

Appendix A

Receipt-Only Service Agreement

The following pro forma receipt-only service agreement is being folded into the Alliance Transportation Tariff as a new module.

Alliance Pipeline Limited Partnership

Transportation Tariff

RECEIPT ONLY

SERVICE AGREEMENT

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SCHEDULE A – DELIVERY POINTS AND RECEIPT POINTS

RECEIPT ONLY SERVICE AGREEMENT

This RECEIPT ONLY SERVICE AGREEMENT is made and entered into this ____ day of _____, 20__, between:

ALLIANCE PIPELINE LIMITED PARTNERSHIP,
formed under the laws of the Province of Alberta
as a limited partnership ("**Transporter**"),
and

("**Shipper**")

Transporter and Shipper are sometimes collectively referred to herein as the "**Parties**" and individually as a "**Party**".

RECITALS:

- A. The business of Transporter is the operation of a pipeline (the "**Canadian Pipeline**") to transport Natural Gas from Western Canada to the interconnection of the Canadian Pipeline with the U.S. Pipeline on the Canada-United States border;
- B. The business of Alliance Pipeline L.P. (the "**U.S. Transporter**") is the operation of a pipeline (the "**U.S. Pipeline**") to transport Natural Gas from the point of the interconnection of the U.S. Pipeline with the Canadian Pipeline on the Canada-United States border to the midwestern United States area;
- C. Shipper has requested that Transporter receive onto the Canadian Pipeline, and Transporter has agreed to so receive volumes of Natural Gas that are tendered by or on behalf of Shipper to Transporter at Receipt Points in accordance with and subject to the terms and conditions of this Receipt Only Service Agreement;
- D. Shipper has entered into a Transportation Service Agreement with Transporter for transportation of Natural Gas to the Delivery Point.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements of the Parties herein contained, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement and the Toll Schedule ROS, including all associated Recitals and Schedules, defined terms have the same meaning as ascribed to them in the Service Agreement(s) between the Parties, including the General Terms and Conditions incorporated by reference into and forming a part of this Agreement, unless otherwise indicated herein, and the following words and phrases have the following meanings:

"Authorities" means all governmental or regulatory authorities having valid jurisdiction over the Canadian Pipeline or over the facilities and operations of Shipper in Canada, as the case may be and **"Authority"** means any of them.

"Effective Date" has the meaning ascribed to it in Article 5.1 hereof.

"Primary Receipt Point(s)" means any one or more of those TAC Receipt Points described in Section C of Schedule A hereto and any future TAC Receipt Points notified to Shipper by Transporter.

"Primary Receipt Point Capacity" has the meaning ascribed to it in Article 5.1(a) of the Toll Schedule Receipt Only Service.

"Receipt Only Service" or **"ROS"** means receipt only service provided by Transporter in accordance with the terms and conditions of this ROS Agreement.

"Receipt Only Service Agreement" or **"ROS Agreement"** or **"ROSA"** means this agreement and includes all terms and conditions incorporated by reference herein, all as may be approved and amended from time to time by Authorities including the NEB.

"ROS Capacity" means the daily volume of Natural Gas receipt service referred to in Schedule A hereto, for which Shipper has agreed to pay all associated rates, tolls and charges, in accordance with the terms of this Receipt Only Service Agreement.

"ROS Charge" means the charge as set out in Schedule A to the Toll Schedule Receipt Only Service.

"Shipper Default" has the meaning ascribed to it in Article 7.2 hereof.

"Tariff" means the terms and conditions of this Receipt Only Service Agreement, the Toll Schedule Receipt Only Service (the **"Toll Schedule Receipt Only Service"** or **"Toll Schedule ROS"**), and the General Terms and Conditions (the **"General Terms and Conditions"**) contained in Transporter's Transportation Tariff, all as may from time to time be amended and approved by, or in effect and filed with, the NEB.

"Transporter Default" has the meaning ascribed to it in Article 7.1 hereof.

1.2 Schedules

Schedule A is attached to and made part of this Agreement and each of the terms and provisions thereof, including any revisions thereto made by or necessary to comply with the requirements of any Authorities, are accepted and agreed to by the Parties.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Transporter represents and warrants that:

- (a) it is duly organized and validly existing under the laws of the Province of Alberta and has all requisite legal power and authority to execute this Receipt Only Service Agreement and carry out the terms, conditions and provisions hereof;
- (b) this Receipt Only Service Agreement constitutes the valid, legal and binding obligation of Transporter, enforceable in accordance with the terms hereof;
- (c) there are no actions, suits or proceedings pending or, to Transporter's knowledge, threatened against or affecting Transporter before any court or Authority that might materially adversely affect the ability of Transporter to meet and carry out its obligations under this Receipt Only Service Agreement; and
- (d) the execution and delivery by Transporter of this Receipt Only Service Agreement has been duly authorized by all requisite partnership action.

2.2 Shipper represents and warrants that:

- (a) it is duly organized and validly existing under the laws of the jurisdiction of its incorporation and has all requisite legal power and authority to execute this Receipt Only Service Agreement and carry out the terms, conditions and provisions hereof pursuant to the laws of the Province of Alberta;
- (b) this Receipt Only Service Agreement constitutes the valid, legal and binding obligation of Shipper, enforceable in accordance with the terms hereof;
- (c) there are no actions, suits or proceedings pending or, to Shipper's knowledge, threatened against or affecting Shipper before any court or Authority that might materially adversely affect the ability of Shipper to meet and carry out its obligations under this Service Agreement; and
- (d) the execution and delivery by Receipt Only Shipper of this Receipt Only Service Agreement has been duly authorized by all requisite action.

ARTICLE 3 PAYMENT OF CHARGES

- 3.1** Shipper shall pay the ROS Charge for the ROS Capacity in accordance with the Tariff. This obligation to pay the ROS Charge shall continue whether or not Natural Gas is actually nominated or provided by Shipper for Transporter to receive onto its Canadian Pipeline, and is not subject to abatement under any circumstances, except as specifically provided for in the Tariff.
- 3.2** The Parties agree that for purposes of deriving tolls, the depreciation of Receipt Only Service facilities will be calculated annually in accordance with Schedule B attached hereto.

ARTICLE 4 GAS TO BE RECEIVED

- 4.1** Subject to Article 2.4 of the Toll Schedule ROS, Transporter shall daily receive Natural Gas from Shipper, up to the ROS Capacity, at the Primary Receipt Point(s) identified in Shipper's Nominations from among the Primary Receipt Point(s) listed in Schedule A hereto.
- 4.2** Shipper's receipts will be balanced on volume and heating value bases by the Transporter.

ARTICLE 5 TERM OF CONTRACT

- 5.1** This ROS Agreement shall be effective from the date hereof (the "**Effective Date**") and shall continue until December 1, 2015 (the "**Primary Term**"), or the final day of any extension effected pursuant to Article 5.2.
- 5.2** Shipper shall have the right to extend the term of this ROS Agreement beyond the Primary Term for further periods of a minimum of one (1) year each by providing written notice to that effect not less than five (5) years prior to the expiration of the Primary Term or any extended terms, as the case may be. There is no limitation on the number of times Shipper may exercise this right, which will remain in effect for as long as the Canadian Pipeline remains in service.
- 5.3** Transporter may in its sole discretion from time to time and on a basis that is non-discriminatory to Shipper waive the requirement for five (5) years' notice contained in Article 5.2 and substitute any shorter notice period.

ARTICLE 6 NOTICES

- 6.1** All notices and other communications to be given or sent pursuant to the terms of this ROS Agreement shall be effected in accordance with and be subject to the provisions of

the General Terms and Conditions. Shipper's current contact particulars for the purposes of the General Terms and Conditions are:

Telecopier: [•]

Attention: [•]

ARTICLE 7

DEFAULT AND TERMINATION

7.1 Transporter Default. The occurrence and continuation of any of the following events, unless any such event occurs as a result of a breach by Shipper of its obligations under this ROSA, shall constitute a "**Transporter Default**":

- (a) a breach by Transporter of any of its material obligations under this ROSA; or
- (b) Transporter repudiates this ROSA or evidences in any manner its intention not to perform its obligations under, or to be bound by, this ROSA.

7.2 Shipper Default. The occurrence and continuation of any of the following events, unless any such event occurs as a result of a breach by Transporter of its obligations under this ROSA, shall constitute a "**Shipper Default**":

- (a) a breach by Shipper of any of its material obligations under this ROSA; or
- (b) Shipper repudiates this ROSA or evidences in any manner its intention not to perform its obligations under, or be bound by, this ROSA.

7.3 Remedies. Upon the occurrence and continuation of a Transporter Default under Article 7.1 or a Shipper Default under Article 7.2, the non-defaulting Party shall, at its option, have the right to specific performance of this ROSA, and/or to receive damages as would be available under law by giving notice to the defaulting party, and/or to terminate this ROSA in accordance with the provisions of Article 7.4;

7.4 Termination and Cure Period. In the event of an uncured Transporter Default or Shipper Default, then either Transporter or Shipper may thereafter terminate this ROSA by giving one hundred and twenty (120) days prior written notice of its intent to terminate to the defaulting or non-terminating Party; but if the default is cured within such notice period, then termination will not be effective.

7.5 Express Termination. If this ROSA is not sooner terminated in any of the circumstances referred to in or Article 7.4, then this ROSA will terminate as provided for in Article 5 hereof.

7.6 Accrued rights unaffected. No termination of this ROSA, however effected, shall affect or extinguish any rights or obligations of the Parties which accrued prior to the date of termination or extinguish any remedies available to any Party at law, equity or as provided for herein.

ARTICLE 8 ASSIGNMENT

- 8.1 By Shipper.** Shipper shall have the right to assign its rights and obligations, or parts thereof, under this ROSA to a Firm Shipper subject to:
- (a) compliance by the assignee with the requirements of Article 20 (Financial Assurances) in the General Terms and Conditions;
 - (b) prior written approval of the Lenders, which shall not be unreasonably withheld; and
 - (c) prior written approval of Transporter, which shall not be unreasonably withheld.
- 8.2 By Transporter.** Transporter, without obtaining any approvals or consents from Shipper, may assign this ROSA or any rights arising hereunder to any Affiliate of Transporter.
- 8.3 Merger, etc.** Any Person which shall succeed by purchase of all or substantially all of the assets and assumption of all or substantially all of the liabilities of, or merger or consolidation with either Transporter or Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this ROSA.
- 8.4 Pledging.** It is agreed that the restrictions on assignment contained in this Article shall not in any way prevent Transporter from pledging or mortgaging to the Lenders its rights hereunder or its rights in respect of any letter of credit or other security given to Transporter by Shipper. Shipper will execute all consents to assignment and acknowledgments in favour of the Lenders as requested by the Lenders or Transporter, of any security interests created hereunder.
- 8.5 Partial assignment.** If Shipper partially assigns its rights under this ROSA to an Affiliate, its rights hereunder must be exercised collectively by Shipper and its Affiliate. Any non-Affiliate partial assignee of this ROSA may exercise any elections or termination rights under this ROSA in respect of its share of the ROS Capacity independently of the assignor or any other assigns.

ARTICLE 9 AUTHORITIES

- 9.1** Performance of this ROSA shall be subject to all valid laws, orders, decisions, rules and regulations of duly constituted governmental authorities having jurisdiction or control of any matter related hereto, including Authorities. Should either of the Parties, by force of any such law, order, decision, rule or regulation, at any time during the term of this ROSA be ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule or regulation are applicable, this ROSA shall be deemed modified to conform with the

requirement of such law, order, decision, rule or regulation; provided, however, nothing in this Article 9.1 shall alter, modify or otherwise affect the respective rights of the Parties to cancel or terminate this ROSA under the terms and conditions hereof.

ARTICLE 10 MISCELLANEOUS PROVISIONS

- 10.1 Financial Information.** Shipper shall furnish to Transporter, as soon as available, and, in any event, within one hundred and twenty (120) days after the end of each fiscal year of Shipper, its audited consolidated financial statements setting forth in comparative form the corresponding figures of the preceding fiscal year together with an auditors report thereon. In addition, Shipper shall furnish to Transporter, as soon as available, and, in any event, within sixty (60) days after the end of the first three fiscal quarters of each fiscal year of Shipper, its unaudited consolidated financial statements prepared on a basis consistent with the corresponding period of the preceding fiscal year. Shipper shall furnish to Transporter any additional information regarding the business affairs, operations, assets and financial condition of Shipper as Transporter may reasonably request from time to time.
- 10.2 Other Documents Incorporated.** The Toll Schedule ROS and the General Terms and Conditions are all by reference made a part of this ROSA and receipt service hereunder shall be subject to the provisions thereof. In the event of a conflict between the terms of this ROSA and any of the terms incorporated herein by reference, the terms of this ROSA prevail. Transporter shall notify Shipper at any time that Transporter files with the NEB proposed revisions to the Tariff and shall provide Shipper with a copy of such revisions.
- 10.3 Headings for Reference.** The headings used throughout this ROSA, the Toll Schedule ROS and the General Terms and Conditions are inserted for convenience of reference only and are not to be considered or taken into account in construing the terms or provisions thereof nor to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.
- 10.4 Supersedes Other Agreements.** This ROSA and the schedules attached hereto reflect the whole and entire agreement among the Parties with respect to the subject matter hereof and supercede all prior agreements and understandings between the Parties with respect to the subject matter hereof.
- 10.5 Waiver.** A new waiver by any Party of any breach or non-performance of any of the obligations to be performed by the other Party shall not take effect or be binding upon the first Party unless the waiver is expressed in writing by that Party. Any waiver so given shall extend only to the particular breach or non-performance so waived and shall not limit or affect any rights with respect to any other or future breach or non-performance.
- 10.6 Severability.** The invalidity or unenforceability, for any reason, of any part of this ROSA shall not prejudice or affect the validity or enforceability of the remainder.

- 10.7 No Waiver.** The failure of any Party to insist upon the strict performance of any of the provisions of this ROSA or to take advantage of any of the rights hereunder shall not be construed as a waiver of any such provisions or relinquishment of any such rights, but the same will continue in full force and effect.

**ARTICLE 11
CHOICE OF LAW AND ATTORNMENT**

- 11.1** This ROSA and the Tariff shall be construed and applied in accordance with and be subject to the laws of the Province of Alberta, and the laws of Canada having application therein, without recourse to any laws governing conflict of laws. Neither Party shall institute any action, suit or other proceeding with respect to any matter arising under or out of this Receipt Only Service Agreement other than in the Alberta Court of Queen's Bench in the Judicial Centre of Calgary. In that regard, each Party hereby irrevocably attorns to the jurisdiction of such Court in the event of any such action, suit or other proceeding by the other Party.

IN WITNESS WHEREOF, the Parties have duly executed this Receipt Only Service Agreement in several counterparts by their duly authorized officers, this _____ day of _____, 20__.

**ALLIANCE PIPELINE LIMITED PARTNERSHIP
by its General Partner, ALLIANCE PIPELINE LTD.**

Per: _____

Per: _____

[•]

Per: _____

Per: _____

SCHEDULE A
TO RECEIPT ONLY SERVICE AGREEMENT dated [●]

Between

ALLIANCE PIPELINE LIMITED PARTNERSHIP

and

[●]

A. Receipt Points:

The Receipt Points available for use by Shipper as Primary Receipt Points, subject to the terms of the Tariff, are the TAC Receipt Points, as they are described in the Tariff and as such description may be changed from time to time.

B. ROS Capacity:

Shipper's ROS Capacity pursuant to this ROSA is [●] $10^3\text{m}^3/\text{d}$.

C. Primary Receipt Points Designated by Shipper and Approved by Transporter:

The Primary Receipt Points and associated Primary Receipt Point Capacities designated by Shipper and approved by Transporter are as follows:

SCHEDULE B

TO RECEIPT ONLY SERVICE AGREEMENT dated [●]

Between

ALLIANCE PIPELINE LIMITED PARTNERSHIP

and

[●]

Depreciation Rates for Receipt Only Service facilities Costs

<u>Year</u>	<u>Depreciation Rate</u>
1	7.2927%
2	9.4724%
3	9.3973%
4	9.4378%
5	9.5574%
6	1.9715%
7	1.7859%
8	4.575%
9	4.575%
10	4.575%
11	4.575%
12	4.575%
13	4.575%
14	4.575%
15	4.575%
16	4.575%
17	4.575%