



FORTISBC ENERGY INC.

RATE SCHEDULE 11B

**BIOMETHANE LARGE VOLUME INTERRUPTIBLE
SALES**

Effective November 1, 2018

Order No.: G-135-18 Issued By: Diane Roy, Vice President, Regulatory Affairs
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1. Definitions

1.1 Definitions

Except where the context requires otherwise, or except as otherwise expressly provided in the Rate Schedule under which the Customer receives transportation Service, all words and phrases defined below or in the General Terms and Conditions of FortisBC Energy and used in this Rate Schedule or in a Transportation Agreement have the meanings set out below or in the General Terms and Conditions of FortisBC Energy. Where any of the definitions set out below conflict with the definitions in the General Terms and Conditions of FortisBC Energy, the definitions set out below govern.

- (a) **Commencement Date** - means the day specified as the Commencement Date in the Sales Agreement.
- (b) **Customer** - means a Shipper or Shipper Agent who enters into a Sales Agreement with FortisBC.
- (c) **Day** – means, subject to Section 1.2 (Change in Definition of "Day"), any period of twenty-four consecutive hours beginning and ending at 7:00 a.m. Pacific Standard Time.
- (d) **Group** - means a group of Shippers who each transport Gas under a transportation Rate Schedule, have a common Shipper Agent, and who have each entered into a Transportation Agreement.
- (e) **Point of Sale** - the point of sale will be from FortisBC Energy certified Biomethane facilities attached to the FortisBC Energy distribution system.
- (f) **Sales Agreement** - means an agreement between FortisBC Energy and a Customer for the sale of Biomethane pursuant to this Rate Schedule.
- (g) **Shipper** - means a person who enters into a Transportation Agreement with FortisBC Energy and who is also the consumer of the Gas transported.
- (h) **Shipper Agent** - means a person who enters into a Shipper Agent Agreement with FortisBC Energy.
- (i) **Transportation Agreement** - means an agreement between FortisBC Energy and a Shipper to provide Service pursuant to a transportation Rate Schedule.

1.2 Change in Definition of "Day"

FortisBC Energy may amend the definition of "Day" from time to time to suitably align its operations with those of its Transporters. If FortisBC Energy amends the definition of "Day", a pro-rata adjustment of quantities of Gas and charges to account for any Day of more or less than 24 hours will be made and the terms of the Sales Agreement will be similarly adjusted.

2. Applicability, Availability and Amendment

2.1 Description of Applicability

This Rate Schedule applies to the sale of interruptible Biomethane, at the Point of Sale, no portion of which may be resold, except for the case where the Customer is a Shipper Agent, in which case the Biomethane must be resold to one or more members of its Groups.

2.2 Availability

This Rate Schedule is available in all Service Areas served by FortisBC Energy, except for the Municipality of Revelstoke and Fort Nelson.

2.3 British Columbia Utilities Commission

This Rate Schedule may be amended from time to time with the consent of the British Columbia Utilities Commission.

3. Conditions of Sales

3.1 Conditions

FortisBC Energy will only sell Biomethane to a Customer under this Rate Schedule in the applicable territory served by FortisBC Energy under the FortisBC Energy tariff of which this Rate Schedule is a part and if:

- (a) the Customer has entered into a Biomethane Large Volume Interruptible Sales Agreement ("Sales Agreement");
- (b) the Customer has entered into a Transportation Agreement pursuant to Rate Schedule 22, 22A, 22B, 23, 25, 26 or 27; or all members of the Group which the Customer represents, if the Customer is a Shipper Agent, have entered into a Transportation Agreement under the applicable Rate Schedule; and

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- (c) adequate Biomethane volumes are available for sale by FortisBC Energy to the Customer for the facilities specified in the Sales Agreement.

3.2 Security

In order to secure the prompt and orderly payment of the charges to be paid by the Customer to FortisBC Energy under the Sales Agreement, FortisBC Energy may require the Customer to provide, and at all times maintain, an irrevocable letter of credit in favour of FortisBC Energy issued by a financial institution acceptable to FortisBC Energy in an amount equal to the estimated maximum amount payable by the Customer under this Rate Schedule and the Sales Agreement for a period of 90 Days. Where FortisBC Energy requires a Customer to provide a letter of credit and the Customer is able to provide alternative security acceptable to FortisBC Energy, FortisBC Energy may accept such security in lieu of a letter of credit.

4. Terms of Sale

4.1 Sale of Biomethane

Subject to all of the terms and conditions set out in this Rate Schedule and the Sales Agreement, FortisBC Energy will sell to the Customer and the Customer will buy from FortisBC Energy on each Day the quantity of Biomethane authorized by FortisBC Energy in accordance with Section 6 (Nomination).

4.2 Curtailment

FortisBC Energy may at any time, for any reason and for any length of time, interrupt or curtail Biomethane sales under this Rate Schedule.

4.3 Notice of Curtailment

Each notice from FortisBC Energy to the Customer with respect to the interruption or curtailment by FortisBC Energy of deliveries of Biomethane will be by telephone, by facsimile ("fax") and/or by other electronic means, and will specify the quantity of Biomethane to which the Customer is curtailed and the time at which such curtailment is to be made. FortisBC Energy will make reasonable efforts to give the Customer as much notice as possible with respect to such curtailment, not to be less than 2 hours prior notice unless prevented by Force Majeure.

5. Table of Charges

5.1 Charges

In respect of all quantities of Biomethane sold to the Customer under this Rate Schedule, the Customer will pay to FortisBC Energy all of the charges set out in the Table of Charges.

5.2 Transportation Charges

Customers will be responsible for paying the FortisBC Energy delivery charges as set out in a Customer's applicable transportation contract.

6. Nomination

6.1 Requested Quantity

The Customer will provide notice to FortisBC Energy on the Web Information and Nomination System ("WINS"), or other method approved by FortisBC Energy, prior to 7:30 a.m. Pacific Standard Time on each Day (or such other time as may be specified from time to time by FortisBC Energy) the Customer's Requested Quantity for the Day commencing in approximately 24 hours.

6.2 Authorized Quantity

FortisBC Energy will notify the Customer on WINS or other method approved by FortisBC Energy if the Authorized Quantity is less than the Requested Quantity.

7. Groups Nominations

7.1 Notices To and From Shipper Agents

If the Customer is a member of a Group then:

- (a) communications regarding curtailments, interruptions, quantities of Biomethane requested or quantities of Biomethane authorized will be between the Shipper Agent for the Group and FortisBC Energy;

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- (b) notices from FortisBC Energy with respect to interruption or curtailment pursuant to Section 4.3 (Notice of Curtailment) will be to the Shipper Agent for the Group and will specify the quantity of Biomethane to which the Group is curtailed and the time at which such curtailment is to be made; it will be the responsibility of the Shipper Agent to notify Customers which are members of the Group of interruptions or curtailments;
- (c) the Shipper Agent will provide to FortisBC Energy the Requested Quantity for the Group pursuant to Section 6.1 (Requested Quantity) and if the Shipper Agent does not so notify FortisBC Energy, then the Group's Requested Quantity for the Day commencing in approximately 24 hours will be deemed to be the Group's quantity pursuant to Section 6.2 (Authorized Quantity) for the Day just commencing; and
- (d) FortisBC Energy will each Day determine the Authorized Quantity to be made available to the Group under this Rate Schedule and will advise the Shipper Agent if such Authorized Quantity is less than the Group's Requested Quantity.

8. Term of Sales Agreement

8.1 Term

The initial term of the Sales Agreement will begin on the Commencement Date and will expire at 7:00 a.m. Pacific Standard Time on the next November 1st.

8.2 Automatic Renewal

Except as specified in the Sales Agreement, the term of the Sales Agreement will continue from Year to Year after the expiry of the initial term unless cancelled by either FortisBC Energy or the Customer upon not less than 10 Days notice prior to the end of the Contract Year then in effect.

8.3 Early Termination

The term of the Sales Agreement is subject to early termination in accordance with Section 12 (Default or Bankruptcy).

8.4 Survival of Covenants

Upon the termination of the Sales Agreement, whether pursuant to Section 12 (Default or Bankruptcy) or otherwise,

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- (a) all claims, causes of action or other outstanding obligations remaining or being unfulfilled as at the date of termination; and
- (b) all of the provisions in this Rate Schedule and in the Sales Agreement relating to the obligation of any of the parties to account to or indemnify the other and to pay to the other any monies owing as at the date of termination in connection with the Sales Agreement,

will survive such termination

9. Statements and Payments

9.1 Statements to be Provided

FortisBC Energy will, on or about the 15th day of each Month, deliver to the Customer a statement for the preceding Month showing the Gas quantities delivered to the Customer and the amount due. If the Customer is a member of a Group then the statement and the calculation of the amount due from the Customer will be based on information supplied by the Shipper Agent, or based on other information available to FortisBC Energy, as set out in the Shipper Agent Agreement. FortisBC Energy will, on or about the 45th day after the end of a Contract Year, deliver to the Customer a separate statement for the preceding Contract Year showing the amount required from the Customer in respect of any indemnity due under this Rate Schedule or a Sales Agreement. Any errors in any statement will be promptly reported to the other party as provided hereunder, and statements will be final and binding unless questioned within one Year after the date of the statement.

9.2 Payment and Interest

Payment for the full amount of the statement, including federal, provincial and municipal taxes or fees applicable thereon, will be made to FortisBC Energy at its Vancouver, British Columbia office, or such other place in Canada as it will designate, on or before the 1st Business Day after the 10th calendar day following the billing date. If the Customer fails or neglects to make any payment required under this Rate Schedule, or any portion thereof, to FortisBC Energy when due, interest on the outstanding amount will accrue, at the rate of interest declared by the chartered bank in Canada principally used by FortisBC Energy, for loans in Canadian dollars to its most creditworthy commercial borrowers payable on demand and commonly referred to as its "prime rate", plus:

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- (a) 2% from the date when such payment was due for the first 30 days that such payment remains unpaid and 5% thereafter until the same is paid where the Customer has not, during the immediately preceding 6-month period, failed to make any payment when due hereunder; or
- (b) 5% from the date when such payment was due to and including the date the same is paid where the Customer has, during the immediately preceding 6-month period, failed to make any payment when due hereunder.

9.3 Examination of Records

Each of FortisBC Energy and the Customer will have the right to examine at reasonable times the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge, computation or demand made pursuant to any provisions of this Rate Schedule or the Sales Agreement.

10. Measurement

10.1 Unit of Volume

The unit of volume of Gas for all purposes hereunder will be 1 cubic metre at a temperature of 15° Celsius and an absolute pressure of 101.325 kilopascals.

10.2 Determination of Volume

Gas delivered hereunder will be metered using metering apparatus approved by Measurement Canada and the determination of standard volumes delivered hereunder will be in accordance with terms and conditions pursuant to the *Electricity and Gas Inspection Act* of Canada.

10.3 Conversion to Energy Units

In accordance with the *Electricity and Gas Inspection Act* of Canada, volumes of Gas delivered each Day will be converted to energy units by multiplying the standard volume by the Heat Content of each unit of Gas. Volumes will be specified in 10³m³ rounded to two decimal places and energy will be specified in Gigajoules rounded to one decimal place.

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11. Representations, Warranties and Covenants

11.1 Representation and Warranty

FortisBC Energy represents and warrants the title to all Biomethane delivered to the Customer at the Point of Sale under this Rate Schedule and the right of FortisBC Energy to sell such Biomethane, and represents and warrants that such Biomethane will be free and clear of all liens, encumbrances and claims.

11.2 Transfer of Title

Title to Biomethane sold under this Rate Schedule will pass to the Customer at the Point of Sale.

12. Default or Bankruptcy

12.1 Default

If the Customer at any time fails or neglects:

- (a) to make any payment due to FortisBC Energy or to any other person under this Rate Schedule or the Sales Agreement within 30 days after payment is due; or
- (b) to correct any default of any of the other terms, covenants, agreements, conditions or obligations imposed upon it under this Rate Schedule or the Sales Agreement, within 30 days after FortisBC Energy gives to the Customer notice of such default or, in the case of a default that cannot with due diligence be corrected within a period of 30 days, the Customer fails to proceed promptly after the giving of such notice with due diligence to correct the same and thereafter to prosecute the correcting of such default with all due diligence,

then FortisBC Energy may in addition to any other remedy that it has and at its option and without liability therefore:

- (c) suspend further transportation Service to the Customer and may refuse to deliver Gas to the Customer until the default has been fully remedied, and no such suspension or refusal will relieve the Customer from any obligation under this Rate Schedule or the Sales Agreement; or
- (d) terminate the Sales Agreement, and no such termination of the Sales Agreement pursuant hereto will exclude the right of FortisBC Energy to collect any amount due to it from the Customer for what would otherwise have been the remainder of the term of the Sales Agreement.

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12.2 Bankruptcy or Insolvency

If the Customer becomes bankrupt or insolvent or commits or suffers an act of bankruptcy or insolvency or a receiver is appointed pursuant to a statute or under a debt instrument or the Customer seeks protection from the demands of its creditors pursuant to any legislation enacted for that purpose, FortisBC Energy will have the right, at its sole discretion, to terminate the Sales Agreement by giving notice in writing to the Customer and thereupon FortisBC Energy may cease further delivery of Gas to the Customer and the amount then outstanding for Gas provided under the Sales Agreement will immediately be due and payable by the Customer.

13. Notice

13.1 Notice

Any notice, request, statement or bill that is required to be given or that may be given under this Rate Schedule or under the Sales Agreement will, unless otherwise specified, be in writing and will be considered as fully delivered when mailed, personally delivered or sent by fax or other method approved by FortisBC Energy to the other in accordance with the following:

If to FortisBC Energy

FORTISBC ENERGY INC.

MAILING ADDRESS:

16705 Fraser Highway
Surrey, B.C.
V4N 0E8

BILLING AND PAYMENT:

Attention: Industrial Billing
Telephone: 1-855-873-8773
Email: industrial.billing@fortisbc.com
Fax: (888) 224-2710

CUSTOMER RELATIONS:

Attention: Commercial & Industrial Energy
Solutions
Telephone: (604) 576-7028
Email: commercial.energy@fortisbc.com
Fax: (604) 576-7122

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LEGAL AND OTHER:

Attention: Legal Services
Telephone: (604) 576-7000
Fax: (604) 592-7520

13.2 Specific Notices

Notwithstanding Section 13 (Notice), notices with respect to Force Majeure will be sufficient if:

- (e) given by FortisBC Energy in writing by fax or other electronic means, or orally in person, or by telephone (to be confirmed in writing) to the person or persons designated from time to time by the Shipper as authorized to receive such notices; or
- (f) given by the Shipper by telephone (to be confirmed in writing) in the following manner:

To claim Force Majeure..."Please be advised that (name of company and location of plant) has (reason for claiming Force Majeure as provided in Section 15 (Force Majeure) and hereby claims suspension by reason of Force Majeure in accordance with the terms of Rate Schedule 11B effective 7:00 a.m. Pacific Standard Time (date of Force Majeure suspension to become effective, but not to be retroactive)."

To terminate Force Majeure..."Please be advised that (name of company and location of plant) requests a return to normal natural gas service in accordance with Rate Schedule 11B and the Transportation Agreement effective 7:00 a.m. Pacific Standard Time (date of Force Majeure suspension to end, but not to be retroactive) whereby the suspension by reason of Force Majeure currently in force will be terminated."

14. Indemnity and Limitation on Liability

14.1 Limitation on Liability

FortisBC Energy, its employees, contractors or agents are not responsible or liable for any loss or damages for or on account of any interruption or curtailment of Biomethane sales permitted under the General Terms and Conditions of FortisBC Energy or this Rate Schedule.

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14.2 Indemnity

The Customer will indemnify and hold harmless each of FortisBC Energy, its employees, contractors and agents from and against any and all adverse claims, losses, suits, actions, judgments, demands, debts, accounts, damages, costs, penalties and expenses (including all legal fees and disbursements) arising from or out of each of the following:

- (a) Municipal Operating Fees not otherwise collected by FortisBC Energy, under the Table of Charges; and
- (b) all federal, provincial, municipal taxes (or payments made in lieu thereof) and royalties, whether payable on the delivery of Biomethane to the Customer by FortisBC Energy or on the delivery of Biomethane to FortisBC Energy by the Customer, or on any other service provided by FortisBC Energy to the Customer.

14.3 Principal Obligant

The Customer entering into a Rate Schedule 11B Sales Agreement will be the principal obligant.

15. Force Majeure

15.1 Force Majeure

Subject to the other provisions of this Section 15 (Force Majeure), if either party is unable or fails by reason of Force Majeure to perform in whole or in part any obligation or covenant set out in this Rate Schedule under which Service is rendered or in the Sales Agreement, the obligations of both FortisBC Energy and the Customer will be suspended to the extent necessary for the period of the Force Majeure condition.

15.2 Curtailment Notice

If FortisBC Energy claims suspension pursuant to this Section 15 (Force Majeure), FortisBC Energy will be deemed to have issued to the Customer a notice of curtailment.

15.3 Exceptions

Neither party will be entitled to the benefit of the provisions of Section 15.1 (Force Majeure) under any of the following circumstances:

- (a) to the extent that the failure was caused by the negligence or contributory negligence of the party claiming suspension;

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- (b) to the extent that the failure was caused by the party claiming suspension having failed to diligently attempt to remedy the condition and to resume the performance of the covenants or obligations with reasonable dispatch; or
- (c) unless as soon as possible after the happening of the occurrence relied on or as soon as possible after determining that the occurrence was in the nature of Force Majeure and would affect the claiming party's ability to observe or perform any of its covenants or obligations under this Rate Schedule or the Sales Agreement, the party claiming suspension will have given to the other party notice to the effect that the party is unable by reason of Force Majeure (the nature of which will be specified) to perform the particular covenants or obligations.

15.4 **Notice to Resume**

The party claiming suspension will likewise give notice, as soon as possible after the Force Majeure condition has been remedied, to the effect that it has been remedied and that the party has resumed, or is then in a position to resume, the performance of the covenants or obligations.

15.5 **Settlement of Labour Disputes**

Notwithstanding any of the provisions of this Section 15 (Force Majeure), the settlement of labour disputes or industrial disturbances will be entirely within the discretion of the particular party involved and the party may make settlement of it at the time and on terms and conditions as it may deem to be advisable and no delay in making settlement will deprive the party of the benefit of Section 15.1 (Force Majeure).

15.6 **No Exemption for Payments**

Notwithstanding any of the provisions of this Section 15 (Force Majeure), Force Majeure will not relieve or release either party from its obligations to make payments to the other.

15.7 **Periodic Repair by FortisBC Energy**

FortisBC Energy may temporarily shut off the delivery of Gas for the purpose of repairing or replacing a portion of the FortisBC Energy System or its equipment and FortisBC Energy will make reasonable efforts to give the Customer as much notice as possible with respect to such interruption, not to be less than 8 hours prior notice except when prevented by Force Majeure. FortisBC Energy will make reasonable efforts to schedule repairs or replacement to minimize interruption or curtailment of transportation Service to the Customer, and to restore Service as quickly as possible.

15.8 Customer's Gas

If FortisBC Energy curtails or interrupts transportation of Gas by reason of Force Majeure the Customer will make its supply of Gas available to FortisBC Energy, to the extent required by FortisBC Energy, to maintain service priority to those customers or classes of customers which FortisBC Energy determines should be served. FortisBC Energy, in its sole discretion, will either increase the balance in the Customer's inventory account by the amount taken by FortisBC Energy and return an equivalent quantity of Gas to the Customer as soon as reasonable, or pay the Customer an amount equal to either FortisBC Energy's average Gas cost, or the Customer's average Gas cost, for the Day(s) during which such Gas was taken, whichever Gas cost the Customer, in its sole discretion, elects.

15.9 Alteration of Facilities

The Customer will pay to FortisBC Energy all reasonable costs associated with the alteration of facilities made at the discretion of FortisBC Energy to measure quantities reduced by reason of Force Majeure claimed by the Customer and to restore such facilities after the Force Majeure condition ends.

16. Arbitration

16.1 Arbitration

Any dispute between the parties arising from this Rate Schedule or the Sales Agreement will be resolved by a single arbitrator pursuant to the *Arbitration Act* of British Columbia or successor legislation, save as expressly provided herein.

16.2 Demand for Arbitration

Either party may commence arbitration proceedings by sending to the other party a demand for arbitration setting out the nature of the dispute.

16.3 Arbitrator

The parties will have 10 days from receipt of the demand referred to in Section 16.2 (Demand for Arbitration) of this Rate Schedule to agree upon the arbitrator, failing which either party may apply to the Supreme Court of British Columbia to select the arbitrator. The arbitrator must be sufficiently qualified by education and training to decide the particular questions in dispute. Unless otherwise agreed, the arbitrator may not be a past or present employee, officer or director of any of the parties or their respective successors or affiliates, any customer or supplier of the Shipper or FortisBC Energy.

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16.4 Commencement and Decision

The arbitrator will proceed immediately to hear and determine the matter in dispute and will render a written decision, signed by the arbitrator, within 45 days after the appointment, subject to any reasonable delay due to unforeseen circumstances. Notwithstanding the foregoing, if the arbitrator fails to render a decision within 60 days after the appointment then either party may elect to have a new arbitrator appointed in like manner as if none had previously been appointed.

16.5 Decision

The decision of the arbitrator will be final and binding upon the parties and the parties will abide by the decision and perform the terms and conditions thereof.

17. Interpretation

17.1 Interpretation

Except where the context requires otherwise or except as otherwise expressly provided, in this Rate Schedule or in a Sales Agreement:

- (a) all references to a designated section are to the designated section of this Rate Schedule unless otherwise specifically stated;
- (b) the singular of any term includes the plural, and vice versa, and the use of any term is equally applicable to any gender and, where applicable, body corporate;
- (c) any reference to a corporate entity includes and is also a reference to any corporate entity that is a successor to such entity;
- (d) all words, phrases and expressions used in this Rate Schedule or in a Sales Agreement that have a common usage in the gas industry and that are not defined in the General Terms and Conditions of FortisBC Energy, the Definitions or in the Sales Agreement have the meanings commonly ascribed thereto in the gas industry; and
- (e) the headings of the sections set out in this Rate Schedule or in the Sales Agreement are for convenience of reference only and will not be considered in any interpretation of this Rate Schedule or the Sales Agreement.

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18. Miscellaneous

18.1 Waiver

No waiver by either FortisBC Energy or the Customer of any default by the other in the performance of any of the provisions of this Rate Schedule or the Sales Agreement will operate or be construed as a waiver of any other or future default or defaults, whether of a like or different character.

18.2 Enurement

The Sales Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns, including without limitation successors by merger, amalgamation or consolidation.

18.3 Assignment

The Customer will not assign the Sales Agreement or any of its rights and obligations thereunder without the prior written consent of FortisBC Energy which consent will not be unreasonably withheld or delayed. No assignment will release the Customer from its obligations under this Rate Schedule or under the Sales Agreement that existed prior to the date on which the assignment takes effect. This provision applies to every proposed assignment by the Customer.

18.4 Amendments to be in Writing

Except as set out in this Rate Schedule, no amendment or variation of the Sales Agreement will be effective or binding upon the parties unless such amendment or variation is set out in writing and duly executed by the parties.

18.5 Proper Law

The Sales Agreement will be construed and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

18.6 Time is of Essence

Time is of the essence of this Rate Schedule, the Sales Agreement and of the terms and conditions thereof.

18.7 Subject to Legislation

Notwithstanding any other provision hereof, this Rate Schedule and the Sales Agreement and the rights and obligations of FortisBC Energy and the Customer under

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this Rate Schedule and the Sales Agreement are subject to all present and future laws, rules, regulations and orders of any legislative body, governmental agency or duly constituted authority now or hereafter having jurisdiction over FortisBC Energy or the Customer.

18.8 Further Assurances

Each of FortisBC Energy and the Customer will, on demand by the other, execute and deliver or cause to be executed and delivered all such further documents and instruments and do all such further acts and things as the other may reasonably require to evidence, carry out and give full effect to the terms, conditions, intent and meaning of this Rate Schedule and the Sales Agreement and to assure the completion of the transactions contemplated hereby.

18.9 Form of Payments

All payments required to be made under statements and invoices rendered pursuant to this Rate Schedule or the Sales Agreement will be made by wire transfer to, or cheque or bank cashier's cheque drawn on a Canadian chartered bank or trust company, payable in lawful money of Canada at par in immediately available funds in Vancouver, British Columbia.

Table of Charges

	Mainland and Vancouver Island <u>Service Area</u>	
Cost of Biomethane¹ (Biomethane Energy Recovery Charge) per Gigajoule	\$ 10.287	A

Municipal Operating Fee Charge

3.09% of the aggregate of the above charges, is payable (in addition to the above charges) if the facilities to which the Biomethane sold under this Rate Schedule is delivered is within the municipal boundaries of municipalities or First Nations lands (formerly, reserves within the *Indian Act*) to which FortisBC Energy pays Municipal Operating Fees.

Notes:

1. The Cost of Biomethane (Biomethane Energy Recovery Charge) per Gigajoule has been determined in accordance with Section 28.4 (Price Determination) in the General Terms and Conditions of FortisBC Energy). The Cost of Biomethane effective January 1, 2019 equals the sum of:

(i)	The British Columbia Utilities Commission approved January 1st Commodity Cost Recovery Charge per Gigajoule	\$ 1.549	
(ii)	The current British Columbia carbon tax applicable to conventional natural gas Customers per Gigajoule	\$ 1.738	A
(iii)	Other taxes applicable to conventional natural gas sales per Gigajoule	\$ 0.000	
(iv)	A premium of \$7.00 per Gigajoule	\$ <u>7.000</u>	
(v)	Total Cost of Biomethane per Gigajoule	\$ 10.287	A

**BIOMETHANE LARGE VOLUME INTERRUPTIBLE SALES AGREEMENT
FOR RATE SCHEDULE 11B**

This Agreement is dated _____, 20____, between FortisBC Energy Inc. ("FortisBC Energy") and _____ (the "Customer").

WHEREAS:

- A. FortisBC Energy owns and operates the FortisBC Energy System;
- B. The Customer or Shipper Agent for the Customer is the owner and operator of a _____ located in or near _____, British Columbia; and
- C. The Customer desires to purchase from FortisBC Energy interruptible Biomethane for such facilities in accordance with Rate Schedule 11B and the terms set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the terms, conditions and limitations contained herein, the parties agree as follows:

1. Specific Information

Applicable Transportation Rate Schedule: 22 22A 22B
 23 25 26 27

Commencement Date: _____

Expiry Date: _____
(only specify expiry date if term of Sales Agreement is not automatically renewed from Year to Year as set out in Section 8.2 of Rate Schedule 11B)

Refer to Rate Schedule 22, 22A, 22B, 23, 25, 26 or 27 Transportation Agreement for Address of Customer for receiving notices.

The information set out above is hereby approved by the parties and each reference in either this Sales Agreement or Rate Schedule 11B to any such information is to the information set out above.

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2. Rate Schedule 11B

2.1 Point of Delivery

All Biomethane sales under this Sales Agreement will occur at the Point of Sale.

2.2 Title Transfer

Title Transfer to the Customer will occur at the Point of Sale.

2.3 Additional Terms

All rates, terms and conditions set out in Rate Schedule 11B and the General Terms and Conditions of FortisBC Energy, as any of them may be amended by FortisBC Energy and approved from time to time by the British Columbia Utilities Commission, are in addition to the terms and conditions contained in this Sales Agreement and form part of this Sales Agreement and bind FortisBC Energy and the Customer as if set out in this Sales Agreement.

2.4 Payment of Amounts

Without limiting the generality of the foregoing, the Customer will pay to FortisBC Energy all of the amounts set out in Rate Schedule 11B for the Services provided under that Rate Schedule and this Sales Agreement.

2.5 Conflict

Where anything in either Rate Schedule 11B or the General Terms and Conditions of FortisBC Energy conflicts with any of the terms and conditions set out in this Sales Agreement, this Sales Agreement governs. Where anything in Rate Schedule 11B conflicts with any of the rates, terms and conditions set out in the General Terms and Conditions of FortisBC Energy, Rate Schedule 11B governs.

2.6 Acknowledgment

The Customer acknowledges receiving and reading a copy of Rate Schedule 11B, the applicable transportation Rate Schedule and the General Terms and Conditions of FortisBC Energy and agrees to comply with and be bound by all terms and conditions set out therein. Without limiting the generality of the foregoing, the Customer acknowledges that it is able to accommodate such interruption or curtailment of Biomethane sales and releases FortisBC Energy from any liability for the Customer's inability to accommodate such interruption or curtailment of Biomethane sales.

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IN WITNESS WHEREOF the parties hereto have executed this Sales Agreement.

FORTISBC ENERGY INC.

(Name of Customer)

BY: _____
(Signature)

BY: _____
(Signature)

(Title)

(Title)

(Name – Please Print)

(Name – Please Print)

DATE: _____

DATE: _____