

Business Rules for Calculating the Alberta Market Price

1 NGX 'Alberta Market Price' (AMP)

NGX generates the AMP price index, which is a volume weighted average of cleared transacted prices for all natural gas delivered in a calendar month that is physically deliverable at the Alberta AB-NIT market centre on the NOVA Gas Transmission Ltd. pipeline. Transactions under financial products are not included. A final index price will be calculated in Canadian Dollars/Gigajoule when all deliveries have been completed for the specified month (delivery month). The final index price will be made available two business days following the final scheduled delivery for the delivery month.

5.1. Index Data Sources

All cleared transactional data (except OTC) for natural gas will be volume weighted and averaged to create the NGX AMP. At the current time, transactional data is obtained from one of the following NGX Reference Market products. Transactional data under new products will be added as they occur.

- NGX AB-NIT Fixed Price (CAD\$/GJ) – Fixed Price Product
- NGX AB-NIT Fixed Price (USD\$/MM) – Daily Fixed Price Product
- NGX AB-NIT Fixed Price (USD\$/MM) – Monthly Fixed Price Product
- NGX AB-NIT Basis Price (USD\$/MM) – Basis Price Product
- NGX AB-NIT 2A Index Price (CAD\$/GJ) – Index Price Product
- NGX AB-NIT 2A Index Price (USD\$/MM) – Daily Index Price Product
- NGX AB-NIT 4A Index Price (CAD\$/GJ) – Index Price Product
- NGX AB-NIT 5A Index Price (CAD\$/GJ) – Index Price Product
- NGX AB-NIT 5A Index Price (USD\$/MM) – Daily Index Price Product
- NGX AB-NIT 7A Index Price (CAD\$/GJ) – Index Price Product
- NGX AB-NIT 7A Index Price (USD\$/MM) – Monthly Index Price Product
- NGX AB-NIT Day Ahead Index Price (CAD\$/GJ) - Index Price Product

5.2 Methodology

NGX will collect all the trading data for the purchases delivered within the month in the NGX AB-NIT Reference Markets and will calculate a volume weighted average price. A daily value will be calculated for each product class, as follows, whereby each product class is converted into one daily value in CAD\$/GJ, wherever necessary. These values are then accumulated for the month and then divided by the total delivered volumes to provide the NGX Alberta Market Price (AMP).

The NGX AMP will be calculated to the fourth decimal place. The standard conversion factor of 1.055056 GJ/MMBtu (Conversion Factor) will be applied wherever necessary as well as the daily noon day US\$ FX rate from the Bank of Canada for the delivery day in question.

Fixed Price Products (CAD\$/GJ)

Total Traded Volume * Weighted Average Price = Daily Value

Daily Fixed Price Products (USD\$/MM)

(Weighted Average Price * Daily Noon-Day FX Rate) / Conversion Factor * Total Traded Volume = Daily Value

Monthly Fixed Price Products (USD\$/MM)

(Weighted Average Price * 1st Business Day Noon-Day FX Rate) / Conversion Factor * Total Traded Volume = Daily Value

Basis Price Products (USD\$/MM)

((Weighted Average Differential+ Index Price) * 1st Business Day Noon-Day FX Rate) / Conversion Factor * Total Traded Volume = Daily Value

Index Price Products (CAD\$/GJ)

Total Traded Volume * (Weighted Average Differential+ Index Price) = Daily Value

Daily Index Price Products (USD\$/MM)

((Weighted Average Differential+ Index Price) * Daily Noon-Day FX Rate) / Conversion Factor * Total Traded Volume = Daily Value

Monthly Index Price Products (USD\$/MM)

((Weighted Average Differential+ Index Price) * 1st Business Day Noon-Day FX Rate) / Conversion Factor * Total Traded Volume = Daily Value

**Monthly ALBERTA MARKET PRICE = (SUM OF ALL DAILY VALUES)
TOTAL VOLUME**

5.3 Calculation Period

The NGX AMP index will be calculated from the 1st day of the month thru to and inclusive of the 1st day of the following month (only YD data will be used from the 1st day of the following month as it pertains to deliveries in the previous month)

5.4 Exchange Rate

All *daily* USD products will be converted using the corresponding Bank of Canada noon-day rate for the delivery day.

- Exchange rates for Friday will be used as proxy for all daily transactions delivering on Saturdays and Sundays.
- In the event of a holiday, the last published daily Exchange rate prior to the holiday date will be used as a proxy.

All *monthly* USD products will be converted by dividing the price by the CAD\$/USD\$ corresponding Bank of Canada noon-day rate from the 1st business day of the delivery month.

5.5 *Statutory and Other Holidays*

The AMP will be calculated using the above methodology 365 days a year. There will be no change to the methodology during holidays.

5.6 *OTC Transactions*

All OTC (Over the Counter) transactions will be excluded from this calculation because of the potential for non-market prices. The NGX Reference Market transactions included in the NGX AMP calculation are non-OTC cleared transactions that are on-screen, anonymous and transparent.

5.7 *Exclusion of Trade in Errors*

If NGX determines that a Trade in Error has occurred on the ICE Trading System under the definition outlined in the CPA, then NGX will exclude such trades in the calculation of the Price Indices.

5.8 *Exclusion of Bilateral Transactions*

Bilateral Transactions are trades entered into directly between two Contracting Parties through the ICE Trading System for the purchase or sale of any Bilateral Product, which trade is cleared and settled in accordance with the terms and conditions of the bilateral agreement between the two Contracting Parties and not cleared and settled through the NGX Clearing System.

Bilateral Transactions that are entered into on the ICE Trading System are not included in the calculation of the Price Indices for the underlying Product.

5.9 *Corrections*

NGX acknowledges the application of the Alberta Natural Gas Marketing Act and will make reasonable commercial efforts to adjust the AMP for bona fide errors that come to the attention of NGX and will provide notice of any such errors to the Department of Energy (Alberta) in accordance with applicable provisions of the Alberta Natural Gas Marketing Act.