



FORTISBC ENERGY INC.

RATE SCHEDULE 22A

**TRANSPORTATION SERVICE (CLOSED)
INLAND AREA**

Effective November 1, 2018

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1. Applicability

1.1 Description of Applicability

This Rate Schedule applies to the provision of firm and interruptible transportation Service through one meter station (except as otherwise specified in the Transportation Agreement) to the following existing large industrial Shippers:

<u>NAME OF SHIPPER</u>	<u>LOCATION OF SHIPPER</u>
Zellstoff Celgar Ltd.	Castlegar
Teck Metals Ltd.	Trail
Domtar Pulp and Paper Inc.	Kamloops
Canoe Forest Products Ltd.	Canoe
DBA PeroxyChem Canada	Prince George
Highland Valley Copper	Logan Lake
Moly-Cop Canada	Kamloops
Tolko Industries Ltd.	Kamloops
Mackenzie Pulp Mill Corp	Mackenzie

For greater certainty, firm transportation Service under this Rate Schedule means the transportation Service FortisBC Energy is obligated to provide to a Shipper on a firm basis subject to interruption or curtailment pursuant to Sections 19 (Default or Bankruptcy) and 22 (Force Majeure) of Rate Schedule 22 and the General Terms and Conditions of FortisBC Energy. Interruptible transportation Service under this Rate Schedule means the provision by FortisBC Energy of transportation Service to a Shipper which may be interrupted or curtailed by FortisBC Energy pursuant to Sections 4.2 (Curtailment), 19 (Default or Bankruptcy) and 22 (Force Majeure) of Rate Schedule 22 and the General Terms and Conditions of FortisBC Energy.

1.2 Transportation Agreement

FortisBC Energy will only transport Gas under this Rate Schedule pursuant to an executed Transportation Agreement under Rate Schedule 22.

1.3 **British Columbia Utilities Commission**

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

2. **Table of Charges**

2.1 **Charges**

In respect of transportation Service pursuant to Rate Schedule 22A and the Transportation Agreement, the Shipper will pay to FortisBC Energy all of the charges set out in the Table of Charges attached hereto. For greater certainty, it is expressly confirmed that the Table of Charges attached to Rate Schedule 22 does not apply to this Rate Schedule 22A.

3. **Terms and Conditions**

3.1 **Other Terms and Conditions**

The terms and conditions set out in Rate Schedule 22 apply to and form part of this Rate Schedule, with necessary changes and bind FortisBC Energy and the Shipper as if set out in this Rate Schedule, except as excluded by operation of Section 3.2 (Inapplicable Terms and Conditions).

3.2 **Inapplicable Terms and Conditions**

The following terms and conditions set out in Rate Schedule 22 do not apply, and are not incorporated by reference, into this Rate Schedule and will not be construed in any way to affect the meaning or intent of any provision this Rate Schedule:

- Section 2 (Applicability)
- Section 5 (Table of Charges)

If any term or provision of this Rate Schedule is inconsistent with any term or provision of Rate Schedule 22, the term or provision of this Rate Schedule will prevail.

3.3 **Shippers on Bypass Rates**

Shippers who have executed long term Service Agreements on rates, terms and conditions competitive with a bypass pipeline alternative remain subject to the rates, terms and conditions set out in the respective long term Service Agreement.

3.4 Curtailment of Firm Service

Subject to Section 3.5 (Firm Curtailment Alternative), FortisBC Energy may, in order to provide Service to its firm Gas sales Customers, curtail firm transportation under this Rate Schedule and use the Shipper's Gas up to a maximum daily quantity of 1/2 the Firm DTQ for a maximum of 5 Days during each Contract Year. If FortisBC Energy and the Shipper agree, the Shipper may, from time to time, be curtailed by less than 1/2 the Firm DTQ and may be curtailed the balance of such one Day curtailment on a subsequent Day.

3.5 Firm Curtailment Alternative

Where FortisBC Energy determines that adequate capacity exists on the FortisBC Energy System, Shipper may elect to execute an agreement with FortisBC Energy that makes available to FortisBC Energy peaking supplies during the period November 1st through March 31st of each Contract Year in order to avoid curtailment pursuant to Section 3.4 (Curtailment of Firm Service). Peaking supplies will equal 1/2 the Firm DTQ for:

- (a) a maximum of 10 Days where the Gas must be nominated by the Shipper with the Transporter in advance of the Day that the peaking supplies are required; or
- (b) a maximum of 5 Days where the Shipper is able to and makes available to FortisBC Energy peaking supplies on the Day that the peaking supplies are required.

The Shipper will notify FortisBC Energy of its election to provide peaking supplies under option (a) or (b) above prior to the commencement of each Contract Year.

3.6 Adjustment to Firm Curtailments

If the Shipper has a Firm DTQ that is subject to curtailment under Section 3.4 (Curtailment of Firm Service), commencing on the first Day of the Month following a Month during which the Shipper becomes subject to a demand surcharge or recalculated surcharge, firm curtailments applicable to the Shipper will be modified, subject to the determination by FortisBC Energy that adequate capacity exists on its system. The adjustment will equal the lessor of the Demand Surcharge Quantity calculated in Section 7.3 (Demand Surcharge) of Rate Schedule 22 and the amount otherwise subject to firm curtailment.

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3.7 Shipper's Gas

Part of the Gas to be transported under this Rate Schedule forms an important and integral part of the Gas supply of FortisBC Energy used to meet the requirements of its firm Customers. A Shipper will deliver to FortisBC Energy at the Interconnection Point Gas a quantity equal to ½ the Shipper's Firm DTQ when FortisBC Energy exercises its right pursuant to Section 3.4 (Curtailed of Firm Service) to curtail firm transportation and use the Shipper's Gas. It is reasonably foreseeable that FortisBC Energy may be unable to meet its requirements to deliver Gas to its firm Customers if a Shipper fails to meet its commitment hereunder to deliver Gas to FortisBC Energy. If a Shipper fails to meet its commitment to deliver Gas to FortisBC Energy, FortisBC Energy has the right to immediately obtain substitute supplies of Gas in quantities equivalent in energy to the Gas which the Shipper fails to deliver. A Shipper will reimburse FortisBC Energy for all reasonable costs paid by FortisBC Energy in acquiring and delivering substitute supplies of Gas, including any demand and commodity tolls incurred. A Shipper will reimburse FortisBC Energy for the reasonable costs paid by FortisBC Energy to acquire and deliver substitute supplies upon demand by FortisBC Energy at any time after such costs are actually incurred by FortisBC Energy. The costs of substitute supplies that are recoverable by FortisBC Energy from a Shipper will not exceed the costs that were or would have been incurred in acquiring and delivering the lowest cost Gas which was at the time available to FortisBC Energy in the Service Area in which the Shipper is located and of which FortisBC Energy would reasonably have been expected to have been aware, given the immediacy of the Gas needs of FortisBC Energy. For the purposes of this Section, the Shipper's commitment to deliver Gas to FortisBC Energy will not be lessened by any occurrence other than an event of Force Majeure on the facilities of the Transporter.

Table of Charges

	<u>Inland Area</u>
Transportation	
1. Basic Charge per Month	\$4,810.00
2. Delivery Charges for firm transportation	
(a) per Month per Gigajoule of Firm DTQ	\$ 15.885
(b) per Gigajoule of Firm MTQ	\$ 0.111
3. Delivery Charges per Gigajoule of Interruptible MTQ	\$ 1.255
4. Rider 3 per Gigajoule	\$ 0.018
5. Unauthorized Overrun Gas Charges	
(a) per Gigajoule charge on first 5 percent of specified quantity	Sumas Daily Price ¹
(b) per Gigajoule charge on all Gas over 5 percent of specified quantity	The greater of \$20.00/GJ or 1.5 x the Sumas Daily Price ¹
(c) Demand Surcharge per Gigajoule of Demand Surcharge Quantity	\$ 17.00 ²
6. Charge per Gigajoule of Balancing Service provided	
(a) Quantities of Gas less than 10% of the Rate Schedule 22A Authorized Quantity	
(i) between and including April 1 and October 31	No charge
(ii) between and including November 1 and March 31	No charge
(b) Quantities of Gas over the greater of 100 Gigajoules or equal to or in excess of 10% or less than 20% of the Rate Schedule 22A Authorized Quantity	
(i) between and including April 1 and October 31	\$ 0.25

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	Inland <u>Area</u>	
(ii) between and including November 1 and March 31	\$	0.25
(c) Quantities of Gas over the greater of 100 Gigajoules or equal to or in excess of 20% of the Rate Schedule 22A Authorized Quantity		
(i) between and including April 1 and October 31	\$	0.30
(ii) between and including November 1 and March 31	\$	1.10
7. Charge per Gigajoule of Balancing and Backstopping Gas		Sumas Daily Price ¹
8. Replacement Gas³		Sumas Daily Price ¹ Plus 20 Percent
9. Administration Charge per Month	\$	39.00

- Rider 1** **Propane Surcharge** - Not applicable.
- Rider 2** (Reserved for future use.)
- Rider 3** **Biomethane Variance Account** - Applicable to Mainland and Vancouver Island Service Area Customers for the Year ending December 31, 2019.
- Rider 4** (Reserved for future use.)
- Rider 5** **Revenue Stabilization Adjustment Charge** - Not applicable.

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 Gas is delivered under Rate Schedule 22A are located within the boundaries municipalities or First Nations lands (formerly, reserves within the *Indian Act*) to which FortisBC Energy pays Municipal Operating Fees.

Notes:

1. **Sumas Daily Price** - means the "NW Sumas" Daily Midpoint Price as set out in Gas Daily's Daily Price Survey for Gas delivered to Northwest Pipeline Corporation at Sumas, converted to Canadian dollars using the noon exchange rate as quoted by the Bank of Canada one Business Day prior to Gas flow date, for each Day. Energy units are converted from MMBtu to Gigajoule by application of a conversion factor equal to 1.055056 Gigajoule per MMBtu.
2. The demand surcharge is calculated in accordance with Section 7.3 (Demand Surcharge) of Rate Schedule 22.
3. The Sumas Daily Price for the sixth Business Day following the Day for which the Peaking Gas was authorized plus 20 percent.

Permanent Delivery Rate Establishment

Pursuant to British Columbia Utilities Commission Order G-208-18, delivery rates and delivery rate riders were set on an interim basis for consumption on and after January 1, 2019. Pursuant to British Columbia Utilities Commission Order G-30-19, the interim delivery rates and delivery rate riders are now made permanent and implemented for consumption on and after January 1, 2019.

C/N

**TRANSPORTATION AGREEMENT
FOR RATE SCHEDULES 22, 22A, 22B, 23, 25, 26 AND 27**

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

WHEREAS:

- A. FortisBC Energy owns and operates the FortisBC Energy System; and
- B. The Shipper has requested that FortisBC Energy arrange for the transportation of Gas on a firm and/or interruptible basis through the FortisBC Energy System to _____ located in or near _____ British Columbia in accordance with a transportation Rate Schedule as set out below 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 Rate Schedule:

22 22A 22B
 23 25 26 27

Type of Service:

Firm Interruptible
 Firm and Interruptible

Firm DTQ / DTQ:

_____ Gigajoules per day

Shipper Agent and / or Group, if applicable:

Commencement Date:

Expiry Date:

(only specify expiry date if term of Transportation Agreement is not automatically renewed from Year to Year as set out in the Automatic Renewal Section of the applicable transportation Rate Schedule)

Service Address:

Account Number:

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Interconnection Point: The point at (_____ km-post _____)
where the Transporter's pipeline system in
British Columbia interconnects with the
FortisBC Energy System

Address of Shipper for receiving notices:

(name of Shipper)

Attention: _____

(address of Shipper)

Telephone: _____

Fax: _____

Email: _____

The information set out above is hereby approved by the parties and each reference in either this agreement or the applicable transportation Rate Schedule to any such information is to the information set out above.

2. Rate Schedule 22 / 22A / 22B / 23 / 25 / 26 / 27

2.1 Additional Terms

All rates, terms and conditions set out in the applicable transportation Rate Schedule (22, 22A, 22B, 23, 25, 26 or 27) 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 Transportation Agreement and form part of this Transportation Agreement and bind FortisBC Energy and the Shipper as if set out in this Transportation Agreement.

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2.2 **Payment of Amounts**

Without limiting the generality of the foregoing, the Shipper will pay to FortisBC Energy all of the amounts set out in the applicable transportation Rate Schedule for the Services provided under such Rate Schedule and this Transportation Agreement.

2.3 **Conflict**

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

2.4 **Member of a Group**

Where the Shipper will be a member of a Group which has a Shipper Agent acting as agent for the members of the Group, the Shipper must complete Appendix A attached to this Transportation Agreement and the Shipper thereby agrees that the terms and conditions of Appendix A form part of this Transportation Agreement and bind the Shipper as if set out in this Transportation Agreement.

2.5 **Acknowledgement**

The Shipper acknowledges receiving and reading a copy of the applicable transportation Rate Schedule (22, 22A, 22B, 23, 25, 26 or 27) 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, where the transportation Service is interruptible, the Shipper acknowledges that it is able to accommodate such interruption or curtailment and releases FortisBC Energy from any liability for the Shipper's inability to accommodate such interruption or curtailment of transportation Service.

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

FORTISBC ENERGY INC.

(here insert name of Shipper)

BY: _____
(Signature)

BY: _____
(Signature)

(Title)

(Title)

(Name – Please Print)

(Name – Please Print)

DATE: _____

DATE: _____

APPENDIX A
NOTICE OF APPOINTMENT OF SHIPPER AGENT

1. _____ (Shipper) hereby gives notice to FortisBC
(Name of Shipper)
that Shipper has appointed _____ (the Shipper Agent) to
(Name of Shipper Agent)
act as agent for Shipper in all matters relating to gas supply and to transportation Service on the FortisBC Energy System. Shipper also gives notice to FortisBC Energy that Shipper wishes to be a member of a Group and the Shipper will cause the Shipper Agent to enter into a Shipper Agent Agreement or other agreement with FortisBC Energy that binds the Shipper Agent to pay the charges which the Shipper Agent elects to pay for and on behalf of the Shipper..
2. Shipper acknowledges and agrees that the Shipper Agent will provide aggregate nominations for the Group to FortisBC Energy.
3. Shipper acknowledges and agrees that if the Group includes a member which is a Shipper under Rate Schedule 22, 22A, or 22B, the Group and its members will be subject to the demand surcharge provisions of Rate Schedule 22.
4. Shipper acknowledges and agrees that when there are constraints or limitations of Gas supply FortisBC Energy will notify the Shipper Agent and it will then be the responsibility of the Shipper Agent to notify Shipper of any curtailment or interruption arising from the constraint or limitation of Gas supply.
5. Shipper acknowledges and agrees that the Shipper Agent will provide FortisBC Energy with information which will be used by FortisBC Energy to bill Shipper for Backstopping Gas, Balancing Gas, Unauthorized Overrun Gas charges and demand surcharges.
6. Shipper acknowledges that FortisBC Energy will bill Shipper on the basis of information provided to FortisBC Energy by the Shipper Agent. Shipper agrees that it is bound by the information supplied to FortisBC Energy by the Shipper Agent and Shipper agrees that it will not dispute the information provided to FortisBC Energy by the Shipper Agent. Shipper agrees that the Shipper Agent may elect to pay some or all of the charges for Gas identified in Section 3.7 (Monthly Billing Information) of the standard form Shipper Agent Agreement of Rate Schedule 22 and Shipper acknowledges that if the Shipper Agent fails to provide information to FortisBC Energy then notwithstanding any election that has been made by the Shipper Agent to pay some or all of the charges for Gas identified in Section 3.7 (Monthly Billing Information) of the standard form Shipper Agent Agreement of Rate Schedule 22, FortisBC Energy will bill Shipper directly on the bases set out in Section 3.8 (Lack of Allocation Information) of the standard form Shipper Agent Agreement of Rate Schedule 22. Shipper agrees to pay FortisBC Energy as billed, and if Shipper disagrees with any of the billing information used by FortisBC Energy the

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Shipper will deal with the Shipper Agent to resolve that disagreement. Disputes between the Shipper and the Shipper Agent will not constitute a basis for non-payment by Shipper to FortisBC Energy of the amounts billed.

7. Shipper will provide FortisBC Energy with 30 days notice, except with the prior approval from FortisBC Energy, if Shipper wishes to leave the Group, to be effective on the beginning of the next calendar month following the expiry of the notice period.
8. Shipper acknowledges and agrees that FortisBC Energy may disband the Group pursuant to Section 10 (Disbanding of the Group) of the standard form Shipper Agent Agreement of Rate Schedule 22.
9. Shipper 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 any act or omission of the Shipper Agent related to the agency created by the Shipper Agent Agreement.
10. Shipper acknowledges receiving a copy of the standard form Shipper Agent Agreement of FortisBC Energy.

(here insert name of Shipper)

BY: _____
(Signature)

(Title)

(Name - Please Print)

DATE: _____

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