

Appendix "B"

Fees

1. USER CATEGORIES

- 1.1 For administrative purposes, the Subscriber shall be classified, at the sole discretion of the Supplier, into one of the following categories:
- (a) Utilities;
 - (b) Pipelines, which are defined as oil and gas explorers, developers, producers, processors, refiners, pipeline transmission companies, product transporting companies and pipeline operators;
 - (c) Plants, which are defined as gas processing plants and compressor stations; and
 - (d) Others, which may be defined from time to time by and at the discretion of the Supplier.
- 1.2 The Subscriber shall be classified by the Supplier into the Subscriber category that best represents the Subscriber's main business activities, in the Supplier's sole discretion.

2. FEES

- 2.1 A one time joining fee shall be paid to the Supplier by the Subscriber on the Effective Date.
- 2.2 The Subscriber shall be invoiced monthly, by the Supplier, for Dig-up Notifications and Notifications to the Subscriber during that month. The fee for each Dig-up Notification and Notification shall be in accordance with section 4.2 of this Appendix B. Payment shall be due within thirty (30) days of receipt of the invoice by the Subscriber, and interest will accrue on any unpaid portion after this date at 15% per annum or such other rate agreed upon from time to time by the Supplier and the Subscriber Dialogue Committee.
- 2.3 The Supplier and Subscriber acknowledge that the fees charged by the Supplier under this Appendix B are generally intended to be set on a cost recovery basis only. Supplier may, in its discretion, create and maintain a fund sufficient to address contingencies, future expansions or upgrades, potential costs and potential liabilities (the 'Contingency Fund').

3. CHARGEABLE NOTIFICATIONS

- 3.1 The Subscriber shall be charged for each Dig-up Notification and Notification in accordance with section 4 of this Appendix B except where a Dig-up Notification or Notification meets the criteria of this section 3.

- 3.2 The Subscriber shall be charged for each Relocate, Update or Retransmission in accordance with paragraph 4.2 of this Appendix B.
- 3.3 The Subscriber shall not be charged for a correction.
- 3.4 In the situation where an Excavator requests that the Subscriber be notified of a Locate Request when that Subscriber does not appear to have Underground Facilities at that location according to the Data in the Data Base, the Subscriber will be notified and charged for a Dig-up Notification or Notification in accordance with paragraph 4.2 of this Appendix B.
- 3.5 In the situation where the Subscriber, or an independent Excavator working for the Subscriber, places a Locate Request which would result in a Dig-up Notification or Notification to the Subscriber, the Subscriber will be forwarded such Dig-up Notification and Notifications and be charged for them. A Subscriber will then receive a credit equal to such charges, to be calculated at the end of each month, and applied to their account. Alternatively, the Subscriber may, by written notice to the Supplier, elect to suppress such Dig-up Notification and Notifications, in which event there will be no charge and no credit awarded.
- 3.6 The Subscriber shall not be charged for any Notifications or other transmissions that relate to the set up, checking or maintenance of the Call Centre Systems.

4. FEE SCHEDULE

- 4.1 **JOINING FEES.** The joining fees payable by the Subscriber shall be \$2.00 per kilometre of the Subscriber's Underground Facilities to be entered in the Data Base, provided that the minimum joining fee payable is \$250, and the maximum joining fee payable is \$1,000, regardless of the length of the Subscriber's Underground Facilities.
- 4.2 **NOTIFICATION FEES.** Effective June 1, 2002, the fee to be remitted by a Subscriber for each Dig-up Notification or Notification transmitted to that Subscriber shall be \$5.48. In consultation with the Supplier, a Subscriber may elect to pay Dig-up Notification or Notification fees on a monthly or quarterly basis. In addition, should a Subscriber receiving minimal Notifications during the year wish to avoid accounting costs during the year, that Subscriber may elect to pay annually in advance with an adjustment for actual at the end of twelve (12) months.
- 4.3 **TAXES.** Payments referred to in this Agreement do not include any federal or provincial sales, use or like tax, and Subscriber shall pay to the Supplier any such tax that the Supplier is required to collect in connection with the Services.
- 4.4 **NOTIFICATION FEES - ANNUAL DETERMINATION.** Provided the Supplier first provides written notification to the Subscriber in accordance with this paragraph, the Supplier may increase or decrease Dig-up Notification or Notification fees payable by the Subscriber on the following basis:

- (a) annually, in December of each calendar year, the board of directors of the Supplier will determine if the Dig-up Notification and Notification fees are sufficient to cover the costs of providing the Services to all Subscribers and/or any particular Subscriber and the cost of maintaining the Contingency Fund;
- (b) in the event there is a disparity between Dig-up Notification and Notification fees generated and such costs, having regard to any excess or deficiency anticipated for the current calendar year, the Supplier shall prescribe the Dig-up Notification and Notification fees applicable for the forthcoming calendar year in order to eliminate such excess or deficiency in the forthcoming year;
- (c) the Supplier shall, on or before the 7th day of January advise the Subscriber in writing if it will be increasing Dig-up Notification and Notification fees for the current calendar year;
- (d) in the event the Subscriber, following receipt of a notice mentioned in (c) informing of a fee increase, determines it does not wish the Supplier to continue to supply Services to the Subscriber, the Subscriber must provide written notice of non-renewal in accordance with Section 13 - Term.

5. **DEFINITIONS**

5.1 In this Appendix B:

- (a) "**Cancellation**" shall mean an outgoing transmission from the Supplier to the Subscriber which advises the Subscriber that an Excavator or caller has cancelled an extant Dig-up Notification or Notification;
- (b) "**Correction**" shall mean an outgoing transmission from the Supplier to the Subscriber which advises the Subscriber that an Excavator or caller has revised the information on an extant Dig-up Notification or Notification;
- (c) "**Relocate**" shall mean an outgoing transmission from the Supplier to the Subscriber which advises the Subscriber that an Excavator requests that previously marked locations be marked again;
- (d) "**Retransmission**" shall mean an outgoing transmission from the Supplier to the Subscriber at the request of the Subscriber, which transmission is a duplication or retransmission of a previous transmission;
- (e) "**Update**" shall mean an outgoing transmission from the Supplier to the Subscriber which advises the Subscriber that an Excavator or caller has changed the site location on an extant Dig-up Notification or Notification, which transmission shall cause the transmission of a Cancellation for the extant Dig-up Notification or Notification and the generation of a new Ticket Number.