas Retailer Tariff or its Schedules, and Gas Retailer fails to remedy same within 30 days of receipt of written notice;
- (b) Gas Retailer's termination of the Gas Retailer Services Agreement prior to the expiration of the term;
- (c) The Gas Retailer or its guarantor:
  - (i) makes an assignment in bankruptcy or any general arrangement for the benefit of creditors;
  - (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, or have such petition filed against it;
  - (iii) otherwise becomes bankrupt or insolvent (however evidenced); or
  - (iv) is unable to pay its debts as they come due.
- (d) The Gas Retailer fails to provide satisfactory Security when required hereunder;
- (e) The expiration or termination of Security or the failing or ceasing of such Security to be in full force and effect for the purpose of this Schedule (in either case other than in accordance with its terms), prior to the satisfaction of all obligations of the Gas Retailer hereunder, without the written consent of SaskEnergy;
- (f) The Gas Retailer or its guarantor disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, Security provided pursuant to Article 3 at any time during the Term;
- (g) Failure of Gas Retailer to comply with the Code of Conduct;
- (h) Failure of Gas Retailer to continue in the ordinary course of business, in SaskEnergy's sole discretion, including but not limited to suspending or terminating a significant number of Gas Retailer customer contracts;

- (i) Failure of Gas Retailer to continue to carry on the business now being carried on; or
- (j) Failure to abide by SaskEnergy's direction regarding the allocation of storage accounts in accordance with the Tariff.

#### 22.4 **Gas Retailer's Open Contracts**

In the event the Gas Retailer Services Agreement is terminated pursuant to Section 22.1 or 22.3 of this Schedule, the Gas Retailer's gas supply contracts with Gas Retailer's Customers shall be deemed to be terminated. The rights and remedies available to the Gas Retailer's Customers shall be as set forth in those contracts, and Gas Retailer's Customers shall be entitled to seek gas supply service from another Gas Retailer or SaskEnergy.

#### 22.5 **Return Charge**

If the Gas Retailer Services Agreement is terminated for any reason, and Gas Retailer's Customers return to SaskEnergy as SaskEnergy Customers, SaskEnergy may, at its discretion, use the Security posted by the Gas Retailer, or set-off from sums owing to the Gas Retailer, any Return Charge which is assessable to the Gas Retailer or the Gas Retailer's Customers as a result of the transfer of gas supply service without the required notice.

If Gas Retailer or Gas Retailer's Customers wish to be transferred to SaskEnergy gas supply, then the Service Transfer Notice shall be given to SaskEnergy no later than 11:59PM CST on September 1, together with a Service Transfer Date of November 1. The Return Charge calculated as follows:

$$\text{Return Charge} = Q \times P$$

where:

Q - means the Customer's estimated or actual consumption (GJ's), at the sole discretion of SaskEnergy, for the period from the Service Transfer Date of the Customer to November 1 of the following year; 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 November 1 of the following year; less

(b) SaskEnergy's then current Gas Consumption Charge (converted to \$/GJ).

If the price of gas utilizing this formula is zero or less, there shall be a minimum Return Charge applied per meter. For Residential meters, the minimum Return Charge shall be \$100.00 per meter and for Commercial meters, the minimum Return Charge shall be \$250.00 per meter.

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 for the period referenced above, adjusted for the basis differential to 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 November 1 of the following year.

## 22.6 **Rights of SaskEnergy**

SaskEnergy may, at its option, and in addition to any other rights SaskEnergy may have hereunder, at any time after or during the period of an occurrence of a Failure to Supply, failure to pay or other material breach of the Gas Retailer Tariff, SaskEnergy may do one or more of the following:

- (a) SaskEnergy may request an additional amount of Security from the Gas Retailer;
- (b) SaskEnergy may draw down Gas Retailer's Security as provided herein;
- (c) SaskEnergy may cause a suspension of the Gas Retailer Services Agreement for a period, which may be in excess of the period during which the Gas Retailer is in default, or permanently;
- (d) SaskEnergy may terminate the Gas Retailer Services Agreement by notice to the Gas Retailer to be effective upon the date of receipt or deemed receipt;

and in any event, any amount then owed by the Gas Retailer will be immediately due and payable by such Gas Retailer and SaskEnergy will forthwith issue an invoice to the Gas Retailer for such amount.

## ARTICLE 23 – FORCE MAJEURE

### 23.1 **Force Majeure**

If either SaskEnergy or Gas Retailer are rendered unable, in whole or in part, to perform or comply with any covenant, condition or obligation of this Schedule due to an event of Force Majeure, such party shall give written notice to the other party as soon as reasonably possible after the occurrence of such event of Force Majeure, giving full particulars of such event of Force Majeure, including the following:

- (a) indicating that the circumstance of Force Majeure exists;
- (b) the nature of the said Force Majeure;
- (c) the extent to which the said Force Majeure affects the claiming party's performance of any of its obligations under this Schedule; and
- (d) the estimated probable duration of the said Force Majeure.

Subject to the provisions of this Schedule, the obligations of both parties after giving such notice shall, insofar as such obligations are affected by such event of Force Majeure, be suspended during the continuance of such event of Force Majeure, but for no longer period, and the party so prevented from complying with its obligations hereunder shall, to the extent possible, remedy such event of Force Majeure with all reasonable dispatch.

### **23.2 Force Majeure Defined**

The term Force Majeure shall mean any event beyond the reasonable control of either party, but with respect to the Gas Retailer's obligation to supply gas under this Gas Retailer Tariff, Force Majeure will only include a curtailment or force majeure declared by TransGas that adversely affects the ability of the Gas Retailer to perform TEP inventory transfers.

### **23.3 Notice of Remedy**

The party claiming Force Majeure shall likewise give notice as soon as reasonably possible after the Force Majeure condition shall have been remedied to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the covenants, conditions or obligations of this Schedule. Failure to provide prompt written notice at the end of the Force Majeure condition shall result in SaskEnergy deeming the end of the Force Majeure condition, and such decision shall be final and binding.

### **23.4 Labour Disputes**

Notwithstanding anything to the contrary in this Article, expressed or implied, the parties agree that the settlement of strikes, lockouts, or other labour disputes shall be entirely within the discretion of the particular party involved

therein, and such party 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 may deprive such party of the benefit of the Force Majeure provisions.

### **23.5 Delivery Remediation**

If during the term of this Schedule, an event of Force Majeure affects Gas Retailer's ability to supply gas to the Point of Receipt as described in 23.2, then notwithstanding the event of Force Majeure affecting Gas Retailer's ability to perform its obligations under this Schedule, Gas Retailer agrees to the following remediation:

In the event SaskEnergy is required to make nominations and supply gas on behalf of Gas Retailer's Customers to the Point of Delivery during the event of the Gas Retailer's Force Majeure, such quantity of gas supplied by SaskEnergy, shall at SaskEnergy's option, be withdrawn from the Gas Retailer's Storage Account and the provisions of Article 14 will apply.

### **23.6 Extended Force Majeure**

If it is anticipated that the event of Force Majeure will be in effect for a period in excess of one (1) month, SaskEnergy will, upon receipt of a request from the Gas Retailer, meet with Gas Retailer for the purpose of reviewing the circumstances surrounding the event of Force Majeure.

## **ARTICLE 24 – GENERAL PROVISIONS**

### **24.1 Governmental Authority**

Gas Retailer shall at all times comply with any and all applicable codes, statutes, laws, regulations, permits, licenses, orders and directions of any governmental authority, from time to time in force, including applicable privacy and personal information related laws. Notwithstanding any provisions in this Gas Retailer Tariff to the contrary, if any provision of this Gas Retailer Tariff is contrary to any present or future law, rule, regulation or order of any governmental authority having jurisdiction therein, now or hereafter in effect during the term of this Gas Retailer Tariff, the contravening provision of this Gas Retailer Tariff shall be amended and read to be in compliance with the said law, rule, regulation or order.

### **24.2 Notice of Ownership Change**

The Gas Retailer shall not merge or amalgamate with any other entity or permit any change of ownership or change its capital structure without written consent from SaskEnergy, which shall not be unreasonably withheld.

The Gas Retailer shall not sell, lease, assign, or otherwise dispose of all or substantially all of its assets without written consent from SaskEnergy, which shall not be unreasonably withheld.

**24.16 Relationship of Parties - No Partnership or Joint Venture**

This Gas Retailer Tariff nor the conduct of any party shall in any manner whatsoever constitute or be intended to constitute a partnership or joint venture among the parties or any of them, but rather each party shall be separately responsible, liable and accountable for its own obligations under this Gas Retailer Tariff or any conduct arising therefrom and for all claims, demands, actions and causes of actions arising therefrom. The parties hereto agree that no parties shall have the authority or represent that it has, or hold itself out as having, the authority to act for or assume any obligation or responsibility on behalf of the other party, except as may be specifically set forth in this Gas Retailer Tariff.

**24.17 Joint and Several**

For greater certainty, and notwithstanding anything in this Gas Retailer Tariff, the Gas Retailer and Gas Retailer's Customers shall be jointly and severally liable for Exit Charges or Return Charges.

**24.18 No Penalty**

All damages calculated under this Gas Retailer Tariff, including without limitation Emergency Supply Charges, Exit Charges, or Return Charges, shall be paid as liquidated damages and not as a penalty. The parties acknowledge and agree that the actual damages are extremely difficult or impossible to determine and such payment is intended to be a reasonable approximation of such damages.

SERVICE SPECIFICATION "A"

The following specifications shall remain in effect until revised or amended by SaskEnergy.

**Part 1.0 Gas Retailer's Supply of Gas to TEP**

The Gas Retailer agrees to supply gas to SaskEnergy at TEP on a firm basis utilizing the following Supply Schedule as amended by SaskEnergy from time to time, and as revised in accordance with SaskEnergy's Operating Plan:

- (a) at a daily rate equivalent to one hundred (100%) percent of the Gas Retailer's aggregate ADQ (estimated annual consumption of Gas Retailer's customers divided by the number of days in the year).

## **Part 2.0      Allocation of Gas in Storage**

The Gas Retailer agrees to accept as Gas Retailer's Storage Account, a storage quantity allocation of thirty-three and twelve one hundredths (33.12%) percent of the aggregate estimated annual quantity of Gas Retailer's Customers, as determined by SaskEnergy based on the expected annual consumption of Gas Retailer's customers.

The Gas Retailer's Storage Account will be used by SaskEnergy to balance Gas Retailer's Customer's consumption at the Point of Delivery with Gas Retailer's supply of gas at TEP as referenced above.

The Required Storage Balance specified below represents the MINIMUM percentage of the required quantity allowable in the Gas Retailer's Storage Account at any time during that month. The Gas Retailer shall be permitted a Maximum Storage Balance in excess of the Required Storage Balance specified for that month, expressed as percentage of capacity of Gas Retailer's Storage Account as set out below.

The difference between the Required Storage Balance and the Gas Retailer's Maximum Storage Balance in any month shall be referred to as the Tolerance Zone (the "Tolerance Zone"). Gas Retailer must comply with SaskEnergy's operational capacity requirements, and agrees to fill and maintain Gas Retailer's Storage Account to within the Tolerance Zone, or that percentage quantity between the Required Storage Balance and Maximum Storage Balance for each month.

In the event that the level of the Gas Retailer's Storage Account exceeds this Tolerance Zone, Gas Retailer must settle and correct it in accordance with this Gas Retailer Tariff, as indicated in the Balance Report.

<b>Balance</b>	<b>Required Storage Balance</b>	<b>Maximum Storage</b>
November .....	88% .....	100%
December .....	64% .....	100%
January .....	35% .....	100%
February .....	20% .....	100%
March .....	10% .....	100%
April .....	0% .....	100%
May .....	22% .....	31%
June .....	41% .....	50%
July .....	61% .....	71%
August .....	81% .....	88%
September .....	95% .....	98%
October .....	95% .....	100%

At no time shall the Gas Retailer be permitted to maintain a balance below zero (0%) percent or above one hundred (100%) percent in the Gas Retailer's Storage Account. In the event that Gas Retailer's Storage Account exceeds these emergency threshold levels, SaskEnergy may issue a Balance Report requiring Gas Retailer to take immediate corrective action to bring the Gas Retailer's Storage Account within these thresholds. If the Gas Retailer fails to take the required action, SaskEnergy may take the action described in Section 14.5 (a) or (b).

These percentages may be amended by SaskEnergy from time to time or reviewed in accordance with SaskEnergy's Operating Plans.

### **Part 3.0 Adjustment for Changes to Customer List**

The Gas Retailer shall be required to provide the following additional daily supplies to the Point of Receipt with respect to new Customers for whom SaskEnergy has received a Service Transfer Notice.

- (a) Where the Service Transfer Notice has been provided to SaskEnergy prior to June 01 for a Service Transfer Date effective the following November 01, Gas Retailer shall provide additional gas supplies to SaskEnergy equal to the storage quantity allocated to Gas Retailer for such new customers as per Part 2.0 above, divided by the number of days from the Service Transfer Date to the following November 01.
- (b) Where the Service Transfer Notice has been provided to SaskEnergy after June 01 for a Service Transfer Date effective the following November 01, the additional supply of gas required from Gas Retailer to fill Gas Retailer's storage will be determined in the Transition Plan which may include the sale

of storage gas by SaskEnergy to Gas Retailer as per Section 13 of Schedule 1.

#### **Part 4.0      Revisions**

The parties agree that the provisions in this Service Specification "A" may be amended by SaskEnergy from time to time or reviewed in accordance with SaskEnergy's Operating Plan. SaskEnergy will provide notice of same to Gas Retailer.

## **Schedule 2 – Billing and Collection Services Schedule**

### **ARTICLE 1 – MODIFICATION**

- 1.1 SaskEnergy shall provide Billing and Collection Services on Gas Retailer's behalf based on the terms and conditions set forth in this Schedule.
- 1.2 SaskEnergy may change the provisions of this Schedule from time to time. These changes may include, without limitation, changes to fees payable by the Gas Retailer. SaskEnergy will notify the Gas Retailer of any change in this Schedule by mail, hand delivery, electronic mail, or facsimile transmission.

### **ARTICLE 2 – PREREQUISITES**

- 2.1 Gas Retailer must have executed a Gas Retailer Services Agreement with SaskEnergy and be in good standing with all Schedules thereunder.
- 2.2 Services covered under this Schedule will only apply to Gas Retailer's Customers who have executed all documents reasonably required by SaskEnergy.

### **ARTICLE 3 – SERVICES**

- 3.1 In consideration for payment of charges specified herein, SaskEnergy will provide to Gas Retailer a Billing and Collection Service in respect of Gas Retailer's gas supply agreements with Gas Retailer's Customers. SaskEnergy will issue a bill to Gas Retailer's Customers on behalf of Gas Retailer for gas supply services based on information provided by Gas Retailer.
- 3.2 The format of the bill to be used for the provision of Billing and Collection Services hereunder will be that currently used by SaskEnergy as amended from time to time by SaskEnergy. The component of the bill which relates to Gas Retailer's gas supply service will be the Consumption Charge, which is to be billed to Gas Retailer's Customers by multiplying the volume of gas delivered to the Point of Delivery by the Billing Rate provided by the Gas Retailer. The Municipal Payments will then be determined in respect of the Consumption Charge and added to the Gas Retailer's Customers' bill. A GST charge will be assessed to the above cumulative amount and also added to the Gas Retailer's Customer's bill.
- 3.3 Gas Retailer agrees to pay to SaskEnergy the charges set forth in Schedule 3 to the Gas Retailer Tariff for the provision of Services hereunder.

3.4 SaskEnergy will bill and collect Accounts Receivable from Gas Retailer's Customers in relation to gas sold to Gas Retailer's Customers. Gas Retailer hereby authorizes SaskEnergy to bill and collect on its behalf and take any measures SaskEnergy considers reasonable and prudent in so carrying out the Services, including the use of SaskEnergy's standard practices and policies. Gas Retailer agrees to provide all further documents or further assurances requested by SaskEnergy in connection with the collection of any Accounts Receivables.

3.5 SaskEnergy will apply its standard business policies, tariffs and terms and conditions, including, without limitation, those applied to SaskEnergy's Customers in carrying out the Billing and Collection Services. Gas Retailer hereby authorizes the application of such business policies, tariffs and terms and conditions by SaskEnergy in the carrying out of the Billing and Collection Services and agrees to incorporate reference to same within agreements with Gas Retailer's Customers. The parties agree that the following policies and practices currently used by SaskEnergy, as amended from time to time, are hereby adopted and authorized by the Gas Retailer on its own behalf and on behalf of Gas Retailer's Customers:

- Equalized and pre-authorized payment plan options
- Right to refuse service to a bad debt customer
- Process for disconnection for non-payment of accounts
- Requirement for security or deposits
- Provision of billing information to third parties
- Meter reading
- Billing adjustments

#### ARTICLE 4 – CHANGES AND AMENDMENTS

4.1 Gas Retailer agrees to provide SaskEnergy with a minimum of fourteen (14) days' prior notice for changes to the Billing Rates for Gas Retailer's Customers.

4.2 Gas Retailer may make changes to other information relating to the Gas Retailer's Customers by providing SaskEnergy with written notice at least thirty (30) days prior to the effective date of the change.

4.3 Gas supply service is specific to the Customers and the premises. If Gas Retailer's Customers transfer premises and wish to continue Gas supply service at the new premises, SaskEnergy must be provided with a minimum of thirty (30) days' advance notice, together with a new Appointment of Agent and Disclosure Statement and all other information as required in the Gas Retailer Tariff.

4.4 Gas Retailer acknowledges and agrees that the standard business policies, tariffs, and terms and conditions used by SaskEnergy in the carrying out of Services under this Schedule may be amended from time to time by SaskEnergy. The parties agree to incorporate into this Schedule any such changes on the same date that they become effective under SaskEnergy's Terms and Conditions of Service Schedule or business policies.

#### ARTICLE 5 – TERM AND RENEWAL

5.1 This Schedule shall be in effect on the Effective Date of the Gas Retailer Services Agreement and shall continue in force and effect for the period for which the Gas Retailer Services Agreement is in effect.

#### ARTICLE 6 – REPORTS

6.1 Reports will be provided to Gas Retailer monthly regarding billing services, listing volumes delivered by SaskEnergy to Gas Retailer's Customers at the Point of Delivery, and the amounts billed on behalf of the Gas Retailer for gas supply services supplied.

6.2 Monthly reports are available to the Gas Retailer upon request, detailing charges invoiced by SaskEnergy for Billing and Collection Services.

6.3 Gas Retailer must provide notice of any errors or omissions related to Customer data within thirty (30) days of receipt of statement, after which, the statement will be deemed to be final and correct.

#### ARTICLE 7 – PAYMENTS TO GAS RETAILER

7.1 Following the provision of the Billing and Collection Services by SaskEnergy, on the fifteenth (15<sup>th</sup>) business day of the month following the billing for Gas Retailer's gas to Gas Retailer's Customers at the Point of Delivery, SaskEnergy will initiate a Net Funds transfer to the Gas Retailer hereunder.

7.2 The Net Funds transfer to the Gas Retailer shall be calculated by aggregating the Total Billed Funds on behalf of Gas Retailer less all Third Party Payments under this Gas Retailer Tariff, and any other sums owed to SaskEnergy under the Gas Retailer Tariff.

7.3 Payments by SaskEnergy will be made payable to the Gas Retailer and may be made by inter-bank transfers or other approved form of payment.

7.4 Late payments will bear interest after the due date at the Prime Rate, plus two (2%) percent per year, to and including the date of payment to Gas Retailer of all such amounts.

## ARTICLE 8 – FEES AND CHARGES

8.1 Gas Retailer agrees to pay to SaskEnergy the following charges in consideration for the performance of the Billing and Collection Services by SaskEnergy hereunder:

- (a) A Monthly Billing Fee in the amount set forth in Schedule 3 to the Gas Retailer Tariff in respect of each of Gas Retailer's Customers holding a natural gas account for Delivery Services with SaskEnergy at each Point of Delivery;
- (b) An Annual Administrative Fee in the amount set forth in Schedule 3 to the Gas Retailer Tariff in respect of each of Gas Retailer's Customers holding a natural gas account for Delivery Services with SaskEnergy at each Point of Delivery;
- (c) Any other amounts payable by Gas Retailer to SaskEnergy as required hereunder, including without limitation, Bad Debt Recovery Fees;
- (d) The parties agree that all charges payable pursuant to this Schedule are exclusive of GST, sales, use, excise, value added, utility or similar taxes. The Gas Retailer will pay or reimburse SaskEnergy as the case may be for all taxes imposed on SaskEnergy or Gas Retailer arising out of this Schedule, excepting taxes based on SaskEnergy's net income.
- (e) Gas Retailer authorizes SaskEnergy to deduct and set off charges payable by Gas Retailer or affiliate under a Gas Retailer Tariff.

8.2 SaskEnergy will provide Gas Retailer with a monthly statement indicating the Monthly Billing Fee, Bad Debt Recovery Fees, and any other fees payable by the Gas Retailer for the proceeding month. SaskEnergy will provide Gas Retailer with an annual statement, in January of each year, indicating the Annual Administrative Fee payable and any other fees payable for that calendar year. Gas Retailer agrees that such payments and fees, plus GST in respect thereof, which are due and payable, may be deducted and set off from the funds payable to the Gas Retailer.

## ARTICLE 9 – THIRD PARTY PAYMENTS

9.1 The following payments will be collected and remitted by SaskEnergy to third parties in respect of gas supply services:

- (a) SaskEnergy hereby undertakes and agrees, as prescribed by law, to collect any GST that is required to be paid in respect of the sale of gas by the Gas Retailer to Gas Retailer's Customers and to remit any such GST directly to the government on behalf of the Gas Retailer. In

addition, SaskEnergy will collect and remit any GST that is required to be paid in respect of Billing and Collection Services charges payable under this Schedule and remit such GST to the government, and shall provide the Gas Retailer with any information required to enable it to claim an input tax credit. The Gas Retailer hereby agrees to appoint SaskEnergy to act on its behalf as agent for all matters in respect of GST as set forth in this Gas Retailer Tariff.

(b) **Municipal Payments.** SaskEnergy will add to the account of Gas Retailer's Customers an amount as a payment in lieu of taxes as required under *The SaskEnergy Act* and *The SaskEnergy Regulations*, as amended from time to time, and remit same to certain municipal governments on behalf of Gas Retailer's Customers, and which amount shall be determined using the Consumption Charge of Gas Retailer's Customers.

#### ARTICLE 10 – COLLECTION OF DEBTS

- 10.1 Gas Retailer hereby assigns, conveys and transfers to SaskEnergy the Accounts Receivable payable to Gas Retailer for gas supply services provided to Gas Retailer's Customers to enable SaskEnergy to perform the Billing and Collection services.
- 10.2 Gas Retailer represents that it has obtained the authorization of Gas Retailer's Customers acknowledging SaskEnergy's right to bill and collect for gas supply service following assignment by Gas Retailer and using SaskEnergy's standard practices and procedures cited herein.
- 10.3 SaskEnergy will follow its standard practices and procedures for the collection of Accounts Receivable, including, without limitation, requirement for deposits or security, assessment of late payment charges and disconnection of service to Gas Retailer's Customers for non-payment.
- 10.4 Gas Retailer shall pay to SaskEnergy a monthly Bad Debt Recovery Fee which shall be determined based on a percentage of the gross Commodity Revenues payable equal to the bad debt factor, solely determined by SaskEnergy, that SaskEnergy includes in its commodity rate for that month.

#### ARTICLE 11 – METER READING

- 11.1 Gas Retailer and SaskEnergy acknowledge that notwithstanding the transfer of gas supply services from one supplier to another, Customers will remain on SaskEnergy's regular meter reading schedule, route and frequency.
- 11.2 For Customers switching from one gas supplier to another, SaskEnergy may require a Rate Change Read. SaskEnergy shall then provide a meter reading and prorate to the effective Service Transfer Date. The cost of providing this meter reading shall be charged to the Gas Retailer that the Customer is

transferring “to”, as opposed to transferring “from”. Any additional meter reads requested by Gas Retailer shall be charged to the Gas Retailer requesting the meter read. SaskEnergy’s meter reading fee for Rate Change Reads shall be calculated on a cost recovery basis, and shall be equal to the fee paid by SaskEnergy to its subcontractor for the provision of this service.

- 11.3 Meter reading services are provided under the Gas Retailer’s Supply Schedule attached as Schedule 1 to the Gas Retailer Tariff, to Gas Retailer on behalf of Gas Retailer’s Customers, and shall include those standard services and practices used by SaskEnergy with its Customers. These services, without limitation, are scheduling of meter reading, routing, estimating, special reads, final reads and other functions and business processes used by SaskEnergy in the carrying out of meter reading services on behalf of its Customers.
- 11.4 SaskEnergy will use meter reading information to take measurements of the volume of gas delivered to Gas Retailer’s Customers’ meter, and use this information, as well as historical consumption estimates, for providing Billing and Collection Services hereunder. The volume of gas used or estimated to be used by Gas Retailer’s Customers will be multiplied by the Billing Rate provided by the Gas Retailer to determine the bill or invoice to be issued to Gas Retailer’s Customers by SaskEnergy on behalf of the Gas Retailer.

## ARTICLE 12 – ADJUSTMENTS

- 12.1 All determinations as to the volume of gas provided to Gas Retailer’s Customers at the Point of Delivery and in respect of the invoiced amounts required to be paid by the Gas Retailer’s Customers, Third Party Payments, or aggregated Accounts Receivable shall be made by SaskEnergy, and shall be accepted and used by the Gas Retailer and SaskEnergy, subject to the right, if any, of either party to question or dispute any such determination.
- 12.2 Any determination which has changed as a result of any such question or dispute shall result in a concurrent change to any invoice previously rendered which is based upon an incorrect determination. All determinations or invoices shall be determined as final and not subject to adjustment after two (2) years of issuing the invoice or from making the determination.
- 12.3 All books, accounts, records, testing data and recording charts that belong to or are made available to either party hereto that relate to the delivery, supply, or distribution of gas in respect of this Gas Retailer Tariff, shall be preserved for a period of at least seven (7) years. Microfilms or reliable electronic records shall be considered true records.

## Schedule 3 – Rates and Charges

### RATES AND CHARGES

The following rates and charges shall be applicable for services provided to Gas Retailer pursuant to the Schedules under the Gas Retailer Tariff:

Service	Charge
<b>1. Gas Retailer's Supply Schedule</b>	
✗ Monthly Administration Fee per Schedule 1, Gas Retailer's Supply Schedule	Minimum \$200/month If number of meters exceeds 200, then an additional \$1.00 per property shall apply
✗ Exit Charge	Formula per Schedule 1
✗ Return Charge	Formula per Schedule 1
✗ Emergency Supply Charge	Formula per Schedule 1
<b>2. Billing and Collection Schedule</b>	
✗ Monthly Billing Fee per Gas Retailer's Customer	\$1.14/meter
✗ Annual Administration Fee per Gas Retailer's Customer	\$6.00/year
✗ Enrollment Reads	SaskEnergy's actual cost per read.
✗ Bad Debt Recovery Fee	Formula per Schedule 2

Any taxes, levies or surcharges which may lawfully be imposed by, or at the request of any municipal, provincial or federal authority, will be charged to the Gas Retailer as required.

This rate schedule is subject to change based on changes in legislation or applicable SaskEnergy policies or the SaskEnergy Terms and Conditions of Service Schedule.

## Schedule 4 – Code of Conduct

### DEFINITIONS

For the purpose of this Code:

- (a) The term “**Appointment of Agent and Disclosure Statement**” means the “Commodity Sale of Natural Gas/Appointment of Agent and Disclosure Statement” form attached as Appendix E to Schedule 7 of this Gas Retailer Tariff.
- (b) The term “**Commodity Sale**” refers to a sale of natural gas and/or related services to Customers in which the Gas Retailer or the Salesperson solicits a sale, with or without an invitation by the buyer, in which the Offer to purchase, the agreement to purchase, or the sale are made at either the Gas Retailer’s place of business or at a place other than the place of business of the Gas Retailer, and including telephone solicitation;
- (c) The term “**Customer**” refers to any firm, company, family or individual to whom Commodity Sale activities are directed;
- (d) The term “**Local Distribution Company**” or “**LDC**” refers to a person that is enfranchised to distribute gas within a defined territory, in Saskatchewan being SaskEnergy;
- (e) The term “**Offer**” refers to any solicitation or representation relating to Commodity Sale by a Gas Retailer or a Salesperson either in writing or verbally, and any agreement of purchase and sale arising from such a solicitation;
- (f) The term “**Salesperson**” refers to any person conducting selling activities on his own behalf or on behalf of a Gas Retailer;
- (g) The term “**Gas Retailer**” refers to any firm, company or individual offering natural gas and/or related services for sale by means of Commodity Sale, either directly or through an intermediary and may include marketers, brokers, agents, producers, consultants and lawyers.

### INTRODUCTION

Direct purchase of natural gas through Commodity Sale and related services takes place usually, though not exclusively, in a Customer’s place of business or home through personal contact. Commodity Sale may involve several parties, including marketers, producers, lawyers, consultants, brokers, agents, utilities and the Consumer of the natural gas and/or related services offered. The relationship between the various parties must be based on fair and ethical principles.

## SCOPE

The purpose of this Code is to foster and uphold a sense of responsibility towards the Customer and towards the general public by all those engaged in Commodity Sale of natural gas and related services in the province of Saskatchewan.

The Code applies to sales practices used in the marketing of Commodity Sale of gas.

The Code is to be applied in spirit as well as to the letter, bearing in mind the varying degrees of knowledge, experience and discriminatory ability of those to whom Commodity Sale is directed.

## BASIC PRINCIPLES

All Commodity Sale arrangements shall conform to the principles of fair competition as generally accepted in business, with particular regard to:

- ✓ the terms of the Offer and the methods and form of contact with the Customer;
- ✓ the methods of presentation of information on the supply and services relating to natural gas;
- ✓ the fulfillment of any obligation arising from the Offer of Commodity Sale of natural gas or any operation connected with it.

Commodity Sale activities shall be carried out in conformity with the laws of Canada and its provinces, where applicable.

Gas Retailers shall voluntarily assume responsibility towards the Customer with respect to fair sales methods and product value, and shall make every reasonable effort to ensure Customer satisfaction.

Gas Retailers shall ensure that their sales persons are fully informed as to the characteristics of the gas supplies and/or services offered to enable them to give the Customer all necessary information to make informed decisions.

## THE TERMS OF THE OFFER

### Accuracy

**Article 1** The terms of any Offer shall be clear so that the Customer may know the nature of what is being offered and the commitment and risks involved in agreement to contract for natural gas and/or any related services. In particular, but without limiting the generality of the foregoing, any Offer shall be accurate and truthful as to any representation made as to price, delivery arrangements, payment terms and conditions, quality and value of services, source(s) of supply and quantity and performance and warranty conditions.

## Price and Other Terms

### **Article 2** The following shall apply concerning price and other terms:

- Whether an Offer is on a cash or any other basis, the Offer shall clearly state the price and terms of payment and interest provisions, including any deposit requirement, allocation of cost savings and/or services, and the nature and amount of any additional charges.
- If credit terms are offered to a Customer, the Offer shall contain those terms and shall otherwise comply with The Cost of Credit Disclosure Act, 2002 (Saskatchewan).
- All Offers shall contain clear statements as to the natural gas supplies, quantities of natural gas to be purchased, intended start-up and delivery dates, and the term of the agreement.
- If the price or any other term or condition is subject to redetermination, indexation or arbitration, the Offer shall so state.
- No Offer to a residential or farm Customer shall require that a sign-up fee be taken in order to initiate a Commodity Sale contract.
- All Offers shall contain the minimum contract terms specified in Schedule 5 of the Gas Retailer Tariff.

## Obligations and Liabilities

### **Article 3** The Offer shall state the respective obligations, liabilities and risks of the Gas Retailer and Customer in clear and understandable terms to allow the Customer to be sufficiently informed to understand them prior to entering into the agreement.

### **Article 4** The Gas Retailer shall obtain a signed Appointment of Agent and Disclosure Statement from every Customer prior to the execution by the Customer of any Commodity Sale Agreement for natural gas. Such signature shall consist of either a signature written on paper by hand or an electronic signature that meets the requirements of *The Electronic Information and Documents Act, 2000*, as amended from time to time. The form of the Appointment of Agent and Disclosure Statement to be utilized is attached as Appendix E to Schedule 7 of this Gas Retailer Tariff.

Where electronic signatures are used, it shall be the responsibility of the Gas Retailer to provide proof that, in view of all the circumstances, including any relevant agreements and the time the electronic signature was made:

- (i) the electronic signature is reliable for the purpose of identifying the person; and

(ii) the association of the electronic signature with the relevant electronic Appointment of Agent and Disclosure Statement is reliable for the purpose for which the electronic document was made.

Gas Retailers shall retain the signed Appointment of Agent and Disclosure Statements for the life of any related Commodity Sale contract, plus two years. Gas Retailers shall provide signed Appointment of Agent and Disclosure Statements to the LDC within five business days of request.

The Appointment of Agent and Disclosure Statement also acts as an appointment of agent, and a written consent for the LDC to release the customer's personal information to the Gas Retailer. It is the responsibility of the Gas Retailer to obtain, review and retain that consent on the LDC's behalf. Enrolment with SaskEnergy shall not occur until a Commodity Sale contract and Appointment of Agent and Disclosure Statement have been signed by Customer. Failure by the Gas Retailer to obtain or produce a signed Appointment of Agent and Disclosure Statement as set out above, in circumstances where a Customer has been enrolled by the Gas Retailer, will be considered a significant breach of this Code of Conduct.

#### Protection

##### **Article 5**

All Offers, sales practices and related agreements shall be governed by this Code and shall be interpreted in accordance with all applicable federal and provincial consumer protection and business practice legislation including the *Competition Act* (Canada), *The Consumer Protection and Business Practices Act* (Saskatchewan) and *The Direct Sellers Act* (Saskatchewan).

All Offers to residential Customers shall offer the following cancellation rights and shall include the following statement of cancellation rights:

##### **“BUYER’S RIGHT TO CANCEL”**

You may cancel this contract from the day you enter the contract until 10 days after you receive a copy of this *[contract/statement of cancellation rights]* or 20 business days from the date of the enrolment notification letter you will receive from SaskEnergy advising you that you have contracted to purchase your gas from another supplier, whichever is later. You do not need a reason to cancel.

If you do not receive the goods or services within 30 days of the date stated in the contract, you may cancel this contract within one year of the contract date. You lose that right if you accept delivery after 30 days. There are other grounds for extended cancellation. For more information, you may contact your provincial/territorial consumer affairs office. If you cancel this contract, the Gas

Retailer has 15 days to refund your money and any trade-in, or the cash value of the trade-in. You must then return the goods.

To cancel, you must give notice of cancellation at the address *[below/in this contract]*. You must give notice of cancellation by a method that will allow you to prove that you gave notice, including registered mail, fax, or by personal delivery.

[Address for Notice - include name, business, address, phone and, if applicable, fax number of the vendor]"

#### Guarantees

**Article 6** Offers may contain the words "guarantee," "guaranteed," "warranty" or "warranted," or words having the same or similar meanings, only if the name and address of the guarantor, the terms of the guarantee and the remedial action open to the Customer are clearly and succinctly set out in the Offer. Any such guarantee shall in no way diminish the rights which a Customer would otherwise enjoy under Canadian or applicable provincial laws.

#### After-Sales Service

**Article 7** When an agreement between a Gas Retailer and Customer provides for the supply and/or services for the duration of the term of an agreement, full particulars of such supply and/or services shall be clearly stated in the Offer.

### PRESENTATION OF THE OFFER

#### Identity of the Gas Retailer

**Article 8** The name, permanent address, Saskatchewan office address and the telephone number of the Gas Retailer shall be clearly and fully disclosed in any sales document or other sales literature distributed to the Customer, so as to enable the Customer to contact the Gas Retailer. Sales documents and other sales literature containing only an accommodation address or a post office box number are not acceptable.

**Article 9** All Salespersons shall immediately, truthfully and fully identify themselves and, on request, provide proof of licensing and bonding to prospective Customers. They shall also truthfully and fully indicate the purpose of their approach to the Customers, identify the Gas Retailer with whom they are associated and indicate that they are selling Commodity Sale natural gas and/or related services.

**Article 10** Neither a Gas Retailer nor any Salesperson shall mislead or otherwise create any confusion in the mind of a Customer about the identity of the

represented Gas Retailer, its promotion campaigns or trademark, or those of competitors and/or LDC's.

Integrity

**Article 11** Salespersons shall ensure that sales shall not be organized and operated so as to create confusion in the mind of the Customer, mislead the Customer or misrepresent any aspect of the Offer, abuse the trust of the Customers, or exploit any lack of experience or knowledge of the Customer.

Clarity

**Article 12** Gas Retailers and Salespersons shall ensure that all terms of any Offer are communicated to the Customer in writing in a clear, complete, accurate and understandable manner. Print which, by virtue of its size or other visual characteristics is likely to materially negatively affect the legibility or clarity of any Offer, shall not be used.

Truthful Presentation

**Article 13** The characteristics of any transaction and the supply and/or services offered, including:

- (a) price, deposit, credit and rebate terms;
- (b) identity of and accessibility to the Gas Retailer;
- (c) delivery terms and conditions during and after sales services;
- (d) sources and reliability of supplies;
- (e) terms of guarantee and warranty;
- (f) liabilities and obligations of Gas Retailer and Customer;
- (g) cancellation charges;
- (h) benefits/risks to Customer;
- (i) any associated incentive programs related to the Offer;
- (j) awards, bonuses and prizes with respect to the Offer;
- (k) any other information required to be provided to the Customer by Canadian or applicable provincial laws; and
- (l) all other terms of the Offer;

shall be presented completely, accurately and truthfully.

## Telephone Marketing

**Article 14** When conducting a telephone marketing program, all telephone contacts must be made during reasonable hours. Salespersons must immediately, truthfully and fully identify themselves and, on request, provide proof of licensing and bonding to prospective Customers. They shall also immediately, truthfully and fully indicate the purpose of their approach to the Customers, identify the Gas Retailer with whom they are associated, and indicate that they are selling Commodity Sale natural gas and/or related services. The caller must first personally obtain the consent of the recipient to play a recorded Offer.

## Unfair Practices

**Article 15** The Gas Retailer shall refrain from engaging in business practices that are deemed to be unlawful, unfair or otherwise contrary to the provisions of the *Competition Act*, *The Consumer Protection and Business Practices Act*, or *The Direct Sellers Act*.

## SALESPERSON OPERATIONS

### Respect of Privacy

**Article 16** Sales shall not be intrusive. The right of a Customer to refuse further discussion shall be scrupulously respected.

### Honesty, Fairness and Veracity

**Article 17** A Salesperson shall not abuse the trust of individual Customers or exploit their lack of experience or knowledge, or play on ignorance or on fear, thereby exerting undue pressure on Customers. All Offers must be clear and honest. A Salesperson shall ensure that all rebates should be sent out in a timely fashion.

A Salesperson shall not make any statement or take any measure which, directly or by implication, omission, ambiguity or exaggeration, is likely to mislead a Customer with regard to the terms of the Offer or any other matter.

A Salesperson shall, to the best of his/her knowledge and ability, give complete, accurate and clear answers to a Customer's questions concerning the Offer or any other matter.

## Information and Consent

**Article 18** A Salesperson shall ensure that the Customer clearly and thoroughly understands the information provided. The demonstration or explanation of the transaction involving the Commodity Sale shall, as far as possible, be adapted to the needs and inquiries of the Customers.

A Salesperson shall provide sufficient time for Customers to read the entire contract form thoughtfully and without interruption or harassment.

A Salesperson shall not sign up any Customer to a Commodity Sale Agreement without the express written consent of the Customer, and the prior execution of an Appointment of Agent and Disclosure Statement by that Customer.

For clarity, the Gas Retailer must obtain a gas sales contract fully executed by the customer in billing bearing the same signature as the Appointment of Agent and Disclosure Statement.

## Testimonials and Endorsements

**Article 19** A Salesperson shall not refer to any testimonial or endorsement which is:

- ✓ not authorized by the person quoted, if in a private capacity;
- ✓ not genuine or unrelated to the experience of the person giving it;
- ✓ obsolete or otherwise no longer applicable;
- ✓ taken out of context; or
- ✓ used in any way likely to mislead the Customer.

## Comparisons and Fair Competition

**Article 20** A Salesperson shall refrain from using any comparisons which may mislead and which are incompatible with the principles of fair competition. Points of comparison shall be fairly selected and shall be based on facts which can be independently substantiated.

**Article 21** A Salesperson shall not discredit any competing company, firm or individual, or any supplies or services provided by such parties, directly or by implication. Accurate, complete and truthful comparisons, however, are acceptable. When price comparisons are used, they must be factual, complete and verifiable. All statements or promises made in any promotional material must be complete and in accordance with actual conditions, situations and circumstances existing at the time the promotion is made. Any data referred to must be competent and reliable and support the specific claim for which it is cited.

**Article 22** A Salesperson shall not induce any Customer to breach a contract with another Gas Retailer.

**Article 23** A Salesperson shall not take unfair advantage of the goodwill attached to the trade name or symbol of another Gas Retailer or product.

**Article 24** The agent/broker/marketer shall not engage in any false, misleading or deceptive advertising or publish any material which may, in SaskEnergy's opinion, have the effect of misleading potential Customers.

**Article 25** The Gas Retailer shall not use SaskEnergy's name, logo, tradename, trademarks, or service marks in any marketing, advertising, or publication without explicit prior written approval from SaskEnergy. The display of SaskEnergy's name, logo, tradename, trademarks, or service marks on correspondence or web sites does not imply that a license of any kind has been granted.

Responsibility for Code Observance

**Article 26** A Salesperson shall ensure that Offers are not solicited through any prohibited unfair practices as set forth in the *Competition Act*, *The Consumer Protection and Business Practices Act* or *The Direct Seller's Act*, whether or not the Customer, who is a party to the Commodity Sale, falls under the protection of that legislation.

**Article 27** The LDC will refrain from conducting business with anyone who has not obtained a license under *The Direct Seller's Act*, or any other license, as required, in the province of Saskatchewan; who has not agreed to the provisions of a Gas Retailer's Supply Schedule; and who does not strictly adhere to this Code of Conduct in its dealings with both residential Customers and commercial Customers. It is understood by all parties that this Code of Conduct will apply to Commodity Sales to commercial Customers and will govern the relationship.

**Article 28** The prime responsibility for the observance of this Code of Conduct towards Customers rests with the Gas Retailer. Failure to comply with this Code of Conduct may result in revocation of the Gas Retailer's license under *The Direct Sales Act* for a period to be determined by the Registrar, Consumer Protection Branch, Saskatchewan Justice; potential sanctions by regulators of *The Consumer Protection and Business Practices Act* and the *Competition Act*; termination of Gas Retailer's Service Agreement as contemplated therein; or activation of the dispute resolution procedure specified herein.

## Complaints

**Article 29** Should any Customer complain that a Gas Retailer or Salesperson has engaged in any improper course of conduct pertaining to Commodity Sale and/or related services, the Gas Retailer shall promptly investigate the complaint and take all appropriate and necessary steps in their circumstances to redress any and all wrongs disclosed by such investigation.

All Customers, Gas Retailers and the LDC shall have the right to participate in and engage the dispute resolution process set forth in Schedule 6 to the Gas Retailer Tariff for issues which arise under the provisions of this Code of Conduct.

## Violations and Enforcement

**Article 30** Many provisions of this Code of Conduct are reflection of the requirements of the *Competition Act*, *The Consumer Protection and Business Practices Act*, and *The Direct Seller's Act*, which seek to set forth criteria against unfair business practices and business practices which are unethical and unfair to Customers. Violation of these sections can lead to criminal and civil sanctions. Under the *Competition Act*, offenses can lead to fines or imprisonment or both. *The Consumer Protection and Business Practices Act* also provides for a variety of criminal and civil sanctions against and remedies for unfair business practices conducted in Saskatchewan.

## **Schedule 5 – Minimum Contractual Terms**

### **MINIMUM CONTRACTUAL TERMS**

The following terms shall be included in all gas sales contracts (the “Contracts”) between the Gas Retailer and Customers for gas supply service entered into pursuant to the Gas Retailer Tariff executed between the parties (the “Gas Retailer Tariff”). Compliance with this Schedule is in addition to any requirement of any applicable statute, law, regulation, permit, license, order or direction of any governmental authority, including any requirement for minimum contractual terms. In the event of a conflict, such statute, law, regulation, permit, license, order or direction of any governmental authority shall prevail and this Schedule shall be deemed to be amended accordingly.

### **Article 1 – Definitions**

- 1.1 The terms used herein shall have the same meanings as are ascribed to corresponding terms in the definitions section of the Gas Retailer Tariff and all Schedules thereunder.

### **Article 2 – Sale and Purchase of Gas**

- 2.1 Obligation to Sell. All Contracts will state that the Gas Retailer’s obligation to deliver gas is firm, subject only to the events of force majeure as described below.
- 2.2 Point of Delivery. The Point of Delivery for the gas to the Customer shall be specifically stated in the Contract. In all cases, the Point of Delivery will be the SaskEnergy meter located at or near Gas Retailer’s Customer’s premises where SaskEnergy’s distribution system connects to the Gas Retailer’s Customer’s facilities.
- 2.3 Point of Receipt. The Point of Receipt for the gas from the Gas Retailer to SaskEnergy for delivery to the Customer shall be TransGas Energy Pool, and shall be stated in the Contract.
- 2.4 Price. All Contracts shall state the price for the volume of gas to be delivered in Canadian dollars per cubic meter or per gigajoule.
- 2.5 Volume. All Contracts shall state that the Gas Retailer shall supply all the gas required by the Gas Retailer’s Customer in respect of each Delivery Service Account.

## **Article 3 – Term of This Contract**

- 3.1 All Contracts between a Gas Retailer and a Customer shall clearly state the starting date and ending date of the contract. The term of all Contracts with residential Customers shall not be less than one (1) year and not more than five (5) years from the commencement date (including all rights of renewal or extension) and shall contain clear statements indicating that renewal of any Contract shall require the Gas Retailer to deliver to the Customer a reminder notice one hundred twenty (120) days prior to the expiry of the Contract. In the event the Customer does not cancel the Contract, it may be renewed upon the stated terms. For commercial Customers, the term of all Contracts shall not be less than one (1) year, and may be renewed or extended annually, without limitation.
- 3.2 Gas Retailer must notify SaskEnergy of the termination of Customer's Contract prior to 11:59 PM CST on September 1 of that year about the expiration or termination of such Contract, except where that Customer moves, sells, or ownership is transferred, the Contract may be terminated on thirty (30) days' advance notice.
- 3.3 All Contracts shall contain clear statements with respect to the obligations, penalties or cost to the Customer in the event the Customer cancels or terminates a Contract, or the Gas Retailer Tariff, or any Schedule thereto between Gas Retailer and SaskEnergy is cancelled or terminated without the required notice. The Customer shall be made aware that there may be additional costs or return charges to the Customer for returning to SaskEnergy supply without the required notice.
- 3.4 All Contracts with residential customers shall state that the Customer has 10 days from the date of receipt of the contract/buyer's right to cancel statement required by the Code of Conduct or 20 business days from the date on the enrollment notification letter to Customer from SaskEnergy, whichever is later, to cancel their contract with the Gas Retailer without being required to provide any justification or reason.

## **Article 4 – Measurement and Specifications of Gas**

- 4.1 **Measurement.** All the Contracts shall state as follows relating to measurement:
  - (a) All gas delivered by Gas Retailer to Gas Retailer's Customer under the Contract shall be measured as to volume by SaskEnergy, in accordance with the provisions of SaskEnergy's Terms and Conditions of Service Schedule at the Point of Delivery; and

(b) All such measurements made by SaskEnergy (including all corrections thereof in accordance with SaskEnergy's Terms and Conditions of Service Schedule) shall be final and binding upon the Gas Retailer and Gas Retailer's Customers for all purposes of the Contract.

4.2 General Specifications. All Contracts shall state that the minimum gross heating value, quality, delivery pressure and temperature of the gas delivered under the Contract shall conform to the minimum standards of SaskEnergy or TransGas, the Transporter, as set forth in the approved tariffs published from time to time by SaskEnergy and TransGas.

4.3 Transfer of Possession and Title. All Contracts shall state as follows:

- (a) Possession of and title to all gas delivered under the Contract shall pass to Gas Retailer's Customer at the Point of Delivery.
- (b) Until such delivery, Gas Retailer shall have title to such gas.
- (c) After delivery, Gas Retailer's Customer shall be deemed to be in control of and shall be in possession of, to have title to, and to be responsible for such gas.

4.4 Delivery in a Common Stream. All Contracts should state that the Gas Retailer and Gas Retailer's Customer each recognize that the gas purchase by Gas Retailer's Customer may be from a commingled stream of gas and shall be received for the account of Gas Retailer's Customer at the Point of Delivery.

## **Article 5 – Warranties, Representations and Indemnities**

5.1 Warranties. All Contracts shall contain the following warranties provided by the Gas Retailer in favor of Gas Retailer's Customer:

- (a) Gas Retailer shall at the time of the delivery of gas hereunder have the right to sell such gas to Gas Retailer's Customer; and
- (b) All gas supplied hereunder shall be free and clear of all liens, encumbrances and adverse claims of every nature and kind whatsoever.

5.2 Indemnity. All Contracts shall state that the Gas Retailer shall indemnify and save harmless Gas Retailer's Customer from and in respect of all suits, actions, debts, accounts, damages, costs, losses, and expenses of every

nature and kind whatsoever arising from or in connection with any adverse claims of any or all persons to the gas or to royalties, taxes, license fees or charges thereon which are applicable before the title to the gas passes to Gas Retailer's Customer or which may be levied and assessed prior to the sale thereof to Gas Retailer's Customer.

5.3 **Payments of Royalties, Taxes and Other Charges.** All Contracts shall state that except for taxes and surcharges as described below as between Gas Retailer and Gas Retailer's Customer, the price of gas sold hereunder shall be inclusive of and Gas Retailer shall be responsible for the payment of all amounts with respect to royalties and charges that are payable or validly exigible on the gas delivered by Gas Retailer to Gas Retailer's Customer hereunder prior to the sale of the gas hereunder at the Point of Delivery.

## **Article 6 – Billings and Payments**

6.1 **Statements.** All Contracts must state that SaskEnergy will perform billing and collection services on behalf of Gas Retailer, which will be subject to SaskEnergy's standard billing, deposit and collection terms, policies and procedures. All Contracts shall expressly state that invoices will be provided by SaskEnergy monthly, "unless otherwise provided for by SaskEnergy in its Terms and Conditions of Service Schedule", and that estimates may be used. Where estimates are used, the Contract shall clearly state that all billing will be reconciled to actual usage.

6.2 **Taxes and Surcharges.** All Contracts shall clearly state whether GST and municipal payment is included or excluded in the price to be paid for the gas.

6.3 **Payment Date.** All Contracts shall clearly state that payments are due on rendering of a bill by SaskEnergy and no contract shall require that any payments are to be made in advance of gas usage.

6.4 **Failure to Pay.** All Contracts shall contain the following provisions to deal with the situation where Gas Retailer's Customer fails to pay amounts owing under a Contract when due:

(a) SaskEnergy may charge interest on the overdue amounts, which interest shall be equal to the interest specified by SaskEnergy under its Terms and Conditions of Service Schedule.

(b) SaskEnergy will apply its standard business policies, tariffs and terms and conditions of service. SaskEnergy may discontinue delivery of gas hereunder until the amount due is paid in full or terminate this Contract by notice in writing to Gas Retailer's Customer.

## Article 7 – Force Majeure

7.1 If either party is rendered unable, in whole or in part, to perform or comply with any covenant, condition or obligation of this Contract due to an event of Force Majeure, such party shall give written notice to the other party as soon as reasonably possible after the occurrence of such event of Force Majeure, giving full particulars of such event.

The obligations of both parties after giving such notice shall, insofar as such obligations are affected by such event of Force Majeure, be suspended during the continuance of such event of Force Majeure, but for no longer period, and the party so prevented from complying with its obligations hereunder shall, to the extent possible, remedy such event of Force Majeure with all reasonable dispatch.

7.2 The term Force Majeure shall mean any event beyond the reasonable control of either party, but with respect to the Gas Retailer's obligation to supply gas under this Gas Retailer Tariff will only include a curtailment or force majeure declared by TransGas that adversely affects the ability of the Gas Retailer to perform TEP inventory transfers.

## Article 8 – General

8.1 Governing Law. All Contracts shall state that the Contracts are governed by the laws of the Province of Saskatchewan.

8.2 Dispute Resolution. All Contracts shall state that all Code of Conduct disputes arising under the Contract will be resolved following the procedure described in Schedule 6 to the Gas Retailer Tariff between SaskEnergy and the Gas Retailer and that the results of such procedures will be final and binding upon the parties.

8.3 Other Provisions. The Gas Retailer's Customer and Gas Retailer may agree to such other terms and conditions in the Contact, which are mutually acceptable to the parties, provided such terms and conditions are consistent with the above minimums in both content and spirit.

8.4 Requirement for Writing. All Contracts and amendments thereto must be in writing. Gas Retailers are allowed to contract with customers electronically (internet) provided that the Gas Retailer obtains electronic signatures, retains the document for two years beyond the expiry of the Contract, and is compliant with *The Electronic Information and Documents Act, 2000*, and other applicable legislation, as amended from time to time. Signed Appointment of Agent and Disclosure Statements may also be in electronic form provided that the same requirements are met.

8.5 All Customer contracts shall be made conditional upon the Gas Retailer obtaining a signed Appointment of Agent and Disclosure Statement from Customer, and shall require Gas Retailers to provide a signed Appointment of Agent and Disclosure Statement to SaskEnergy within five business days of being requested to do so by SaskEnergy. Failure of the Gas Retailer to obtain and produce a signed Appointment of Agent and Disclosure Statement on request by SaskEnergy, and as required by the Code of Conduct, shall make the Contract voidable by the Customer, at the Customer's option, notwithstanding any partial performance.

## **Schedule 6 – Dispute Resolution**

### **PART A**

#### **DISPUTE RESOLUTION AS BETWEEN SASKENERGY AND GAS RETAILERS**

Either party (the “Initiating Party”) may give written notice to the other party (the “Receiving Party”) that it intends to invoke this dispute resolution process. Such written notice shall contain the details of the issues in dispute (the “Issues”).

#### **Level One**

The Initiating Party and the Receiving Party shall attempt to resolve the Issues. If the parties cannot resolve the Issues by mutual agreement within twenty (20) days (or such other period as mutually agreed to by the parties), the dispute shall proceed to Level 2.

Each party shall make bona fide efforts to resolve any disputes arising between them by amicable negotiations and provide frank, candid and timely disclosure of all relevant facts, information and documents to facilitate those negotiations.

#### **Level Two**

If the Issues proceed to Level 2 for resolution, the parties shall agree upon a sole arbiter to resolve the Issues in accordance with *The Arbitration Act, 1992* (Saskatchewan), as amended from time to time. If the parties cannot agree upon a sole arbiter, either party may apply to Saskatchewan Court of Queen’s Bench in accordance with *The Arbitration Act, 1992* (Saskatchewan) to appoint a sole arbiter. The determination of such arbiter shall be final and binding upon the parties.

#### **Costs**

Each party’s costs regarding dispute resolution shall be borne by each party, unless the allocation is varied by an arbiter.

## PART B

### DISPUTE RESOLUTION AS BETWEEN GAS RETAILER CUSTOMERS AND GAS RETAILERS

#### **Level One**

Either party (the “Initiating Party”) may give written notice to the other party (the “Receiving Party”) that it intends to invoke this dispute resolution process. Such written notice shall contain the details of the issues in dispute (the “Issues”).

An Application for Dispute Resolution – Level One form, obtained from SaskEnergy, can be used for this purpose.

The Initiating Party and the Receiving Party shall attempt to resolve the Issues. If the parties cannot resolve the Issues by mutual agreement within twenty (20) days (or such other period as mutually agreed to by the parties) the dispute shall proceed to Level 2.

Each party shall make bona fide efforts to resolve any disputes arising between them by amicable negotiations and provide frank, candid and timely disclosure of all relevant facts, information and documents to facilitate those negotiations.

#### **Level Two**

If the Initiating Party and Receiving Party are unable to resolve the Issues pursuant to Level 1, then either party may submit the Issues to SaskEnergy to be resolved.

An Application for Dispute Resolution – Level Two form, obtained from SaskEnergy, together with an Application for Dispute Resolution – Level One (or equivalent) and proof of service thereof, must be filed with SaskEnergy.

On receipt of such an Application, SaskEnergy shall appoint a dispute resolution coordinator (the “Dispute Resolution Coordinator”) who will establish a process to resolve Code of Conduct matters (the “Dispute Resolution Procedures”). Unless otherwise agreed to by all parties and the Dispute Resolution Coordinator, the parties will attend at a single “med–arb” session, together with any witnesses and all relevant facts, information and documents in their possession. The Dispute Resolution Coordinator will first attempt to mediate, and if no agreement is reached, the Dispute Resolution Coordinator will forthwith proceed to arbitrate.

The Dispute Resolution Coordinator shall have all of the powers given to arbitrators under *The Arbitration Act, 1992*.

In the event the parties and the Dispute Resolution Coordinator cannot reach an agreement as to the time and place, the time and place of the med–arb session shall be as determined by the Dispute Resolution Coordinator.

The Dispute Resolution Coordinator may hear, receive, and consider any evidence that he or she may consider relevant.

The decision of the Dispute Resolution Coordinator shall be final and binding upon the parties. However, either party may appeal the decision of the Dispute Resolution Coordinator to Level 3 regarding any issue of law.

The Dispute Resolution Coordinator has the power to order on a provisional basis any relief that he would have power to grant in a final award.

The Dispute Resolution Coordinator may dispense with reasons in making his award.

The Dispute Resolution Coordinator, and SaskEnergy, shall not be liable to the parties for any act or omission whatsoever in connection with the dispute resolution services provided.

In the event a breach of the Code of Conduct is found by the Dispute Resolution Coordinator, the Dispute Resolution Coordinator shall provide those findings to SaskEnergy for remedial action in accordance with the Code of Conduct and Gas Retailer Tariff. In addition, the Dispute Resolution Coordinator may order one or more of the following remedies: that the Customer be permitted to return to SaskEnergy supply, payment or reimbursement of Return Charges, payment or reimbursement of the Dispute Resolution Fee, or payment or reimbursement of other SaskEnergy fees by either party to the other.

### **Level Three**

A party may appeal an award to the courts on a question of law and *The Arbitration Act, 1992* shall apply.

Level 3 proceedings are not facilitated by, funded by or subsidized by SaskEnergy, and it is the responsibility of the parties to pursue such legal assistance as they may require.

### **Costs**

Each party's costs regarding dispute resolution shall be borne by each party, with the exception of the Dispute Resolution Fee, which may be reallocated to either party as outlined above. The parties to a Med-Arb session shall be entitled to a one-half day Med-Arb session under this Gas Retailer Tariff, subject to payment of the Dispute Resolution Fee. Thereafter, the Dispute Resolution Coordinator may render a ruling, or where both parties are in agreement, the session may be extended and the parties shall contract directly with the Dispute Resolution Coordinator for the additional costs.

### **Notes to Part B.**

There shall be no cost of initiating a Level One dispute resolution process. There shall be a fee of \$50.00 (a Dispute Resolution Fee) to initiate a Level Two application, payable by the initiating party to SaskEnergy. This cost, plus applicable taxes, will be added to the applicant's monthly SaskEnergy bill.

Please keep a copy of all dispute resolution related documentation.

Where an extension of time is agreed upon, it is good practice to obtain the consent in writing for evidentiary purposes.

## **Schedule 7 – Customer Enrollment Forms**

This Schedule shall constitute an integral part of the Gas Retailer Tariff (the “Tariff”), and Gas Retailer agrees to conduct itself in accordance with the guidelines provided for herein. In the event of a conflict between this Schedule and the Gas Retailer Tariff, the Gas Retailer Tariff shall govern. In the event of a conflict between this Schedule and any other Schedule to the Gas Retailer Tariff, the other Schedule shall govern. Where additional steps or documentation are required under this Schedule, but the Schedule is not otherwise in conflict, the additional steps or documentation shall be required. Unless otherwise provided for herein, defined terms shall have the meaning set out in the Gas Retailer Tariff. SaskEnergy is committed to following the practices in the Schedule. However, as these practices cannot cover every situation that arises, SaskEnergy reserves the right to deviate from the guidelines in individual circumstances.

## APPENDIX A

**To:** Billing Services, SaskEnergy  
**Email:** retailbilling@saskenergy.com  
**Fax:** (306) 347- 0744  
**Phone:** (306) 777-9090

### **CONSENT TO RELEASE SASKENERGY BILLING/ACCOUNT INFORMATION**

Due to privacy requirements, SaskEnergy is unable to disclose specific account information without prior written consent of the Customer(s) whose name(s) appear (s) on the bill. Please complete the information below, and forward the signed form to SaskEnergy at the address above. For multiple account numbers, please complete attached listing.

Name(s) in Billing: \_\_\_\_\_

\_\_\_\_\_

Account Number: \_\_\_\_\_

Service Address: \_\_\_\_\_

**By my signature below, I hereby give SaskEnergy permission to release and disclose both verbally and in writing, billing/account information to the following Gas Retailer: (One-time disclosure)**

Name: \_\_\_\_\_

Email Address: \_\_\_\_\_

Telephone \_\_\_\_\_ Fax: \_\_\_\_\_

**Customer further agrees to release and hold harmless SaskEnergy Incorporated from any claims, damages, or expenses resulting from the use of or reliance upon the Customer information disclosed hereunder.**

Customer Name: \_\_\_\_\_

Signature: \_\_\_\_\_

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

***Please complete for multiple accounts:***

**Name on Account**

## **Service Address**

**Account Number**

**Disclosure Statement and Appointment of Agent**  
**(“Disclosure Statement”)**

If you choose to enter into an arrangement to purchase your natural gas supplies directly (Commodity Sale Arrangement), **please read both pages of this document before signing**. The Gas Retailer shall keep a copy of this document as an acknowledgement that you have entered into a Commodity Sale Arrangement and that you understand the benefits and risks associated with the commodity sale of natural gas.

**Appointment of Agent:**

<b>From:</b>	<b>Customer (Please Print)</b>	
Correct Legal Name		
Operating Name (if applicable)		
Street		
City/Town		
Postal Code		
Contact Name	Title (if applicable)	
Telephone	Fax	

<b>Effective Dates</b>	Start Date: (Gas flow/sale start date – dd/mm/yyyy)	End Date: (End date of contract – dd/mm/yyyy)
------------------------	--	--

<b>Gas Retailer Name</b>		
Address:	City/Province:	
Postal Code:	Telephone:	
Attention:		

I/We the Customer identified above hereby appoint the “Gas Retailer” identified above as “Agent” for Customer. The Agent may negotiate, establish, document, implement, operate, perform, terminate and amend all matters relating to the Commodity Sale Arrangement with SaskEnergy on my behalf.

Provided that no other Commodity Sale Arrangement is in effect, this Appointment of Agent shall remain in effect for a minimum term of one (1) year, and thereafter, for the term of the Commodity Sale Arrangement and any extensions or renewals thereof, or until cancelled in writing by the Customer or until the expiry of the minimum one-year term, unless extended or renewed by the Customer or the Agent.

SaskEnergy shall be entitled to treat any act by the Agent in connection with the Commodity Sale Arrangement in the same manner as if the act had been by the Customer.

The Agent is authorized to appoint any person, firm or corporation as an Agent of the Customer and, thus, have all of the power and authority which the Agent is acknowledged to have in this Appointment of Agent. Such appointment shall be made in writing from the Agent and shall be subject to the consent of SaskEnergy. SaskEnergy consent shall not be unreasonably withheld.

**Signature of Customer**

**Name (Print)**

**Date**

Title of Authorized Signatory if Customer is a Corporation

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The Customer accepts responsibility for the purchase of natural gas supplied by the Agent and further authorizes and requests SaskEnergy to provide delivery services from the point of transfer to the Customer's facility(s) associated with the SaskEnergy account(s) listed in the Schedule "A" below. As is the case for utility-supplied Customers, the Customer acknowledges that SaskEnergy may withhold or suspend delivery services in the event of non-payment for services by the Customer. SaskEnergy will bill according to the name and account number of each location identified.

This Appointment of Agent shall be effective on and from the date set out below and shall be governed and construed exclusively in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein.

As is the case for utility-supplied Customers, Customer acknowledges that an additional charge may be added to the Customer's account in respect of payments to municipalities in lieu of taxes relating to the cost of gas supplied to the Customer by the Agent, in accordance with the terms of The SaskEnergy Act, 1992, c. S-35.1.

Customers choosing a non-utility gas supplier must evaluate the benefits and risks of a Commodity Sale Arrangement. You, the Customer, understand that:

1. Your Agent contracts with SaskEnergy to supply billing, delivery and other services. Your Agent is not affiliated with or endorsed by SaskEnergy in any way. SaskEnergy is not responsible and shall not be held liable or in any way accountable to the Customer or Agent with respect to:
  - a. The manner by which an offer to supply natural gas by your Agent is presented to you;
  - b. The terms of the Commodity Sales Agreement between you and your Agent;
  - c. The provision of any after sale services offered to you by your Agent; or,
  - d. The observance of, or failure of your Agent to observe, the terms of any offer to supply natural gas, the terms of the Commodity Sales Arrangement, the terms of the Code of Conduct or the terms of any applicable legislation.
2. Any cost savings will be on the gas supply portion of the bill. Your Agent may not be able to buy gas cheaper than SaskEnergy. You are responsible for all gas supply arrangements made by the Agent on your behalf. It is your responsibility to ensure that you are dealing with a knowledgeable and reputable firm.
3. It is your responsibility to check with your Agent as to what would happen if you change your address and what notice the Agent would require to terminate the contract.
4. In the event of a supply failure by your Agent, SaskEnergy will generally supply you with gas, subject to SaskEnergy's standard Terms and Conditions of Service Schedule requirements, including a Short Notice Return Charge that may be charged by SaskEnergy, if applicable.
5. It is your responsibility to check with your Agent as to the length of your contract and under what circumstances the contract can be terminated. To avoid additional charges, you may only be able to start buying natural gas directly or return to utility-arranged supply at certain times of the year or by providing the required notice. It is your responsibility to check with your Agent as to when these dates are, if there are any costs involved in leaving or returning to utility-arranged supply and who would pay these costs.

### **For Residential Service:**

If you sign a Commodity Sale Arrangement for your home, SaskEnergy will issue you a letter notifying you that we have been advised by a Gas Retailer that you have elected to no longer purchase your gas from SaskEnergy. You have 20 business days from the date on SaskEnergy's notification letter to cancel your contract with the Gas Retailer without reason. Companies involved in the direct marketing of natural gas to residential Customers must have proper identification and also be licensed under The Direct Sellers Act. It is your responsibility to check to determine whether your Agent has direct sales identification. Licensing under The Direct Sellers Act may not be required with respect to commercial Customers, and the protection offered to residential Customers under The Direct Sellers Act may not apply to commercial Customers. Agents must also abide by the Code of Conduct under the Gas Retailer Tariff.

Customer authorizes SaskEnergy and Agent to share such personal and other information of the Customer as may be required under the Gas Retailer Tariff between SaskEnergy and Agent, including but not limited to, Customer name, service address, other address and contact information, and information regarding annual quantity of gas historically consumed by Customer prior to execution of an agreement with the Agent.

By signing below, I acknowledge having read and understood both pages of this Disclosure Statement and agree to its terms and conditions.

**Signature of Customer**

**Name (Print)**

**Date**

Title of Authorized Signatory if Customer is a Corporation

## **Commodity Sale of Natural Gas**

### **Schedule “A”**

The locations stated hereunder shall be collectively defined as the Service Address. The parties acknowledge that SaskEnergy's Account Number is used for ease of administration only and should any number applicable to the same Customer be changed to a new number by SaskEnergy, this Appointment shall be deemed to be automatically amended to include such new number.

<b>Service Address</b>	<b>SaskEnergy's Account Number</b>
1.	
2.	
3.	
4.	
5.	

## Revocation of Agent

### Commodity Sale of Natural Gas Revocation of Agent/Instruction to Transfer

**This Instruction to Transfer form must be read and completed any time a party to an agreement to purchase natural gas, from a supplier other than SaskEnergy (Commodity Sale Arrangement), wishes to change Gas Retailer or return to SaskEnergy supply service for any reason prior to the end of the term of the Commodity Sale Arrangement.**

If you are currently a party to an agreement to purchase your natural gas supplies directly with a party other than SaskEnergy, please read this document before signing. SaskEnergy and/or your existing supplier/ agent (the Agent) will receive a copy of this document.

#### **Disclosure Statement:**

Customers leaving a non-utility gas supplier to return to the utility, leaving a non-utility gas supplier for another non-utility gas supplier, terminating an existing contract with a non-utility gas supplier for any reason or terminating the agency of a non-utility gas supplier for any reason, must understand and evaluate the benefits and risks of such action. You, the Customer, understand that:

1. You are entitled to change suppliers/agents, without cause, at the end of the term of your existing agreement. The term of your existing agreement is contained in your contract with your existing supplier. Your contract will also generally spell out under what circumstances you can terminate your contract/ agency appointment, without charges or damages, prior to the end of the term. As the contract may not spell out all circumstances under which you may terminate, you may wish to obtain legal advice in this regard. SaskEnergy does not have a copy of your agreement and cannot provide you with advice.
2. **SaskEnergy does not advocate for or against the transfer of suppliers/agents during the term of an agreement.** Regardless of the term of the Commodity Sale Arrangement agreement, SaskEnergy will allow you to change suppliers/agents or transfer to SaskEnergy, after the first year of your contract, on November 1<sup>st</sup>, and any November 1<sup>st</sup> thereafter (on sixty days notice), without charges or damages payable to SaskEnergy. **This does not relieve you of any charges or damages that may be payable by you to your Agent under a Commodity Sale Arrangement agreement with that supplier, and such instructions to SaskEnergy may be a breach of your agreement with your existing Agent.**
3. Returning to SaskEnergy supply without the required notice may result in a Return Charge payable under SaskEnergy's Terms and Conditions of Service Schedule in addition to any sums payable to your existing Agent.
4. Your Agent contracts with SaskEnergy to supply billing, delivery and other services. **SaskEnergy is not affiliated with, nor does it endorse, any non-utility gas supplier.** SaskEnergy is **not responsible and shall not be held liable** or in any way accountable to the Customer or Agent with respect to:
  - a. Failure to educate the Customer as to its rights and obligations;
  - b. Disputes between the Customer and Agent;
  - c. The terms of the Commodity Sale Arrangement between you and your Agent;
  - d. The provision of any after sale services offered to you by your Agent, or;
  - e. The observance of, or failure of your Agent to observe, the terms of any offer to supply natural gas, the terms of the Commodity Sale Arrangement, the terms of the Code of Conduct or the terms of any applicable legislation.
5. You acknowledge that SaskEnergy has no fiduciary obligation to you, and that you are acting on your own behalf, on your own judgment and on such independent advice and counsel as you deem necessary. In choosing suppliers/agents, it is your responsibility to ensure that you are dealing with a knowledgeable and reputable firm.
6. You acknowledge that you are capable of assessing the merits of and understanding (on your own behalf or through independent professional advice), and understand and accept, the terms, conditions and risks of this transaction.
7. The information and explanations provided herein shall not be considered advice or recommendations.
8. SaskEnergy does facilitate a dispute resolution procedure, that may be initiated between you and your existing Agent, and which may be an alternative to terminating your existing contract.

**Revocation of Agent:****From: Customer (Please Print)**

SaskEnergy Account Number: \_\_\_\_\_

Correct Legal Name

Operating Name (if applicable)

Street

City/Town

Postal Code

Contact Name

Title (if applicable)

Telephone

Fax

Effective Date: \_\_\_\_\_

**To:** **SaskEnergy Incorporated**  
Billing Services  
9<sup>th</sup> Fl - 1777 Victoria Avenue  
Regina, Saskatchewan S4P 4K5  
retailbilling@saskenergy.com  
Fax: 306-347-0744

**To:** **Existing Gas Retailer**  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(the "Agent")

I/We the Customer identified above hereby notify SaskEnergy Incorporated that the Agent identified above is hereby removed, and its agency revoked. The Agent may no longer negotiate, establish, document, implement, operate, perform, terminate or amend matters relating to Commodity Sale Arrangements with SaskEnergy on my behalf. No new confidential or personal information shall be provided to the Agent by SaskEnergy, except as may be necessary to effect a transfer of gas supply to a new supplier.

This revocation shall be effective on and from the date set out above and shall be governed and construed exclusively in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein.

**For Service to a Home:** If you need more information on cancellation or if you feel you have been treated unfairly, you may wish to contact the Consumer Protection Branch, Saskatchewan Department of Justice.

I acknowledge having read the SaskEnergy Instruction to Transfer and understand its contents and have retained a copy of this document dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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**Signature**

(I am the Customer or, if a Corporation, have authority to bind the Corporation)

**Name (Print)**