



December 20, 2011

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Gas Transmission Northwest LLC
717 Texas Street, Suite 2400
Houston, Texas 77002-2761

John A. Roscher
Director, Rates & Tariffs

tel 832.320.5675
fax 832.320.6675
email John_Roscher@TransCanada.com
web www.gastransmissionnw.com

Re: Gas Transmission Northwest LLC
Negotiated Rate Agreement
Docket No. RP12- -

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act (“NGA”) and Part 154 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations,¹ Gas Transmission Northwest LLC (“GTN”) hereby submits for filing certain tariff sections² to be part of its FERC Gas Tariff, Fourth Revised Volume No. 1-A (“Tariff”). These revised tariff sections, included at Appendix A, are being submitted to update GTN’s reporting of a negotiated rate transaction GTN has entered into with Pacific Gas and Electric Company (PG&E”). GTN requests that the Commission accept the proposed tariff sections to become effective January 1, 2012.

The names, titles, mailing address, and telephone numbers of those persons to whom correspondence and communications concerning this filing should be addressed are as follows:

¹ 18 C.F.R. Part 154 (2011).

² Specifically, GTN is submitting 4.6 – Statement of Rates, Negotiated Rate Agreements-FTS-1 and LFS-1 (“Section 4.6”), and 4.7 – Statement of Rates, Footnotes for Negotiated Rates- FTS-1 and LFS-1 (“Section 4.7”).

John A. Roscher
Director, Rates and Tariffs
* Joan F. Collins
Manager, Tariffs and Compliance
Gas Transmission Northwest LLC
717 Texas Street, Suite 2400
Houston, Texas 77002-2761
Tel. (832) 320-5651
E-mail: joan_collins@transcanada.com

* Eva N. Neufeld
Associate General Counsel
Gas Transmission Northwest LLC
717 Texas Street, Suite 2400
Houston, Texas 77002-2761
Tel. (832) 320-5623
E-mail: eva_neufeld@transcanada.com

* Persons designated for official service pursuant to Rule 2010.

Statement of the Nature, Reasons and Basis for Filing

This filing is being submitted to update GTN's reporting of negotiated rate transactions initiated in accordance with the Commission's October 28, 1999, order in Docket No. RP99-518-000.³ Within GTN's Tariff, Section 4.6 identifies each negotiated rate agreement under Rate Schedule FTS-1, including the shipper, the term of the contract, the contract quantity, the primary receipt and delivery points, and the rate to be charged. Section 4.7 includes footnotes that provide further detail for the various agreements listed in Section 4.6.

By the instant filing, GTN is modifying its Tariff to reflect PG&E Contract No. F-10526 as a negotiated rate agreement under Rate Schedule FTS-1 ("Agreement"). GTN, in accordance with Article IX.C.3 of the Stipulation and Agreement of Settlement in Docket No. RP06-407-007 ("Settlement"),⁴ is adding the Agreement to the Tariff's listing of negotiated rate FTS-1 agreements at Section 4.6. Article IX.C.3 of the Settlement deems the Agreement to be a negotiated rate contract from the end of the Settlement's "Moratorium" period until the end of its initial 59-month term. Article V.A.1 of the Settlement defines the "Moratorium" period as ending December 31, 2011. The initial term of the Agreement is from July 1, 2009, to May 31, 2014. Accordingly, GTN is including the Agreement in its listing of negotiated rate agreements effective January 1, 2012, through the end of its 59-month term, or May 31, 2014. Exhibit 'B' of the Agreement establishes the negotiated rate as "...the final-year moratorium rate." The

³ PG&E Gas Transmission, Northwest Corporation, 89 FERC ¶ 61,114 (1999).

⁴ The Settlement was filed by GTN on October 31, 2007, and approved by the Commission on January 7, 2008. Gas Transmission Northwest Corporation, 122 FERC ¶ 61,012 (2008).

final-year moratorium rate on a full-haul, 100% load factor, basis is \$0.330000 per Dth.⁵ GTN is additionally modifying Section 4.7 to accommodate an explanatory footnote (footnote 4) related to the Agreement, which provides the details pertaining to the Agreement. Finally, as a housekeeping measure, GTN is concurrently deleting four (4) expired negotiated rate agreements from Section 4.6, and removing all inactive explanatory footnotes from Section 4.7.

This negotiated rate agreement between GTN and PG&E does not contain any provision that deviates in any material respect from GTN's FTS-1 Form of Service Agreement in its Tariff.

Effective Date and Request for Waiver

GTN respectfully requests that the Commission approve the tariff sections included at Appendix A to become effective January 1, 2012.

Other Filings Which May Affect This Proceeding

There are no other filings before the Commission that may significantly affect the changes proposed herein.

Contents of Filing

In accordance with Section 154.7 of the Commission's regulations and Order No. 714,⁶ GTN is submitting the following XML filing package, which includes:

- 1) This transmittal letter;
- 2) The clean tariff sections (Appendix A); and
- 3) The marked tariff sections (Appendix B).

⁵ The final-year moratorium rates for Rate Schedule FTS-1 service are reflected in Section 4.1-Statement of Rates, FTS-1 and LFS-1 Rates, v.5.0.0, of GTN's Tariff.

⁶ Electronic Tariff Filings, 124 FERC ¶ 61,270 (2008) ("Order No. 714").

Certificate of Service

As required by Sections 154.7 (b) and 154.208 of the Commission's regulations, copies of this filing are being served on all of GTN's existing customers and interested state regulatory agencies. A copy of this letter, together with the other attachments, is available during regular business hours for public inspection at GTN's principal place of business.

Pursuant to Section 385.2005 and Section 385.2011, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief. The undersigned possesses full power and authority to sign such filing.

Any questions regarding this filing may be directed to Joan Collins at (832) 320-5651.

Respectfully submitted,

GAS TRANSMISSION NORTHWEST LLC

A handwritten signature in black ink that reads "John A. Roscher". The signature is written in a cursive style with a long horizontal flourish extending to the right.

John A. Roscher
Director, Rates & Tariffs

Enclosures

Appendix A

Gas Transmission Northwest LLC *FERC Gas Tariff, Fourth Revised Volume No. 1-A*

Clean Tariff

<u>Tariff Section</u>	<u>Version</u>
4.6 - Statement of Rates, Negotiated Rate Agreements - FTS-1 and LFS-1	v.3.0.0
4.7 - Statement of Rates, Footnotes for Negotiated Rates - FTS-1 and LFS-1	v.4.0.0

STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS

NEGOTIATED RATE AGREEMENTS UNDER RATE SCHEDULES FTS-1 AND LFS-1

<u>SHIPPER</u>	<u>TERM OF CONTRACT</u>	<u>RATE SCHEDULE</u>	<u>DTH/D</u>	<u>PRIMARY RECEIPT POINT</u>	<u>PRIMARY DELIVERY POINT</u>	<u>RATE /2 /3</u>
Avista Corporation /1	11/1/01 - 10/31/25	FTS-1	20,000	Medford	Medford Ext. Meter	/7
Pacific Gas and Electric Co. /1	01/01/12 - 05/31/14	FTS-1	50,000	Kingsgate	Malin	/4

STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS

Negotiated Rate Agreements Under Rate Schedules FTS-1 and LFS-1

Explanatory Footnotes for Negotiated Rates
under Rate Schedules FTS-1 and LFS-1

- /1 This contract does not deviate in any material aspect from the Form of Service Agreement in this Tariff.
- /2 Unless otherwise noted, all Shippers pay GTN's maximum Reservation Charge, Delivery Charge, ACA, and contribute fuel in-kind in accordance with this Tariff.
- /3 Index Price References: Unless otherwise noted, references to "Daily Index Price" shall mean the price survey midpoint for the specified point as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the next available Gas Daily publication. Unless otherwise noted, the references to the "NGI FOM" for a specified point shall mean Natural Gas Intelligence's First of Month Bid Week Survey (Supplement to NGI's Weekly Gas Index) Spot Gas Price for the specified point.
- /4 The Maximum LTF Settlement Rate, as filed on October 31, 2007, in the Stipulation and Agreement of Settlement in Docket No. RP06-407-000 ("Settlement"), and approved by the Federal Energy Regulatory Commission on January 7, 2008, applies to the remaining initial term of contract F-10526 beyond the "Moratorium," as that term is defined in Article V.A.1 of the Settlement.
- /5 Reserved
- /6 Reserved
- /7 The Reservation charge shall be equal to the rate set forth in GTN's FERC Gas Tariff identified as FTS-1 E-2 (WWP), or its successor, multiplied by the appropriate Effective Period Percentage as shown in the following table.

Effective Period	Percentage
11/1/01-10/31/02	75%
11/1/02-10/31/03	80%
11/1/03-10/31/04	85%
11/1/04-10/31/05	90%
11/1/05-10/31/06	95%
11/1/06-10/31/25	100%

The Daily Delivery Charge shall be equal to the 100% load factor equivalent of the FTS-1 E-2 rate, or its successor, and shall be multiplied by the positive difference between (a) volumes delivered and (b) the contract MDQ times the appropriate Effective Period Percentage.

Daily Delivery Charge = [Dth Delivered - (MDQ * Effective Period %)] * 100% Load Factor Equivalent FTS-1 E-2

/8 Reserved

/9 Reserved

/10 Reserved

/11 Reserved

/12 Reserved

/13 Reserved

/14 Reserved

/15 Reserved

/16 Reserved

/17 Reserved

/18 Reserved

Appendix B

Gas Transmission Northwest LLC *FERC Gas Tariff, Fourth Revised Volume No. 1-A*

Marked Tariff

<u>Tariff Section</u>	<u>Version</u>
4.6 - Statement of Rates, Negotiated Rate Agreements - FTS-1 and LFS-1	v.3.0.0
4.7 - Statement of Rates, Footnotes for Negotiated Rates - FTS-1 and LFS-1	v.4.0.0

STATEMENT OF EFFECTIVE RATES AND CHARGES
 FOR TRANSPORTATION OF NATURAL GAS

NEGOTIATED RATE AGREEMENTS UNDER RATE SCHEDULES FTS-1 AND LFS-1

<u>SHIPPER</u>	<u>TERM OF CONTRACT</u>	<u>RATE SCHEDULE</u>	<u>DTH/D</u>	<u>PRIMARY RECEIPT POINT</u>	<u>PRIMARY DELIVERY POINT</u>	<u>RATE /2 /3</u>
Avista Corporation /1	11/1/01 - 10/31/25	FTS-1	20,000	Medford	Medford Ext. Meter	/7
Pacific Gas and Electric Co. /1	01/01/12 - 05/31/14	FTS-1	50,000	Kingsgate	Malin	/4
Coral Energy Resources, LP /1	04/1/03 - /10	FTS 1	20,000	Malin	Kingsgate	/10
Powerex Corp. /1	11/1/09 - 10/31/10	FTS 1	20,000	Kingsgate	Malin	/13
EDF Trading North America, LLC /1	04/1/10 - 03/31/11	FTS 1	100,000	Kingsgate	Malin	/17
EDF Trading North America, LLC /1	06/1/10 - 10/31/10	FTS 1	50,000	Kingsgate	Malin	/18

STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS

Negotiated Rate Agreements Under Rate Schedules FTS-1 and LFS-1

Explanatory Footnotes for Negotiated Rates
under Rate Schedules FTS-1 and LFS-1

- /1 This contract does not deviate in any material aspect from the Form of Service Agreement in this Tariff.
- /2 Unless otherwise noted, all Shippers pay GTN's maximum Reservation Charge, Delivery Charge, ACA, and contribute fuel in-kind in accordance with this Tariff.
- /3 Index Price References: Unless otherwise noted, references to "Daily Index Price" shall mean the price survey midpoint for the specified point as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the next available Gas Daily publication. Unless otherwise noted, the references to the "NGI FOM" for a specified point shall mean Natural Gas Intelligence's First of Month Bid Week Survey (Supplement to NGI's Weekly Gas Index) Spot Gas Price for the specified point.
- /4 The Maximum LTF Settlement Rate, as filed on October 31, 2007, in the Stipulation and Agreement of Settlement in Docket No. RP06-407-000 ("Settlement"), and approved by the Federal Energy Regulatory Commission on January 7, 2008, applies to the remaining initial term of contract F-10526 beyond the "Moratorium," as that term is defined in Article V.A.1 of the Settlement.~~Reservation Rate shall be \$0.08/Dth/day. The Delivery Rate shall be \$0.02/Dth/day inclusive of ACA. Fuel shall be reimbursed in kind at the applicable monthly percentage as posted on GTN's Internet website.~~
- /5 Reserved
~~The Reservation Rate shall be \$0.025/Dth/day. Each day, the Delivery Rate (inclusive of ACA) shall apply on a tiered basis as follows:~~
- ~~First 5,000 Dth — \$0.02/Dth
Second 5,000 Dth — \$0.05/Dth~~
- /6 Reserved
~~The Reservation Rate shall be \$0.02/Dth/day. The Delivery Rate shall be \$0.02/Dth/day inclusive of ACA. Fuel shall be reimbursed in kind at the applicable monthly percentage as posted on GTN's Internet website.~~
- /7 The Reservation charge shall be equal to the rate set forth in GTN's FERC Gas Tariff identified as FTS-1 E-2 (WWP), or its successor, multiplied by the appropriate Effective Period Percentage as shown in the following table.

Effective Period	Percentage
11/1/01-10/31/02	75%
11/1/02-10/31/03	80%
11/1/03-10/31/04	85%
11/1/04-10/31/05	90%
11/1/05-10/31/06	95%
11/1/06-10/31/25	100%

The Daily Delivery Charge shall be equal to the 100% load factor equivalent of the FTS-1 E-2 rate, or its successor, and shall be multiplied by the positive difference between (a) volumes delivered and (b) the contract MDQ times the appropriate Effective Period Percentage.

Daily Delivery Charge = [Dth Delivered - (MDQ * Effective Period %)] * 100% Load Factor Equivalent FTS-1 E-2

/8 Reserved

/9 Reserved

/10 Reserved

~~The Reservation Rate shall be \$0.02/Dth applied to the MDQ of the Agreement. In addition to the Reservation Rate, Coral shall pay commodity charges based on the actual gas transported. The Commodity Rate shall be redetermined daily and will equal (the Gas Daily Midpoint Price for PG&E, Malin minus the Gas Daily Midpoint Price for Stanfield, Ore. minus an Allowance for GTN Fuel minus \$0.004356/Dth minus ACA of \$0.0018/Dth minus \$0.02/Dth) multiplied by 50%.~~

~~The Allowance for GTN Fuel shall be determined daily by the following expression:~~

~~The Gas Daily Midpoint Price for Stanfield, Ore. multiplied by the applicable fuel and line loss percentage for the actual path utilized to transport gas.~~

~~In the event that the index for Stanfield, Ore. and/or PG&E, Malin are not published on any given day (other than a weekend or holiday), prices will be determined based on the last published information for such index.~~

~~In the event that the index price for Stanfield, Ore. and/or PG&E, Malin are not published on at least three business days within a span of six business days, either party may request negotiation of a replacement rate structure (a "Renegotiation Request"). Upon such Renegotiation Request, GTN and Coral will use diligent, good faith efforts to come to a mutually agreeable replacement rate structure. Firm Transportation Service Agreement No.~~

~~08612 will terminate on the seventh day following a Renegotiation Request in the event the parties do not agree on a replacement rate structure prior to such termination.~~

~~This Agreement shall become effective April 1, 2003, and shall continue in full force and effect through April 30, 2003 and month to month thereafter, with either party having the right to terminate the Agreement, upon no less than 7 days notice to the other, given prior to the first day of any subsequent month.~~

/11 ~~Reserved~~ Index Rate Calculation.

~~The per Dth Reservation Rate shall be determined daily and will equal [the Gas Daily Midpoint Price (The Gas Daily Midpoint Price is the price survey midpoint for PG&E, Malin and Stanfield, OR as applicable as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the last published Gas Daily publication prior to the weekend or holiday.) for PG&E, Malin minus the Gas Daily Midpoint Price for Stanfield, OR, minus the sum of the following]:~~

- ~~(1) an allowance for the per Dth cost of GTN system fuel.~~
- ~~(2) an allowance for the per Dth cost of delivery of volumes on the GTN System equal to the maximum delivery rate applicable under GTN's FTS-1 Tariff for the volumes transported, multiplied by the distance transported.~~
- ~~(3) an allowance for ACA of \$0.0018/Dth.~~

~~The allowance for GTN System fuel shall be computed as follows:~~

~~The Gas Daily Midpoint Price for Stanfield, OR multiplied by $\{[1.0/(1.0 \text{ the GTN System fuel rate } -)] \text{ minus } 1.0\}$, where the GTN System fuel rate equals GTN's applicable mileage-based fuel rate multiplied by the mileage of the path of the gas transported.~~

Reservation Rate.

~~On any day when the foregoing Index Rate calculation produces a result less than \$0.06/Dth, the Reservation Rate shall be deemed to be \$0.02/Dth. On any day when the foregoing Index Rate calculation produces a result greater than or equal to \$0.06/Dth and less than or equal to \$0.10/Dth, the Reservation Rate shall be deemed to be equal to the calculated per Dth Reservation Rate minus \$0.04/Dth. On any day when the foregoing Index Rate calculation produces a result greater than \$0.10/Dth, the Reservation Rate shall be equal to six cents (\$0.06) plus eighty percent (80%) of the difference between the result of the Index Rate Calculation and ten cents (\$0.10). To determine the Index Rate calculation applicable to volumes not nominated or scheduled, the Stanfield, OR to Malin, OR mileage will be applied to the calculation's mileage-based components.~~

Other Charges.

~~In addition to the Reservation Rate as calculated herein, Eagle Energy Partners shall pay the Delivery Rate for volumes transported equal to the maximum delivery rate, plus the ACA charge as applicable under GTN's FTS-1 Tariff. Eagle Energy Partners shall provide fuel in kind in accordance with GTN's FTS-1 Tariff.~~

~~Renegotiate Request.~~

~~In the event that the indices for PG&E, Malin and/or Stanfield, OR are not published on any given day (other than a weekend or holiday), prices will be determined based on the last published information for such index. In the event that the indices for PG&E, Malin and/or Stanfield, OR are not published on at least three business days within a span of six business days, either party may request negotiation of a replacement rate structure (a "Renegotiation Request"). Upon such Renegotiation Request, GTN and Eagle Energy Partners will use diligent, good faith efforts to come to a mutually agreeable replacement rate structure. Firm Transportation Service Agreement F-10628 will terminate on the fifteenth day following a Renegotiation Request in the event the parties do not agree on a replacement rate structure prior to such termination.~~

/12 Reserved

~~Index Rate Calculation.~~

~~The per Dth Reservation Rate shall be determined daily and will equal (the Gas Daily Midpoint Price [Gas Daily Daily Midpoint Price is the price survey midpoint for PG&E, Malin and Kingsgate, BC as applicable as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the last published Gas Daily publication prior to the weekend or holiday.] for PG&E, Malin minus the Gas Daily Midpoint Price for Kingsgate, BC, minus the sum of the following):~~

- ~~(1) an allowance for the per Dth cost of GTN system fuel.~~
- ~~(2) an allowance for the per Dth cost of delivery of volumes on the GTN System equal to the maximum delivery rate applicable under GTN's FTS-1 Tariff for the volumes transported, multiplied by the distance transported.~~
- ~~(3) an allowance for ACA of \$0.0018/Dth.~~

~~The allowance for GTN System fuel shall be computed as follows:~~

~~The Gas Daily Midpoint Price for Kingsgate, BC multiplied by $\{[1.0/(1.0 - \text{the GTN System fuel rate})] - 1.0\}$, where the GTN System fuel rate equals GTN's applicable mileage-based fuel rate multiplied by the mileage of the path of the gas transported.~~

~~Reservation Rate.~~

~~On any day when the foregoing Index Rate Calculation produces a result less than \$0.06/Dth, the Reservation Rate shall be deemed to be \$0.02/Dth. On any day when the foregoing Index Rate Calculation produces a result greater than or equal to \$0.06/Dth and less than or equal to \$0.10/Dth, the Reservation Rate shall be deemed to be equal to the calculated per Dth Reservation Rate minus \$0.04/Dth. On any day when the foregoing Index Rate calculation produces a result greater than \$0.10/Dth, the Reservation Rate shall be equal to six cents (\$0.06) plus eighty per cent (80%) of the difference between the result of the Index Rate Calculation and ten cents (\$0.10). To determine the Index Rate Calculation applicable to volumes not nominated or scheduled, the Kingsgate, BC to Malin, OR mileage will be applied to the calculation's mileage-based components.~~

~~Other Charges.~~

~~In addition to the Reservation Rate as calculated herein, Eagle Energy Partners shall pay the Delivery Rate for volumes transported equal to the maximum delivery rate, plus the ACA charge as applicable under GTN's FTS-1 Tariff. Eagle Energy Partners shall provide fuel in kind in accordance with GTN's FTS-1 Tariff.~~

~~Renegotiation Request.~~

~~In the event that the indices for PG&E, Malin is not published on any given day (other than a weekend or holiday), prices will be determined based on the last published information for such index. In the event that the indices for PG&E, Malin is not published on at least three business days within a span of six business days, either party may request negotiation of a replacement rate structure (a "Renegotiation Request"). Upon such Renegotiation Request, GTN and Eagle Energy Partners will use diligent, good faith efforts to come to a mutually agreeable replacement rate structure. Firm Transportation Service Agreement F-10738 will terminate on the fifteenth day following a Renegotiation Request in the event the parties do not agree on a replacement rate structure prior to such termination. In the event that the indices for Kingsgate, BC are not published on any given day (other than a weekend or a holiday), prices will be determined based on the TCPL Alberta, AECO-C price, converted to U.S. dollars using the currency conversion factor printed in Gas Daily for the applicable day, plus \$0.12/dth.~~

/13 Reserved

~~The per Dth Reservation Rate shall be determined daily and will equal 50% x (the Gas Daily Midpoint Price (The Gas Daily Daily Midpoint Price is the price survey midpoint for PG&E, Malin and TCPL Alberta, AECO-C as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the most recently available Gas Daily publication.) for PG&E, Malin minus the Gas Daily Midpoint Price for TCPL Alberta, AECO-C minus the sum of the following):~~

- ~~(1) an allowance for the per Dth cost of upstream transportation.~~
- ~~(2) an allowance for the per Dth cost of GTN and Foothills B.C. system fuel.~~

- ~~(3) an allowance for the per Dth cost of delivery of volumes on the GTN System equal to the maximum delivery rate applicable under GTN's FTS 1 Tariff for the volumes transported, multiplied by the distance transported.~~
- ~~(4) an allowance for ACA of \$0.0018/Dth or other such rate as may be approved by FERC during the term of this Agreement to reflect its Annual Charge Adjustment.~~

~~For the purposes of the above Reservation Rate calculation:~~

~~The allowance for upstream transportation shall be calculated as the sum of the 100% load factor equivalent rates in effect on the day of flow for Foothills B.C. System FT Service and the TransCanada Alberta System FT D service, converted to U.S. dollars per Dth using the U.S./Canadian dollar conversion rate as quoted in Gas Daily for the day of flow, a conversion rate of 1.055056 GJ per Dth, and a heat value of 37.8 MJ/cubic meter; and~~

~~The allowance for GTN and Foothills B.C. System fuel shall be computed as the Gas Daily Midpoint Price for TCPL Alberta, AECO-C (expressed in \$U.S./Dth), multiplied by $\{[1.0 / (1.0 - \text{the GTN System fuel rate})]\}$ multiplied by $[1.0 / (1.0 - \text{the Foothills Zone 8 fuel rate})]$ minus 1.0), where the GTN System fuel rate equals GTN's applicable mileage-based fuel rate multiplied by the mileage of the path of the gas transported.~~

~~On any day when the foregoing Reservation Rate calculation produces a result less than \$0.04/Dth, the Reservation Rate shall be deemed to be \$0.04/Dth. To determine the Index Rate calculation applicable to volumes not nominated or scheduled, the Kingsgate to Malin mileage will be applied to the calculation's mileage-based components.~~

~~In addition to the Reservation Rate as calculated herein, Powerex shall pay the Delivery Rate for volumes transported equal to the maximum delivery rate, plus the ACA charge as applicable under GTN's FTS 1 Tariff. Powerex shall provide fuel in kind in accordance with GTN's FTS 1 Tariff.~~

~~In the event that the indices for PG&E, Malin and/or TCPL Alberta, AECO-C are not published on any given day (other than a weekend or holiday), prices will be determined based on the last published information for such index. In the event that the indices for PG&E, Malin and/or TCPL Alberta, AECO-C are not published on at least three business days within a span of six business days, either party may request negotiation of a replacement rate structure (a "Renegotiation Request"). Upon such Renegotiation Request, GTN and Powerex will use diligent, good faith efforts to come to a mutually agreeable replacement rate structure. Firm Transportation Service Agreement F-10849 will terminate on the fifteenth day following a Renegotiation Request in the event the parties do not agree on a replacement rate structure prior to such termination.~~

~~At any time within the last five business days of any month prior to a month that this Agreement is in effect, the parties may, by mutual consent, modify the Reservation Rate to a fixed rate for all or a portion of the Maximum Delivered Quantity for the next month or for the remainder of the Contract Term. Neither GTN nor Powerex shall be obligated to accept a renegotiated fixed rate based upon discounted or negotiated rates in effect or offered to other shippers.~~

~~/14 ReservedThe Reservation Rate shall be \$0.02/Dth/day. The Delivery Rate shall be \$0.03/Dth inclusive of ACA. Fuel shall be reimbursed in kind at the applicable monthly percentage as posted on GTN's Internet website.~~

/15 Reserved

~~/16 ReservedThe allowance for fuel shall be redetermined daily and shall be the product of GTN's applicable fuel and line loss percentage for the path of actual volumes transported multiplied by the commodity value of gas provided in kind by the shipper. The commodity value of gas provided in kind shall equal the Gas Daily Midpoint Price for NOVA, AECO-C plus \$0.20.~~

/17 Reserved

~~The charges for this service will have two components.~~

~~(1) Fixed rate reservation charge component of \$0.05/Dth applied on a daily basis to the Maximum Delivered Quantity.~~

~~(2) Sharing Spread Component: On days when the Spread Calculation formula yields a value greater than \$0.10/Dth as determined below, the difference between the results of the Spread Calculation formula and \$0.10/Dth shall be shared equally between GTN and EDF Trading.~~

~~The per Dth Spread Calculation shall be determined daily and will equal (the Gas Daily Midpoint Price [Gas Daily Midpoint Price is the price survey midpoint for PG&E, Malin and Kingsgate, BC as applicable as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the last published Gas Daily publication prior to the weekend or holiday.] for PG&E, Malin minus the Gas Daily Midpoint Price for Kingsgate, BC, minus the sum of the following):~~

~~(1) an allowance for the per Dth cost of GTN system fuel.~~

~~(2) an allowance for the per Dth cost of delivery of volumes on the GTN System equal to the maximum delivery rate applicable under GTN's FTS-1 Tariff for the volumes transported, multiplied by the distance transported.~~

~~(3) an allowance for ACA of \$0.0018/Dth.~~

~~The allowance for GTN System fuel shall be computed as follows:~~

~~The Gas Daily Midpoint Price for Kingsgate, BC multiplied by $\{[1.0/(1.0 - \text{the GTN System fuel rate})] - 1.0\}$, where the GTN System fuel rate equals GTN's applicable mileage-based fuel rate multiplied by the mileage of the path of the gas transported.~~

~~Other Charges:~~

~~In addition to the Reservation Rate as calculated herein, EDF Trading shall pay the Delivery Rate for volumes transported equal to the maximum delivery rate, plus the ACA charge as applicable under GTN's FTS-1 Tariff. EDF Trading shall provide fuel in kind in accordance with GTN's FTS-1 Tariff.~~

~~Renegotiation Request:~~

~~In the event that the indices for PG&E, Malin or Kingsgate, BC are not published on any given day (other than a weekend or holiday), prices will be determined based on the average of last published information for such indices and the next published information for such indices. In the event that the indices for PG&E, Malin or Kingsgate, BC are not published on at least three business days within a span of six business days, either party may request negotiation of a replacement rate structure (a "Renegotiations Request"). Upon such Renegotiation Request, GTN and EDF Trading will use diligent, good faith efforts to come to a mutually agreeable replacement rate structure. Firm Transportation Service Agreement F-10880 will terminate on the fifteenth day following a Renegotiation Request in the event the parties do not agree on a replacement rate structure prior to such termination.~~

/18 Reserved

The charges for this service will be as follows:

~~Index Rate Calculation:~~

~~The per Dth Reservation Rate shall be determined daily and will equal (the Gas Daily Midpoint Price [Gas Daily Midpoint Price is the price survey midpoint for PG&E, Malin and Kingsgate, BC as applicable as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the last published Gas Daily publication prior to the weekend or holiday.] for PG&E, Malin minus the Gas Daily Midpoint Price for Kingsgate, BC, minus the sum of the following):~~

- ~~(1) an allowance for the per Dth cost of GTN system fuel.~~
- ~~(2) an allowance for the per Dth cost of delivery of volumes on the GTN System equal to the maximum delivery rate applicable under GTN's FTS-1 Tariff for the volumes transported, multiplied by the distance transported.~~
- ~~(3) an allowance for ACA of \$0.0018/Dth.~~

The allowance for GTN System fuel shall be computed as follows:

~~The Gas Daily Midpoint Price for Kingsgate, BC multiplied by $\{[1.0/(1.0 - \text{the GTN System fuel rate})] - 1.0\}$, where the GTN System fuel rate equals GTN's applicable mileage based fuel rate multiplied by the mileage of the path of the gas transported.~~

~~Reservation Rate.~~

~~On any day when the foregoing Index Rate Calculation produces a result less than \$0.06/Dth, the Reservation Rate shall be deemed to be \$0.02/Dth. On any day when the foregoing Index Rate Calculation produces a result greater than or equal to \$0.06/Dth and less than or equal to \$0.10/Dth, the Reservation Rate shall be deemed to be equal to the calculated per Dth Reservation Rate minus \$0.04/Dth. On any day when the foregoing Index Rate calculation produces a result greater than \$0.10/Dth, the Reservation Rate shall be equal to six cents (\$0.06) plus eighty per cent (80%) of the difference between the result of the Index Rate Calculation and ten cents (\$0.10). To determine the Index Rate Calculation applicable to volumes not nominated or scheduled, the Kingsgate, BC to Malin, OR mileage will be applied to the calculation's mileage-based components.~~

~~Other Charges.~~

~~In addition to the Reservation Rate as calculated herein, EDF Trading shall pay the Delivery Rate for volumes transported equal to the maximum delivery rate, plus the ACA charge as applicable under GTN's FTS-1 Tariff. EDF Trading shall provide fuel in kind in accordance with GTN's FTS-1 Tariff.~~

~~Renegotiation Request.~~

~~In the event that the indices for PG&E, Malin or Kingsgate, BC are not published on any given day (other than a weekend or holiday), prices will be determined based on the average of last published information for such indices and the next published information for such indices. In the event that the indices for PG&E, Malin or Kingsgate, BC are not published on at least three business days within a span of six business days, either party may request negotiation of a replacement rate structure (a "Renegotiation Request"). Upon such Renegotiation Request, GTN and EDF Trading will use diligent, good faith efforts to come to a mutually agreeable replacement rate structure. Firm Transportation Service Agreement F-10881 will terminate on the fifteenth day following a Renegotiation Request in the event the parties do not agree on a replacement rate structure prior to such termination.~~