



FORTISBC ENERGY INC.

RATE SCHEDULE 22B

**TRANSPORTATION SERVICE (CLOSED)
COLUMBIA 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>
Skookumchuck Pulp Inc.	Skookumchuck
Teck Coal Ltd. (Fording River Operations)	Elkford
Teck Coal Ltd. (Elkview Operations)	Sparwood
Teck Coal Ltd. (Greenhills Operations)	Elkford
Teck Coal Ltd. (Line Creek Operations)	Sparwood

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 22B 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 22B.

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, to this Rate Schedule 22B and will not be construed in any way to affect the meaning or intent of any provision of Rate Schedule:

- Section 2 (Applicability)
- Section 5 (Table of Charges)
- Section 8 (Nomination)
- Section 9 (Gas Balancing)
- Section 10 (Group Nominations and Balancing)
- Section 12 (Access to the East Kootenay Exchange (EKE) Interconnection Point)

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.

4. Increases to Firm DTQ

4.1 Increases to Firm DTQ

For any increase to the Shipper's Firm DTQ above the Shipper's lowest Firm DTQ as set on or after January 1, 1994, Delivery Charges will be subject to negotiation.

5. Nomination

5.1 Requested Quantity

The Shipper or Shipper Agent will provide notice to FortisBC Energy on the Web Information and Nomination System ("WINS"), or other method approved by FortisBC Energy, prior to the Timely Nomination Cycle on each Day (or such other time as may be specified from time to time by FortisBC Energy) such information as may be requested by FortisBC Energy, which will include, but is not limited to, the Shipper or Shipper Agent's Requested Quantity for the Day commencing in approximately 24 hours and/or subsequent Day(s). If the Shipper or Shipper Agent does not notify FortisBC Energy in accordance with the foregoing, then the Shipper or Shipper Agent's Requested Quantity for the Day commencing in approximately 24 hours will be deemed to be zero, subject to Section 5.2 (Adjustment of Requested Quantity). The Shipper or Shipper Agent is required to provide their best estimate of the quantity of Gas the Shipper(s) will actually consume on such Day.

5.2 Adjustment of Requested Quantity

The Shipper or Shipper Agent will provide notice to FortisBC Energy on the WINS, or other method approved by FortisBC Energy, of adjustments to the Requested Quantity for the Day commencing in approximately 24 hours. Adjustments to the Requested Quantity must adhere to the elapsed pro-rata practices of the applicable Transporter(s). FortisBC Energy may adjust, in consultation with the Shipper, the Shipper's Requested Quantity, described in Section 5.1 (Requested Quantity), when in the reasonable opinion of FortisBC Energy such modification is required in order to limit the build-up of inventory account quantities.

5.3 Request to Transporter

FortisBC Energy will provide to the Transporter the Shipper's Requested Quantity, adjusted as set out in Section 5.2 (Adjustment of Requested Quantity).

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5.4 Delivery to Interconnection Point

The Shipper will cause to be delivered to the Interconnection Point on each Day a quantity of Gas at least equal to the Shipper's Requested Quantity, adjusted as set out in Section 5.2 (Adjustment of Requested Quantity).

5.5 Failure to Deliver to Interconnection Point

If on any Day the Authorized Quantity from the Transporter is less than the quantity requested from the Transporter pursuant to Section 5.3 (Request to Transporter), then, in addition to curtailments permitted under Section 4 (Transportation) of Rate Schedule 22, FortisBC Energy may, in its discretion, interrupt or curtail Service hereunder to the Authorized Quantity. Alternatively, FortisBC Energy may deliver additional Gas to the Shipper at the Interconnection Point and charge the Shipper Backstopping Gas as set out in the Table of Charges.

5.6 Authorized Quantity

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

6. Gas Balancing

6.1 Gas Balancing by Transporter

Gas balancing hereunder is intended for matching day to day imbalances that cannot be reasonably forecast by the Shipper. The Shipper will arrange to have delivered each Day to the Interconnection Point a quantity of Gas equal to the Shipper's actual Gas consumption. It is acknowledged that FortisBC Energy and the Shipper will rely on the Transporter to each Day balance for the Shipper the difference between the Shipper's Authorized Quantity from the Transporter and the Shipper's deliveries to the Transporter. When on any Day the Shipper requires Gas for balancing, the Shipper will arrange for the Transporter to deliver Balancing Gas to the Shipper as it deems appropriate.

6.2 Gas Balancing by FortisBC Energy

FortisBC Energy will not provide any Gas to the Shipper for balancing purposes and will not maintain a Gas inventory account for the Shipper.

6.3 Other Rate Schedule and Balancing

If the Shipper has elected to purchase Gas under an applicable Rate Schedule from FortisBC Energy, the Shipper will be subject to Section 9 (Gas Balancing) of Rate Schedule 22 for such Gas.

Table of Charges

	Columbia Area (Except Teck Coal Ltd. Elkview Operations)	Teck Coal Ltd (Elkview Operations)
Transportation		
1. Basic Charge per Month	\$4,537.00	\$4,537.00
2. Delivery Charges for firm transportation		
(a) per Month per Gigajoule of Firm DTQ	\$ 10.257	\$ 2.328
(b) per Gigajoule of Firm MTQ	\$ 0.109	\$ 0.109
3. Delivery Charges per Gigajoule of Interruptible MTQ		
(a) between and including April 1 and October 31	\$ 1.023	\$ 0.257
(b) between and including November 1 and March 31	\$ 1.472	\$ 0.364
4. Rider 3 per Gigajoule	\$ 0.018	\$ 0.018
5. Unauthorized Overrun Gas Charges		
(a) per Gigajoule charge on first 5 percent of specified quantity	Sumas Daily Price ¹	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	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	\$ 17.00 ²
6. Charge per Gigajoule of Backstopping Gas	Sumas Daily Price ¹	Sumas Daily Price ¹
7. Administration Charge per Month	\$ 39.00	\$ 39.00

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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.

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.

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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.

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: _____

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**APPENDIX A
NOTICE OF APPOINTMENT OF SHIPPER AGENT**

1. _____ (Shipper) hereby gives notice to FortisBC Energy that Shipper has appointed _____ (the Shipper Agent) to 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.
(Name of Shipper)
(Name of Shipper Agent)
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 then Section 10 (Group Nominations and Balancing) of Rate Schedule 22 will apply to the Group on an aggregate basis, and, 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

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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 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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