

**ENBRIDGE GAS NEW BRUNSWICK
DISTRIBUTION SERVICE
TERMS AND CONDITIONS**

ARTICLE I - INTERPRETATION

1.1 The defined terms and phrases set forth in Appendix A form part hereof and shall for all purposes of these Terms and Conditions have the meanings given to them in Appendix A.

1.2 The Customer information contained in EGNB's Appendix B forms part hereof.

1.3 The headings contained in these Terms and Conditions are inserted for convenience of reference only and shall not affect the construction or interpretation of these Terms and Conditions.

1.4 These Terms and Conditions shall be governed by and construed in accordance with the laws of the Province of New Brunswick. For the purpose of any legal actions or proceedings brought by any Person in respect of these Terms and Conditions, EGNB and the Customer irrevocably submit to the exclusive jurisdiction of the courts of the Province of New Brunswick.

1.5 Terms and expressions which are not defined herein or in the Handbook and which have an accepted meaning in the custom and usage of the business of exploration, production, transportation, distribution or sale of gas in Canada shall have that meaning when used in these Terms and Conditions.

1.6 These Terms and Conditions supersede all prior or contemporaneous discussions, negotiations, representations or agreements relating to the subject matter of these Terms and Conditions. EGNB may add to, delete from or otherwise modify these Terms and Conditions from time to time without providing notice to the Customer and such changes shall be deemed to be in effect between EGNB and the Customer.

ARTICLE II - DISTRIBUTION SERVICE

2.1 Subject to these Terms and Conditions, EGNB shall distribute gas to the Customer.

2.2 The Point of Delivery of gas to the Customer shall be at the outlet of EGNB's metering equipment at the Terminal Location. EGNB agrees to deliver gas at the outlet of its metering equipment at the Point of Delivery Pressure for the Terminal Location.

ARTICLE III - VOLUMES

3.1 Where a Contract Demand is specified in EGNB's Appendix B for the Terminal Location, EGNB shall not be required to deliver any volume in excess of such Contract Demand.

3.2 The maximum volume of gas EGNB is required to deliver in any one hour period to a Customer at a Point of Delivery shall be the Hourly Demand in EGNB's Appendix B for each applicable Terminal Location.

3.3 The Customer acknowledges and agrees that if demand charges are payable under any rate of EGNB applicable to the Customer, then the use of unauthorized Overrun gas may in some circumstances result in the Contract Demand applicable to such rate being increased by the volume of such unauthorized Overrun gas (and such increased Contract Demand shall be deemed to be specified as the Contract Demand applicable to such rate) and in the demand charges applicable to such rate being calculated, for the whole of the then current contract year (including the expired portion thereof and thereafter), based on such increased Contract Demand being applicable to such rate and any increase in the demand charges applicable to such contract year shall be payable when billed by EGNB. The Customer further agrees that it has no right to take unauthorized Overrun gas and that payment therefor shall not relieve it from any other remedy available to EGNB against such Customer for breach of these Terms and Conditions.

ARTICLE IV - RATES, TERMS AND CONDITIONS

4.1 Subject to the provisions of sections 4.2 and 4.3, the rates and charges for gas distributed to the Customer in respect of any Terminal Location of the Customer shall be determined in accordance with the Applicable Rates for each Terminal Location and EGNB's Rate Schedules.

4.2 In the event of any change in any of the rates or charges approved or fixed by the Board for or in respect of or applicable to these Terms and Conditions or service which the Customer is to receive under these Terms and Conditions, including retroactive changes, to the extent that such changed rate or charge is ordered by the Board to be charged to the Customer or a class of customers of EGNB that includes the Customer, the changed rate or charge shall be applicable hereunder and shall be applied upon becoming effective, and in accordance with any provisions relating to its application, in accordance with any applicable Order of the Board or Rate Schedule of EGNB fixed, approved or authorized by the Board.

4.3 In the event these Terms and Conditions are changed by regulation, legislation or Order of the Board, including retroactive changes, such changed terms and conditions shall be deemed to be in effect between EGNB and the Customer in accordance with the terms of such regulation, legislation or Order.

4.4 The charges applicable to gas delivered to a Terminal Location of the Customer under a Rate Schedule shall be determined and computed in accordance with that Rate Schedule without regard to any volume of gas contracted to be delivered, or delivered, to any other Terminal Location or under any other Rate Schedule or pursuant to any other agreement to which EGNB and the Customer are parties.

ARTICLE V - METERING AT POINT OF DELIVERY

5.1 EGNB agrees to install, operate and maintain measurement equipment of suitable capacity and design as is required to measure the volume of gas to be delivered by EGNB under these Terms and Conditions. The Customer agree to provide, at its own expense, (i) any and all housing reasonably required by EGNB for the protection of measurement equipment now or hereafter used to measure the gas delivered under these Terms and Conditions and regulating equipment at the Customer's premises used in connection with the delivery of any such gas, and (ii) if required for EGNB's measurement equipment, a continuous supply of electrical power at 110 volts and a non-dedicated, single, voice grade, analog outside telephone line for local and toll-free calls.

5.2 EGNB and the Customer shall have the right to enter the measurement/regulating location at any reasonable time and shall have the right to be present at the time of installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting of measurement equipment.

5.3 If requested by the Customer, EGNB's measurement equipment shall be examined by EGNB in the presence of a representative of the Customer. If the measurement equipment is not found to be in error by more than three per cent (3%), the Customer shall pay EGNB's costs of carrying out such examination.

5.4 If the measurement equipment is not found to be in error by more than three per cent (3%), the previous recording shall be considered correct but proper adjustments to the meter will be made immediately or, at the option of EGNB, the meter will be exchanged. However, if the error is greater than three per cent (3%), a correction in billing shall be made in the same manner as when a request is made under the Electricity and Gas Inspection Act or any other legislation which may supersede that Act.

5.5 Gas measurement equipment that malfunctions for whatever reason shall be dealt with in accordance with section 5.4.

5.6 All gas delivered shall be measured utilizing equipment which conforms to the Electricity and Gas Inspection Act and Regulations thereunder.

5.7 The measurement unit shall be one cubic meter of gas at a pressure of 101.325 kpa absolute and at a temperature of 15 degrees Celsius. The average absolute atmospheric (barometric) pressure shall be assumed to be 100.32kPa regardless of variations in actual barometric pressure from time to time.

5.8 Subject to applicable law, where gas is measured by means of an orifice meter or meters, the factors for correction for deviation from Boyle's Law for the measurement of gas under varying pressures and temperatures shall be calculated in accordance with A.G.A. Gas Measurement Committee Report No. 3, 1969 edition, and Manual for the Determination of Supercompressibility Factors for Natural Gas, PAR Research Project NX-19.

5.9 Where gas is measured by means of positive displacement or turbine meters, the factor for correction for deviation from Boyle's Law shall be the square of the factor determined by the above described method for use with orifice meters.

ARTICLE VI - EQUIPMENT

6.1 The title to all service pipes, meters, regulators, attachments and equipment placed on the Customer's premises shall remain with EGNB, with right of removal, and no charge shall be made by the Customer for use of premises occupied thereby. The Customer shall be responsible for any loss or damage thereto resulting from wilful or negligent acts of the Customer or the Customer's agents or employees or Persons acting under the authority of or with the permission of the Customer.

ARTICLE VII - PAYMENTS

7.1 The billing period shall be approximately one month.

7.2 Invoices for charges arising hereunder or payments in respect of credits owed by EGNB to the Customer from time to time shall be sent to the Customer or as the Customer may direct.

7.3 Subject to section 5.4, if an error in a statement is discovered, a correcting adjustment shall be made promptly in a subsequent statement. Claims for errors shall be made promptly upon discovery, but in no event more than one year from the date of the relevant statement.

7.4 All charts and calculations upon which a statement issued to the Customer is based, and EGNB's books and records insofar as they pertain to measurement and settlement for accounts hereunder, shall be retained by EGNB for the longer of one year from the date of such statement and the period while any claim which relates to such statement and of which EGNB receives written notice from the Customer within the aforesaid one-year period is outstanding, and shall be available for inspection by the Customer on reasonable prior notice during normal office hours of EGNB.

7.5 Notwithstanding anything in this Article VII, EGNB shall have the right to withhold (either by withholding payment or by withholding a credit to which the Customer might otherwise be entitled) an amount owing to the Customer by EGNB equal to the amount of money then due, owing and unpaid by such Customer to EGNB (the "Withheld Amount"), but the aggregate of all amounts entitled to be so withheld at any time shall be limited to the aggregate of all amounts then due, owing and unpaid by the Customer to EGNB. Upon EGNB ceasing to be entitled to hold any particular portion of a Withheld Amount, EGNB shall forthwith pay to such Customer an amount equal to such portion of the Withheld Amount.

ARTICLE VIII - DELIVERY, POSSESSION AND TITLE

8.1 EGNB shall be deemed to be in control and possession of gas that is the subject matter hereof until it is delivered to the Point of Delivery, after which such Customer shall be deemed to be in control and possession thereof. Each Customer shall bear full and complete liability and responsibility for gas that is delivered to the Point of Delivery.

8.2 Title to gas delivered to a Customer shall pass to the Customer at the Point of Delivery.

ARTICLE IX - PRIORITY OF SERVICE

9.1 In the event of actual or threatened shortage of gas due to circumstances beyond the control of EGNB, or when curtailment or discontinuance of supply is ordered by an authorized governmental agency (including, without limitation, the Board) or is required under an allocation plan approved by the Board, the Customer shall, at the direction of EGNB, curtail or discontinue use of gas during the period specified by EGNB (by notice to the Customer made or given by telephone, electronic or other communication device and which, if given orally, shall be confirmed on the same day in writing by way of telecopier or other written instrument). EGNB shall not be liable for any loss or damages whatsoever by reason of any such curtailment or discontinuance or because of the length of advance notice given directing such curtailment or discontinuance.

ARTICLE X - FORCE MAJEURE

10.1 "Event of Force Majeure" means an act of God, strike, lockout or other industrial disturbance, act of the public enemy, war, blockade, insurrection, riot, epidemic, landslide, lightning, earthquake, fire, storm, flood, washout, arrest, civil disturbance, explosion, breakage, unavoidable freezing or accident to machinery or lines of pipe used to transport gas, the necessity for making repairs to or alterations of such machinery or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military, including curtailment or discontinuance of supply ordered by an authorized government agency or required under an allocation plan approved by the Board, any act or omission (including failure to deliver gas) of Sable Offshore Energy Incorporated ("SOEI"), or its constituent partners, or M&NP or any subsidiary, associate or affiliate of these companies or any act or omission by parties not controlled by the Defaulting Party (as hereafter defined), all of which are hereby deemed, declared and acknowledged by the parties to be beyond the reasonable control of EGNB and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the Defaulting Party and which by the exercise of due diligence the Defaulting Party is unable to prevent or overcome; provided, however, that an Event of Force Majeure shall not mean or include the Customer's inability to transport gas, for any reason whatsoever except the occurrence of an Event of Force Majeure suffered by SOEI or M&NP, or any subsidiary, associate or affiliate of these companies.

10.2 Except as provided in section 10.4 below, a party (a "Defaulting Party") shall not be liable to the other party for the Defaulting Party's inability to deliver or receive gas at a Point of Delivery if such inability is caused by an Event of Force Majeure. In the case of any such inability so caused, then the other party shall have no claim for damages or specific performance or other right of action against the Defaulting Party with respect to the period of Force Majeure.

10.3 A Defaulting Party shall:

- (a) forthwith give notice to the other party of the anticipation of the occurrence of an Event of Force Majeure and its expected date of commencement and duration,
- (b) forthwith give notice to the other party of the occurrence of an Event of Force Majeure and its expected duration,
- (c) unless such Event of Force Majeure is a strike, lockout or other industrial disturbance, the resolution or settlement of which shall be wholly within the discretion of the Defaulting Party, use its best efforts to eliminate such Event of Force Majeure,
- (d) forthwith give notice to the other party when such Event of Force Majeure has been eliminated or has ceased to prevent the Defaulting Party from fulfilling its obligation to deliver or receive gas at a Point of Delivery, and
- (e) proceed to fulfil such obligations as soon as reasonably possible after such Event of Force Majeure has been eliminated or has ceased to prevent the Defaulting Party from fulfilling such obligations.

10.4 A Defaulting Party shall not be entitled to the relief if:

- (a) the Defaulting Party's inability to perform the obligation was caused by its lack of finances,
- (b) the Defaulting Party's inability to perform the obligation was caused by its deliberate act or inaction, or
- (c) the Defaulting Party failed to comply with subsection 10.3 above in respect of the obligation.

ARTICLE XI - RECIPROCAL INDEMNIFICATION

11.1 Each of EGNB and the Customer shall save harmless and indemnify the other from any injury, loss or damage to Persons or property caused by its negligence or willful misconduct or by the negligence or willful misconduct of any of its employees or agents or Persons acting under its authority or with its permission.

ARTICLE XII - ADOPTION OF NAESB STANDARDS

12.1 The North American Energy Standards Board ("NAESB") establishes standards for business practices and electronic communication of gas transactions, with a view to simplifying the management of gas across the entire North American pipeline grid. NAESB may, from time to time, recommend the implementation of standards that conflict with or supplement these Terms and Conditions. If it becomes necessary for EGNB to adopt a recommended standard that conflicts with or supplements these Terms and Conditions, it shall not be necessary for EGNB to provide notice thereof to the Customer.

ARTICLE XIII - NOTICES

13.1 Except as otherwise provided in these Terms and Conditions, all communications provided for or permitted between EGNB and the Customer shall be in writing, personally delivered, which in the case of a corporation shall be to an officer or other responsible employee of the addressee, or sent by ordinary mail, charges prepaid, telecopy or other means of recorded telecommunication, charges prepaid, to the applicable address or telecommunications number as set forth below or as changed in accordance with this section provided that no communication shall be sent by mail at any time when a postal strike or other disruption of the postal service in Canada is threatened, pending or ongoing. Any communication so personally delivered shall be deemed to have been validly and effectively received on the date of such delivery. Any communication so sent by telecopier or other means of telecommunication shall be deemed to have been validly and effectively received on the day on which transmission is confirmed. Any communication so sent by mail shall be deemed to have been validly and effectively received on the fourth Business Day following the day on which it is postmarked. If the date of deemed delivery is not a Business Day or if the communication is received after ordinary office hours (time of place of receipt), the communication shall be deemed to have been received on the next Business Day.

Each party may from time to time change its address or any nominee, telephone number or telecopier number for the purpose of this section by giving notice of such change to the other party in accordance with this section.

Communications to EGNB shall be directed as follows:

Enbridge Gas New Brunswick
440 Wilsey Road, Suite 101
Fredericton, NB E3B 7G5
Telephone: (506) 444-7773
Telecopier: (506) 452-2868

Communications to the Customer shall be directed to the last known address of the Customer.

ARTICLE XIV - MISCELLANEOUS

14.1 The Customer shall not assert that a joint venture, partnership or principal and agent relationship exists between the Province of New Brunswick and EGNB.

14.2 The Customer shall execute, acknowledge or verify, and deliver any and all documents which from time to time may be reasonably requested by EGNB to carry out the purposes and intent of these Terms and Conditions.

14.3 No failure by EGNB to insist upon compliance with any of these Terms and Conditions, to exercise any option, enforce any right, or seek any remedy upon any default of the Customer shall affect, or constitute a waiver of, EGNB's right to insist upon such strict compliance, exercise that option, enforce that right, or seek that remedy with respect to the default or any prior, contemporaneous, or subsequent default; nor shall any custom or practice of EGNB at variance with any provisions of these Terms and Conditions affect, or constitute a waiver of, EGNB's right to demand strict compliance with all provisions hereunder.

14.4 If any provision of these Terms and Conditions or portion thereof or the application thereof to any Person or circumstances shall to any extent be invalid or unenforceable, the remainder of these Terms and Conditions or the application of such provision or portion thereof to any other Person or circumstance shall not be affected thereby. Each provision of these Terms and Conditions shall be valid and enforceable to the fullest extent permitted by law.

14.5 It is expressly understood and agreed that the rights and remedies of the parties hereunder are cumulative and are in addition to and not in substitution for any other rights or remedies provided hereunder or otherwise at law or in equity and any such rights or remedies may be exercised by a party from time to time concurrently or independently and as often and in such order as a party may deem expedient in its sole and absolute discretion.

14.6 In these Terms and Conditions, words denoting the singular include the plural and vice versa and words denoting any gender include all genders.

14.7 Time shall be of the essence of these Terms and Conditions.

14.8 These Terms and Conditions shall be binding upon and enure to the benefit of EGNB and the Customer and their respective heirs, executors, personal representatives, administrators, successors and assigns but shall not be assignable or be assigned by the Customer without the consent in writing of EGNB first obtained.

APPENDIX A

DEFINED TERMS AND PHRASES

“**Appendix B**” is the document in respect of the Customer completed by EGNB in the form attached hereto as Appendix B.

“**Applicable Rate**” for a Terminal Location means the Rate Class shown in EGNB’s Appendix B, as the same may be changed in accordance with the Handbook from time to time or amended or replaced from time to time and fixed, approved or authorized by the Board.

“**Board**” means the Board of Commissioners of Public Utilities constituted pursuant to the Public Utilities Act (New Brunswick).

“**Business Day**” means a day other than a Saturday, Sunday or statutory or civic holiday in the Province of New Brunswick.

“**Contract Demand**” means for a Terminal Location, a volume of gas which is the maximum volume of gas EGNB is required to deliver to the Customer on a daily basis for the Terminal Location as set out in EGNB’s Appendix B.

“**Cubic Metre**” or “**m³**” means that volume of gas which at a temperature of 15 degrees Celsius and at an absolute pressure of 101.325 kilopascals (“kPa”) occupies one cubic metre; and “**10³m³**” means one thousand cubic metres.

“**Customer**” means you, being the Person whose name is set out in EGNB’s Appendix B.

“**EGNB**” means Enbridge Gas New Brunswick Limited Partnership, as represented by its general partner Enbridge Gas New Brunswick Inc.

“**Handbook**” means EGNB's Handbook of Rates and Distribution Services on file with the Board, as amended or replaced from time to time with the approval of the Board.

“**M&NP**” means Maritimes & Northeast Pipeline Management Ltd., as general partner for and on behalf of Maritimes & Northeast Pipeline Limited Partnership.

“**Natural gas**” or “**gas**” means any hydrocarbon or mixture of hydrocarbons that, at a temperature of 15 degrees Celsius and an absolute pressure of 101.325 kilopascals, is in a gaseous state.

“**Overrun**” means the amount of natural gas taken at a Terminal Location exceeding the Contract Demand.

“**Person**” means an individual, corporation, partnership, firm, joint venture, syndicate, association, trust, trustee, government, governmental agency or board or commission or authority

or other form of entity or organization, whether incorporated or not.

“**Point of Delivery**” at a Terminal Location of the Customer has the meaning ascribed thereto in section 2.2.

“**Point of Delivery Pressure**” for a Terminal Location means the pressure (expressed in kilopascals) shown in EGNB’s Appendix B.

“**Rate Schedule**” at any time means a lettered and/or numbered rate of EGNB as fixed or approved by the Board and in effect at such time.

“**Terminal Location**” means a plant, facility or residence of the Customer, the location of which is set out in EGNB’s Appendix B under Service Location.

“**Terms and Conditions**” means these Distribution Service Terms and Conditions, as may be revised by EGNB from time to time.

**APPENDIX B
CUSTOMER INFORMATION**

Date (mm/dd/yy):	Form Submitted By:
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Service Location:

Customer Name: <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.	EGNB Account Number:
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Company Name (if applicable):

House number:	Street name:	Unit/Suite:
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Town/City:	Postal code:
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* In the case of New Customers, to be filled in by Enbridge Gas New Brunswick

Modifications to Appendix "B" of the Distribution Service Agreement

Distribution Service Agreement Number:

Status: <input type="checkbox"/> New <input type="checkbox"/> Changed <input type="checkbox"/> Cancelled <input type="checkbox"/> Rollover
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Start Date (mm/dd/yy):	End Date (mm/dd/yy):	Months from First Delivery:	Date of First Delivery (yyyy/m/d):
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Point of delivery pressure: <input type="checkbox"/> 1.75 kPa <input type="checkbox"/> 14.0 kPa <input type="checkbox"/> 34.0 kPa <input type="checkbox"/> other kPa
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Rate Class:	Hourly Demand:
	GJ/h

Contract demand: GJ	Annual Temperature Sensitive Consumption: GJ	Annual Baseload Consumption: GJ
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Add customer to Collection Service Agreement: <input type="checkbox"/> Yes <input type="checkbox"/> No

Modifications to Appendix "B" of the Collection Service Agreement

Complete if Customer on Collection Service Agreement:

Distribution Service Agreement Number:

Price Category Number:

<input type="checkbox"/> New <input type="checkbox"/> Price Category Change <input type="checkbox"/> Cancel	New Price Category Start Date:
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