



## SERVICES

### **Overview**

The ETEX Exchange is an internet-based platform which facilitates the exchange of assignable FT-R and FT-D (Group 1 and Group 2 only) Transportation capacity on the NGTS. This document is intended to provide a guide to the Services offered by ETEX. Capitalized terms in this document have the meanings provided to them in the ETEX Customer Agreement available on the Website.

Please note that ETEX offers the Services to provide Buyers and Sellers of Transportation on the NGTS with an efficient, convenient way to assign Transportation and to provide transparency and liquidity. ETEX acts as an intermediary to enable the successful completion of Transactions between a Buyer and Seller. ETEX is an Assignee and an Assignor on each Transaction solely to the extent required by TC Energy and the TC Energy Terms. ETEX earns fees for successful completion of all assignments related to a single Transaction and does not earn a fee by virtue of taking on Transportation assignments.

### ***Short Term Transportation Transactions (Three Months or Less)***

Short Term Transactions will, for the sake of Customer anonymity, involve ETEX as an intermediary in the TC Energy Transportation assignment process.

On ETEX's end, each Transaction will involve a three-step assignment process ("Assignment Process"): first, a permanent assignment of the underlying Transportation contract will be made from the Assignor to ETEX; second, a temporary assignment will be made by ETEX to the Assignee, for the Transportation services that are subject to the Transaction; and third, a permanent assignment of the underlying Transportation contract will be made by ETEX back to the Assignor with an effective date at the end of the term of the temporary assignment that has been made to the Assignee. At every step in the Assignment Process, ETEX will, whenever possible, assist in helping move the Assignment Process along by either initiating an assignment or encouraging Customers to initiate or accept the assignment.

Customer acknowledges that all three Assignment Process steps described above are intended to work as a single unit in support of a single Transaction. Accordingly, Customer acknowledges and agrees the mutual intent of Customer and ETEX that the third step described above (permanent assignment of underlying contract from ETEX back to Assignor) is, notwithstanding a future effective date, intended to be binding on Customer and ETEX immediately upon its execution. In the event that, during the intervening period between execution of the permanent assignment and its effective date, Customer is petitioned into bankruptcy or receivership or is subject to other occurrences or proceedings of a similar nature, the permanent assignment described above will continue to be binding upon Customer and/or its estate, notwithstanding the future effective date.

Once a Transaction has been confirmed by ETEX, both counterparties involved in the Transaction will receive a notification in the form of a pop-up trade confirmation on their respective screens. Additionally, a message will be published within the notification section located under the bell icon of the Exchange with the details of the Transaction. The Transaction details will also be posted in the "My Company Deals" tab. Lastly, a confirmation email, with the Transaction details, will be sent to the individual set to receive email notices identified to ETEX in the registration process, as per the "Sample Confirmation Notice" section below.

### ***Long Term Transportation Transactions (More Than Three Months)***

For Long Term Transactions, ETEX will broker the terms of a Transaction between the Buyer and Seller, on the Exchange or otherwise. Once the terms of the Transaction have been agreed to by the parties and then executed on the Exchange, ETEX will introduce the parties to make any necessary Credit arrangements and confirm potential Completion Payments and any other assignment details. Thereafter, the parties will deal with the Transportation assignment process directly between each other and TC Energy. ETEX will not be involved in the Completion Payment or assignment process and will invoice both parties for the broker service.

### ***Transactions, Generally***

Each of Buyer and Seller is obligated to execute assignment documentation required by TC Energy and provide consents and Credit support as required by ETEX and TC Energy to complete the assignments associated with a Transaction. The Assignment Process steps described above are intended to be completed simultaneously as a single undertaking. If all three Assignment Process steps are not simultaneously completed, the Transaction will, at the discretion of ETEX, be deemed to be void. In addition, if all three Assignment Process steps have not been completed before the scheduled start of the Transaction, at the discretion of ETEX, the Transaction will be deemed to be void. If a Transaction is deemed void, ETEX will notify the Customers who are parties to the Transaction via the bell icon at the top right corner of any page of the platform and offering Customer and bidding Customer will provide all necessary assistance to ETEX and execute appropriate documentation to undo any of the three Assignment Process steps that may have been completed.

Customer accepts and acknowledges that ETEX does not exercise control over the final approval of the Transaction done by TC Energy or the counterparties willingness to accept a TC Energy approved assignment. Customer agrees to work in good faith to use commercially reasonable efforts to execute assignment steps applicable to them, and to execute such further agreements and take all such further actions as may be reasonably required for the purpose of completing any Transactions contemplated by them.

The intention of the Exchange is for ETEX to facilitate a transaction between Assignor and Assignee. Any action by TC Energy or Customer which makes ETEX the ultimate Assignee of either the permanent or temporary assignment of Transportation may result in ETEX taking steps to mitigate damages associated with holding the Transportation, including, without limitation, the permanent or temporary assignment by ETEX of either the temporary Transportation assignment or underlying contract (as the case may be) to one or more third party. Mitigation measures taken by ETEX will not be a waiver by ETEX of any claims ETEX may have against TC Energy or against a Customer.

Assignee will be responsible for all tolls and charges (including abandonment fees) associated with the terms of the Transaction imposed by or through TC Energy, including as described in the confirmation email in the "Sample Confirmation Notice" section below. For certainty, Seller is responsible for all such capacity charges for the period prior to and after the term of the temporary Assignment.



### **Market Screen**

To create bid and/or offer Orders or view posted bid and/or offer Orders, a Customer's market screen must be configured to reflect all meter stations and term strips the Customer wishes to see. It is the responsibility of the Customer to configure the market screen to its own specifications.

### **Recallable Transportation**

In order to facilitate the recalling of Transportation, ETEX has created a duplicate meter station for all meter stations available on the Exchange. If either the Buyer or Seller wishes to engage in a Transaction that can be recallable, they must choose the duplicate meter stations which have the word "Recallable" at the end of the meter station labels. For example, the meter station description may be "1003 Provost North (NE ELAT) Recallable". Any meter station without the word "Recallable" in its label is not recallable.

A Transaction on a meter station with "Recallable" is an agreement between Buyer and Seller that the Transportation is recallable by the Seller and the Buyer will not withhold consent to a recall. A Buyer withholding consent may be subject to penalties and removal from the Exchange.

Seller requiring a recall has two options: 1) Seller can notify ETEX, in which case the Seller will be required to either notify ETEX in writing through email to an ETEX gas scheduling representative with the effective start date of the recall, and ETEX will then notify the Buyer of the recall through email and a phone call; or 2) Seller can initiate the recall directly through the "My Deals" tab on the Exchange. Once the recall has been submitted and approved by ETEX, both counterparties involved in the Transaction will receive a notification in the form of a pop-up trade confirmation on their respective screens. Additionally, a message will be published within the notification section located under the bell icon of the Exchange with the details of the recalled Transaction. The Transaction details will also be posted in the "My Company Deals" tab. Lastly, a confirmation email, with the Transaction details, will be sent to the individual set to receive email notices identified to ETEX in the registration process as per the "Sample Confirmation Notice" section below.

All initiated recalls will start on the later of: (1) the day of the recall as identified on the recall notice by the Seller; or (2) when NGTS provides its acceptance.

Any recall must be for the entire remaining term and volume of the Transaction. Partial recalls (as to either volume or term or both) are prohibited. A recalled Transaction will be deemed a new Transaction within ETEX tracking systems and will appear as a new Transaction in all reports and notifications and trade confirmations and be assigned the same transaction number as the original Transaction but with an "RC" extension added to it to reflect the transaction has been recalled. The Parties will be charged Transaction Fees in accordance with the Customer Agreement in relation to the recalled portion of the Transportation and the non-recalling Party will, on its monthly invoice, be credited for both the recalled Transaction and the unused portion of the initial Transaction (the result being that the non-recalling Party pays Fees only for that portion of the initial Transaction that has not been recalled). Where a Premium or Discount or/and Equalization Benchmark Payments are payable in relation to a Transaction in which the Transportation is recalled, the Premium or Discount or/and Benchmark Equalization Payment owed or owing from the original Transaction will be allocated back but prorated based on the term remaining in the recalled Transaction.



Recall Transactions will be allowed even if a Customer does not meet Credit requirements in relation to the recalled Transportation.

Any Premium or Discount and/or Benchmark Equalization Payment resulting from recalling a Transaction will offset against each Party's current Credit situation with ETEX. The resulting changes to a Customer's Credit situation and changes to Customer's credit or debit balance with ETEX may not appear on any reports until the final invoice is prepared.

The intent of a recall on any path is for operational purposes, including but not limited to FT-R cuts, changes to customers production and forecasts. Recall is not intended to use as an option if better price can be obtained elsewhere. If a recall is initiated and the meter station/contract type combination is reposted by the Seller, ETEX reserves the right to void the Transaction by not accepting an assignment request.

A recalled Transaction, if an Assignee has transferred it, still requires TC Energy's approval to transfer the path back to its original location during the term of the assignment.

### ***Transferrable Meter Stations***

At the request of the Assignee and thereafter upon approval by TC Energy, all meter station paths, recallable or otherwise, are transferrable, within a segment. The only exceptions being if the Transportation path is in its primary term (hereinafter referred to as the "Primary Term") or if Assignee attempts to move the meter station path from one segment to another. Neither TC Energy nor ETEX will allow the transfer request in either of those scenarios. All transfer requests are subject to the approval of TC Energy.

To facilitate the transfer of a meter station, Assignor must indicate on its Assignment request to TC Energy that the Transportation is available to be transferred (via a checkbox). Any Assignment not having this box checked will be rejected by ETEX (provided that ETEX will first provide Assignor with the opportunity to check the box) unless the Assignee agrees to accept the Assignment notwithstanding the transfer box not having been checked by the Assignor. If the transfer box has not been checked and the Assignee has not agreed to accept the Assignment without the checked box then ETEX will cancel the Transaction.

Once an Assignment has been authorized by TC Energy, Assignee bears the risk of TC Energy not authorizing Assignee's transfer request. If an Assignee acquires Transportation and then is denied a transfer, the Transaction will not be voided.

It is the Assignor's responsibility to indicate if the transport path is allowed to be transferred.

It is the Assignee's responsibility to ensure the transfer it requests is available by TC Energy.

### ***Customer Agreement***

Prior to commencing activities on the Exchange, Customer must be a party to a fully executed Customer Agreement with ETEX, available on the Website.

### ***Transaction Account / Authorized Representative***

Upon execution of a Customer Agreement, an Administrator for the Customer will be selected by the Customer. The Administrator will designate one or more individuals as its Authorized Representative(s) eligible for an Exchange UserID and Password. The Administrator will be responsible for establishing each Authorized Representative's level of access for the Exchange. Subject to any free trial arrangements, Each UserID will be subject to a subscription fee based on its level of access as outlined in the Customer Agreement.

There are three levels of access:

- a. Administrator rights: allowed to add and delete users, change user access, authorized representative of Customer to make changes to billing, banking, trading access and other confidential information. One Administrator per Customer.
- b. View Only: allowed to configure and view "Market" screen, "My Company Deals" tab and "Reports" tab. Unlimited View Only users per Customer.
- c. Trader: full access to both market screen and reporting tabs. Unlimited Trader users per Customer.

In the event the Administrator wishes to cancel the UserID of any person having access to the Exchange, the Administrator shall do so through the "User/User Access Management" tab on the Exchange. The Administrator is responsible for establishing who has access to the Exchange and the level of authority the Authorized Representative is granted.

### ***Posting of NGTS Transportation Capacity***

Each Customer with trader access may post on the Exchange offers to sell or bids to buy NGTS Transportation services (hereafter referred to as "Orders"). Any and all NGTS Transportation services posted by a Customer for sale must be legally and beneficially owned by Customer or Customer must be a registered agent as per TC Energy Terms which includes the full rights of Customer to complete any assignment resulting from a completed Order. Likewise, all bidding Customers must have an established contractual and credit relationship with TC Energy for NGTS Transportation services, as necessary for either a shipper or a registered agent, as per TC Energy Terms, prior to posting bids to buy.

### ***Benchmark Price Point***

The bid and offer related to every Order by Buyer and Seller respectively, will be based on the Benchmark Price Point, regardless of tolls being paid to NGTS for the Transportation service. Offering Customers are not required to disclose in any Order the tolls actually paid by the Offering Customer. Every Customer will be responsible for understanding that its bids and offers are relative to the Benchmark Price Point and that a Benchmark Equalization Payment may be payable upon completion of an Order. If, and to the extent the actual tolls payable to NGTS for the Transportation service differ from the Benchmark Price Point then, upon completion of the Order, a Benchmark Equalization Payment will be payable by either the Assignor (if actual tolls paid are higher than the Benchmark Price Point) or the Assignee (if actual tolls paid are lower than the Benchmark Price Point). For the ease of the Customer, the Benchmark Price Point will be

provided on the “Market” screen for all meter station paths under the column labelled “B Rate”. The pricing and tolls information included on the Exchange will be copied from the NGTS “Receipt Point Rates & Abandonment Surcharges” excel spreadsheet found on the NGTS website. It is intended to reflect tolls as posted by TC Energy and although ETEX will endeavour to maintain the information in such a way that is accurate and current, the Exchange may not always provide accurate tolls information. ETEX will try to rectify any errors in the tolls used on the Exchange but the use of this information is at Customer’s sole risk and ETEX will not be liable for Customer’s use or reliance on tolls information obtained from ETEX. From time to time, changes in the NGTS tolls may result in changes to the Benchmark Price Point. Assignees will be responsible for payment of all NGTS tolls associated with a Transaction, including payment of increased tolls resulting from a change in the Benchmark Price Point, regardless of whether the Benchmark Price Point has changed after completion of the Transaction.

**Note: The Benchmark Price Point does not include ATCO Pipelines Franchise Fees (“ATFF”).** Customers must be aware of addition costs related to meter station paths that are allocated an ATCO Pipelines Franchise Fees. ETEX has identified, from the TC Energy “Delivery Point Rates” schedule, approximately 38 meter stations subject to ATFF, but did not include this additional fee to the FT-D Z-Rate shown on the Exchange. On the Exchange, within the “Meter Station” column, ETEX has identified each of these 38 meter stations by adding the label “ATCO Fees Apply” for information purposes. NGTS will add ATFF to their invoices. The Buyer will be invoiced for all costs associated with that specific meter station path. Buyer will have no remedy to collect ATFF from the Seller. Any Completion Payment resulting from a Transaction will not include ATFF in the calculation.

At either the Buyer or Seller’s request, on a meter station by meter station basis, ETEX will update the requested meter station toll on the Exchange to reflect the associated ATFF. Customer will provide the ATFF to ETEX and after ETEX verifies the ATFF, ETEX will affect the change.

### ***Contents of Order***

Every offer Order will include the following information:

1. Meter Station
2. Strip
3. Premium or Discount or equal to 100% Benchmark Price Point toll (specified as a percentage of the 100% Benchmark Price Point toll - Premium is a positive percentage and connotes a payment made by Assignee to Assignor; Discount is a negative percentage and connotes a payment made by Assignor to Assignee)
4. Volume or Capacity

In addition to the information described above, an Offering Customer, upon submission of a proposed offering Order, shall provide ETEX with the following information (which will not be publicly posted on the Exchange):

5. NGTS Contract Number (optional)
6. NGTS Contract Type associated with the Contract (A, B, C, X, Y or Z)

Every bid Order will include the following information:

1. Meter Station
2. Strip
3. Premium, Discount or equal to 100% Benchmark Price Point toll (specified as a percentage of the 100% Benchmark Price Point toll - Premium is a positive percentage and connotes a payment made by Assignee to Assignor; Discount is a negative percentage and connotes a payment made by Assignor to Assignee)
4. Volume or Capacity

A bid or offer cannot post a Discount to Benchmark Price Point of greater than 99.99%. A bid or offer cannot post a Premium to Benchmark Price Point of greater than 999.99%. Every bidding Customer and offering Customer will submit its proposed Orders for ETEX approval. Once approved, an Order will “go live” on the Exchange and be seen by all Customers with access to the Exchange front end trading platform. Each Authorized Representative of any Customer will have the ability to accept any Order which has “gone live” by either: (1) clicking the appropriate hit or lift button; or (2) creating or amending an opposite Order with matching price to the subject Order (subject to available volumes). Provided an Order has not been accepted by another Customer, the Order Customer has the right, at any time, to update the Order.

### ***Custom Orders***

Standard ETEX trading strips available on the “Market Configuration” tab (for every NGTS meter station) will include: balance of month; prompt month; four consecutive seasonal strips (i.e., winter, summer, following winter, following summer). From time to time, at either the request of a Customer or by ETEX on its own initiative, ETEX may, at ETEX’s sole discretion, create market specific strips. ETEX will create the strip for specific meter stations or all meter stations. When a market specific strip is created, it will appear on Customer’s “Market” screen if Customer has configured the relevant meter station in his view. The custom strip will not appear on the “Market Configuration” page for the Customer to select. ETEX will notify all Customers via Exchange messaging when a new strip is available. Messages can be accessed through the bell icon at the top right corner of any page on the Exchange site. It is Customer’s responsibility to review notifications located behind the bell icon.

### ***Binding Transaction***

Upon acceptance of an Order by a Buyer (or Seller), a legally binding agreement for assignment of Transport (“Transaction”) will exist on the terms specified in the completed Order, which will be submitted by ETEX to TC Energy and is subject to the TC Energy Terms. All Transactions are contingent on the following conditions:

- a. Seller making a request to NGTS’s owner for the permanent assignment of the capacity from the Seller to ETEX.
- b. NGTS’s owner approving Seller’s requests for permanent assignment of the capacity from the Seller to ETEX.



- c. ETEX making a request to NGTS's owner for the temporary assignment of the capacity from ETEX to the Buyer.
- d. NGTS's owner approving ETEX's requests for temporary assignment of the capacity from ETEX to the Buyer.
- e. ETEX making a request to NGTS's owner for the permanent assignment of the capacity, less the term of the Transaction, from ETEX to the Seller.
- f. NGTS's owner approving ETEX's requests for permanent assignment of the capacity, less the term of the Transaction, from ETEX to the Seller; and
- g. Seller, NGTS's owner and Buyer entering into all required agreements (as dictated by NGTS's owner) in respect of the assigned capacity for the assignment term.

Throughout the Transaction process, Assignor and Assignee must follow the process and procedures dictated by TC Energy (i.e., as if they did a bilateral deal directly with TC Energy) for the Transaction to officially close. As such, Customer acknowledges that acceptance of a Transaction by ETEX does not guarantee that the Transaction will be accepted and closed by TC Energy. Customer further acknowledges that Customer's use of the Services is subject to the TC Energy Terms and that Customer may be required to execute additional TC Energy documentation with the counterparty (i.e., the Buyer or Seller, as applicable) to complete a Transaction.

The Exchange will confirm the creation of the Transaction by issuing an electronic confirmation to each of the Customers involved in the Transaction as follows:

1. A Transaction box with the completed Transaction details will appear as a pop-up on the "Market" screen.
2. A deal confirmation will appear under the bell notification located on the top right corner of every web page on the Exchange site.
3. The Transaction details will be listed under the "My Company Deals" tab.
4. An email with Transaction details will be sent to an individual designated by Customer to receive notices. A sample confirmation is provided under "Sample Confirmation Notice" at bottom of this document.

The Exchange will also update the Order posting to indicate the Order volume has been altered or the Order is no longer available. In addition, where an Order has been completed as a result of a matching price opposite Order, the matching price opposite Order will also be updated.

Details regarding the start of the Transport assignment and the term of assignment shall be as agreed to by the Buyer and Seller and will be set out in the electronic confirmation steps above. At the end of the assignment term, the Buyer, Seller and ETEX shall cause the assigned Transportation to be transferred back to Seller to the original delivery point.

### ***Timing of Orders***

All orders will be subject to NGTS timely and intraday nomination windows, of that strips start date, until end of ETEX business for that day.





### ***Amounts Payable Upon Completion of an Order***

For Short Term Transactions only, where a completed order is subject to: (1) a Price Point Equalization Payment; or (2) a Premium or Discount; or (3) both of the above, then the paying Customer must have sufficient cash on deposit with ETEX or other Credit arrangement acceptable to ETEX to cover the Completion Payment. To the extent Customer does not have sufficient cash on deposit with ETEX or other Credit arrangement acceptable to ETEX to cover Completion Payments, Customer will be prohibited from posting Orders or hitting or lifting other Customers' Orders. In the event a Customer enters into a Transaction in contravention of the prohibition described in the previous sentence, ETEX may, in its sole discretion, cancel the Transaction (upon which the Transaction will be deemed to be void) and assess the offending Customer a charge of \$2,000 as a genuine pre-estimate of the damages suffered by ETEX as a result of Customer's breach of such prohibition.

For Short Term Transactions only, the completion of an Order involving payment of a Completion Payment constitutes the consent and approval by the paying Customer for ETEX to pay the Completion Payment to the non-paying Customer out of amounts held on deposit or held through other Credit arrangements on behalf of the Paying Customer. Completion Payment amounts payable with respect to a completed Order will be paid by ETEX to the non-paying Customer upon the later of: (1) completion of the TC Energy assignment process for the Transaction; and (2) receipt by ETEX of the Completion Payment. If the TC Energy assignment process is, for any reason, not completed for the Transaction, the Completion Payment amount will not be paid out by ETEX.

For Long Term Transactions, Completion Payments will be made directly by the paying Customer to the non-paying Customer and will be payable on terms (including timing of payment) mutually agreed by the Customers that are parties to the Transaction. If the Customers are unable to agree on terms of payment for the Completion Payment, the Transaction will be cancelled and deemed to be void.

### ***Sample Confirmation Notice***

Below is a sample confirmation email for an Order that has been accepted by ETEX:

Dear XXXXX,  
Company Name

Your deal with the following deals has been confirmed.

Transaction Detail:

Transaction Number: XXXXXXXXX  
Transaction Date:  
Buyer/Seller: Seller  
Meter Station: 1001 BINDLOSS SOUTH(NE ELAT) Recallable  
Strip Name: Next Day  
Term: 2023-09-20 to 2023-09-20



Volume: 250 e<sup>3</sup>m<sup>3</sup>/d

Transaction Price: \$121.19/e<sup>3</sup>m<sup>3</sup>/month

The assigned capacity shall be temporarily assigned from Seller to Buyer for the duration of the assignment term stated above from 8 a.m. Mountain Time of the first date listed in the assignment term to 8 a.m. Mountain Time on the day following the second date referenced in the assignment term. The assigned capacity is contingent on and subject to the completion of the following conditions between Buyer, Seller, ETEX and Nova Gas Transportation Ltd. ("NGTL"), all of which must be satisfied before a transaction is complete:

- a. Seller making a request to NGTL's owner for the permanent assignment of the Meter Station and Volume outlined under the heading "Transaction Details" found in this email confirmation, from the Seller to ETEX.
- b. NGTL's owner approving Seller's request for permanent assignment of the Meter Station and Volume outlined under the heading "Transaction Details" found in this email confirmation, from the Seller to ETEX.
- c. ETEX making a request to NGTL's owner for the temporary assignment of the Meter Station, Term and Volume outlined under the heading "Transaction Details" found in this email confirmation, from ETEX to the Buyer.
- d. NGTL's owner approving ETEX's request for temporary assignment of the Meter Station, Term and Volume outlined under the heading "Transaction Details" found in this email confirmation, from ETEX to the Buyer.
- e. ETEX making a request to NGTL's owner for the permanent assignment of the Meter Station and Volume outlined under the heading "Transaction Details" found in this email confirmation, less the term of assignment, from ETEX to the Seller.
- f. NGTL's owner approving ETEX's request for permanent assignment of the Meter Station and Volume outlined under the heading "Transaction Details" found in this email confirmation, less the term of assignment, from ETEX to the Seller.
- g. Seller, NGTL's owner and Buyer entering into all required agreements (as dictated by NGTL's owner) in respect of the assigned capacity for the assignment term.

Should any of the conditions not be satisfied by the first date in the assignment term, this Transaction will automatically terminate and be of no force and effect and except as set out in TC Energy Terms or other agreements between Seller and Buyer, neither Seller nor Buyer will have further or continuing obligation or liability to the other in respect of the assigned capacity outlined under the heading "Transaction Details" found in the email confirmation.

Note that in connection with each transaction, ETEX, to fulfill its role as an intermediary to the transaction, accepts transport assignment from the Seller and assigns the same transport to the Buyer. ETEX is a service provider and only takes on transport assignments to the extent required by TC Energy.

**For further guidance as to how the platform functions, please refer to the Services document located on the website <http://www.etexchange.ca/user-agreements>.**

If you have questions or issues related to this email confirmation, please contact us at [operations@etexchange.ca](mailto:operations@etexchange.ca).