

## TRANSGAS OVER-CONSUMPTION PROCEDURE

This procedure applies when there is over-consumption by Delivery Transportation Customers during periods where TransGas has placed a delivery Service Curtailment on the TransGas System (Curtailment). For the purposes of this procedure, Curtailment refers to the reduction in availability of interruptible service by TransGas. Any upper-cased term not defined herein shall have the meaning given to it in the TransGas Comprehensive Tariff (the "Tariff").

Over-consumption occurs if consumption by D-11 Intra-Provincial Delivery customers (Customers) at a meter is in excess of its Firm contracted volume ("Over-consumption"). If Over-consumption occurs and TransGas determines such Over-consumption does or may negatively impact operations of TransGas and/or of Customers, TransGas will implement the following procedures to ensure that fair and equitable Service is provided to all Customers in the restricted area:

1. TransGas will notify Customers that delivery Service has been Curtailed.
2. Immediately after the curtailment notice, TransGas will apply a surcharge (the IT delivery curtailment surcharge) of \$0.7466 to the D19 IT for each GJ of IT.
3. Customers will have three days from date of notification to monitor their usage and avoid Over-consumption.
4. After the **three day period**, Customers will be required to be within their Curtailment tolerance range. For the purpose of this procedure, the Curtailment tolerance range will be the following:
  - Customer's Firm contract volume, expressed on a daily basis, **plus 10%**.
5. For those Customers found to be Over-consuming beyond their tolerance level after the three Day period, TransGas will impose a fee on the Over-consumption in excess of the tolerance level equivalent to the following:
  - The D-19 IT rate PLUS the IT curtailment surcharge, multiplied by a factor of 10.
6. If Over-consumption continues at the meter(s), TransGas will notify a Customer's Corporate Officers of the Over-consumption. The notification will inform the Corporate Officer that the action is negatively impacting the safety and operation of the TransGas system, that the Customer's action is incurring financial costs for the Customer, and that it may result in discontinuation of Service if not immediately addressed.
7. If the Over-consumption continues after TransGas has communicated with Corporate Officers, TransGas will notify the Customers at the meter(s) that TransGas may take whatever steps it determines necessary to reduce the Over-consumption, including a safe and orderly shut-in of the meter station.

TransGas will not be liable for any damages or losses (including loss of profits or revenue) a Customer may incur or sustain as a result of its failure to reduce its Over-consumption. TransGas may change procedures from time to time. Please refer to the TransGas website to view current procedures.

For further information regarding the Over-Consumption Procedure please contact your Key Account Manager.