uniongas

A Spectra Energy Company

February 27, 2009

Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

**Re: QRAM Rate Application (EB-2009-0054 – Effective April 1, 2009)**

Dear Ms. Walli:

Enclosed is an application and evidence from Union Gas Limited ("Union") seeking changes to Union's gas supply and transportation rates to reflect changes to the forecasted costs of purchasing and transporting natural gas.

The application is made pursuant to section 36(1) of the Ontario Energy Board Act, 1998, and pursuant to the Quarterly Rate Adjustment Mechanism ("QRAM") established by the Board for Union to deal with changes in gas costs.

The proposed Alberta Border Reference Price (i.e., WACOG), based on the current 21-day strip price is $5.912/GJ. This is a decrease of $1.713/GJ from the amount currently approved in rates. Union is also proposing to prospectively recover/refund projected 12-month gas cost deferral account credits of $94.283 million. The result is a net annual decrease for sales service customers in the Southern Operations area of $261 and a net annual decrease for sales service customers in the Northern & Eastern Operations area ranging from $301 to $314. Bundled direct purchase customers will see no change in the Southern Operations area and a net annual decrease ranging from $30 to $38 in the Northern & Eastern Operations area.

Union has enclosed an application to the Board for Orders effective April 1, 2009 to change the rates and other charges that were authorized by the Board's EB-2008-0371 Rate Order to reflect the gas supply commodity, gas supply transportation and delivery rates proposed herein and to change the reference prices for use in determining amounts to be recorded in certain gas supply related deferral accounts.

This application is supported by the following evidence:

Tab 1 - Evidence of Ms. Libby Passmore
Tab 2 - Evidence of Mr. Greg Tetreault and Mr. Harold Pankrac

Union requests the Board's decision on this application by Monday, March 16, 2009. This is consistent with the current approved QRAM process timeline. To assist the Board, a draft procedural order is attached for consideration in initiating the review of this application.

This application is being served on all intervenors in the EB-2008-0220 proceeding. This complete evidence package including the working papers is also available electronically in searchable PDF format through the following link on Union's website: http://uniongas.com/qramapplication/.

If you have any questions or concerns on this matter, please contact me at (519) 436-5476.

Yours truly,

Chris Ripley
Manager, Regulatory Applications

cc: EB-2008-0220 Intervenors
Michael Penny (Torys)

## ONTARIO ENERGY BOARD

**IN THE MATTER OF** the Ontario Energy Board Act, 1998, S.O. 1998, c.15 (Sched. B);

**AND IN THE MATTER OF** an Application by Union Gas Limited, pursuant to section 36(1) of the *Ontario Energy Board Act, 1998*, for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of April 1, 2009;

**AND IN THE MATTER OF** the Quarterly Rate Adjustment Mechanism approved by the Ontario Energy Board in RP-2003-0063.

## APPLICATION

1. Union Gas Limited ("Union") was an applicant in a proceeding before the Board to fix just and reasonable rates and other charges for the sale, distribution and storage of natural gas effective January 1, 2009 under Board File No. EB-2008-0220. The rates were approved and implemented through the Board's EB-2008-0220 Rate Order dated February 24, 2009.

2. Pursuant to Section 36(1) of the *Ontario Energy Board Act, 1998* (the *Act*), and the Quarterly Rate Adjustment Mechanism approved by the Board, Union hereby applies to the Board for further orders effective April 1, 2009 as follows:

(a) an order establishing the reference prices specified in the table below:

| | Current (Approved in EB-2008-0371) | Proposed (Effective April 1, 2009) |
|---|---|---|
| Alberta Border Reference Price [1] | 7.625 $/GJ | 5.912 $/GJ |
| | 28.6853 cents/m³ | 22.3414 cents/m³ |
| Ontario Landed Reference Price [2] | 9.319 $/GJ | 7.333 $/GJ |
| | 35.0581 cents/m³ | 27.7114 cents/m³ |
| South Portfolio Cost Differential ("SPCD") [3] | 0.439 $/GJ | 0.335 $/GJ |
| | 1.6515 cents/m³ | 1.2660 cents/m³ |

*Notes:*

[1] *The Alberta Border Reference Price represents the North Purchase Gas Variance Account ("NPGVA") (Deferral Account No. 179-105) reference price, the TCPL Tolls and Fuel – Northern and Eastern Operations Area deferral account (Deferral Account No. 179-100) reference price with respect to fuel gas and the Spot Gas Variance Account reference price for incremental gas purchased in the Northern and Eastern Operations Area.*

[2] *The Ontario Landed Reference Price represents the South Purchase Gas Variance Account ("SPGVA") (Deferral Account No. 179-106) reference price and the Spot Gas Variance Account (Deferral Account No. 179-107) reference price for incremental gas purchased in the Southern Operations Area.*

[3] *The SPCD is used as the benchmark to reduce the debits/credits that would otherwise accumulate in the SPGVA if there was no adjustment to the South Transportation Rate.*

(b) an order to reflect the inventory revaluation charge resulting from changes in gas costs as of April 1, 2009;

(c) an order reflecting the prospective recovery of the projected balance for the twelve month period ending March 31, 2010 recorded in the gas-supply deferral accounts;

(d) such further order or orders as Union may request and the Board may deem appropriate or necessary.

3. This application is supported by written evidence that has been pre-filed with the Board and provided by Union to all intervenors of record in the EB-2008-0220 proceeding.

4. The address of service for Union is:

Union Gas Limited

P.O. Box 2001
50 Keil Drive North
Chatham, Ontario
N7M 5M1

| | |
|---|---|
| Attention: | Chris Ripley<br>Manager, Regulatory Applications |
| Telephone: | (519) 436-5476 |
| Fax: | (519) 436-4641 |

- and -

Torys

Suite 3000, Maritime Life Tower
P.O. Box 270
Toronto Dominion Centre
Toronto, Ontario
M5K 1N2

| | |
|---|---|
| Attention: | Michael A. Penny |
| Telephone: | (416) 865-7526 |
| Fax: | (416) 865-7380 |

DATED February 27, 2009.

UNION GAS LIMITED

Joseph Marra
Solicitor

| | |
|---|---|
| Telephone: | (519) 436-4656 |
| Fax: | (519) 436-5218 |

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O. 1998, c.15 (Sched. B);

AND IN THE MATTER OF an Application by Union Gas Limited, pursuant to section 36(1) of the *Ontario Energy Board Act, 1998*, for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of April 1, 2009;

**AND IN THE MATTER OF** the Quarterly Rate Adjustment Mechanism approved by the Ontario Energy Board in RP-2003-0063.



**DRAFT**
**NOTICE OF WRITTEN HEARING AND PROCEDURAL ORDER NO. 1**

Union Gas Limited ("Union") filed an application (the "Application") dated February 27, 2009, with the Ontario Energy Board (the "Board") for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas. The Application was made pursuant to Union's approved Quarterly Rate Adjustment Mechanism ("QRAM"). Union's Application has been given Board File No. EB-2009-0054 Union seeks the following orders, effective April 1, 2009:

(a) an order establishing the reference prices specified in the table below:

| | Current (Approved in EB-2008-0371) | Proposed (Effective April 1, 2009) |
|---|---|---|
| Alberta Border Reference Price [1] | 7.625 \$/GJ | 5.912 \$/GJ |
| | 28.6853 cents/$m^3$ | 22.3414 cents/$m^3$ |
| Ontario Landed Reference Price [2] | 9.319 \$/GJ | 7.333 \$/GJ |
| | 35.0581 cents/$m^3$ | 27.7114 cents/$m^3$ |
| South Portfolio Cost Differential ("SPCD") [3] | 0.439 \$/GJ | 0.335 \$/GJ |
| | 1.6515 cents/$m^3$ | 1.2660 cents/$m^3$ |

Notes:

[1] *The Alberta Border Reference Price represents the North Purchase Gas Variance Account ("NPGVA") (Deferral Account No. 179-105) reference price, the TCPL Tolls and Fuel – Northern and Eastern Operations Area deferral account (Deferral Account No. 179-100) reference price with respect to fuel gas and the Spot Gas Variance Account reference price for incremental gas purchased in the Northern and Eastern Operations Area.*

[2] *The Ontario Landed Reference Price represents the South Purchase Gas Variance Account ("SPGVA") (Deferral Account No. 179-106) reference price and the Spot Gas Variance Account (Deferral Account No. 179-107) reference price for incremental gas purchased in the Southern Operations Area.*

[3] *The SPCD is used as the benchmark to reduce the debits/credits that would otherwise accumulate in the SPGVA if there was no adjustment to the South Transportation Rate.*

(b) an order to reflect the inventory revaluation charge resulting from changes in gas costs as of April 1, 2009;

(c) an order reflecting the prospective recovery of the projected balance for the twelve-month period ending March 31, 2010 recorded in the gas-supply deferral accounts; and

(d) such further orders as the Board may deem necessary.



Union has provided written evidence in support of the proposed changes contained in the Application. The Application and prefiled evidence were sent by Union to all Intervenors of record in the EB-2008-0220 proceeding.

**Written Hearing**

The Board intends to proceed in this matter by way of a written hearing. The Board will consider reasons provided by any party as to why it should proceed by way of an oral hearing.

**Cost Awards**

The intervenors eligible for costs may submit their cost claims with supporting rationale as to how their participation contributed to the Board's ability to decide on this matter.

**THE BOARD THEREFORE ORDERS THAT:**

1. Any party that objects to proceeding by way of a written hearing may make written comments to the Board for its consideration no later than 4:45 p.m., Tuesday, March 3, 2009. If any such objections are received by the Board, the Board may amend the deadlines below.

2. Parties to this proceeding wishing to make comments on the Application may do so by filing such submissions with the Board Secretary (four hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:45 p.m.Thursday, March 5, 2009.

3. Union shall reply to any comments received by filing such replies with the Board Secretary (four hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:45 p.m., Monday, March 9, 2009.

4. All parties must also provide the Case Manager, ________________ __________@oeb.gov.on.ca with an electronic copy of all comments and correspondence related to this case.

**IMPORTANT**: If you do not file any comments in response to this notice, the Board may proceed without your participation and you will not be entitled to any further notice of these proceedings.

**ISSUED** at Toronto, March xx, 2009.

ONTARIO ENERGY BOARD

John Pickernell
Assistant Board Secretary

Tab 1

**PREFILED EVIDENCE OF**

**LIBBY PASSMORE, MANAGER, GAS SUPPLY**

## INTRODUCTION

The purpose of this evidence is to set deferral account reference prices to reflect Union's gas cost forecast for the 12-month period commencing April 1, 2009 pursuant to the Quarterly Rate Adjustment Mechanism ("QRAM") as approved by the Board. Specifically, this evidence reviews the following:

1. Current Gas Market Outlook
2. Pricing
    - Alberta Border Reference Price
    - Ontario Landed Reference Price
    - South Portfolio Cost Differential
3. Deferral Accounts
    - Impact on Gas Supply Deferral Account Balances
    - Prospective Recovery of Deferral Account Balances

## 1. CURRENT GAS MARKET OUTLOOK

Natural gas prices have continued to decrease since the January 2009 QRAM. Market analysts attribute lower gas prices to the surplus of gas available (ie. high storage levels in North

America) caused by decreased demand and relatively strong production levels in the Rockies and shale-based regions. Despite five weeks of colder than normal winter weather, the economic recession has created temporary demand decreases primarily in industrial and power generation sectors resulting in downward pressure on prices.

## 2. PRICING

### 2.1 Alberta Border Reference Price

The approved method for calculating the Alberta Border Reference Price uses the 21-day average of the twelve month NYMEX strip. The NYMEX strip used in this application is for April 2009 to March 2010. The one-year NYMEX strip is converted to an Alberta Border Reference Price by taking into account the Empress-NYMEX basis and the foreign exchange rate for the April 2009 to March 2010 period. (See Tab 1, Schedule 1 for the details of this calculation.)

Based on the approved method, the Alberta Border Reference price for the period April 1, 2009 to March 31, 2010 is \$5.912/GJ. This represents a decrease of \$1.713/GJ from the Alberta Border Reference price of \$7.625/GJ last approved by the Board in the EB-2008-0371 proceeding.

The Alberta Border Reference Price will be the reference price for the North Purchased Gas Variance Account ("NPGVA") (Deferral Account No. 179-105), and in the TCPL Tolls and Fuel – Northern and Eastern Operations Area deferral account (Deferral Account No. 179-100) with respect to fuel gas. It will also be the reference price for the Spot Gas Variance Account (Deferral Account No. 179-107) for incremental purchases made at Empress.

## 2.2 Ontario Landed Reference Price

The Ontario Landed Reference Price is $7.333/GJ and is calculated by adding the TCPL EDA toll and fuel to the Alberta Border Reference Price as shown on Schedule 1. This represents a decrease of $1.986/GJ from the Ontario Landed Reference Price of $9.319/GJ last approved by the Board in the EB-2008-0371 proceeding. This change includes the decrease in the Alberta Border Reference Price of $1.713/GJ plus the associated changes in TCPL tolls and compressor fuel costs. New TCPL tolls were approved by the National Energy Board (NEB) on December 8, 2008 effective January 1, 2009. The impacts of the updated TCPL tolls are reflected in the deferral account balances. The TCPL Eastern Zone toll of $1.190/GJ was used in calculating the proposed April 1, 2009 Ontario Landed Reference Price. TCPL's approved tolls (effective January 1, 2009) are provided in Attachment A.

The Ontario Landed Reference Price will be the reference price for the South Purchased Gas Variance Account ("SPGVA") (Deferral Account No. 179-106) and the Spot Gas Variance Account (Deferral Account No. 179-107) for incremental purchases made at Dawn.

### 2.3 South Portfolio Cost Differential

The South Portfolio Cost Differential ("SPCD") is determined by comparing the projected cost of serving South sales service customers, based on Union's South Portfolio, to the cost of serving South sales service customers based on the Ontario Landed Reference Price. This difference is divided by forecast South sales service demand to derive the SPCD. For the 12-month period beginning April 1, 2009 the SPCD is projected to be $0.335/GJ as shown on Schedule 2. The SPCD results in a South Transportation Sales Rate of $0.855/GJ calculated by subtracting the SPCD of $0.335/GJ from the EDA TCPL toll of $1.190/GJ. This calculation ensures that South sales service rates are appropriately set at a level equal to the projected average cost over the 12-month forecast period.

## 3. DEFERRAL ACCOUNTS

### 3.1 Impact on Gas Supply Deferral Account Balances

The current forecast of gas cost related deferral account balances at March 31, 2010 is shown on Schedule 3. The opening deferral account balances are the projected deferral account balances at April 1, 2009 plus the projected inventory revaluation adjustment at April 1, 2009.

The deferral account forecast is based on the actual and forecast gas costs for the period April 1, 2009 to March 31, 2010 and on the proposed Alberta Border Reference Price and the Ontario Landed Reference Price effective April 1, 2009.

### 3.2 Prospective Recovery of Deferral Account Balances

April 1, 2009 deferral account balances relating to the North PGVA, North Tolls and Fuel, South PGVA, Inventory Revaluation, and Spot Gas accounts are identified below.

#### 3.2.1 North PGVA

The balance in the North PGVA (Deferral Account No.179-105) as of April 1, 2009 is a credit of $23.181 million as identified in Schedule 3, page 2.

#### 3.2.2 North Tolls and Fuel

The balance in the North Tolls and Fuel Account (Deferral Account No.179-100) as of April 1, 2009 is a debit of $2.773 million as identified in Schedule 3, page 3. This balance is comprised of a $1.103 million debit related to Northern tolls and a $1.670 million debit related to fuel costs.

#### 3.2.3 South PGVA

The balance in the South PGVA (Deferral Account No.179-106) as of April 1, 2009 is a credit of $69.660 million as identified in Schedule 3, page 4.

#### 3.2.4 Inventory Revaluation

The balance in the Inventory Revaluation Account (Deferral Account 179-109) as of April 1, 2009 is a debit of $4.264 million. The calculation for the inventory revaluation amount is presented in Schedule 3, page 5.

### 3.2.5 Spot Gas Account/Load Balancing

Union purchased 9.10 PJs of incremental gas to meet demands above forecast for the period January 1, 2009 to February 28, 2009.

Of the incremental gas purchased, 6.80 PJs was required for Union South sales service customers and 2.30 PJs of the gas was required to meet incremental needs of Union North sales service and bundled direct purchase ("DP") customers.

The incremental gas for January and February delivery was purchased at a lower cost than the January 1, 2009 Reference Prices for both the North and the South.

Union no longer plans to purchase incremental balancing gas for South bundled DP customers prior to the February 28 checkpoint. Therefore, the difference between the January 1, 2009 Ontario Landed Reference Price and the actual cost of incremental gas purchased in the South is reflected as a credit in the South Purchased Gas Variance Account (SPGVA Deferral No. 179-106) since the incremental purchases are attributable to South sales service customers only.

Incremental gas purchased for North sales service and bundled DP customers is tracked through the Spot Gas Variance Account.

Union is proposing a prospective refund of $6.045 million, as identified in Schedule 3, page 6 (column c) from the Spot Gas Variance Account (Deferral No. 179-107) as a result of the incremental purchases. North sales service customers require this incremental supply and therefore receive the related deferral credit.

Load balancing costs which are included in the Spot Gas Variance Account reflect the purchases that would have otherwise been purchased in the following summer, and are required to maintain system integrity and deliverability for all North sales and bundled DP customers. The costs or credits that relate to the different timing of the purchases are shared by both sales service and bundled DP customers who drove the need for the incremental purchases.

Consistent with past practices, load balancing costs are calculated by applying the winter/summer price differential at the time load balancing purchases are made and allocating these costs to rate classes. This is consistent with the calculations in EB-2003-0287 and EB-2004-0210.

Union is proposing to prospectively refund $0.017 million, as identified in Schedule 3, page 6 (column d) to North sales service and bundled DP customers for load balancing credits. The credit is allocated to rate classes R01 and R10, according to their February 28 imbalance levels.

Union may still need to purchase incremental gas for both North and South sales service and bundled DP customers in March. In Union South, Union retains load balancing obligations for weather variances relative to the February 28 inventory checkpoint and March weather and consumption variance for both sales service and bundled DP customers. Should this occur, Union will propose a disposition of the related costs in the July, 2009 QRAM filing.

## 3.3 UDC Account

The Joint Unabsorbed Demand Costs Account (Account No. 179-108) balances are not prospectively recovered in accordance with the current Board-approved QRAM process. Union will dispose of any deferral account balances through the annual deferral account disposition process.

TransCanada

Firm and Interruptible Transportation Tolls
Approved Interim Tolls effective January 1, 2009

| Line No. | Receipt Point | Delivery point | Demand Toll ($/GJ/MO) | Commodity Toll ($/GJ) | (STFT Minimum Tolls) (100% LF Tolls) ($/GJ) | (1) IT Bid Floor (110% FT Tolls) ($/GJ) |
|---|---|---|---|---|---|---|
| 1 | Empress | Empress | 0.87529 | 0.00000 | 0.0288 | 0.0317 |
| 2 | Empress | Saskatchewan Zone | 4.88397 | 0.01347 | 0.1741 | 0.1915 |
| 3 | Empress | Manitoba Zone | 10.38858 | 0.02678 | 0.3683 | 0.4051 |
| 4 | Empress | Western Zone | 16.70445 | 0.04506 | 0.5943 | 0.6537 |
| 5 | Empress | Northern Zone | 25.63374 | 0.07038 | 0.9132 | 1.0045 |
| 6 | Empress | Eastern Zone | 33.37571 | 0.09272 | 1.1900 | 1.3090 |
| 7 | Empress | North Bay Junction | 27.99976 | 0.07732 | 0.9978 | 1.0976 |
| 8 | Empress | Southwest Zone | 28.08670 | 0.07751 | 1.0009 | 1.1010 |
| 9 | Empress | Spruce | 11.38556 | 0.02996 | 0.4043 | 0.4447 |
| 10 | Empress | Emerson 1 | 11.60683 | 0.03059 | 0.4122 | 0.4534 |
| 11 | Empress | Emerson 2 | 11.60683 | 0.03059 | 0.4122 | 0.4534 |
| 12 | Empress | St. Clair | 28.03227 | 0.07741 | 0.9990 | 1.0989 |
| 13 | Empress | Dawn Export | 28.28112 | 0.07812 | 1.0079 | 1.1087 |
| 14 | Empress | Kirkwall | 30.25966 | 0.08376 | 1.0786 | 1.1865 |
| 15 | Empress | Niagara Falls | 31.43397 | 0.08711 | 1.1205 | 1.2326 |
| 16 | Empress | Chippawa | 31.45904 | 0.08718 | 1.1215 | 1.2337 |
| 17 | Empress | Iroquois | 32.51411 | 0.09019 | 1.1592 | 1.2751 |
| 18 | Empress | Cornwall | 33.05670 | 0.09174 | 1.1785 | 1.2964 |
| 19 | Empress | Napierville | 34.70134 | 0.09642 | 1.2373 | 1.3610 |
| 20 | Empress | Philipsburg | 34.88444 | 0.09695 | 1.2439 | 1.3683 |
| 21 | Empress | East Hereford | 36.82407 | 0.10247 | 1.3132 | 1.4445 |
| 22 | Bayhurst 1 | Empress | 1.19357 | 0.00000 | 0.0392 | 0.0431 |
| 23 | Bayhurst 1 | Saskatchewan Zone | 4.56569 | 0.01256 | 0.1627 | 0.1790 |
| 24 | Bayhurst 1 | Manitoba Zone | 10.07031 | 0.02587 | 0.3570 | 0.3927 |
| 25 | Bayhurst 1 | Western Zone | 16.38618 | 0.04415 | 0.5829 | 0.6412 |
| 26 | Bayhurst 1 | Northern Zone | 25.31546 | 0.06947 | 0.9018 | 0.9920 |
| 27 | Bayhurst 1 | Eastern Zone | 33.05691 | 0.09182 | 1.1786 | 1.2965 |
| 28 | Bayhurst 1 | North Bay Junction | 27.68149 | 0.07641 | 0.9865 | 1.0852 |
| 29 | Bayhurst 1 | Southwest Zone | 27.76842 | 0.07660 | 0.9895 | 1.0885 |
| 30 | Bayhurst 1 | Spruce | 11.06729 | 0.02905 | 0.3930 | 0.4323 |
| 31 | Bayhurst 1 | Emerson 1 | 11.28856 | 0.02968 | 0.4008 | 0.4409 |
| 32 | Bayhurst 1 | Emerson 2 | 11.28856 | 0.02968 | 0.4008 | 0.4409 |
| 33 | Bayhurst 1 | St. Clair | 27.71400 | 0.07651 | 0.9876 | 1.0864 |
| 34 | Bayhurst 1 | Dawn Export | 27.96285 | 0.07721 | 0.9965 | 1.0962 |
| 35 | Bayhurst 1 | Kirkwall | 29.94139 | 0.08285 | 1.0673 | 1.1740 |
| 36 | Bayhurst 1 | Niagara Falls | 31.11570 | 0.08620 | 1.1092 | 1.2201 |
| 37 | Bayhurst 1 | Chippawa | 31.14076 | 0.08627 | 1.1101 | 1.2211 |
| 38 | Bayhurst 1 | Iroquois | 32.19584 | 0.08928 | 1.1478 | 1.2626 |
| 39 | Bayhurst 1 | Cornwall | 32.73842 | 0.09083 | 1.1671 | 1.2838 |
| 40 | Bayhurst 1 | Napierville | 34.38307 | 0.09552 | 1.2259 | 1.3485 |
| 41 | Bayhurst 1 | Philipsburg | 34.56616 | 0.09604 | 1.2324 | 1.3556 |
| 42 | Bayhurst 1 | East Hereford | 36.50580 | 0.10157 | 1.3018 | 1.4320 |
| 43 | Bayhurst 2 | Empress | 1.19357 | 0.00000 | 0.0392 | 0.0431 |
| 44 | Bayhurst 2 | Saskatchewan Zone | 4.56569 | 0.01256 | 0.1627 | 0.1790 |
| 45 | Bayhurst 2 | Manitoba Zone | 10.07031 | 0.02587 | 0.3570 | 0.3927 |
| 46 | Bayhurst 2 | Western Zone | 16.38618 | 0.04415 | 0.5829 | 0.6412 |
| 47 | Bayhurst 2 | Northern Zone | 25.31546 | 0.06947 | 0.9018 | 0.9920 |
| 48 | Bayhurst 2 | Eastern Zone | 33.05691 | 0.09182 | 1.1786 | 1.2965 |
| 49 | Bayhurst 2 | North Bay Junction | 27.68149 | 0.07641 | 0.9865 | 1.0852 |
| 50 | Bayhurst 2 | Southwest Zone | 27.76842 | 0.07660 | 0.9895 | 1.0885 |
| 51 | Bayhurst 2 | Spruce | 11.06729 | 0.02905 | 0.3930 | 0.4323 |
| 52 | Bayhurst 2 | Emerson 1 | 11.28856 | 0.02968 | 0.4008 | 0.4409 |
| 53 | Bayhurst 2 | Emerson 2 | 11.28856 | 0.02968 | 0.4008 | 0.4409 |
| 54 | Bayhurst 2 | St. Clair | 27.71400 | 0.07651 | 0.9876 | 1.0864 |
| 55 | Bayhurst 2 | Dawn Export | 27.96285 | 0.07721 | 0.9965 | 1.0962 |
| 56 | Bayhurst 2 | Kirkwall | 29.94139 | 0.08285 | 1.0673 | 1.1740 |
| 57 | Bayhurst 2 | Niagara Falls | 31.11570 | 0.08620 | 1.1092 | 1.2201 |
| 58 | Bayhurst 2 | Chippawa | 31.14076 | 0.08627 | 1.1101 | 1.2211 |
| 59 | Bayhurst 2 | Iroquois | 32.19584 | 0.08928 | 1.1478 | 1.2626 |
| 60 | Bayhurst 2 | Cornwall | 32.73842 | 0.09083 | 1.1671 | 1.2838 |
| 61 | Bayhurst 2 | Napierville | 34.38307 | 0.09552 | 1.2259 | 1.3485 |
| 62 | Bayhurst 2 | Philipsburg | 34.56616 | 0.09604 | 1.2324 | 1.3556 |
| 63 | Bayhurst 2 | East Hereford | 36.50580 | 0.10157 | 1.3018 | 1.4320 |
| 64 | Calstock NDA | Empress | 21.70822 | 0.00000 | 0.7137 | 0.7851 |
| 65 | Calstock NDA | Transgas SSDA | 17.75796 | 0.00000 | 0.5838 | 0.6422 |

# Schedules

UNION GAS LIMITED
Calculation of Alberta Border and Ontario Landed Reference Prices
For the 12 month period ending March 31, 2010

| Line No. | Particulars | | Apr-09 | May-09 | Jun-09 | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | Dec-09 | Jan-10 | Feb-10 | Mar-10 | Total or Average |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Days | | 30 | 31 | 30 | 31 | 31 | 30 | 31 | 30 | 31 | 31 | 28 | 31 | 365 |
| 2 | NYMEX 21 Day Average (US$/mmbtu) | (1) | 4.615 | 4.699 | 4.818 | 4.950 | 5.045 | 5.094 | 5.212 | 5.752 | 6.328 | 6.593 | 6.605 | 6.471 | 5.515 |
| 3 | Empress Basis (US$/mmbtu) | | (0.469) | (0.469) | (0.469) | (0.469) | (0.469) | (0.469) | (0.469) | (0.496) | (0.496) | (0.496) | (0.496) | (0.496) | (0.480) |
| 4 | Foreign Exchange | | 1.241 | 1.241 | 1.241 | 1.241 | 1.241 | 1.241 | 1.241 | 1.239 | 1.239 | 1.239 | 1.239 | 1.239 | 1.240 |
| 5 | Alberta Border (Cdn$/GJ) | (2) | 4.877 | 4.975 | 5.116 | 5.271 | 5.382 | 5.440 | 5.578 | 6.172 | 6.849 | 7.160 | 7.174 | 7.015 | 5.917 |
| | North Supply Cost Calculation | | | | | | | | | | | | | | |
| 6 | Total Volume (PJ's) | | 2.93 | 3.03 | 2.93 | 3.03 | 3.02 | 2.93 | 3.02 | 2.92 | 3.02 | 3.02 | 2.73 | 3.02 | 35.59 |
| 7 | Cost at Market Price ($000's) | | $ 14,297 | $ 15,070 | $ 14,978 | $ 15,945 | $ 16,278 | $ 15,919 | $ 16,864 | $ 18,027 | $ 20,679 | $ 21,613 | $ 19,562 | $ 21,178 | $ 210,411 |
| 8 | Weighted Average Price (Cdn$/GJ) | | | | | | | | | | | | | | $ 5.912 |
| 9 | | | | | | | | | | | Alberta Border Reference Price (Cdn$/GJ) | | | | **$ 5.912** |
| 10 | | | | | | | | | | | Add : Fuel (Cdn$/GJ) | | | | **$ 0.231** |
| 11 | | | | | | | | | | | Add : Tolls (Cdn$/GJ) | | | | **$ 1.190** |
| 12 | | | | | | | | | | | Ontario Landed Reference Price (Cdn$/GJ) | | | | **$ 7.333** |

Notes;
(1) 21 Day Strip Dates used - January 16, 2009 to February 17, 2009
(2) Alberta Border Price = ((NYMEX 21-day Average + Empress Basis) * (Foreign Exchange Rate))/MMBtu to GJ Conversion Rate
MMBtu to GJ Conversion Rate: 1.055056 GJ /MMBtu

UNION GAS LIMITED
Calculation of South Portfolio Cost Differential & South Transportation Rate
For the 12 month period ending March 31, 2010

| Line No. | Particulars | | | | |
|---|---|---|---|---|---|
| 1 | South Purchased Gas Variance Account (SPGVA) ($000's) | $ | 30,145 | | (1) |
| 2 | South Consumption Volumes (PJ's) | | 90.0 | | (2) |
| 3 | South Price Cost Differential (Line 1/Line 2) | $ | 0.335 | /GJ | |
| 4 | TCPL Transportation EDA Toll | $ | 1.190 | /GJ | |
| 5 | South Price Cost Differential (Line 3) | $ | 0.335 | /GJ | |
| 6 | South Transportation Rate (Line 4 - Line 5) | $ | 0.855 | /GJ | |

Notes:
(1) Tab 1, Schedule 3, page 4, Column (g), Line 27
(2) Demand forecast for South sales service customers for the period April 2009 to March 2010

**UNION GAS LIMITED**
**Summary of Gas Supply Deferral Accounts**

| Line No. | Particulars | | North PGVA (179-105) ($000's) (1) | North Tolls (179-100) ($000's) (2) | North Fuel (179-100) ($000's) (2) | South PGVA (179-106) ($000's) (3) | Inventory Revaluation (179-109) ($000's) (4) | Load Balancing (179-107) ($000's) (5) | Spot Gas Purchases (179-107) ($000's) (5) | Unabsorbed Demand Costs (179-108) ($000's) (6) | Total ($000's) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i)=sum of (a) to (h) |
| 1 | Cumulative to end of March, 2008 | | $ 1,491 | $ 1,226 | $ 1,310 | $ 8,608 | $ 10,029 | $ (10) | $ - | $ - | $ 22,655 |
| 2 | April, 2008 | * | $ 1,168 | $ 947 | $ 817 | $ 3,890 | $ 1,758 | $ 1 | $ - | $ - | $ 8,581 |
| 3 | May | * | $ 3,426 | $ 876 | $ 533 | $ 10,214 | $ 30 | $ 2 | $ - | $ - | $ 15,081 |
| 4 | June | * | $ 6,121 | $ 1,227 | $ (439) | $ 17,298 | $ 15 | $ 2 | $ - | $ 12 | $ 24,237 |
| 5 | July, 2008 | * | $ 2,471 | $ 2,159 | $ (740) | $ 4,444 | $ (13,530) | $ 2 | $ - | $ - | $ (5,194) |
| 6 | August | * | $ 744 | $ (487) | $ 670 | $ 6,962 | $ (23) | $ 2 | $ - | $ 13 | $ 7,880 |
| 7 | September | * | $ (8,918) | $ 1,272 | $ (118) | $ (17,151) | $ (21) | $ 2 | $ - | $ - | $ (24,933) |
| 8 | October, 2008 | * | $ (3,081) | $ (974) | $ (385) | $ (10,115) | $ 32,545 | $ 2 | $ - | $ - | $ 17,993 |
| 9 | November | * | $ (6,157) | $ (1,823) | $ 631 | $ (17,763) | $ 56 | $ 2 | $ - | $ - | $ (25,053) |
| 10 | December | * | $ (3,949) | $ (339) | $ 13 | $ (9,786) | $ 42 | $ 2 | $ - | $ - | $ (14,018) |
| 11 | January, 2009 | * | $ (3,612) | $ (1,116) | $ (194) | $ (12,431) | $ 25,923 | $ (4) | $ (1,536) | $ - | $ 7,029 |
| 12 | February | | $ (5,329) | $ (942) | $ (200) | $ (30,538) | $ 5 | $ (7) | $ (4,497) | $ - | $ (41,508) |
| 13 | March | | $ (7,557) | $ (923) | $ (229) | $ (23,291) | $ (7) | $ 4 | $ (12) | $ - | $ (32,016) |
| 14 | Total (Lines 1 to 13) | | $ (23,181) | $ 1,103 | $ 1,670 | $ (69,660) | $ 56,823 | $ (0) | $ (6,045) | $ 25 | $ (39,265) |
| | Current QRAM Period | | | | | | | | | | |
| 15 | April, 2009 | | $ (3,033) | $ 20 | $ (98) | $ (8,825) | $ 4,264 | $ - | $ - | $ - | $ (7,672) |
| 16 | May | | $ (2,836) | $ 24 | $ (101) | $ (8,481) | $ - | $ - | $ - | $ - | $ (11,394) |
| 17 | June | | $ (2,331) | $ 26 | $ (86) | $ (6,875) | $ - | $ - | $ - | $ - | $ (9,266) |
| 18 | July, 2009 | | $ (1,939) | $ 27 | $ (64) | $ (5,453) | $ - | $ - | $ - | $ - | $ (7,429) |
| 19 | August | | $ (1,603) | $ 27 | $ (52) | $ (2,819) | $ - | $ - | $ - | $ - | $ (4,447) |
| 20 | September | | $ (1,380) | $ 26 | $ (43) | $ (4,278) | $ - | $ - | $ - | $ - | $ (5,676) |
| 21 | October, 2009 | | $ (1,009) | $ 22 | $ (32) | $ (3,488) | $ - | $ - | $ - | $ - | $ (4,506) |
| 22 | November | | $ 761 | $ 19 | $ 20 | $ 2,535 | $ - | $ - | $ - | $ - | $ 3,335 |
| 23 | December | | $ 2,829 | $ 19 | $ 91 | $ 7,624 | $ - | $ - | $ - | $ - | $ 10,564 |
| 24 | January, 2010 | | $ 3,768 | $ 27 | $ 128 | $ 10,528 | $ - | $ - | $ - | $ - | $ 14,451 |
| 25 | February | | $ 3,443 | $ 25 | $ 117 | $ 10,211 | $ - | $ - | $ - | $ - | $ 13,796 |
| 26 | March | | $ 3,330 | $ 18 | $ 105 | $ 9,320 | $ - | $ - | $ - | $ - | $ 12,773 |
| 27 | Total (Lines 15 to 26) | | $ 0 | $ 279 | $ (14) | $ - | $ 4,264 | $ - | $ - | $ - | $ 4,529 |

* reflects actual information

**Notes:**

(1) See page 2
(2) See page 3
(3) See page 4
(4) See page 5
(5) See page 6
(6) Union is not proposing to recover the deferral balances for the Unabsorbed Demand Charge (Account No. 179-108) deferral accounts in the current QRAM.

**UNION GAS LIMITED**
**Deferral Account for**
**North Purchased Gas Variance Account**
**(Deferral Account 179-105)**

| Line No. | Particulars | | Purchase Cost ($000's) (a) | Volume (GJ) (b) | Weighted Avg. Price ($/GJ) (c) = (a)/(b) | Reference Price ($/GJ) (1) (d) | Unit Rate Difference ($/GJ) (e) =(c) - (d) | Deferral Amount Before Interest ($000's) (f) = (b) x (e) | Interest ($000's) (2) (g) | Total Deferral Amount ($000's) (h) = (f) + (g) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Cumulative to end of March, 2008 | | | | | | | $ 1,613 | $ (122) | $ 1,491 |
| 2 | April, 2008 | * | $ 19,870 | 2,436,570 | $ 8.155 | $ 7.677 | $ 0.477 | $ 1,163 | $ 5 | $ 1,168 |
| 3 | May | * | $ 21,865 | 2,403,202 | $ 9.098 | $ 7.677 | $ 1.421 | $ 3,415 | $ 11 | $ 3,426 |
| 4 | June | * | $ 28,335 | 2,897,250 | $ 9.780 | $ 7.677 | $ 2.103 | $ 6,092 | $ 29 | $ 6,121 |
| 5 | July, 2008 | * | $ 28,137 | 2,692,692 | $ 10.449 | $ 9.562 | $ 0.888 | $ 2,391 | $ 81 | $ 2,471 |
| 6 | August | * | $ 26,522 | 2,701,497 | $ 9.817 | $ 9.562 | $ 0.256 | $ 691 | $ 52 | $ 744 |
| 7 | September | * | $ 22,907 | 3,332,470 | $ 6.874 | $ 9.562 | $ (2.688) | $ (8,957) | $ 39 | $ (8,918) |
| 8 | October, 2008 | * | $ 21,439 | 2,891,585 | $ 7.414 | $ 8.489 | $ (1.075) | $ (3,108) | $ 28 | $ (3,081) |
| 9 | November | * | $ 20,681 | 3,163,232 | $ 6.538 | $ 8.489 | $ (1.951) | $ (6,172) | $ 16 | $ (6,157) |
| 10 | December | * | $ 19,275 | 2,735,117 | $ 7.047 | $ 8.489 | $ (1.442) | $ (3,944) | $ (5) | $ (3,949) |
| 11 | January, 2009 | * | $ 17,884 | 2,817,030 | $ 6.349 | $ 7.625 | $ (1.276) | $ (3,596) | $ (16) | $ (3,612) |
| 12 | February | | $ 14,682 | 2,625,099 | $ 5.593 | $ 7.625 | $ (2.032) | $ (5,335) | $ 6 | $ (5,329) |
| 13 | March | | $ 15,576 | 3,033,207 | $ 5.135 | $ 7.625 | $ (2.490) | $ (7,553) | $ (5) | $ (7,557) |
| 14 | Total (Lines 1 to 13) | | $ 257,173 | 33,728,951 | | | | $ (23,299) | $ 119 | $ (23,181) |
| | Current QRAM Period | | | | | | | | | |
| 15 | April, 2009 | | $ 14,297 | 2,931,480 | $ 4.877 | $ 5.912 | $ (1.035) | $ (3,033) | $ - | $ (3,033) |
| 16 | May | | $ 15,070 | 3,028,782 | $ 4.975 | $ 5.912 | $ (0.936) | $ (2,836) | $ - | $ (2,836) |
| 17 | June | | $ 14,978 | 2,927,938 | $ 5.116 | $ 5.912 | $ (0.796) | $ (2,331) | $ - | $ (2,331) |
| 18 | July, 2009 | | $ 15,945 | 3,025,217 | $ 5.271 | $ 5.912 | $ (0.641) | $ (1,939) | $ - | $ (1,939) |
| 19 | August | | $ 16,278 | 3,024,693 | $ 5.382 | $ 5.912 | $ (0.530) | $ (1,603) | $ - | $ (1,603) |
| 20 | September | | $ 15,919 | 2,926,245 | $ 5.440 | $ 5.912 | $ (0.472) | $ (1,380) | $ - | $ (1,380) |
| 21 | October, 2009 | | $ 16,864 | 3,023,344 | $ 5.578 | $ 5.912 | $ (0.334) | $ (1,009) | $ - | $ (1,009) |
| 22 | November | | $ 18,027 | 2,920,677 | $ 6.172 | $ 5.912 | $ 0.261 | $ 761 | $ - | $ 761 |
| 23 | December | | $ 20,679 | 3,019,398 | $ 6.849 | $ 5.912 | $ 0.937 | $ 2,829 | $ - | $ 2,829 |
| 24 | January, 2010 | | $ 21,613 | 3,018,482 | $ 7.160 | $ 5.912 | $ 1.248 | $ 3,768 | $ - | $ 3,768 |
| 25 | February | | $ 19,562 | 2,726,682 | $ 7.174 | $ 5.912 | $ 1.263 | $ 3,443 | $ - | $ 3,443 |
| 26 | March | | $ 21,178 | 3,019,158 | $ 7.015 | $ 5.912 | $ 1.103 | $ 3,330 | $ - | $ 3,330 |
| 27 | Total (Lines 15 to 26) | | $ 210,411 | 35,592,096 | | | | $ 0 | $ - | $ 0 |

* reflects actual information

(1) The reference price from April 2008 to June 2008 is as approved in EB-2008-0033.
The reference price from July 2008 to September 2008 is as approved in EB-2008-0109.
The reference price from October 2008 to December 2008 is as approved in EB-2008-0281.
The reference price from January 2009 to March 2009 is as approved in EB-2008-0371
The reference price from April 2009 to March 2010 is as proposed in EB-2009-0054

(2) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.

**UNION GAS LIMITED**
**Deferral Account for**
**TCPL Tolls and Fuel - Northern and Eastern Operations Area**
**(Deferral Account 179-100)**

| | | TCPL Tolls | | | TCPL Fuel | | | |
|---|---|---|---|---|---|---|---|---|
| Line No. | Particulars | Deferral Amount Before Interest ($000's) (a) | Interest ($000's) (1) (b) | Deferral Amount With Interest ($000's) (c) = (a) + (b) | Deferral Amount Before Interest ($000's) (d) | Interest ($000's) (1) (e) | Deferral Amount With Interest ($000's) (f) = (d) + (e) | Total Deferral Amount With Interest ($000's) (g) = (c) + (f) |
| 1 | Cumulative to end of March, 2008 | $ 1,211 | $ 15 | $ 1,226 | $ 1,307 | $ 4 | $ 1,310 | $ 2,537 |
| 2 | April, 2008 * | $ 940 | $ 7 | $ 947 | $ 812 | $ 5 | $ 817 | $ 1,764 |
| 3 | May * | $ 867 | $ 9 | $ 876 | $ 524 | $ 8 | $ 533 | $ 1,409 |
| 4 | June * | $ 1,216 | $ 11 | $ 1,227 | $ (449) | $ 10 | $ (439) | $ 789 |
| 5 | July, 2008 * | $ 2,147 | $ 13 | $ 2,159 | $ (747) | $ 8 | $ (740) | $ 1,420 |
| 6 | August * | $ (505) | $ 18 | $ (487) | $ 665 | $ 5 | $ 670 | $ 183 |
| 7 | September * | $ 1,260 | $ 12 | $ 1,272 | $ (125) | $ 7 | $ (118) | $ 1,154 |
| 8 | October, 2008 * | $ (987) | $ 12 | $ (974) | $ (392) | $ 7 | $ (385) | $ (1,359) |
| 9 | November * | $ (1,834) | $ 11 | $ (1,823) | $ 626 | $ 5 | $ 631 | $ (1,192) |
| 10 | December * | $ (345) | $ 6 | $ (339) | $ 6 | $ 7 | $ 13 | $ (326) |
| 11 | January, 2009 * | $ (1,117) | $ 1 | $ (1,116) | $ (199) | $ 4 | $ (194) | $ (1,310) |
| 12 | February | $ (933) | $ (10) | $ (942) | $ (204) | $ 4 | $ (200) | $ (1,142) |
| 13 | March | $ (909) | $ (14) | $ (923) | $ (232) | $ 3 | $ (229) | $ (1,152) |
| 14 | Total (Lines 1 to 13) | $ 1,011 | $ 92 | $ 1,103 | $ 1,593 | $ 77 | $ 1,670 | $ 2,773 |
| | Current QRAM Period | | | | | | | |
| 15 | April, 2009 | $ 20 | $ - | $ 20 | $ (98) | $ - | $ (98) | $ (78) |
| 16 | May | $ 24 | $ - | $ 24 | $ (101) | $ - | $ (101) | $ (77) |
| 17 | June | $ 26 | $ - | $ 26 | $ (86) | $ - | $ (86) | $ (60) |
| 18 | July, 2009 | $ 27 | $ - | $ 27 | $ (64) | $ - | $ (64) | $ (37) |
| 19 | August | $ 27 | $ - | $ 27 | $ (52) | $ - | $ (52) | $ (26) |
| 20 | September | $ 26 | $ - | $ 26 | $ (43) | $ - | $ (43) | $ (18) |
| 21 | October, 2009 | $ 22 | $ - | $ 22 | $ (32) | $ - | $ (32) | $ (9) |
| 22 | November | $ 19 | $ - | $ 19 | $ 20 | $ - | $ 20 | $ 39 |
| 23 | December | $ 19 | $ - | $ 19 | $ 91 | $ - | $ 91 | $ 111 |
| 24 | January, 2010 | $ 27 | $ - | $ 27 | $ 128 | $ - | $ 128 | $ 155 |
| 25 | February | $ 25 | $ - | $ 25 | $ 117 | $ - | $ 117 | $ 142 |
| 26 | March | $ 18 | $ - | $ 18 | $ 105 | $ - | $ 105 | $ 123 |
| 27 | Total (Lines 15 to 26) | $ 279 | $ - | $ 279 | $ (14) | $ - | $ (14) | $ 265 |

* reflects actual information
(1) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.

**UNION GAS LIMITED**
**Deferral Account for**
**South Purchased Gas Variance Account**
**(Deferral Account 179-106)**

| Line No. | Particulars | Purchase Cost ($000's) (a) | Volume (GJ) (b) | Weighted Avg. Price ($/GJ) (c) = (a)/(b) | Reference Price ($/GJ) (1) (d) | Unit Rate Difference ($/GJ) (e) =(c) - (d) | Monthly Deferal Amount ($000's) (f) = (b) x (e) | Southern Portfolio Cost Differential Adjustment ($000's) (g) | Deferral Amount Before Interest ($000's) (h) | Interest ($000's) (2) (i) | Total Deferral Amount ($000's) (j) = (h) + (i) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Cumulative to end of March, 2008 | | | | | | $ 4,528 | $ 4,886 | $ 9,413 | $ (805) | $ 8,608 |
| 2 | April, 2008 * | $ 68,693 | 7,314,355 | $ 9.392 | $ 9.119 | $ 0.273 | $ 1,995 | $ 1,888 | $ 3,883 | $ 7 | $ 3,890 |
| 3 | May * | $ 88,361 | 8,790,007 | $ 10.052 | $ 9.119 | $ 0.934 | $ 8,207 | $ 1,951 | $ 10,158 | $ 56 | $ 10,214 |
| 4 | June * | $ 93,252 | 8,546,238 | $ 10.911 | $ 9.119 | $ 1.793 | $ 15,321 | $ 1,888 | $ 17,209 | $ 89 | $ 17,298 |
| 5 | July, 2008 * | $ 86,994 | 7,487,388 | $ 11.619 | $ 11.372 | $ 0.247 | $ 1,849 | $ 2,474 | $ 4,323 | $ 120 | $ 4,444 |
| 6 | August * | $ 89,608 | 7,505,745 | $ 11.939 | $ 11.372 | $ 0.567 | $ 4,255 | $ 2,574 | $ 6,829 | $ 133 | $ 6,962 |
| 7 | September * | $ 81,808 | 8,929,340 | $ 9.162 | $ 11.372 | $ (2.210) | $ (19,734) | $ 2,483 | $ (17,251) | $ 100 | $ (17,151) |
| 8 | October, 2008 * | $ 64,982 | 7,560,874 | $ 8.594 | $ 10.224 | $ (1.629) | $ (12,317) | $ 2,127 | $ (10,190) | $ 75 | $ (10,115) |
| 9 | November * | $ 60,059 | 7,825,675 | $ 7.675 | $ 10.224 | $ (2.549) | $ (19,947) | $ 2,120 | $ (17,827) | $ 64 | $ (17,763) |
| 10 | December * | $ 72,007 | 8,260,332 | $ 8.717 | $ 10.224 | $ (1.506) | $ (12,443) | $ 2,641 | $ (9,802) | $ 15 | $ (9,786) |
| 11 | January, 2009 * | $ 81,276 | 10,413,828 | $ 7.805 | $ 9.319 | $ (1.514) | $ (15,771) | $ 3,356 | $ (12,415) | $ (16) | $ (12,431) |
| 12 | February | $ 74,895 | 11,654,344 | $ 6.426 | $ 9.319 | $ (2.893) | $ (33,712) | $ 3,031 | $ (30,681) | $ 142 | $ (30,538) |
| 13 | March | $ 49,002 | 8,126,294 | $ 6.030 | $ 9.319 | $ (3.289) | $ (26,727) | $ 3,356 | $ (23,371) | $ 80 | $ (23,291) |
| 14 | Total (Lines 1 to 13) | $ 910,937 | 102,414,420 | | | | $ (104,494) | $ 34,773 | $ (69,721) | $ 62 | $ (69,660) |
| | Current QRAM Period | | | | | | | | | | |
| 15 | April, 2009 | $ 44,977 | 7,674,676 | $ 5.860 | $ 7.333 | $ (1.473) | $ (11,303) | $ 2,478 | $ (8,825) | $ - | $ (8,825) |
| 16 | May | $ 47,114 | 7,930,498 | $ 5.941 | $ 7.333 | $ (1.392) | $ (11,041) | $ 2,560 | $ (8,481) | $ - | $ (8,481) |
| 17 | June | $ 46,927 | 7,674,676 | $ 6.115 | $ 7.333 | $ (1.219) | $ (9,352) | $ 2,478 | $ (6,875) | $ - | $ (6,875) |
| 18 | July, 2009 | $ 46,231 | 7,397,163 | $ 6.250 | $ 7.333 | $ (1.083) | $ (8,014) | $ 2,560 | $ (5,453) | $ - | $ (5,453) |
| 19 | August | $ 42,351 | 6,508,822 | $ 6.507 | $ 7.333 | $ (0.826) | $ (5,379) | $ 2,560 | $ (2,819) | $ - | $ (2,819) |
| 20 | September | $ 49,524 | 7,674,676 | $ 6.453 | $ 7.333 | $ (0.880) | $ (6,756) | $ 2,478 | $ (4,278) | $ - | $ (4,278) |
| 21 | October, 2009 | $ 52,107 | 7,930,498 | $ 6.570 | $ 7.333 | $ (0.763) | $ (6,048) | $ 2,560 | $ (3,488) | $ - | $ (3,488) |
| 22 | November | $ 56,543 | 7,702,689 | $ 7.341 | $ 7.333 | $ 0.008 | $ 58 | $ 2,478 | $ 2,535 | $ - | $ 2,535 |
| 23 | December | $ 59,245 | 7,388,684 | $ 8.018 | $ 7.333 | $ 0.685 | $ 5,063 | $ 2,560 | $ 7,624 | $ - | $ 7,624 |
| 24 | January, 2010 | $ 66,353 | 7,961,925 | $ 8.334 | $ 7.333 | $ 1.001 | $ 7,968 | $ 2,560 | $ 10,528 | $ - | $ 10,528 |
| 25 | February | $ 60,634 | 7,191,417 | $ 8.431 | $ 7.333 | $ 1.098 | $ 7,899 | $ 2,312 | $ 10,211 | $ - | $ 10,211 |
| 26 | March | $ 65,145 | 7,961,925 | $ 8.182 | $ 7.333 | $ 0.849 | $ 6,760 | $ 2,560 | $ 9,320 | $ - | $ 9,320 |
| 27 | Total (Lines 15 to 26) | $ 637,151 | 90,997,648 | | | | $ (30,145) | $ 30,145 | $ - | $ - | $ - |

* reflects actual information

(1) The reference price from April 2008 to June 2008 is as approved in EB-2008-0033.
The reference price from July 2008 to September 2008 is as approved in EB-2008-0109.
The reference price from October 2008 to December 2008 is as approved in EB-2008-0281.
The reference price from January 2009 to March 2009 is as approved in EB-2008-0371
The reference price from April 2009 to March 2010 is as proposed in EB-2009-0054

(2) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.

**UNION GAS LIMITED**
**Deferral Account for**
**Inventory Revaluation**
**(Deferral Account 179-109)**

| Line No. | Effective Date | | Proceeding Number | Reference Price (C$/GJ) Approved/ Proposed ($/GJ) (a) | Reference Price (C$/GJ) Price Difference from Previous Approved Price ($/GJ) (b) | Inventory Levels Forecast/ Actual (PJ's) (c) | Inventory Revaluation Forecast/ Actual ($000's) (1) (d) = - (b) x (c) | Interest ($000's) (2) (e) | Total Deferral Amount ($000's) (f) = (d) + (e) |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Cumulative to end of March, 2008 | | | | | | $ 9,855 | $ 174 | $ 10,029 |
| 2 | April, 2008 | * | EB-2008-0033 | $ 9.119 | $ 0.936 | 0.0 | $ 1,652 | $ 106 | $ 1,758 |
| 3 | May | * | | | | | | $ 30 | $ 30 |
| 4 | June | * | | | | | | $ 15 | $ 15 |
| 5 | July, 2008 | * | EB-2008-0109 | $ 11.372 | $ 2.253 | 5.4 | $ (13,541) | $ 10 | $ (13,530) |
| 6 | August | * | | | | | | $ (23) | $ (23) |
| 7 | September | * | | | | | | $ (21) | $ (21) |
| 8 | October, 2008 | * | EB-2008-0281 | $ 10.224 | $ (1.148) | 28.3 | $ 32,568 | $ (23) | $ 32,545 |
| 9 | November | * | | | | | | $ 56 | $ 56 |
| 10 | December | * | | | | | | $ 42 | $ 41.550 |
| 11 | January, 2009 | * | EB-2008-0371 | $ 9.319 | $ (0.905) | 19.5 | $ 25,893 | $ 30 | $ 25,923 |
| 12 | February | | | | | | | $ 5 | $ 5 |
| 13 | March | | | | | | | $ (7) | $ (6.722) |
| 14 | Total (Lines 1 to 13) | | | | | | $ 56,428 | $ 395 | $ 56,823 |
| | Current QRAM Period | | | | | | | | |
| 15 | April, 2009 | | EB-2009-0054 | $ 7.333 | $ (1.986) | 2.1 | $ 4,264 | $ - | $ 4,264 |
| 16 | May | | | | | | | $ - | $ - |
| 17 | June | | | | | | | $ - | $ - |
| 18 | July, 2009 | | | | | | $ - | $ - | $ - |
| 19 | August | | | | | | | $ - | $ - |
| 20 | September | | | | | | | $ - | $ - |
| 21 | October, 2009 | | | | | | $ - | $ - | $ - |
| 22 | November | | | | | | | $ - | $ - |
| 23 | December | | | | | | | $ - | $ - |
| 24 | January, 2010 | | | | | | $ - | $ - | $ - |
| 25 | February | | | | | | | $ - | $ - |
| 26 | March | | | | | | | $ - | $ - |
| 27 | Total (Lines 15 to 26) | | | | | | $ 4,264 | $ - | $ 4,264 |

* reflects actual information
(1) Includes adjustments for volume true-ups.
(2) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.

**UNION GAS LIMITED**
**Deferral Account for**
**Spot Gas Variance Account**
**(Deferral Account 179-107)**

| Line No. | Particulars | | Spot Gas Purchases: Deferral Amount Before Interest ($000's) | Spot Gas Purchases: Interest ($000's) (1) | Spot Gas Purchases: Deferral Balance ($000's) | Load Balancing: Load Balancing Deferral ($000's) | Load Balancing: North Load Balancing Revenue ($000's) | Load Balancing: South Load Balancing Revenue ($000's) | Load Balancing: Deferral Amount Before Interest ($000's) | Load Balancing: Interest ($000's) (1) | Load Balancing: Deferral Balance ($000's) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | (a) | (b) | (c) = (a) + (b) | (d) | (e) | (f) | (g) = (d)+(e)+(f) | (h) | (i) = (g)+(h) |
| 1 | Cumulative to end of March, 2008 | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ (10) | $ (10) |
| 2 | April, 2008 | * | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 1 | $ 1 |
| 3 | May | * | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2 | $ 2 |
| 4 | June | * | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2 | $ 2 |
| 5 | July, 2008 | * | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2 | $ 2 |
| 6 | August | * | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2 | $ 2 |
| 7 | September | * | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2 | $ 2 |
| 8 | October, 2008 | * | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2 | $ 2 |
| 9 | November | * | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2 | $ 2 |
| 10 | December | * | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2 | $ 2 |
| 11 | January, 2009 | * | $ (1,536) | $ - | $ (1,536) | $ (6) | $ - | $ - | $ (6) | $ 1 | $ (4) |
| 12 | February | | $ (4,494) | $ (3) | $ (4,497) | $ (11) | $ - | $ - | $ (11) | $ 4 | $ (7) |
| 13 | March | | $ - | $ (12) | $ (12) | $ - | $ - | $ - | $ - | $ 4 | $ 4 |
| 14 | Total (Lines 1 to 13) | | $ (6,030) | $ (15) | $ (6,045) | $ (17) | $ - | $ - | $ (17) | $ 17 | $ (0) |
| | Current QRAM Period | | | | | | | | | | |
| 15 | April, 2009 | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 16 | May | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 17 | June | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 18 | July, 2009 | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 19 | August | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 20 | September | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 21 | October, 2009 | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 22 | November | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 23 | December | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 24 | January, 2010 | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 25 | February | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 26 | March | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 27 | Total (Lines 15 to 26) | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

* reflects actual information
(1) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.

**Tab 2**

# PREFILED EVIDENCE OF

## GREG TETREAULT, MANAGER, RATES AND PRICING

## AND

## HAROLD PANKRAC, TEAM LEADER, RATES AND PRICING

The purpose of this evidence is to address proposed changes to Union's gas supply commodity, gas transportation, storage, and delivery rates effective April 1, 2009.

### 1. REFERENCE PRICES

The unit rate changes applicable to both operating areas, which reflect a decrease in the Alberta Border Reference Price to \$5.912/GJ (22.3414 cents/$m^3$) and the change in associated fuel, are provided at Tab 2, Schedule 1. The Ontario Landed Reference Price is \$7.333/GJ (27.7114 cents/$m^3$) and appears at Tab 1, Schedule 1. The South Portfolio Cost Differential ("SPCD"), described at Tab 1, page 4, results in a South Transportation sales rate of \$0.855/GJ (3.2310 cents/$m^3$). Proposed April 1, 2009 prices reflect the heat value conversion factor of 37.79 GJ/$10^3m^3$ and current fuel ratios.

### 2. TCPL TOLL AND FUEL CHANGES

As identified at Tab 1, Page 3, the NEB has approved changes in the tolls TCPL charges for firm transportation services effective January 1, 2009. The change in TCPL tolls will decrease Union's annual gas supply transportation charges in the North by \$10.835 million as shown at

Working Papers, Schedule 3, Page 1. The derivation of gas transportation rates in the North reflecting the change in approved TCPL tolls is provided at Working Papers, Schedule 3, Page 2 to 11. Transportation rates in the South will continue to be set by subtracting the SPCD from the TCPL EDA tolls.

## 3. RATE RIDERS

In addition to the forecast reference price changes identified above, changes to previously approved rate riders are required to reflect quarterly updates to gas cost deferral account balances. Each quarter Union projects the balance expected in each gas cost deferral account over the next 12 month period. In addition, Union tracks recovery variances (differences between what Union intended to recover in previous rate riders and what was actually recovered). Each quarter Union includes that variance in the rate riders established for the next 12 month period. Rates are changed automatically every quarter to reflect updated projected deferral account balances and historical recovery variances.

A summary of deferral account activity and proposed rate rider unit rate changes are provided at Tab 2, Schedule 2, Page 1. Projected deferral account balances (lines 1 to 3) are compared to previously projected balances (line 4) in each gas cost deferral account and variances are identified (line 5). In addition, the difference between what was actually recovered in previous rate riders and what Union intended to recover is identified (line 6). This is the difference between forecast and actual volumes (last three months of actual volumes) multiplied by the previously approved rate riders. The net amount to be recovered prospectively (line 7) is the amount which has not been included in rate riders to date. The unit rate rider change in the current QRAM (line 9) is the net amount in each gas cost deferral account prospectively recovered over forecast consumption in the next twelve months (line 8).

In total, the change in gas cost-related deferrals in the current QRAM is a net credit of $94.283 million. This amount excludes the balance in the Joint Unabsorbed Demand Costs Account (Account No. 179-108) which is not prospectively recovered as per the current approved QRAM process.

For each deferral account, Tab 2, Schedule 3, line 20 shows the net prospective rider for the current QRAM period. The net prospective rider includes: (i) the introduction of the unit rate change calculated at Tab 2, Schedule 2, Page 1, line 9 and (ii) the elimination of expiring riders which have been in place for 12 months.

Although Union is applying a 12 month rolling prospective recovery of deferral account balances, which is part of the approved QRAM process, Union is not seeking final disposition of the deferral account balances. Union will track actual deferral account balances and the revenue attributable to deferral account recovery separately. Actual year-end deferral account balances will continue to be subject to a prudence review by the Board.

### 3.1 RATE RIDERS: SPOT GAS/LOAD BALANCING

As identified at Tab 1, Union's incremental purchases give rise to a credit balance of $6.045 million in the Spot Gas Variance Account and a credit balance of $0.017 million related to load balancing. The credit balance of $6.045 million will be recovered from North sales service customers only, while the load balancing credit of $0.017 million will be recovered from North sales service and bundled DP customers. The load balancing credit will be recovered from rate classes Rate 01 and Rate 10 in accordance with the allocation described at Tab 1, Page 8.

## 4. SUMMARY OF PROPOSED RATE CHANGES

The proposed changes to rates (Appendix A), infranchise rate schedules (Appendix B), and the summary of interruptible rate changes (Appendix C) are attached. The unit rates for prospective recovery of the gas cost deferral accounts are provided at Tab 2, Schedule 5 (column c).

## 5. CUSTOMER BILL IMPACTS

General Service annual customer bill impacts (including the prospective recovery of deferral account balances outlined at Tab 2, Schedule 2) are provided at Tab 2, Schedule 4. The bill impacts shown at Tab 2, Schedule 4 reflect (i) the introduction of April 1, 2009 proposed QRAM changes detailed above and (ii) the elimination of expiring April 1, 2008 prospective riders.

A typical M1 residential customer consuming 2,600 $m^3$ per year will see a net bill decrease of

$261 per year. A typical bundled M1 direct purchase customer will see no bill impact. A typical Rate 01 residential customer consuming 2,600 $m^3$ per year will see a net bill decrease ranging from $301 to $314 per year. A typical bundled Rate 01 direct purchase customer will see a net bill decrease ranging from $30 to $38 per year.

## 6. CUSTOMER NOTICES

April 2009 customer notices will include the QRAM changes identified above and the approved rate changes arising from the EB-2008-0220 Decision (2009 Incentive Regulation) .

Schedules

UNION GAS LIMITED
Southern Operations Area
Calculation of Gas Supply Commodity Charges

| Line No. | Particulars | EB-2008-0371 Effective January 1, 2009 (cents/m³) | ($/GJ) (1) | EB-2009-0054 Effective April 1, 2009 (cents/m³) | ($/GJ) (2) | Change Effective April 1, 2009 (cents/m³) | ($/GJ) |
|---|---|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (d) | (e)= (c) - (a) | (f)= (d) - (b) |
| 1 | Alberta Border Price | 28.6853 | 7.625 | 22.3414 | 5.912 (3) | (6.3439) | (1.713) |
| 2 | Fuel Ratios | 3.860% | 3.860% | 3.909% | 3.909% | 0.049% | 0.049% |
| 3 | Compressor Fuel Charge | 1.1073 | 0.294 | 0.8734 | 0.231 | (0.2339) | (0.063) |
| 4 | Administration Charge | 0.3138 | 0.083 | 0.3138 | 0.083 | - | - |
| 5 | Gas Commodity & Fuel Rate (line 1+3+4) | 30.1064 | 8.002 | 23.5286 | 6.226 | (6.5778) | (1.776) |
| | Prospective Recovery | | | | | | |
| 6 | Inventory Revaluations | 1.3279 | 0.353 | 1.6170 | 0.428 | 0.2891 (4) | 0.075 |
| 7 | Spot Gas | - | - | - | - | - (5) | - |
| 8 | Firm PGVA | (0.0931) | (0.025) | (3.4453) | (0.912) | (3.3522) (6) | (0.887) |
| 9 | Temporary Charge/(Credit) | - | - | - | - | - | - |
| 10 | Prospective Recovery (line 6+7+8+9) | 1.2348 | 0.328 | (1.8283) | (0.484) | (3.0631) | (0.812) |
| 11 | Total Commodity and Fuel Rate (line 5+10) | 31.3412 | 8.330 | 21.7003 | 5.742 | (9.6409) | (2.588) |
| 12 | Transportation Tolls | 3.6153 | 0.961 | 3.2310 | 0.855 (7) | (0.3843) | (0.106) |
| 13 | Total Commodity & Fuel & Transportation Rate (line 11+12) | 34.9565 | 9.291 | 24.9313 (8) | 6.597 | (10.0252) | (2.694) |

Notes:
(1) Conversion to GJs based on avg. heating value of Western suppliers of 37.62 GJ / $10^3m^3$.
(2) Conversion to GJs based on avg. heating value of Western suppliers of 37.79 GJ / $10^3m^3$.
(3) Alberta Border price per Tab 1, Schedule 1, Line 9.
(4) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery credit of (0.0886) cents/m³.
(5) EB-2008-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery of 0.0000 cents/m³.
(6) EB-2008-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery charge of 0.2396 cents/m³.
(7) EB-2008-0054, Tab 1, Schedule 2, Line 6.
(8) Appendix A, Page 6, Line 4, Column (c).

UNION GAS LIMITED
Northern & Eastern Operations Area
Calculation of Gas Commodity and Fuel
**Fort Frances District**

| Line No. | Description | EB-2008-0371 Effective January 1, 2009 (cents/m³) (a) | ($/GJ) (5) (b) | EB-2009-0054 Effective April 1, 2009 (cents/m³) (c) | ($/GJ) (6) (d) | Change Effective April 1, 2009 (cents/m³) (e) = (c)-(a) | ($/GJ) (f)= (d)-(b) |
|---|---|---|---|---|---|---|---|
| | **Rates 01A & 10** | | | | | | |
| 1 | Alberta Border Price | 28.6853 | 7.625 | 22.3414 | 5.912 | (6.3439) | (1.713) |
| 2 | Fuel ratios | 1.108% | 1.108% | 1.164% | 1.164% | 0.056% | 0.056% |
| 3 | Compressor Fuel Charge | 0.3179 | 0.085 | 0.2601 | 0.069 | (0.0578) | (0.016) |
| 4 | Administration Charge | 0.3138 | 0.083 | 0.3138 | 0.083 | - | - |
| 5 | Gas Commodity & Fuel Rate (line 1+3+4) | 29.3170 | 7.793 | 22.9153 | 6.064 | (6.4017) | (1.729) |
| | Prospective Recovery | | | | | | |
| 6 | Inventory Revaluations | 1.3279 | 0.353 | 1.6170 | 0.428 | 0.2891 (1) | 0.075 |
| 7 | Spot Gas | - | - | (0.9495) | (0.251) | (0.9495) (2) | (0.251) |
| 8 | Firm PGVA | (0.1252) | (0.033) | (3.5311) | (0.934) | (3.4059) (3) | (0.901) |
| 9 | Fuel | 0.2770 | 0.074 | 0.3224 | 0.085 | 0.0454 (4) | 0.011 |
| 10 | Temporary Charge/(Credit) | - | - | - | - | - | - |
| 11 | Total Prospective Recovery (line 6+7+8+9+10) | 1.4797 | 0.394 | (2.5412) | (0.673) | (4.0209) | (1.066) |
| 12 | Total Commodity and Fuel Rate (line 5+11) | 30.7967 | 8.187 | 20.3741 | 5.391 | (10.4226) | (2.795) |
| | **Rates 20 & 100** (7) | | | | | | |
| 13 | Alberta Border Price | 28.8911 | 7.625 | 22.4006 | 5.912 | (6.4905) | (1.713) |
| 14 | Fuel ratios | 1.108% | 1.108% | 1.164% | 1.164% | 0.056% | 0.056% |
| 15 | Compressor Fuel Charge | 0.3202 | 0.085 | 0.2608 | 0.069 | (0.0594) | (0.016) |
| 16 | Administration Charge | 0.3138 | 0.083 | 0.3138 | 0.083 | - | - |
| 17 | Gas Commodity & Fuel Rate (line 13+15+16) | 29.5251 | 7.793 | 22.9752 | 6.064 | (6.5499) | (1.729) |
| | Prospective Recovery | | | | | | |
| 18 | Inventory Revaluations | 1.3279 | 0.353 | 1.6170 | 0.428 | 0.2891 (1) | 0.075 |
| 19 | Spot Gas | - | - | (0.9495) | (0.251) | (0.9495) (2) | (0.251) |
| 20 | Firm PGVA | (0.1252) | (0.033) | (3.5311) | (0.934) | (3.4059) (3) | (0.901) |
| 21 | Fuel | 0.2770 | 0.074 | 0.3224 | 0.085 | 0.0454 (4) | 0.011 |
| 22 | Temporary Charge/(Credit) | - | - | - | - | - | - |
| 23 | Total Prospective Recovery (line 18+19+20+21+22) | 1.4797 | 0.394 | (2.5412) | (0.673) | (4.0209) | (1.066) |
| 24 | Total Commodity and Fuel Rate (line 17+23) | 31.0048 | 8.187 | 20.4340 | 5.391 | (10.5708) | (2.795) |

Notes:
(1) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery credit of (0.0886) cents/$m^3$.
(2) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery of 0.0000 cents/$m^3$.
(3) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery charge of 0.4583 cents/$m^3$.
(4) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery credit of (0.0531) cents/$m^3$.
(5) Conversion to GJs based on 37.62 GJs / $10^3m^3$.
(6) Conversion to GJs based on 37.79 GJs / $10^3m^3$.
(7) Conversion to GJs based on 37.89 GJs / $10^3m^3$.

UNION GAS LIMITED
Northern & Eastern Operations Area
Calculation of Gas Commodity and Fuel
**Western Zone**

| Line No. | Description | EB-2008-0371 Effective January 1, 2009 (cents/m³) (a) | ($/GJ) (5) (b) | EB-2009-0054 Effective April 1, 2009 (cents/m³) (c) | ($/GJ) (6) (d) | Change Effective April 1, 2009 (cents/m³) (e) = (c)-(a) | ($/GJ) (f)= (d)-(b) |
|---|---|---|---|---|---|---|---|
| | **Rates 01A & 10** | | | | | | |
| 1 | Alberta Border Price | 28.6853 | 7.625 | 22.3414 | 5.912 | (6.3439) | (1.713) |
| 2 | Fuel ratios | 1.937% | 1.937% | 1.993% | 1.993% | 0.056% | 0.056% |
| 3 | Compressor Fuel Charge | 0.5555 | 0.148 | 0.4452 | 0.118 | (0.1103) | (0.030) |
| 4 | Administration Charge | 0.3138 | 0.083 | 0.3138 | 0.083 | - | - |
| 5 | Gas Commodity & Fuel Rate (line 1+3+4) | 29.5546 | 7.856 | 23.1004 | 6.113 | (6.4542) | (1.743) |
| | Prospective Recovery | | | | | | |
| 6 | Inventory Revaluations | 1.3279 | 0.353 | 1.6170 | 0.428 | 0.2891 (1) | 0.075 |
| 7 | Spot Gas | - | - | (0.9495) | (0.251) | (0.9495) (2) | (0.251) |
| 8 | Firm PGVA | (0.1252) | (0.033) | (3.5311) | (0.934) | (3.4059) (3) | (0.901) |
| 9 | Fuel | 0.2770 | 0.074 | 0.3224 | 0.085 | 0.0454 (4) | 0.011 |
| 10 | Temporary Charge/(Credit) | - | - | - | - | - | - |
| 11 | Total Prospective Recovery (line 6+7+8+9+10) | 1.4797 | 0.394 | (2.5412) | (0.673) | (4.0209) | (1.066) |
| 12 | Total Commodity and Fuel Rate (line 5+11) | 31.0343 | 8.250 | 20.5592 | 5.440 | (10.4751) | (2.809) |
| | **Rates 20 & 100 (7)** | | | | | | |
| 13 | Alberta Border Price | 28.8911 | 7.625 | 22.4006 | 5.912 | (6.4905) | (1.713) |
| 14 | Fuel ratios | 1.937% | 1.937% | 1.993% | 1.993% | 0.056% | 0.056% |
| 15 | Compressor Fuel Charge | 0.5595 | 0.148 | 0.4463 | 0.118 | (0.1132) | (0.030) |
| 16 | Administration Charge | 0.3138 | 0.083 | 0.3138 | 0.083 | - | - |
| 17 | Gas Commodity & Fuel Rate (line 13+15+16) | 29.7644 | 7.856 | 23.1607 | 6.113 | (6.6037) | (1.743) |
| | Prospective Recovery | | | | | | |
| 18 | Inventory Revaluations | 1.3279 | 0.353 | 1.6170 | 0.428 | 0.2891 (1) | 0.075 |
| 19 | Spot Gas | - | - | (0.9495) | (0.251) | (0.9495) (2) | (0.251) |
| 20 | Firm PGVA | (0.1252) | (0.033) | (3.5311) | (0.934) | (3.4059) (3) | (0.901) |
| 21 | Fuel | 0.2770 | 0.074 | 0.3224 | 0.085 | 0.0454 (4) | 0.011 |
| 22 | Temporary Charge/(Credit) | - | - | - | - | - | - |
| 23 | Total Prospective Recovery (line 18+19+20+21+22) | 1.4797 | 0.394 | (2.5412) | (0.673) | (4.0209) | (1.066) |
| 24 | Total Commodity and Fuel Rate (line 17+23) | 31.2441 | 8.250 | 20.6195 | 5.440 | (10.6246) | (2.809) |

Notes:
(1) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery credit of (0.0886) cents/m³.
(2) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery of 0.0000 cents/m³.
(3) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery charge of 0.4583 cents/m³.
(4) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery credit of (0.0531) cents/m³.
(5) Conversion to GJs based on 37.62 GJs / $10^3m^3$.
(6) Conversion to GJs based on 37.79 GJs / $10^3m^3$.
(7) Conversion to GJs based on 37.89 GJs / $10^3m^3$.

UNION GAS LIMITED
Northern & Eastern Operations Area
Calculation of Gas Commodity and Fuel
Northern Zone

| Line No. | Description | EB-2008-0371 Effective January 1, 2009 (cents/m³) (a) | ($/GJ) (5) (b) | EB-2009-0054 Effective April 1, 2009 (cents/m³) (c) | ($/GJ) (6) (d) | Change Effective April 1, 2009 (cents/m³) (e) = (c)-(a) | ($/GJ) (f)= (d)-(b) |
|---|---|---|---|---|---|---|---|
| | **Rates 01A & 10** | | | | | | |
| 1 | Alberta Border Price | 28.6853 | 7.625 | 22.3414 | 5.912 | (6.3439) | (1.713) |
| 2 | Fuel ratios | 2.959% | 2.959% | 3.017% | 3.017% | 0.058% | 0.058% |
| 3 | Compressor Fuel Charge | 0.8488 | 0.226 | 0.6740 | 0.178 | (0.1748) | (0.048) |
| 4 | Administration Charge | 0.3138 | 0.083 | 0.3138 | 0.083 | - | - |
| 5 | Gas Commodity & Fuel Rate (line 1+3+4) | 29.8479 | 7.934 | 23.3292 | 6.173 | (6.5187) | (1.761) |
| | Prospective Recovery | | | | | | |
| 6 | Inventory Revaluations | 1.3279 | 0.353 | 1.6170 | 0.428 | 0.2891 (1) | 0.075 |
| 7 | Spot Gas | - | - | (0.9495) | (0.251) | (0.9495) (2) | (0.251) |
| 8 | Firm PGVA | (0.1252) | (0.033) | (3.5311) | (0.934) | (3.4059) (3) | (0.901) |
| 9 | Fuel | 0.2770 | 0.074 | 0.3224 | 0.085 | 0.0454 (4) | 0.011 |
| 10 | Temporary Charge/(Credit) | - | - | - | - | - | - |
| 11 | Total Prospective Recovery (line 6+7+8+9+10) | 1.4797 | 0.394 | (2.5412) | (0.673) | (4.0209) | (1.066) |
| 12 | Total Commodity and Fuel Rate (line 5+11) | 31.3276 | 8.328 | 20.7880 | 5.500 | (10.5396) | (2.827) |
| | **Rates 20 & 100 (7)** | | | | | | |
| 13 | Alberta Border Price | 28.8911 | 7.625 | 22.4006 | 5.912 | (6.4905) | (1.713) |
| 14 | Fuel ratios | 2.959% | 2.959% | 3.017% | 3.017% | 0.058% | 0.058% |
| 15 | Compressor Fuel Charge | 0.8549 | 0.226 | 0.6758 | 0.178 | (0.1791) | (0.048) |
| 16 | Administration Charge | 0.3138 | 0.083 | 0.3138 | 0.083 | - | - |
| 17 | Gas Commodity & Fuel Rate (line 13+15+16) | 30.0598 | 7.934 | 23.3902 | 6.173 | (6.6696) | (1.761) |
| | Prospective Recovery | | | | | | |
| 18 | Inventory Revaluations | 1.3279 | 0.353 | 1.6170 | 0.428 | 0.2891 (1) | 0.075 |
| 19 | Spot Gas | - | - | (0.9495) | (0.251) | (0.9495) (2) | (0.251) |
| 20 | Firm PGVA | (0.1252) | (0.033) | (3.5311) | (0.934) | (3.4059) (3) | (0.901) |
| 21 | Fuel | 0.2770 | 0.074 | 0.3224 | 0.085 | 0.0454 (4) | 0.011 |
| 22 | Temporary Charge/(Credit) | - | - | - | - | - | - |
| 23 | Total Prospective Recovery (line 18+19+20+21+22) | 1.4797 | 0.394 | (2.5412) | (0.673) | (4.0209) | (1.066) |
| 24 | Total Commodity and Fuel Rate (line 17+23) | 31.5395 | 8.328 | 20.8490 | 5.500 | (10.6905) | (2.827) |

Notes:
(1) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery credit of (0.0886) cents/m³.
(2) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery of 0.0000 cents/m³.
(3) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery charge of 0.4583 cents/m³.
(4) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery credit of (0.531) cents/m³.
(5) Conversion to GJs based on 37.62 GJs / $10^3m^3$.
(6) Conversion to GJs based on 37.79 GJs / $10^3m^3$.
(7) Conversion to GJs based on 37.89 GJs / $10^3m^3$.

UNION GAS LIMITED
Northern & Eastern Operations Area
Calculation of Gas Commodity and Fuel
**Eastern Zone**

| Line No. | Description | EB-2008-0371 Effective January 1, 2009 (cents/m³) (a) | ($/GJ) (5) (b) | EB-2009-0054 Effective April 1, 2009 (cents/m³) (c) | ($/GJ) (6) (d) | Change Effective April 1, 2009 (cents/m³) (e) = (c)-(a) | ($/GJ) (f)= (d)-(b) |
|---|---|---|---|---|---|---|---|
| | **Rates 01A & 10** | | | | | | |
| 1 | Alberta Border Price | 28.6853 | 7.625 | 22.3414 | 5.912 | (6.3439) | (1.713) |
| 2 | Fuel ratios | 3.860% | 3.860% | 3.909% | 3.909% | 0.049% | 0.049% |
| 3 | Compressor Fuel Charge | 1.1073 | 0.294 | 0.8734 | 0.231 | (0.2339) | (0.063) |
| 4 | Administration Charge | 0.3138 | 0.083 | 0.3138 | 0.083 | - | - |
| 5 | Gas Commodity & Fuel Rate (line 1+3+4) | 30.1064 | 8.002 | 23.5286 | 6.226 | (6.5778) | (1.776) |
| | Prospective Recovery | | | | | | |
| 6 | Inventory Revaluations | 1.3279 | 0.353 | 1.6170 | 0.428 | 0.2891 (1) | 0.075 |
| 7 | Spot Gas | - | - | (0.9495) | (0.251) | (0.9495) (2) | (0.251) |
| 8 | Firm PGVA | (0.1252) | (0.033) | (3.5311) | (0.934) | (3.4059) (3) | (0.901) |
| 9 | Fuel | 0.2770 | 0.074 | 0.3224 | 0.085 | 0.0454 (4) | 0.011 |
| 10 | Temporary Charge/(Credit) | - | - | - | - | - | - |
| 11 | Total Prospective Recovery (line 6+7+8+9+10) | 1.4797 | 0.394 | (2.5412) | (0.673) | (4.0209) | (1.066) |
| 12 | Total Commodity and Fuel Rate (line 5+11) | 31.5861 | 8.396 | 20.9874 | 5.553 | (10.5987) | (2.842) |
| | **Rates 20 & 100 (7)** | | | | | | |
| 13 | Alberta Border Price | 28.8911 | 7.625 | 22.4006 | 5.912 | (6.4905) | (1.713) |
| 14 | Fuel ratios | 3.860% | 3.860% | 3.909% | 3.909% | 0.049% | 0.049% |
| 15 | Compressor Fuel Charge | 1.1152 | 0.294 | 0.8757 | 0.231 | (0.2395) | (0.063) |
| 16 | Administration Charge | 0.3138 | 0.083 | 0.3138 | 0.083 | - | - |
| 17 | Gas Commodity & Fuel Rate (line 13+15+16) | 30.3201 | 8.002 | 23.5901 | 6.226 | (6.7300) | (1.776) |
| | Prospective Recovery | | | | | | |
| 18 | Inventory Revaluations | 1.3279 | 0.353 | 1.6170 | 0.428 | 0.2891 (1) | 0.075 |
| 19 | Spot Gas | - | - | (0.9495) | (0.251) | (0.9495) (2) | (0.251) |
| 20 | Firm PGVA | (0.1252) | (0.033) | (3.5311) | (0.934) | (3.4059) (3) | (0.901) |
| 21 | Fuel | 0.2770 | 0.074 | 0.3224 | 0.085 | 0.0454 (4) | 0.011 |
| 22 | Temporary Charge/(Credit) | - | - | - | - | - | - |
| 23 | Total Prospective Recovery (line 18+19+20+21+22) | 1.4797 | 0.394 | (2.5412) | (0.673) | (4.0209) | (1.066) |
| 24 | Total Commodity and Fuel Rate (line 17+23) | 31.7998 | 8.396 | 21.0489 | 5.553 | (10.7509) | (2.842) |

Notes:
(1) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery credit of (0.0886) cents/m³.
(2) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery of 0.0000 cents/m³.
(3) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery charge of 0.4583 cents/m³.
(4) EB-2009-0054, Tab 2, Schedule 5, Page 1 of 3, less the expiry of April 2008 Prospective Recovery credit of (0.0531) cents/m³.
(5) Conversion to GJs based on 37.62 GJs / 10³m³.
(6) Conversion to GJs based on 37.79 GJs / 10³m³.
(7) Conversion to GJs based on 37.89 GJs / 10³m³.

**UNION GAS LIMITED**
**Summary of Amounts for Prospective Recovery and**
**Unit Changes to Prospective Rate Riders**

| Line No. | | | NPGVA | North Tolls | North Fuel | SPGVA | Inventory Revaluation | Load Balancing | Spot Gas Purchases | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| | Deferral Account Balance Continuity ($000's) | | | | | | | | | |
| 1 | Cumulative to April 1, 2009 | (1) | (113,720) | (8,639) | 5,364 | (342,201) | 3,121 | (11,640) | (5,736) | (473,452) |
| 2 | Forecast Balance: Next 12 months | (2) | - | 279 | (14) | - | 4,264 | - | - | 4,529 |
| 3 | Total Balance - Current QRAM | (3) | (113,720) | (8,360) | 5,350 | (342,201) | 7,386 | (11,640) | (5,737) | (468,923) |
| 4 | Total Balance - Previous QRAM | (4) | (95,643) | (713) | 5,226 | (274,926) | (2,181) | (11,619) | 309 | (379,548) |
| 5 | Deferral Account Balance Variance | (5) | (18,077) | (7,648) | 124 | (67,275) | 9,567 | (21) | (6,045) | (89,376) |
| 6 | Prospective Recovery Variance | (6) | (690) | (261) | (173) | 204 | (3,970) | (15) | (0) | (4,906) |
| 7 | Net Amount for Prospective Recovery | (7) | (18,767) | (7,909) | (49) | (67,072) | 5,596 | (36) | (6,045) | (94,283) |
| | Prospective Rate Rider Changes | | | | | | | | | |
| 8 | Forecast Billing Units ($10^3m^3$) | (8) | 636,680 | 1,376,055 | 636,680 | 2,154,862 | 2,791,543 | Class | 636,680 | |
| 9 | Unit Rate Change (cents/$m^3$) | (9) | (2.9476) | (0.5748) | (0.0077) | (3.1126) | 0.2005 | Specific | (0.9495) | |

Notes:
(1) Balance in each deferral account at April 1, 2009. Balances at Tab 2, Schedule 3, Line 9 - Line 1.
(2) Next 12 months forecast for each deferral account. Balances at Tab 1, Schedule 3, Page 1, line 27.
(3) Projected balance in each deferral account for the current QRAM period. Line 3 = Line 1 + Line 2.
(4) Balances approved for prospective recovery in the previous QRAM, ie. EB-2008-0371.
(5) The deferral amount for recovery/(refund) which has not been included in previously approved prospective rate riders. Line 5 = Line 3 - Line 4.
(6) Variance between forecast and actual volumes (last three months of actual volumes) multiplied by the previously approved riders. Balances at Tab 2, Schedule 2, Page 2, Line 11.
(7) Line 7 = Line 5 + Line 6.
(8) Billing units reflect the approved allocation basis for each deferral account.
(9) Line 9 = Line 7 / Line 8.

**UNION GAS LIMITED**
**Summary of Amounts for Prospective Recovery**
**for the 12-month period ending March 31, 2010**

| Line No. | Particulars | | North PGVA (179-105) ($000's) (a) | North Tolls (179-100) ($000's) (b) | North Fuel (179-100) ($000's) (c) | South PGVA (179-106) ($000's) (d) | Inventory Revaluation (179-109) ($000's) (e) | Load Balancing (179-107) ($000's) (f) | Spot Gas Variance Acct (179-107) ($000's) (g) | Total ($000's) (h) |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Deferral Amounts for Recovery** | | | | | | | | | |
| | Change in 12-month deferral account projection: | | | | | | | | | |
| 1 | *12-month projection from current QRAM application* | (1) | - | 279 | (14) | - | 4,264 | - | - | 4,529 |
| 2 | *Less: 12-month projection from previous QRAM application* | (2) | - | 2,383 | 128 | - | 20,691 | - | - | 23,201 |
| 3 | *Change (Line 1 - Line 2)* | | - | (2,104) | (142) | - | (16,426) | - | - | (18,672) |
| | Previous Quarter: True-up of deferral balances | | | | | | | | | |
| 4 | *Actual deferral balance for November, December January* | (3) | (13,717) | (3,278) | 449 | (39,980) | 26,021 | (0) | (1,536) | (32,042) |
| 5 | *Current projected deferral amount for February, March* | (4) | (12,886) | (1,866) | (429) | (53,829) | (1) | (3) | (4,509) | (73,524) |
| 6 | *Less: Previous projection included in recovery for November, December* | (5) | (8,526) | 401 | (246) | (26,534) | 26 | 17 | - | (34,862) |
| 7 | *Variance (Line 4 + Line 5 - Line 6)* | | (18,077) | (5,544) | 266 | (67,275) | 25,993 | (21) | (6,045) | (70,704) |
| 8 | Total Deferral Amounts for Recovery (Line 3 + Line 7) | | (18,077) | (7,648) | 124 | (67,275) | 9,567 | (21) | (6,045) | (89,376) |
| | **Previous Quarter: True-up of Prospective Recovery Amounts** | | | | | | | | | |
| 9 | *Forecast prospective recovery amount for November, December, January* | (6) | 3,036 | 4,394 | 660 | (960) | 18,746 | 88 | - | 25,965 |
| 10 | *Less: Actual prospective recovery amount for November, December, January* | (7) | 3,726 | 4,656 | 834 | (1,163) | 22,716 | 103 | 0 | 30,871 |
| 11 | *Variance (Line 9 - Line 10)* | | (690) | (261) | (173) | 204 | (3,970) | (15) | (0) | (4,906) |
| 12 | Total Amount for Prospective Recovery (Line 8 + Line 11) | | (18,767) | (7,909) | (49) | (67,072) | 5,596 | (36) | (6,045) | (94,283) |

Notes:
(1) Tab 1, Schedule 3, Page 1, Line 27.
(2) EB-2008-0371, Tab 1, Schedule 3, Page 1, Line 27.
(3) Tab 1, Schedule 3, Page 1, Lines 9+10+11.
(4) Tab 1, Schedule 3, Page 1, Lines 12+13.
(5) EB-2008-0371, Tab 2, Schedule 2, Page 2, Line 5.
(6) Tab 2, Schedule 3, Line 10.
(7) Tab 2, Schedule 3, Line 11.

## Union Gas Limited
## Derivation of Amounts and Unit Rates for Prospective Recovery

UNION GAS LIMITED

North Purchased Gas Variance Account (Deferral Account 179-105)

Derivation of Amounts and Unit Rates for Prospective Recovery

| Line No. | Particulars | Units | Year 2008 Apr Q2 | Year 2008 Jul Q3 (1) | Year 2008 Oct Q4 (2) | Year 2009 Jan Q1 (3) | Year 2009 Apr Q2 (4) |
|---|---|---|---|---|---|---|---|
| | | | (a) | (b) | (c) | (d) | (e) |
| | **Deferral Amounts for Recovery** | | | | | | |
| | Change in 12-month deferral account projection: | | | | | | |
| 1 | 12-month projection from current QRAM application | ($000's) | - | - | - | - | - |
| 2 | Less: 12-month projection from previous QRAM application | ($000's) | - | - | - | - | - |
| 3 | Change (Line 1 - Line 2) | ($000's) | - | - | - | - | - |
| | Previous Quarter: True-up of deferral balances | | | | | | |
| 4 | Actual deferral balances | ($000's) | (5,818) | 4,698 | 12,018 | (11,255) | (13,717) |
| 5 | Current projected deferral amounts | ($000's) | 2,052 | 8,104 | (6,712) | (8,526) | (12,886) |
| 6 | Less: Previous projection included in recovery | ($000's) | (5,860) | 2,052 | 8,104 | (6,712) | (8,526) |
| 7 | Variance (Line 4 + Line 5 - Line 6) | ($000's) | 2,094 | 10,750 | (2,798) | (13,069) | (18,077) |
| 8 | Total Deferral Amounts for Recovery (Line 3 + Line 7) | ($000's) | 2,094 | 10,750 | (2,798) | (13,069) | (18,077) |
| 9 | Cumulative Deferral Amounts for Recovery | ($000's) | (90,526) | (79,776) | (82,574) | (95,643) | (113,720) |
| | **Previous Quarter: True-up of Prospective Recovery Amounts** | | | | | | |
| | Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application: | | | | | | |
| 10 | Forecast prospective recovery amount | ($000's) | (18,079) | (9,543) | (1,305) | 723 | 3,036 |
| 11 | Less: Actual prospective recovery amount | ($000's) | (18,984) | (10,691) | (1,741) | 687 | 3,726 |
| 12 | Variance (Line 10 - Line 11) | ($000's) | 905 | 1,148 | 436 | 36 | (690) |
| 13 | Total Amount for Prospective Recovery (Line 8 + Line 12) | ($000's) | 2,999 | 11,898 | (2,362) | (13,033) | (18,767) |
| 14 | Forecast - 12 month sales service volume | ($10^3m^3$) | 654,298 | 651,243 | 647,060 | 637,146 | 636,680 |
| 15 | Unit Rate | (cents/$m^3$) | 0.4583 | 1.8270 | (0.3650) | (2.0455) | (2.9476) |
| | Summary of Unit Rates | | | | | | |
| 16 | Unit Rate Q1 | (cents/$m^3$) | (0.0078) | (0.0078) | (0.0078) | (2.0455) | (2.0455) |
| 17 | Unit Rate Q2 Expiring rider replaced by new rider | (cents/$m^3$) | 0.4583 | 0.4583 | 0.4583 | 0.4583 | (2.9476) |
| 18 | Unit Rate Q3 | (cents/$m^3$) | (0.7489) | 1.8270 | 1.8270 | 1.8270 | 1.8270 |
| 19 | Unit Rate Q4 | (cents/$m^3$) | (2.5192) | (2.5192) | (0.3650) | (0.3650) | (0.3650) |
| 20 | **Total Unit Rate - Prospective Recovery** | (cents/$m^3$) | **(2.8176)** | **(0.2417)** | **1.9125** | **(0.1252)** | **(3.5311)** |

Notes:
(1) EB-2008-0109, Tab 2, Schedule 2, Column (a).
(2) EB-2008-0281, Tab 2, Schedule 2, Column (a).
(3) EB-2008-0371, Tab 2, Schedule 2, Column (a).
(4) EB-2009-0054, Tab 2, Schedule 2, Column (a).

UNION GAS LIMITED

North Tolls - Northern and Eastern Operations Area (Deferral Account 179-100)

Derivation of Amounts and Unit Rates for Prospective Recovery

| Line No. | Particulars | Units | Year 2008 Apr Q2 (a) | Year 2008 Jul Q3 (1) (b) | Year 2008 Oct Q4 (2) (c) | Year 2009 Jan Q1 (3) (d) | Year 2009 Apr Q2 (4) (e) |
|---|---|---|---|---|---|---|---|
| | **Deferral Amounts for Recovery** | | | | | | |
| | Change in 12-month deferral account projection: | | | | | | |
| 1 | 12-month projection from current QRAM application | ($000's) | (249) | 2,284 | 2,283 | 2,383 | 279 |
| 2 | Less: 12-month projection from previous QRAM application | ($000's) | (729) | (249) | 2,284 | 2,283 | 2,383 |
| 3 | Change (Line 1 - Line 2) | ($000's) | 480 | 2,533 | (0) | 99 | (2,104) |
| | Previous Quarter: True-up of deferral balances | | | | | | |
| 4 | Actual deferral balances | ($000's) | 86 | 1,893 | 4,263 | (189) | (3,278) |
| 5 | Current projected deferral amounts | ($000's) | 462 | 2,491 | 433 | 401 | (1,866) |
| 6 | Less: Previous projection included in recovery | ($000's) | (125) | 462 | 2,491 | 433 | 401 |
| 7 | Variance (Line 4 + Line 5 - Line 6) | ($000's) | 673 | 3,922 | 2,204 | (222) | (5,544) |
| 8 | Total Deferral Amounts for Recovery (Line 3 + Line 7) | ($000's) | 1,153 | 6,455 | 2,204 | (122) | (7,648) |
| 9 | Cumulative Deferral Amounts for Recovery | ($000's) | (1,914) | 4,541 | 6,745 | 6,623 | (1,025) |
| | **Previous Quarter: True-up of Prospective Recovery Amounts** | | | | | | |
| | Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application: | | | | | | |
| 10 | Forecast prospective recovery amount | ($000's) | 658 | 1,012 | 492 | 1,313 | 4,394 |
| 11 | Less: Actual prospective recovery amount | ($000's) | 591 | 871 | 465 | 1,087 | 4,656 |
| 12 | Variance (Line 10 - Line 11) | ($000's) | 67 | 141 | 27 | 226 | (261) |
| 13 | Total Amount for Prospective Recovery (Line 8 + Line 12) | ($000's) | 1,220 | 6,596 | 2,231 | 104 | (7,909) |
| 14 | Forecast - 12 month volume | ($10^3m^3$) | 1,425,248 | 1,412,806 | 1,398,797 | 1,382,282 | 1,376,055 |
| 15 | Unit Rate | (cents/$m^3$) | 0.0856 | 0.4669 | 0.1595 | 0.0075 | (0.5748) |
| | Summary of Unit Rates | | | | | | |
| 16 | Unit Rate Q1 | (cents/$m^3$) | 0.0647 | 0.0647 | 0.0647 | 0.0075 | 0.0075 |
| 17 | Unit Rate Q2 Expiring rider replaced by new rider | (cents/$m^3$) | 0.0856 | 0.0856 | 0.0856 | 0.0856 | (0.5748) |
| 18 | Unit Rate Q3 | (cents/$m^3$) | 0.0791 | 0.4669 | 0.4669 | 0.4669 | 0.4669 |
| 19 | Unit Rate Q4 | (cents/$m^3$) | (0.0127) | (0.0127) | 0.1595 | 0.1595 | 0.1595 |
| 20 | **Total Unit Rate - Prospective Recovery** | (cents/$m^3$) | **0.2167** | **0.6045** | **0.7767** | **0.7195** | **0.0591** |

Notes:
(1) EB-2008-0109, Tab 2, Schedule 2, Column (b).
(2) EB-2008-0281, Tab 2, Schedule 2, Column (b).
(3) EB-2008-0371, Tab 2, Schedule 2, Column (b).
(4) EB-2009-0054, Tab 2, Schedule 2, Column (b).

UNION GAS LIMITED

North Fuel - Northern and Eastern Operations Area (Deferral Account 179-100)

Derivation of Amounts and Unit Rates for Prospective Recovery

| Line No. | Particulars | Units | Year 2008 Apr Q2 (a) | Year 2008 Jul Q3 (1) (b) | Year 2008 Oct Q4 (2) (c) | Year 2009 Jan Q1 (3) (d) | Year 2009 Apr Q2 (4) (e) |
|---|---|---|---|---|---|---|---|
| | **Deferral Amounts for Recovery** | | | | | | |
| | Change in 12-month deferral account projection: | | | | | | |
| 1 | 12-month projection from current QRAM application | ($000's) | 82 | 579 | 195 | 128 | (14) |
| 2 | Less: 12-month projection from previous QRAM application | ($000's) | (1) | 82 | 579 | 195 | 128 |
| 3 | Change (Line 1 - Line 2) | ($000's) | 83 | 498 | (384) | (67) | (142) |
| | Previous Quarter: True-up of deferral balances | | | | | | |
| 4 | Actual deferral balances | ($000's) | (750) | 2,765 | (646) | 168 | 449 |
| 5 | Current projected deferral amounts | ($000's) | 55 | 502 | (276) | (246) | (429) |
| 6 | Less: Previous projection included in recovery | ($000's) | (245) | 55 | 502 | (276) | (246) |
| 7 | Variance (Line 4 + Line 5 - Line 6) | ($000's) | (450) | 3,211 | (1,423) | 198 | 266 |
| 8 | Total Deferral Amounts for Recovery (Line 3 + Line 7) | ($000's) | (368) | 3,708 | (1,807) | 131 | 124 |
| 9 | Cumulative Deferral Amounts for Recovery | ($000's) | 3,194 | 6,902 | 5,095 | 5,226 | 5,350 |
| | **Previous Quarter: True-up of Prospective Recovery Amounts** | | | | | | |
| | Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application: | | | | | | |
| 10 | Forecast prospective recovery amount | ($000's) | (671) | (659) | (73) | 212 | 660 |
| 11 | Less: Actual prospective recovery amount | ($000's) | (692) | (725) | (118) | 196 | 834 |
| 12 | Variance (Line 10 - Line 11) | ($000's) | 20 | 66 | 46 | 15 | (173) |
| 13 | Total Amount for Prospective Recovery (Line 8 + Line 12) | ($000's) | (347) | 3,774 | (1,762) | 146 | (49) |
| 14 | Forecast - 12 month sales service volume | ($10^3m^3$) | 654,298 | 651,243 | 647,060 | 637,146 | 636,680 |
| 15 | Unit Rate | (cents/$m^3$) | (0.0531) | 0.5795 | (0.2723) | 0.0229 | (0.0077) |
| | Summary of Unit Rates | | | | | | |
| 16 | Unit Rate Q1 | (cents/$m^3$) | (0.0455) | (0.0455) | (0.0455) | 0.0229 | 0.0229 |
| 17 | Unit Rate Q2 Expiring rider replaced by new rider | (cents/$m^3$) | (0.0531) | (0.0531) | (0.0531) | (0.0531) | (0.0077) |
| 18 | Unit Rate Q3 | (cents/$m^3$) | (0.0444) | 0.5795 | 0.5795 | 0.5795 | 0.5795 |
| 19 | Unit Rate Q4 | (cents/$m^3$) | (0.1363) | (0.1363) | (0.2723) | (0.2723) | (0.2723) |
| 20 | **Total Unit Rate - Prospective Recovery** | (cents/$m^3$) | **(0.2793)** | **0.3446** | **0.2086** | **0.2770** | **0.3224** |

Notes:
(1) EB-2008-0109, Tab 2, Schedule 2, Column (c).
(2) EB-2008-0281, Tab 2, Schedule 2, Column (c).
(3) EB-2008-0371, Tab 2, Schedule 2, Column (c).
(4) EB-2009-0054, Tab 2, Schedule 2, Column (c).

UNION GAS LIMITED
South Purchased Gas Variance Account (Deferral Account 179-106)
Derivation of Amounts and Unit Rates for Prospective Recovery

| Line No. | Particulars | Units | Year 2008 Apr Q2 (a) | Year 2008 Jul Q3 (1) (b) | Year 2008 Oct Q4 (2) (c) | Year 2009 Jan Q1 (3) (d) | Year 2009 Apr Q2 (4) (e) |
|---|---|---|---|---|---|---|---|
| | **Deferral Amounts for Recovery** | | | | | | |
| | Change in 12-month deferral account projection: | | | | | | |
| 1 | 12-month projection from current QRAM application | ($000's) | - | - | - | - | - |
| 2 | Less: 12-month projection from previous QRAM application | ($000's) | - | - | - | - | - |
| 3 | Change (Line 1 - Line 2) | ($000's) | - | - | - | - | - |
| | Previous Quarter: True-up of deferral balances | | | | | | |
| 4 | Actual deferral balances | ($000's) | (19,228) | 14,805 | 31,956 | (20,304) | (39,980) |
| 5 | Current projected deferral amounts | ($000's) | 9,820 | 29,998 | (13,927) | (26,534) | (53,829) |
| 6 | Less: Previous projection included in recovery | ($000's) | (14,329) | 9,820 | 29,998 | (13,927) | (26,534) |
| 7 | Variance (Line 4 + Line 5 - Line 6) | ($000's) | 4,920 | 34,984 | (11,969) | (32,911) | (67,275) |
| 8 | Total Deferral Amounts for Recovery (Line 3 + Line 7) | ($000's) | 4,920 | 34,984 | (11,969) | (32,911) | (67,275) |
| 9 | Cumulative Deferral Amounts for Recovery | ($000's) | (265,029) | (230,046) | (242,015) | (274,926) | (342,201) |
| | **Previous Quarter: True-up of Prospective Recovery Amounts** | | | | | | |
| | Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application: | | | | | | |
| 10 | Forecast prospective recovery amount | ($000's) | (59,112) | (47,053) | (8,136) | (2,594) | (960) |
| 11 | Less: Actual prospective recovery amount | ($000's) | (59,560) | (51,253) | (8,253) | (2,144) | (1,163) |
| 12 | Variance (Line 10 - Line 11) | ($000's) | 448 | 4,200 | 117 | (450) | 204 |
| 13 | Total Amount for Prospective Recovery (Line 8 + Line 12) | ($000's) | 5,368 | 39,183 | (11,853) | (33,361) | (67,072) |
| 14 | Forecast - 12 month sales service volume | ($10^3m^3$) | 2,240,214 | 2,225,002 | 2,193,212 | 2,147,625 | 2,154,862 |
| 15 | Unit Rate | (cents/$m^3$) | 0.2396 | 1.7611 | (0.5404) | (1.5534) | (3.1126) |
| | Summary of Unit Rates | | | | | | |
| 16 | Unit Rate Q1 | (cents/$m^3$) | (1.5673) | (1.5673) | (1.5673) | (1.5534) | (1.5534) |
| 17 | Unit Rate Q2 Expiring rider replaced by new rider | (cents/$m^3$) | 0.2396 | 0.2396 | 0.2396 | 0.2396 | (3.1126) |
| 18 | Unit Rate Q3 | (cents/$m^3$) | (0.7396) | 1.7611 | 1.7611 | 1.7611 | 1.7611 |
| 19 | Unit Rate Q4 | (cents/$m^3$) | (2.3139) | (2.3139) | (0.5404) | (0.5404) | (0.5404) |
| 20 | **Total Unit Rate - Prospective Recovery** | (cents/$m^3$) | **(4.3812)** | **(1.8805)** | **(0.1070)** | **(0.0931)** | **(3.4453)** |

Notes:
(1) EB-2008-0109, Tab 2, Schedule 2, Column (d).
(2) EB-2008-0281, Tab 2, Schedule 2, Column (d).
(3) EB-2008-0371, Tab 2, Schedule 2, Column (d).
(4) EB-2009-0054, Tab 2, Schedule 2, Column (d).

UNION GAS LIMITED

Inventory Revaluation (Deferral Account 179-109)

Derivation of Amounts and Unit Rates for Prospective Recovery

| Line No. | Particulars | Units | Year 2008 Apr Q2 (a) | Year 2008 Jul Q3 (1) (b) | Year 2008 Oct Q4 (2) (c) | Year 2009 Jan Q1 (3) (d) | Year 2009 Apr Q2 (4) (e) |
|---|---|---|---|---|---|---|---|
| | **Deferral Amounts for Recovery** | | | | | | |
| | Change in 12-month deferral account projection: | | | | | | |
| 1 | 12-month projection from current QRAM application | ($000's) | - | (15,914) | 50,583 | 20,691 | 4,264 |
| 2 | Less: 12-month projection from previous QRAM application | ($000's) | 12,559 | - | (15,914) | 50,583 | 20,691 |
| 3 | Change (Line 1 - Line 2) | ($000's) | (12,559) | (15,914) | 66,497 | (29,892) | (16,426) |
| | Previous Quarter: True-up of deferral balances | | | | | | |
| 4 | Actual deferral balances | ($000's) | 10,219 | 1,842 | (13,485) | 32,501 | 26,021 |
| 5 | Current projected deferral amounts | ($000's) | 141 | (110) | (250) | 26 | (1) |
| 6 | Less: Previous projection included in recovery | ($000's) | - | 141 | (110) | (250) | 26 |
| 7 | Variance (Line 4 + Line 5 - Line 6) | ($000's) | 10,360 | 1,592 | (13,625) | 32,778 | 25,993 |
| 8 | Total Deferral Amounts for Recovery (Line 3 + Line 7) | ($000's) | (2,199) | (14,322) | 52,871 | 2,886 | 9,567 |
| 9 | Cumulative Deferral Amounts for Recovery | ($000's) | (43,616) | (57,938) | (5,067) | (2,181) | 7,386 |
| | **Previous Quarter: True-up of Prospective Recovery Amounts** | | | | | | |
| | Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application: | | | | | | |
| 10 | Forecast prospective recovery amount | ($000's) | 20,509 | 15,068 | 3,213 | 4,324 | 18,746 |
| 11 | Less: Actual prospective recovery amount | ($000's) | 20,873 | 16,407 | 3,417 | 4,238 | 22,716 |
| 12 | Variance (Line 10 - Line 11) | ($000's) | (364) | (1,339) | (204) | 86 | (3,970) |
| 13 | Total Amount for Prospective Recovery (Line 8 + Line 12) | ($000's) | (2,564) | (15,662) | 52,667 | 2,972 | 5,596 |
| 14 | Forecast - 12 month sales service volume | ($10^3m^3$) | 2,894,512 | 2,876,245 | 2,840,272 | 2,784,771 | 2,791,543 |
| 15 | Unit Rate | (cents/$m^3$) | (0.0886) | (0.5445) | 1.8543 | 0.1067 | 0.2005 |
| | Summary of Unit Rates | | | | | | |
| 16 | Unit Rate Q1 | (cents/$m^3$) | 0.4434 | 0.4434 | 0.4434 | 0.1067 | 0.1067 |
| 17 | Unit Rate Q2 Expiring rider replaced by new rider | (cents/$m^3$) | (0.0886) | (0.0886) | (0.0886) | (0.0886) | 0.2005 |
| 18 | Unit Rate Q3 | (cents/$m^3$) | (0.0278) | (0.5445) | (0.5445) | (0.5445) | (0.5445) |
| 19 | Unit Rate Q4 | (cents/$m^3$) | 0.9606 | 0.9606 | 1.8543 | 1.8543 | 1.8543 |
| 20 | **Total Unit Rate - Prospective Recovery** | (cents/$m^3$) | **1.2876** | **0.7709** | **1.6646** | **1.3279** | **1.6170** |

Notes:
(1) EB-2008-0109, Tab 2, Schedule 2, Column (e).
(2) EB-2008-0281, Tab 2, Schedule 2, Column (e).
(3) EB-2008-0371, Tab 2, Schedule 2, Column (e).
(4) EB-2009-0054, Tab 2, Schedule 2, Column (e).

# UNION GAS LIMITED
## R01 - Load Balancing (Deferral Account 179-107)
## Derivation of Amounts and Unit Rates for Prospective Recovery

| Line No. | Particulars | Units | Year 2008 Apr Q2 (a) | Year 2008 Jul Q3 (1) (b) | Year 2008 Oct Q4 (2) (c) | Year 2009 Jan Q1 (3) (d) | Year 2009 Apr Q2 (4) (e) |
|---|---|---|---|---|---|---|---|
| | **Deferral Amounts for Recovery** | | | | | | |
| | Change in 12-month deferral account projection: | | | | | | |
| 1 | 12-month projection from current QRAM application | ($000's) | - | - | - | - | - |
| 2 | Less: 12-month projection from previous QRAM application | ($000's) | - | - | - | - | - |
| 3 | Change (Line 1 - Line 2) | ($000's) | - | - | - | - | - |
| | Previous Quarter: True-up of deferral balances | | | | | | |
| 4 | Actual deferral balances | ($000's) | (21) | (3) | 6 | 6 | (2) |
| 5 | Current projected deferral amounts | ($000's) | (3) | 15 | 17 | 17 | (5) |
| 6 | Less: Previous projection included in recovery | ($000's) | - | (3) | 15 | 17 | - |
| 7 | Variance (Line 4 + Line 5 - Line 6) | ($000's) | (24) | 15 | 8 | 6 | (7) |
| 8 | Total Deferral Amounts for Recovery (Line 3 + Line 7) | ($000's) | (24) | 15 | 8 | 6 | (7) |
| | **Previous Quarter: True-up of Prospective Recovery Amounts** | | | | | | |
| | Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application: | | | | | | |
| 9 | Forecast prospective recovery amount | ($000's) | (1,232) | (1,094) | (266) | 12 | 14 |
| 10 | Less: Actual prospective recovery amount | ($000's) | (1,244) | (1,200) | (423) | 13 | 16 |
| 11 | Variance (Line 10 - Line 11) | ($000's) | 12 | 106 | 157 | (1) | (2) |
| 12 | Total Amount for Prospective Recovery (Line 8 + Line 12) | ($000's) | (12) | 121 | 165 | 5 | (9) |
| 13 | Forecast - 12 month volume | ($10^3m^3$) | 6,322,758 | 6,284,761 | 6,227,785 | 6,115,190 | 846,332 |
| 14 | Unit Rate | (cents/$m^3$) | (0.0002) | 0.0019 | 0.0026 | 0.0001 | (0.0010) |
| | Summary of Unit Rates | | | | | | |
| 15 | Unit Rate Q1 | (cents/$m^3$) | (0.0014) | (0.0014) | (0.0014) | 0.0001 | 0.0001 |
| 16 | Unit Rate Q2 Expiring rider replaced by new rider | (cents/$m^3$) | (0.0002) | (0.0002) | (0.0002) | (0.0002) | (0.0010) |
| 17 | Unit Rate Q3 | (cents/$m^3$) | - | 0.0019 | 0.0019 | 0.0019 | 0.0019 |
| 18 | Unit Rate Q4 | (cents/$m^3$) | (0.0004) | (0.0004) | 0.0026 | 0.0026 | 0.0026 |
| 19 | **Total Unit Rate - Prospective Recovery** | (cents/$m^3$) | **(0.0020)** | **(0.0001)** | **0.0029** | **0.0044** | **0.0036** |

Notes:
(1) EB-2008-0109, Working Papers, Schedule 2.
(2) EB-2008-0281, Working Papers, Schedule 2.
(3) EB-2008-0371, Working Papers, Schedule 2.
(4) EB-2009-0054, Working Papers, Schedule 2.

# UNION GAS LIMITED
## R10 - Load Balancing (Deferral Account 179-107)
## Derivation of Amounts and Unit Rates for Prospective Recovery

| Line No. | Particulars | Units | Year 2008 Apr Q2 (a) | Year 2008 Jul Q3 (1) (b) | Year 2008 Oct Q4 (2) (c) | Year 2009 Jan Q1 (3) (d) | Year 2009 Apr Q2 (4) (e) |
|---|---|---|---|---|---|---|---|
| | **Deferral Amounts for Recovery** | | | | | | |
| | Change in 12-month deferral account projection: | | | | | | |
| 1 | 12-month projection from current QRAM application | ($000's) | - | - | - | - | - |
| 2 | Less: 12-month projection from previous QRAM application | ($000's) | - | - | - | - | - |
| 3 | Change (Line 1 - Line 2) | ($000's) | - | - | - | - | - |
| | Previous Quarter: True-up of deferral balances | | | | | | |
| 4 | Actual deferral balances | ($000's) | (21) | (3) | 6 | 6 | (2) |
| 5 | Current projected deferral amounts | ($000's) | (3) | 15 | 17 | 17 | (4) |
| 6 | Less: Previous projection included in recovery | ($000's) | - | (3) | 15 | 17 | |
| 7 | Variance (Line 4 + Line 5 - Line 6) | ($000's) | (24) | 15 | 8 | 6 | (6) |
| 8 | Total Deferral Amounts for Recovery (Line 3 + Line 7) | ($000's) | (24) | 15 | 8 | 6 | (6) |
| | **Previous Quarter: True-up of Prospective Recovery Amounts** | | | | | | |
| | Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application: | | | | | | |
| 9 | Forecast prospective recovery amount | ($000's) | (1,232) | (1,094) | (266) | 12 | 5 |
| 10 | Less: Actual prospective recovery amount | ($000's) | (1,244) | (1,200) | (423) | 13 | 5 |
| 11 | Variance (Line 10 - Line 11) | ($000's) | 12 | 106 | 157 | (1) | (0) |
| 12 | Total Amount for Prospective Recovery (Line 8 + Line 12) | ($000's) | (12) | 121 | 165 | 5 | (6) |
| 13 | Forecast - 12 month volume | ($10^3m^3$) | 6,322,758 | 6,284,761 | 6,227,785 | 6,115,190 | 398,581 |
| 14 | Unit Rate | (cents/$m^3$) | (0.0002) | 0.0019 | 0.0026 | 0.0001 | (0.0016) |
| | Summary of Unit Rates | | | | | | |
| 15 | Unit Rate Q1 | (cents/$m^3$) | (0.0014) | (0.0014) | (0.0014) | 0.0001 | 0.0001 |
| 16 | Unit Rate Q2 Expiring rider replaced by new rider | (cents/$m^3$) | (0.0002) | (0.0002) | (0.0002) | (0.0002) | (0.0016) |
| 17 | Unit Rate Q3 | (cents/$m^3$) | - | 0.0019 | 0.0019 | 0.0019 | 0.0019 |
| 18 | Unit Rate Q4 | (cents/$m^3$) | (0.0004) | (0.0004) | 0.0026 | 0.0026 | 0.0026 |
| 19 | **Total Unit Rate - Prospective Recovery** | (cents/$m^3$) | **(0.0020)** | **(0.0001)** | **0.0029** | **0.0044** | **0.0031** |

Notes:
(1) EB-2008-0109, Working Papers, Schedule 2.
(2) EB-2008-0281, Working Papers, Schedule 2.
(3) EB-2008-0371, Working Papers, Schedule 2.
(4) EB-2009-0054, Working Papers, Schedule 2.

# UNION GAS LIMITED
## R20, M1, M2, M4, M5A, M7, M9 - Load Balancing (Deferral Account 179-107)
## Derivation of Amounts and Unit Rates for Prospective Recovery

| Line No. | Particulars | Units | Year 2008 Apr Q2 (a) | Year 2008 Jul Q3 (1) (b) | Year 2008 Oct Q4 (2) (c) | Year 2009 Jan Q1 (3) (d) | Year 2009 Apr Q2 (4) (e) |
|---|---|---|---|---|---|---|---|
| | **Deferral Amounts for Recovery** | | | | | | |
| | Change in 12-month deferral account projection: | | | | | | |
| 1 | 12-month projection from current QRAM application | ($000's) | - | - | - | - | - |
| 2 | Less: 12-month projection from previous QRAM application | ($000's) | - | - | - | - | - |
| 3 | Change (Line 1 - Line 2) | ($000's) | - | - | - | - | - |
| | Previous Quarter: True-up of deferral balances | | | | | | |
| 4 | Actual deferral balances | ($000's) | (21) | (3) | 6 | 6 | 4 |
| 5 | Current projected deferral amounts | ($000's) | (3) | 15 | 17 | 17 | 5 |
| 6 | Less: Previous projection included in recovery | ($000's) | - | (3) | 15 | 17 | 17 |
| 7 | Variance (Line 4 + Line 5 - Line 6) | ($000's) | (24) | 15 | 8 | 6 | (8) |
| 8 | Total Deferral Amounts for Recovery (Line 3 + Line 7) | ($000's) | (24) | 15 | 8 | 6 | (8) |
| | **Previous Quarter: True-up of Prospective Recovery Amounts** | | | | | | |
| | Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application: | | | | | | |
| 9 | Forecast prospective recovery amount | ($000's) | (1,232) | (1,094) | (266) | 12 | 69 |
| 10 | Less: Actual prospective recovery amount | ($000's) | (1,244) | (1,200) | (423) | 13 | 82 |
| 11 | Variance (Line 10 - Line 11) | ($000's) | 12 | 106 | 157 | (1) | (13) |
| 12 | Total Amount for Prospective Recovery (Line 8 + Line 12) | ($000's) | (12) | 121 | 165 | 5 | (21) |
| 13 | Forecast - 12 month volume | ($10^3m^3$) | 6,322,758 | 6,284,761 | 6,227,785 | 6,115,190 | 4,832,968 |
| 14 | Unit Rate | (cents/$m^3$) | (0.0002) | 0.0019 | 0.0026 | 0.0001 | (0.0004) |
| | Summary of Unit Rates | | | | | | |
| 15 | Unit Rate Q1 | (cents/$m^3$) | (0.0014) | (0.0014) | (0.0014) | 0.0001 | 0.0001 |
| 16 | Unit Rate Q2 Expiring rider replaced by new rider | (cents/$m^3$) | (0.0002) | (0.0002) | (0.0002) | (0.0002) | (0.0004) |
| 17 | Unit Rate Q3 | (cents/$m^3$) | - | 0.0019 | 0.0019 | 0.0019 | 0.0019 |
| 18 | Unit Rate Q4 | (cents/$m^3$) | (0.0004) | (0.0004) | 0.0026 | 0.0026 | 0.0026 |
| 19 | **Total Unit Rate - Prospective Recovery** | (cents/$m^3$) | **(0.0020)** | **(0.0001)** | **0.0029** | **0.0044** | **0.0042** |

Notes:
(1) EB-2008-0109, Working Papers, Schedule 2.
(2) EB-2008-0281, Working Papers, Schedule 2.
(3) EB-2008-0371, Working Papers, Schedule 2.
(4) EB-2009-0054, Working Papers, Schedule 2.

UNION GAS LIMITED
Spot Gas Purchases (Deferral Account 179-107)
Derivation of Amounts and Unit Rates for Prospective Recovery

| Line No. | Particulars | Units | Year 2008 Apr Q2 (a) | Year 2008 Jul Q3 (1) (b) | Year 2008 Oct Q4 (2) (c) | Year 2009 Jan Q1 (3) (d) | Year 2009 Apr Q2 (4) (e) |
|---|---|---|---|---|---|---|---|
| | **Deferral Amounts for Recovery** | | | | | | |
| | Change in 12-month deferral account projection: | | | | | | |
| 1 | 12-month projection from current QRAM application | ($000's) | - | - | - | - | - |
| 2 | Less: 12-month projection from previous QRAM application | ($000's) | - | - | - | - | - |
| 3 | Change (Line 1 - Line 2) | ($000's) | - | - | - | - | - |
| | Previous Quarter: True-up of deferral balances | | | | | | |
| 4 | Actual deferral balances | ($000's) | (0) | - | - | - | (1,536) |
| 5 | Current projected deferral amounts | ($000's) | (1) | - | - | - | (4,509) |
| 6 | Less: Previous projection included in recovery | ($000's) | - | (1) | - | - | - |
| 7 | Variance (Line 4 + Line 5 - Line 6) | ($000's) | (1) | 1 | - | - | (6,045) |
| 8 | Total Deferral Amounts for Recovery (Line 3 + Line 7) | ($000's) | (1) | 1 | - | - | (6,045) |
| 9 | Cumulative Deferral Amounts for Recovery | ($000's) | 309 | 309 | 309 | 309 | (5,736) |
| | **Previous Quarter: True-up of Prospective Recovery Amounts** | | | | | | |
| | Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application: | | | | | | |
| 10 | Forecast prospective recovery amount | ($000's) | 0 | 1 | (0) | (0) | - |
| 11 | Less: Actual prospective recovery amount | ($000's) | 0 | 1 | 0 | 0 | 0 |
| 12 | Variance (Line 10 - Line 11) | ($000's) | (0) | (0) | (0) | (0) | (0) |
| 13 | Total Amount for Prospective Recovery (Line 8 + Line 12) | ($000's) | - | - | - | - | (6,045) |
| 14 | Forecast - 12 month sales service volume | ($10^3m^3$) | 2,894,512 | 2,876,245 | 2,840,272 | 2,784,771 | 636,680 |
| 15 | Unit Rate | (cents/$m^3$) | - | - | - | - | (0.9495) |
| | Summary of Unit Rates | | | | | | |
| 16 | Unit Rate Q1 | (cents/$m^3$) | - | - | - | - | - |
| 17 | Unit Rate Q2 Expiring rider replaced by new rider | (cents/$m^3$) | - | - | - | - | (0.9495) |
| 18 | Unit Rate Q3 | (cents/$m^3$) | (0.0000) | - | - | - | - |
| 19 | Unit Rate Q4 | (cents/$m^3$) | - | - | - | - | - |
| 20 | **Total Unit Rate - Prospective Recovery** | (cents/$m^3$) | **(0.0000)** | - | - | - | **(0.9495)** |

Notes:
(1) EB-2008-0109, Tab 2, Schedule 2, Column (g).
(2) EB-2008-0281, Tab 2, Schedule 2, Column (g).
(3) EB-2008-0371, Tab 2, Schedule 2, Column (g).
(4) EB-2009-0054, Tab 2, Schedule 2, Column (g).

UNION GAS LIMITED
Southern Operations Area
General Service Customer Bill Impacts

| Line No. | | Rate M1 - Residential (Annual Consumption of 2,600 m$^3$) EB-2008-0371 Approved 01-Jan-09 Total Bill ($) (1) | | EB-2009-0054 Proposed 01-Apr-09 Total Bill ($) (1) | | Impact ($) | Rate M2 - Commercial (Annual Consumption of 73,000 m$^3$) EB-2008-0371 Approved 01-Jan-09 Total Bill ($) (1) | | EB-2009-0054 Proposed 01-Apr-09 Total Bill ($) (1) | | Impact ($) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | (a) | | (b) | | (c) = (b) - (a) | (d) | | (e) | | (f) = (e) - (d) |
| | Delivery Charges | | | | | | | | | | |
| 1 | Monthly Charge | 204.00 | | 216.00 | | 12.00 | 840.00 | | 840.00 | | - |
| 2 | Delivery Commodity Charge | 120.89 | | 113.83 | | (7.06) | 2,603.50 | | 2,659.86 | | 56.36 |
| 3 | Prospective Recovery - Delivery | 0.11 | (2) | 0.11 | (3) | - | 3.21 | (2) | 3.07 | (3) | (0.14) |
| 4 | Storage Services | 25.67 | | 25.75 | | 0.08 | 530.93 | | 532.11 | | 1.18 |
| 5 | Total Delivery Charge | 350.67 | | 355.69 | | 5.02 | 3,977.64 | | 4,035.04 | | 57.40 |
| | Supply Charges | | | | | | | | | | |
| 6 | Transportation to Union | 94.00 | | 84.00 | | (10.00) | 2,639.17 | | 2,358.62 | | (280.55) |
| 7 | Commodity & Fuel | 782.76 | | 611.75 | | (171.01) | 21,977.65 | | 17,175.89 | | (4,801.76) |
| 8 | Prospective Recovery - Commodity & Fuel | 32.11 | (4) | (47.55) | (5) | (79.66) | 901.40 | (4) | (1,334.64) | (5) | (2,236.04) |
| 9 | Subtotal | 814.87 | | 564.20 | | (250.67) | 22,879.05 | | 15,841.25 | | (7,037.80) |
| 10 | Total Gas Supply Charge | 908.87 | | 648.20 | | (260.67) | 25,518.22 | | 18,199.87 | | (7,318.35) |
| 11 | Total Bill | 1,259.54 | | 1,003.89 | | (255.65) | 29,495.86 | | 22,234.91 | | (7,260.95) |
| 12 | Impacts for Customer Notices - Sales (line 11) | | | | | (255.65) | | | | | (7,260.95) |
| 13 | Impacts for Customer Notices - Direct Purchase (line 5) | | | | | 5.02 | | | | | 57.40 |

Notes:
(1) Excludes temporary charges/(credits).
(2) Prospective recovery charge of 0.0044 cents/m$^3$ for 12 months.
(3) Prospective recovery charge of 0.0042 cents/m$^3$ for 12 months.
(4) Prospective recovery charge of 1.2348 cents/m$^3$ for 12 months.
(5) Prospective recovery credit of (1.8283) cents/m$^3$ for 12 months.

UNION GAS LIMITED
Northern & Eastern Operations Area
General Service Customer Bill Impacts

| Line No. | | (Fort Frances) Rate 01 - Residential (Annual Consumption of 2,600 $m^3$) EB-2008-0371 Approved 01-Jan-09 Total Bill ($) (1) (a) | EB-2009-0054 Proposed 01-Apr-09 Total Bill ($) (1) (b) | Impact ($) (c) = (b) - (a) | (Western) Rate 01 - Residential (Annual Consumption of 2,600 $m^3$) EB-2008-0371 Approved 01-Jan-09 Total Bill ($) (1) (d) | EB-2009-0054 Proposed 01-Apr-09 Total Bill ($) (1) (e) | Impact ($) (f) = (e) - (d) |
|---|---|---|---|---|---|---|---|
| | Delivery Charges | | | | | | |
| 1 | Monthly Charge | 204.00 | 216.00 | 12.00 | 204.00 | 216.00 | 12.00 |
| 2 | Delivery Commodity Charge | 221.16 | 216.49 | (4.67) | 221.16 | 216.49 | (4.67) |
| 3 | Total Delivery Charge | 425.16 | 432.49 | 7.33 | 425.16 | 432.49 | 7.33 |
| | Supply Charges | | | | | | |
| 4 | Transportation to Union | 99.55 | 86.61 | (12.94) | 105.31 | 89.04 | (16.27) |
| 5 | Prospective Recovery - Transportation | 18.82 (2) | 1.64 (3) | (17.18) | 18.82 (2) | 1.64 (3) | (17.18) |
| 6 | Storage Services | 49.17 | 49.28 | 0.11 | 49.13 | 49.20 | 0.07 |
| 7 | Prospective Recovery - Storage | - | - | - | - | - | - |
| 8 | Subtotal | 167.54 | 137.53 | (30.01) | 173.26 | 139.88 | (33.38) |
| 9 | Commodity & Fuel | 762.23 | 595.81 | (166.42) | 768.43 | 600.61 | (167.82) |
| 10 | Prospective Recovery - Commodity & Fuel | 38.48 (4) | (66.04) (5) | (104.52) | 38.48 (4) | (66.04) (5) | (104.52) |
| 11 | Subtotal | 800.71 | 529.77 | (270.94) | 806.91 | 534.57 | (272.34) |
| 12 | Total Gas Supply Charge | 968.25 | 667.30 | (300.95) | 980.17 | 674.45 | (305.72) |
| 13 | Total Bill | 1,393.41 | 1,099.79 | (293.62) | 1,405.33 | 1,106.94 | (298.39) |
| 14 | Impacts for Customer Notices - Sales (line 13) | | | (293.62) | | | (298.39) |
| 15 | Impacts for Customer Notices - Direct Purchase (line 3 + line 8) | | | (22.68) | | | (26.05) |

| Line No. | | (Northern) Rate 01 - Residential (Annual Consumption of 2,600 $m^3$) EB-2008-0371 Approved 01-Jan-09 Total Bill ($) (1) (g) | EB-2009-0054 Proposed 01-Apr-09 Total Bill ($) (1) (h) | Impact ($) (i) = (h) - (g) | (Eastern) Rate 01 - Residential (Annual Consumption of 2,600 $m^3$) EB-2008-0371 Approved 01-Jan-09 Total Bill ($) (1) (j) | EB-2009-0054 Proposed 01-Apr-09 Total Bill ($) (1) (k) | Impact ($) (l) = (k) - (j) |
|---|---|---|---|---|---|---|---|
| | Delivery Charges | | | | | | |
| 16 | Monthly Charge | 204.00 | 216.00 | 12.00 | 204.00 | 216.00 | 12.00 |
| 17 | Delivery Commodity Charge | 221.00 | 216.34 | (4.66) | 220.64 | 215.98 | (4.66) |
| 18 | Total Delivery Charge | 425.00 | 432.34 | 7.34 | 424.64 | 431.98 | 7.34 |
| | Supply Charges | | | | | | |
| 19 | Transportation to Union | 126.77 | 107.44 | (19.33) | 144.49 | 123.43 | (21.06) |
| 20 | Prospective Recovery - Transportation | 18.82 (2) | 1.63 (3) | (17.19) | 18.83 (2) | 1.63 (3) | (17.20) |
| 21 | Storage Services | 59.18 | 59.25 | 0.07 | 67.30 | 67.35 | 0.05 |
| 22 | Prospective Recovery - Storage | - | - | - | - | - | - |
| 23 | Subtotal | 204.77 | 168.32 | (36.45) | 230.62 | 192.41 | (38.21) |
| 24 | Commodity & Fuel | 776.04 | 606.55 | (169.49) | 782.79 | 611.75 | (171.04) |
| 25 | Prospective Recovery - Commodity & Fuel | 38.47 (4) | (66.06) (5) | (104.53) | 38.47 (4) | (66.07) (5) | (104.54) |
| 26 | Subtotal | 814.51 | 540.49 | (274.02) | 821.26 | 545.68 | (275.58) |
| 27 | Total Gas Supply Charge | 1,019.28 | 708.81 | (310.47) | 1,051.88 | 738.09 | (313.79) |
| 28 | Total Bill | 1,444.28 | 1,141.15 | (303.13) | 1,476.52 | 1,170.07 | (306.45) |
| 29 | Impacts for Customer Notices - Sales (line 28) | | | (303.13) | | | (306.45) |
| 30 | Impacts for Customer Notices - Direct Purchase (line 18 + line 23) | | | (29.11) | | | (30.87) |

Notes:
(1) Excludes temporary charges/(credits).
(2) Prospective recovery charge of 0.7239 cents/$m^3$ for 12 months.
(3) Prospective recovery charge of 0.0627 cents/$m^3$ for 12 months.
(4) Prospective recovery charge of 1.4797 cents/$m^3$ for 12 months.
(5) Prospective recovery credit of (2.5412) cents/$m^3$ for 12 months.

UNION GAS LIMITED
Northern & Eastern Operations Area
General Service Customer Bill Impacts

| Line | | (Fort Frances) Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 $m^3$) | | | (Western) Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 $m^3$) | | |
|---|---|---|---|---|---|---|---|
| | | EB-2008-0371 Approved 01-Jan-09 Total Bill ($) (1) | EB-2009-0054 Proposed 01-Apr-09 Total Bill ($) (1) | Impact ($) | EB-2008-0371 Approved 01-Jan-09 Total Bill ($) (1) | EB-2009-0054 Proposed 01-Apr-09 Total Bill ($) (1) | Impact ($) |
| | | (a) | (b) | (c) = (b) - (a) | (d) | (e) | (f) = (e) - (d) |
| | Delivery Charges | | | | | | |
| 1 | Monthly Charge | 840.00 | 840.00 | - | 840.00 | 840.00 | - |
| 2 | Delivery Commodity Charge | 5,567.16 | 5,656.97 | 89.81 | 5,567.16 | 5,656.97 | 89.81 |
| 3 | Total Delivery Charge | 6,407.16 | 6,496.97 | 89.81 | 6,407.16 | 6,496.97 | 89.81 |
| | Supply Charges | | | | | | |
| 4 | Transportation to Union | 3,283.02 | 2,845.63 | (437.39) | 3,489.17 | 2,933.59 | (555.58) |
| 5 | Prospective Recovery - Transportation | 673.23 (2) | 57.76 (3) | (615.47) | 673.23 (2) | 57.76 (3) | (615.47) |
| 6 | Storage Services | 1,126.04 | 1,128.92 | 2.88 | 1,123.80 | 1,126.79 | 2.99 |
| 7 | Prospective Recovery - Storage | - | - | - | - | - | - |
| 8 | Subtotal | 5,082.29 | 4,032.31 | (1,049.98) | 5,286.20 | 4,118.14 | (1,168.06) |
| 9 | Commodity & Fuel | 27,264.82 | 21,311.23 | (5,953.59) | 27,485.78 | 21,483.36 | (6,002.42) |
| 10 | Prospective Recovery - Commodity & Fuel | 1,376.13 (4) | (2,363.32) (5) | (3,739.45) | 1,376.13 (4) | (2,363.32) (5) | (3,739.45) |
| 11 | Subtotal | 28,640.95 | 18,947.91 | (9,693.04) | 28,861.91 | 19,120.04 | (9,741.87) |
| 12 | Total Gas Supply Charge | 33,723.24 | 22,980.22 | (10,743.02) | 34,148.11 | 23,238.18 | (10,909.93) |
| 13 | Total Bill | 40,130.40 | 29,477.19 | (10,653.21) | 40,555.27 | 29,735.15 | (10,820.12) |
| 14 | Impacts for Customer Notices - Sales (line 13) | | | (10,653.21) | | | (10,820.12) |
| 15 | Impacts for Customer Notices - Direct Purchase (line 3 + line 8) | | | (960.17) | | | (1,078.25) |

| Line | | (Northern) Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 $m^3$) | | | (Eastern) Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 $m^3$) | | |
|---|---|---|---|---|---|---|---|
| | | EB-2008-0371 Approved 01-Jan-09 Total Bill ($) (1) | EB-2009-0054 Proposed 01-Apr-09 Total Bill ($) (1) | Impact ($) | EB-2008-0371 Approved 01-Jan-09 Total Bill ($) (1) | EB-2009-0054 Proposed 01-Apr-09 Total Bill ($) (1) | Impact ($) |
| | | (g) | (h) | (i) = (h) - (g) | (j) | (k) | (l) = (k) - (j) |
| | Delivery Charges | | | | | | |
| 16 | Monthly Charge | 840.00 | 840.00 | - | 840.00 | 840.00 | - |
| 17 | Delivery Commodity Charge | 5,561.17 | 5,650.88 | 89.71 | 5,576.55 | 5,666.51 | 89.96 |
| 18 | Total Delivery Charge | 6,401.17 | 6,490.88 | 89.71 | 6,416.55 | 6,506.51 | 89.96 |
| | Supply Charges | | | | | | |
| 19 | Transportation to Union | 4,256.51 | 3,591.18 | (665.33) | 4,890.13 | 4,162.30 | (727.83) |
| 20 | Prospective Recovery - Transportation | 673.22 (2) | 57.76 (3) | (615.46) | 673.23 (2) | 57.74 (3) | (615.49) |
| 21 | Storage Services | 1,484.30 | 1,486.71 | 2.41 | 1,775.16 | 1,776.86 | 1.70 |
| 22 | Prospective Recovery - Storage | - | - | - | - | - | - |
| 23 | Subtotal | 6,414.03 | 5,135.65 | (1,278.38) | 7,338.52 | 5,996.90 | (1,341.62) |
| 24 | Commodity & Fuel | 27,758.55 | 21,696.16 | (6,062.39) | 27,998.96 | 21,881.60 | (6,117.36) |
| 25 | Prospective Recovery - Commodity & Fuel | 1,376.11 (4) | (2,363.33) (5) | (3,739.44) | 1,376.14 (4) | (2,363.31) (5) | (3,739.45) |
| 26 | Subtotal | 29,134.66 | 19,332.83 | (9,801.83) | 29,375.10 | 19,518.29 | (9,856.81) |
| 27 | Total Gas Supply Charge | 35,548.69 | 24,468.48 | (11,080.21) | 36,713.62 | 25,515.19 | (11,198.43) |
| 28 | Total Bill | 41,949.86 | 30,959.36 | (10,990.50) | 43,130.17 | 32,021.70 | (11,108.47) |
| 29 | Impacts for Customer Notices - Sales (line 28) | | | (10,990.50) | | | (11,108.47) |
| 30 | Impacts for Customer Notices - Direct Purchase (line 18 + line 23) | | | (1,188.67) | | | (1,251.66) |

Notes:
(1) Excludes tempprary charges/(credits).
(2) Prospective recovery charge of 0.7239 cents/$m^3$ for 12 months.
(3) Prospective recovery charge of 0.0621 cents/$m^3$ for 12 months.
(4) Prospective recovery charge of 1.4797 cents/$m^3$ for 12 months.
(5) Prospective recovery credit of (2.5412) cents/$m^3$ for 12 months.

UNION GAS LIMITED
Prospective Recovery - Commodity Unit Rates

| Line No. | Particulars | Incremental Amount for Prospective Recovery (1) ($000's) | Forecast Sales Service Billing Units (2) ($10^3m^3$) | Proposed Incremental Prospective Recovery Unit Rate (cents/$m^3$) |
|---|---|---|---|---|
| | | (a) | (b) | (c ) = (a) / (b) x 100 |
| | Northern and Eastern Operations Area | | | |
| 1 | North Purchase Gas Variance Account (NPGVA) | (18,767) | 636,680 | (2.9476) |
| 2 | Inventory Revaluations | 1,276 | 636,680 | 0.2005 |
| 3 | Spot Gas | (6,045) | 636,680 | (0.9495) |
| 4 | Fuel | (49) | 636,680 | (0.0077) |
| 5 | Total Northern Commodity | (23,585) | | (3.7043) |
| | Southern Operations Area | | | |
| 6 | South Purchase Gas Variance Account (SPGVA) | (67,072) | 2,154,862 | (3.1126) |
| 7 | Inventory Revaluations | 4,320 | 2,154,862 | 0.2005 |
| 8 | Spot Gas | - | 2,154,862 | - |
| 9 | Total Southern Commodity | (62,752) | | (2.9121) |
| 10 | Total | (86,337) | | |

Notes:
(1) Tab 2, Schedule 2.
(2) Forecast volumes for the 12 month period: April 1, 2009 to March 31, 2010.

UNION GAS LIMITED

Prospective Recovery - Transportation Unit Rates

| Line No. | Particulars | Incremental Amount for Prospective Recovery ($000's) | | Forecast Firm Bundled Billing Units (3) ($10^3m^3$) | Proposed Incremental Prospective Recovery Unit Rate (cents/$m^3$) |
|---|---|---|---|---|---|
| | | (a) | | (b) | (c ) = (a) / (b) x 100 |
| | Northern and Eastern Operations Area | | | | |
| | TCPL Tolls and LBA - Transportation | | | | |
| 1 | R01, R10, R20 | (7,909) | (1) | 1,376,055 | (0.5748) |
| | Load balancing | | | | |
| 2 | R01 | (9) | (2) | 846,332 | (0.0010) |
| 3 | R10 | (6) | (2) | 398,581 | (0.0016) |
| 4 | R20 | (1) | (2) | 131,142 | (0.0004) |
| 5 | Total | (7,925) | | | |

Notes:
(1) Tab 2, Schedule 2.
(2) Schedule 2, Working Papers, Column (i).
(3) Forecast volumes for the 12 month period: April 1, 2009 to March 31, 2010.

UNION GAS LIMITED
Prospective Recovery - Delivery Unit Rates

| Line No. | Particulars | Incremental Amount for Prospective Recovery (1) ($000's) | Forecast Delivery Billing Units (2) ($10^3m^3$) | Proposed Incremental Prospective Recovery Unit Rate (cents/$m^3$) |
|---|---|---|---|---|
| | | (a) | (b) | (c ) = (a) / (b) x 100 |
| | Southern Operations Area | | | |
| 1 | Load Balancing | (20) | 4,701,826 | (0.0004) |
| 2 | Total | (20) | | |

Notes:
(1) Schedule 2, Working Papers, Column (i).
(2) Forecast volumes for the 12 month period: April 1, 2009 to March 31, 2010.

Appendices

**EB-2009-0054**

## Index of Appendices

| | |
|---|---|
| Appendix A | Summary of Changes to Sales Rates |
| Appendix B | Rate Schedules |
| Appendix C | Summary of Average Rate and Price Adjustment Changes |
| Appendix D | Customer Notices |

# APPENDIX A

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates
Rate 01A - Small Volume General Firm Service

| Line No. | Particulars (cents/$m^3$) | EB-2008-0220 Approved January 1, 2009 Rate | Rate Change | EB-2009-0054 Approved April 1, 2009 Rate |
|---|---|---|---|---|
| | | (a) | (b) | (c) |
| 1 | Monthly Charge - All Zones | $18.00 | | $18.00 |
| | Monthly Delivery Charge - All Zones | | | |
| 2 | First 100 $m^3$ | 8.7142 | | 8.7142 |
| 3 | Next 200 $m^3$ | 8.1473 | | 8.1473 |
| 4 | Next 200 $m^3$ | 7.7445 | | 7.7445 |
| 5 | Next 500 $m^3$ | 7.3748 | | 7.3748 |
| 6 | Over 1,000 $m^3$ | 7.0695 | | 7.0695 |
| 7 | Delivery - Price Adjustment (All Volumes) | 0.0431 (1) | | 0.0431 (1) |
| | Gas Transportation Service | | | |
| 8 | Fort Frances | 3.8301 | (0.4993) | 3.3308 |
| 9 | Western Zone | 4.0518 | (0.6265) | 3.4254 |
| 10 | Northern Zone | 4.8770 | (0.7444) | 4.1325 |
| 11 | Eastern Zone | 5.5583 | (0.8117) | 4.7466 |
| 12 | Transportation - Price Adjustment (All Zones) | 0.7252 (2) | (0.6612) | 0.0640 (3) |
| | Storage Service | | | |
| 13 | Fort Frances | 1.8950 | | 1.8950 |
| 14 | Western Zone | 1.8926 | | 1.8926 |
| 15 | Northern Zone | 2.2788 | | 2.2788 |
| 16 | Eastern Zone | 2.5905 | | 2.5905 |
| 17 | Storage - Price Adjustment (All Zones) | 0.0025 (4) | | 0.0025 (4) |
| | Commodity Cost of Gas and Fuel | | | |
| 18 | Fort Frances | 29.3170 | (6.4017) | 22.9153 |
| 19 | Western Zone | 29.5546 | (6.4542) | 23.1004 |
| 20 | Northern Zone | 29.8479 | (6.5187) | 23.3292 |
| 21 | Eastern Zone | 30.1064 | (6.5778) | 23.5286 |
| 22 | Commodity and Fuel - Price Adjustment (All Zones) | 1.4797 (5) | (4.0209) | (2.5412) (6) |

Notes:
(1) Includes a temporary charge of 0.0431 cents/$m^3$ for the period April 1-December 31, 2009.
(2) Includes Prospective Recovery of 0.0854, 0.4688, 0.1621, 0.0076 cents/$m^3$, and a temporary charge of 0.0013 cents/$m^3$ for the period Apr 1-Dec 31, 2009.
(3) Includes Prospective Recovery of 0.4688, 0.1621, 0.0076, (0.5758) cents/$m^3$, and a temporary charge of 0.0013 cents/$m^3$ for the period Apr 1-Dec 31, 2009.
(4) Includes a temporary charge of 0.0025 cents/$m^3$ for the period April 1 - December 31, 2009.
(5) Includes Prospective Recovery of 0.3166, 1.8620, 1.2170, and (1.9159) cents/$m^3$.
(6) Includes Prospective Recovery of 1.8620, 1.2170, (1.9159), and (3.7043) cents/$m^3$.

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates
Rate 10 - Large Volume General Firm Service

| Line No. | Particulars (cents/m³) | EB-2008-0220 Approved January 1, 2009 Rate (a) | Rate Change (b) | EB-2009-0054 Approved April 1, 2009 Rate (c) |
|---|---|---|---|---|
| 1 | Monthly Charge - All Zones | $70.00 | | $70.00 |
| | Monthly Delivery Charge - All Zones | | | |
| 2 | First 1,000 m³ | 7.5341 | | 7.5341 |
| 3 | Next 9,000 m³ | 5.9959 | | 5.9959 |
| 4 | Next 20,000 m³ | 5.1188 | | 5.1188 |
| 5 | Next 70,000 m³ | 4.5572 | | 4.5572 |
| 6 | Over 100,000 m³ | 2.4299 | | 2.4299 |
| 7 | Delivery - Price Adjustment (All Volumes) | 0.0559 (1) | | 0.0559 (1) |
| | Gas Transportation Service | | | |
| 8 | Fort Frances | 3.5301 | (0.4703) | 3.0598 |
| 9 | Western Zone | 3.7520 | (0.5977) | 3.1544 |
| 10 | Northern Zone | 4.5771 | (0.7156) | 3.8615 |
| 11 | Eastern Zone | 5.2584 | (0.7828) | 4.4756 |
| 12 | Transportation - Price Adjustment (All Zones) | 0.7240 (2) | (0.6618) | 0.0622 (3) |
| | Storage Service | | | |
| 13 | Fort Frances | 1.2139 | | 1.2139 |
| 14 | Western Zone | 1.2116 | | 1.2116 |
| 15 | Northern Zone | 1.5986 | | 1.5986 |
| 16 | Eastern Zone | 1.9106 | | 1.9106 |
| 17 | Storage - Price Adjustment (All Zones) | 0.0016 (4) | | 0.0016 (4) |
| | Commodity Cost of Gas and Fuel | | | |
| 18 | Fort Frances | 29.3170 | (6.4017) | 22.9153 |
| 19 | Western Zone | 29.5546 | (6.4542) | 23.1004 |
| 20 | Northern Zone | 29.8479 | (6.5187) | 23.3292 |
| 21 | Eastern Zone | 30.1064 | (6.5778) | 23.5286 |
| 22 | Commodity and Fuel - Price Adjustment (All Zones) | 1.4797 (5) | (4.0209) | (2.5412) (6) |

Notes:

(1) Includes a temporary charge of 0.0559 cents/m³ for the period April 1-December 31, 2009.

(2) Includes Prospective Recovery of 0.0854, 0.4688, 0.1621, 0.0076 cents/m³, and a temporary charge of 0.0001 cents/m³ for the period Apr 1-Dec 31, 2009.

(3) Includes Prospective Recovery of 0.4688, 0.1621, 0.0076, (0.5764) cents/m³, and a temporary charge of 0.0001 cents/m³ for the period Apr 1-Dec 31, 2009.

(4) Includes a temporary charge of 0.0016 cents/m³ for the period April 1 - December 31, 2009.

(5) Includes Prospective Recovery of 0.3166, 1.8620, 1.2170, and (1.9159) cents/m³.

(6) Includes Prospective Recovery of 1.8620, 1.2170, (1.9159), and (3.7043) cents/m³.

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates
Rate 20 - Medium Volume Firm Service

| Line No. | Particulars (cents/m³) | EB-2008-0220 Approved January 1, 2009 Rate (a) | Rate Change (b) | EB-2009-0054 Approved April 1, 2009 Rate (c) |
|---|---|---|---|---|
| 1 | Monthly Charge | $779.53 | | $779.53 |
| | Delivery Demand Charge | | | |
| 2 | First 70,000 m³ | 20.1719 | | 20.1719 |
| 3 | All over 70,000 m³ | 11.8621 | | 11.8621 |
| | Delivery Commodity Charge | | | |
| 4 | First 852,000 m³ | 0.3280 | | 0.3280 |
| 5 | All over 852,000 m³ | 0.2429 | | 0.2429 |
| | Monthly Gas Supply Demand Charge | | | |
| 6 | Fort Frances | 32.8903 | (4.5199) | 28.3704 |
| 7 | Western Zone | 36.4534 | (6.5010) | 29.9524 |
| 8 | Northern Zone | 56.7925 | (8.3840) | 48.4085 |
| 9 | Eastern Zone | 73.4080 | (9.4114) | 63.9966 |
| 10 | Gas Supply Demand - Price Adjustment (All Zones) | - | | - |
| | Commodity Transportation 1 | | | |
| 11 | Fort Frances | 2.7417 | (0.3151) | 2.4266 |
| 12 | Western Zone | 2.8294 | (0.3659) | 2.4635 |
| 13 | Northern Zone | 3.3145 | (0.4131) | 2.9014 |
| 14 | Eastern Zone | 3.7121 | (0.4400) | 3.2721 |
| 15 | Transportation 1 - Price Adjustment (All Zones) | 0.7239 (1) | (0.6606) | 0.0633 (2) |
| | Commodity Transportation 2 | | | |
| 16 | Fort Frances | 0.1933 | (0.0382) | 0.1551 |
| 17 | Western Zone | 0.2396 | (0.0709) | 0.1687 |
| 18 | Northern Zone | 0.3594 | (0.0959) | 0.2635 |
| 19 | Eastern Zone | 0.4605 | (0.1134) | 0.3471 |
| | Commodity Cost of Gas and Fuel | | | |
| 20 | Fort Frances | 29.5251 | (6.5499) | 22.9752 |
| 21 | Western Zone | 29.7644 | (6.6037) | 23.1607 |
| 22 | Northern Zone | 30.0598 | (6.6696) | 23.3902 |
| 23 | Eastern Zone | 30.3201 | (6.7300) | 23.5901 |
| 24 | Commodity and Fuel - Price Adjustment (All Zones) | 1.4797 (3) | (4.0209) | (2.5412) (4) |
| | Bundled Storage Service ($/GJ) | | | |
| 25 | Monthly Demand Charge | 11.217 | | 11.217 |
| 26 | Commodity Charge | 0.240 | | 0.240 |
| 27 | Storage Demand - Price Adjustment | - | | - |

Notes:
(1) Includes Prospective Recovery of 0.0854, 0.4688, 0.1621, and 0.0076 cents/m³.
(2) Includes Prospective Recovery of 0.4688, 0.1621, 0.0076, and (0.5752) cents/m³.
(3) Includes Prospective Recovery of 0.3166, 1.8620, 1.2170, and (1.9159) cents/m³.
(4) Includes Prospective Recovery of 1.8620, 1.2170, (1.9159), and (3.7043) cents/m³.

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates
Rate 100 - Large Volume High Load Factor Firm Service

| Line No. | Particulars (cents/$m^3$) | EB-2008-0220 Approved January 1, 2009 Rate (a) | Rate Change (b) | EB-2009-0054 Approved April 1, 2009 Rate (c) |
|---|---|---|---|---|
| 1 | Monthly Charge | $779.53 | | $779.53 |
| | Delivery Demand Charge | | | |
| 2 | All Zones | 11.8941 | | 11.8941 |
| | Delivery Commodity Charge | | | |
| 3 | All Zones | 0.2255 | | 0.2255 |
| | Monthly Gas Supply Demand Charge | | | |
| 4 | Fort Frances | 53.8074 | (7.8822) | 45.9252 |
| 5 | Western Zone | 57.9404 | (10.1693) | 47.7711 |
| 6 | Northern Zone | 81.6719 | (12.3687) | 69.3032 |
| 7 | Eastern Zone | 101.0594 | (13.5703) | 87.4891 |
| | Commodity Transportation 1 | | | |
| 8 | Fort Frances | 5.1132 | (0.7342) | 4.3790 |
| 9 | Western Zone | 5.1790 | (0.7723) | 4.4067 |
| 10 | Northern Zone | 5.5428 | (0.8077) | 4.7351 |
| 11 | Eastern Zone | 5.8410 | (0.8278) | 5.0132 |
| | Commodity Transportation 2 | | | |
| 12 | Fort Frances | 0.1933 | (0.0383) | 0.1551 |
| 13 | Western Zone | 0.2396 | (0.0709) | 0.1687 |
| 14 | Northern Zone | 0.3594 | (0.0959) | 0.2635 |
| 15 | Eastern Zone | 0.4605 | (0.1134) | 0.3471 |
| | Commodity Cost of Gas and Fuel | | | |
| 16 | Fort Frances | 29.5251 | (6.5499) | 22.9752 |
| 17 | Western Zone | 29.7644 | (6.6037) | 23.1607 |
| 18 | Northern Zone | 30.0598 | (6.6696) | 23.3902 |
| 19 | Eastern Zone | 30.3201 | (6.7300) | 23.5901 |
| 20 | Commodity and Fuel - Price Adjustment (All Zones) | 1.4797 (1) | (4.0209) | (2.5412) (2) |
| | Bundled Storage Service ($/GJ) | | | |
| 21 | Monthly Demand Charge | 11.217 | | 11.217 |
| 22 | Commodity Charge | 0.240 | | 0.240 |
| 23 | Storage Demand - Price Adjustment | - | | - |

Notes:
(1) Includes Prospective Recovery of 0.3166, 1.8620, 1.2170, and (1.9159) cents/$m^3$.
(2) Includes Prospective Recovery of 1.8620, 1.2170, (1.9159), and (3.7043) cents/$m^3$.

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates

| Line No. | Particulars (cents/$m^3$) | EB-2008-0220 Approved January 1, 2009 Rate (a) | Rate Change (b) | EB-2009-0054 Approved April 1, 2009 Rate (c) |
|---|---|---|---|---|
| | Rate 25 - Large Volume Interruptible Service | | | |
| 1 | Monthly Charge | $189.88 | | $189.88 |
| | Delivery Charge - All Zones * | | | |
| 2 | Maximum | 4.6875 | | 4.6875 |
| | Gas Supply Charges - All Zones | | | |
| 3 | Minimum | 14.3135 | | 14.3135 |
| 4 | Maximum | 140.5622 | | 140.5622 |
| | Rate 77 - Wholesale Transportation Service | | | |
| 5 | Monthly Charge | $144.91 | | $144.91 |
| 6 | Delivery Demand Charge - All Zones | 28.3493 | | 28.3493 |

* see Appendix C

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Sales Rates

| Line No. | Particulars (cents/m$^3$) | EB-2008-0220 Approved January 1, 2009 Rate | Rate Change | EB-2009-0054 Approved April 1, 2009 Rate |
|---|---|---|---|---|
| | | (a) | (b) | (c) |
| | Utility Sales | | | |
| 1 | Commodity and Fuel | 30.1064 | (6.5778) | 23.5286 |
| 2 | Commodity and Fuel - Price Adjustment | 1.2348 (1) | (3.0631) | (1.8283) (2) |
| 3 | Transportation | 3.6153 | (0.3843) | 3.2310 |
| 4 | Total Gas Supply Commodity Charge | 34.9565 | (10.0252) | 24.9313 |
| | M4 Firm Commercial/Industrial | | | |
| 5 | Minimum annual gas supply commodity charge | 5.0364 | (0.6182) | 4.4182 |
| | M5A Interruptible Commercial/Industrial | | | |
| 6 | Minimum annual gas supply commodity charge | 5.0364 | (0.6182) | 4.4182 |
| | Storage and Transportation Supplemental Services - Rate T1 & T3 | $/GJ | | $/GJ |
| | Monthly demand charges: ($/GJ) | | | |
| 7 | Firm gas supply service | 38.750 | (5.683) | 33.067 |
| 8 | Firm backstop gas | 3.382 | (0.612) | 2.770 |
| | Commodity charges: | | | |
| 9 | Gas supply | 8.042 | (1.807) | 6.235 |
| 10 | Backstop gas | 9.394 | (1.885) | 7.509 |
| 11 | Reasonable Efforts Backstop Gas | 10.468 | (1.890) | 8.578 |
| 12 | Supplemental Inventory | Note (3) | | Note (3) |
| 13 | Supplemental Gas Sales Service (cents/m$^3$) | 37.7299 | (7.2742) | 30.4557 |
| 14 | Failure to Deliver | 2.879 | (0.0130) | 2.866 |
| 15 | Discretionary Gas Supply Service (DGSS) | Note (4) | | Note (4) |

Notes:

(1) Includes Prospective Recovery of 0.1510, 1.2166, 1.3139, and (1.4467) cents/m$^3$.

(2) Includes Prospective Recovery of 1.2166, 1.3139, (1.4467), and (2.9121) cents/m$^3$.

(3) The charge for banked gas purchases shall be the higher of the daily spot gas cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted avg. cost of gas.

(4) Reflects the "back to back" price plus gas supply administration charge.

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Sales Rates

| Line No. | Particulars (cents/$m^3$) | EB-2008-0220 Approved January 1, 2009 Rate (a) | Rate Change (b) | EB-2009-0054 Approved April 1, 2009 Rate (c) |
|---|---|---|---|---|
| | M1 Small Volume General Service Rate | | | |
| 1 | Monthly Charge | $18.00 | | $18.00 |
| 2 | First 100 $m^3$ | 4.6685 | | 4.6685 |
| 3 | Next 150 $m^3$ | 4.4284 | | 4.4284 |
| 4 | All over 250 $m^3$ | 3.8601 | | 3.8601 |
| 5 | Delivery - Price Adjustment (All Volumes) | (0.0253) (1) | (0.0002) | (0.0255) (2) |
| 6 | Storage Service | 0.9899 | | 0.9899 |
| 7 | Storage - Price Adjustment | 0.0023 (3) | | 0.0023 (3) |
| | M2 Large Volume General Service Rate | | | |
| 8 | Monthly Charge | $70.00 | | $70.00 |
| 9 | First 1 000 $m^3$ | 3.7565 | | 3.7565 |
| 10 | Next 6 000 $m^3$ | 3.6845 | | 3.6845 |
| 11 | Next 13 000 $m^3$ | 3.4700 | | 3.4700 |
| 12 | All over 20 000 $m^3$ | 3.2126 | | 3.2126 |
| 13 | Delivery - Price Adjustment (All Volumes) | 0.0635 (4) | (0.0002) | 0.0633 (5) |
| 14 | Storage Service | 0.7289 | | 0.7289 |
| 15 | Storage - Price Adjustment | 0.0013 (6) | | 0.0013 (6) |
| | M4 Firm comm/ind contract rate | | | |
| | Monthly demand charge: | | | |
| 16 | First 8 450 $m^3$ | 45.3025 | | 45.3025 |
| 17 | Next 19 700 $m^3$ | 19.6552 | | 19.6552 |
| 18 | All over 28 150 $m^3$ | 16.3226 | | 16.3226 |
| | Monthly delivery commodity charge: | | | |
| 19 | First block | 0.9602 | | 0.9602 |
| 20 | All remaining use | 0.5259 | | 0.5259 |
| 21 | Delivery - Price Adjustment (All Volumes) | 0.0044 (7) | (0.0002) | 0.0042 (8) |
| 22 | Minimum annual delivery commodity charge | 1.2740 | | 1.2740 |

Notes:
(1) Includes Prospective Recovery of (0.0002), 0.0019, 0.0026, 0.0001 cents/$m^3$, and a temporary credit of (0.0297) cents/$m^3$ for the period Apr 1-Dec 31, 2009.
(2) Includes Prospective Recovery of 0.0019, 0.0026, 0.0001, (0.0004) cents/$m^3$, and a temporary credit of (0.0297) cents/$m^3$ for the period Apr 1-Dec 31, 2009.
(3) Includes a temporary charge of 0.0023 cents/$m^3$ for the period April 1 to December 31, 2009.
(4) Includes Prospective Recovery of (0.0002), 0.0019, 0.0026, 0.0001 cents/$m^3$, and a temporary charge of 0.0591 cents/$m^3$ for the period Apr 1-Dec 31, 2009.
(5) Includes Prospective Recovery of 0.0019, 0.0026, 0.0001, (0.0004) cents/$m^3$, and a temporary charge of 0.0591 cents/$m^3$ for the period Apr 1-Dec 31, 2009.
(6) Includes a temporary charge of 0.0013 cents/$m^3$ for the period April 1 to December 31, 2009.
(7) Includes Prospective Recovery of (0.0002), 0.0019, 0.0026, and 0.0001 cents/$m^3$.
(8) Includes Prospective Recovery of 0.0019, 0.0026, 0.0001, and (0.0004) cents/$m^3$.

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Sales Rates

| Line No. | Particulars (cents/m$^3$) | EB-2008-0220 Approved January 1, 2009 Rate (a) | | Rate Change (b) | EB-2009-0054 Approved April 1, 2009 Rate (c) | |
|---|---|---|---|---|---|---|
| | M5A interruptible comm/ind contract | | | | | |
| | Firm contracts * | | | | | |
| 1 | Monthly demand charge | 27.4441 | | | 27.4441 | |
| 2 | Monthly delivery commodity charge | 1.8828 | | | 1.8828 | |
| 3 | Delivery - Price Adjustment (All Volumes) | 0.0044 | (1) | (0.0002) | 0.0042 | (2) |
| | Interruptible contracts * | | | | | |
| 4 | Monthly Charge | $499.70 | | | $499.70 | |
| | Daily delivery commodity charge: | | | | | |
| 5 | 4 800 m$^3$ to 17 000 m$^3$ | 1.9571 | | | 1.9571 | |
| 6 | 17 000 m$^3$ to 30 000 m$^3$ | 1.8272 | | | 1.8272 | |
| 7 | 30 000 m$^3$ to 50 000 m$^3$ | 1.7589 | | | 1.7589 | |
| 8 | 50 000 m$^3$ to 70 000 m$^3$ | 1.7110 | | | 1.7110 | |
| 9 | 70 000 m$^3$ to 100 000 m$^3$ | 1.6767 | | | 1.6767 | |
| 10 | 100 000 m$^3$ to 140 870 m$^3$ | 1.6430 | | | 1.6430 | |
| 11 | Delivery - Price Adjustment (All Volumes) | 0.0044 | (1) | (0.0002) | 0.0042 | (2) |
| 12 | Annual minimum delivery commodity charge | 2.2709 | | | 2.2709 | |
| | M7 Special large volume contract | | | | | |
| | Firm | | | | | |
| 13 | Monthly demand charge | 25.3025 | | | 25.3025 | |
| 14 | Monthly delivery commodity charge | 0.3812 | | | 0.3812 | |
| 15 | Delivery - Price Adjustment | 0.0044 | (1) | (0.0002) | 0.0042 | (2) |
| | Interruptible * | | | | | |
| | Monthly delivery commodity charge: | | | | | |
| 16 | Maximum | 2.7579 | | | 2.7579 | |
| 17 | Delivery - Price Adjustment | 0.0044 | (1) | (0.0002) | 0.0042 | (2) |
| | Seasonal * | | | | | |
| | Monthly delivery commodity charge: | | | | | |
| 18 | Maximum | 2.5138 | | | 2.5138 | |
| 19 | Delivery - Price Adjustment | 0.0044 | (1) | (0.0002) | 0.0042 | (2) |
| | M9 Large wholesale service | | | | | |
| 20 | Monthly demand charge | 16.9216 | | | 16.9216 | |
| 21 | Monthly delivery commodity charge | 0.5377 | | | 0.5377 | |
| 22 | Delivery - Price Adjustment | 0.0044 | (1) | (0.0002) | 0.0042 | (2) |
| | M10 Small wholesale service | | | | | |
| 23 | Monthly delivery commodity charge | 2.6751 | | | 2.6751 | |

Notes:
(1) Includes Prospective Recovery of (0.0002), 0.0019, 0.0026, and 0.0001 cents/m$^3$.
(2) Includes Prospective Recovery of 0.0019, 0.0026, 0.0001, and (0.0004) cents/m$^3$.

* Price changes to individual interruptible and seasonal contract rates are provided in Appendix C.

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Contract Carriage Rates

| Line No. | Particulars | EB-2008-0220 Approved January 1, 2009 Rate (a) | Rate Change (b) | EB-2009-0054 Approved April 1, 2009 Rate (c) |
|---|---|---|---|---|
| | Contract Carriage Service | | | |
| | T1 Storage and Transportation | | | |
| | Storage ($ / GJ) | | | |
| | Monthly demand charges: | | | |
| 1 | Firm space | 0.010 | | 0.010 |
| | Firm Injection/Withdrawal Right | | | |
| 2 | Union provides deliverability inventory | 1.947 | | 1.947 |
| 3 | Customer provides deliverability inventory | 1.035 | | 1.035 |
| 4 | Firm incremental injection | 1.035 | | 1.035 |
| 5 | Interruptible withdrawal | 1.035 | | 1.035 |
| | Commodity charges: | | | |
| 6 | Withdrawal | 0.063 | | 0.063 |
| 7 | Customer provides compressor fuel | 0.006 | | 0.006 |
| 8 | Injection | 0.063 | | 0.063 |
| 9 | Customer provides compressor fuel | 0.006 | | 0.006 |
| 10 | Storage fuel ratio - customer provides fuel | 0.599% | | 0.599% |
| | Transportation (cents / $m^3$) | | | |
| 11 | Monthly demand charge first 140,870 $m^3$ | 18.8968 | | 18.8968 |
| 12 | Monthly demand charge all over 140,870 $m^3$ | 12.9127 | | 12.9127 |
| | Commodity charges: | | | |
| 13 | Firm- Union provides compressor fuel first 2,360,653 $m^3$ | 0.3669 | | 0.3669 |
| 14 | Union provides compressor fuel all over 2,360,653 $m^3$ | 0.2815 | | 0.2815 |
| 15 | Customer provides compressor fuel first 2,360,653 $m^3$ | 0.1700 | | 0.1700 |
| 16 | Customer provides compressor fuel all over 2,360,653 $m^3$ | 0.0846 | | 0.0846 |
| | Interruptible: * | | | |
| 17 | Maximum - Union provides compressor fuel | 2.7579 | | 2.7579 |
| 18 | Maximum - customer provides compressor fuel | 2.5610 | | 2.5610 |
| 19 | Transportation fuel ratio - customer provides fuel | 0.554% | | 0.554% |
| | Authorized overrun services | | | |
| | Storage ($ / GJ) | | | |
| | Commodity charges | | | |
| 20 | Injection May 1 to Oct 31 | 0.167 | | 0.167 |
| 21 | Customer provides compressor fuel | 0.070 | | 0.070 |
| 22 | Withdrawals Nov 1 to Apr 30 | 0.167 | | 0.167 |
| 23 | Customer provides compressor fuel | 0.070 | | 0.070 |
| 24 | Transportation commodity charge (cents/$m^3$) | 0.9882 | | 0.9882 |
| 25 | Customer provides compressor fuel | 0.7913 | | 0.7913 |
| 26 | Monthly Charge | $1,798.91 | | $1,798.91 |

* Price changes to individual interruptible contract rates are provided in Appendix C.

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Contract Carriage Rates

| Line No. | Particulars | EB-2008-0220 Approved January 1, 2009 Rate | Rate Change | EB-2009-0054 Approved April 1, 2009 Rate |
|---|---|---|---|---|
| | | (a) | (b) | (c) |
| | T3 Storage and Transportation | | | |
| | Storage ($ / GJ) | | | |
| | Monthly demand charges: | | | |
| 1 | Firm space | 0.010 | | 0.010 |
| | Firm Injection/Withdrawal Right | | | |
| 2 | Union provides deliverability inventory | 1.947 | | 1.947 |
| 3 | Customer provides deliverability inventory | 1.035 | | 1.035 |
| 4 | Firm incremental injection | 1.035 | | 1.035 |
| 5 | Interruptible withdrawal | 1.035 | | 1.035 |
| | Commodity charges: | | | |
| 6 | Withdrawal | 0.063 | | 0.063 |
| 7 | Customer provides compressor fuel | 0.006 | | 0.006 |
| 8 | Injection | 0.063 | | 0.063 |
| 9 | Customer provides compressor fuel | 0.006 | | 0.006 |
| 10 | Storage fuel ratio- Cust. provides fuel | 0.599% | | 0.599% |
| | Transportation (cents / $m^3$) | | | |
| 11 | Monthly demand charge | 8.9561 | | 8.9561 |
| | Commodity charges | | | |
| 12 | Firm- Union supplies compressor fuel | 0.3245 | | 0.3245 |
| 13 | Customer provides compressor fuel | 0.0671 | | 0.0671 |
| 14 | Transportation fuel ratio- Cust. provides fuel | 0.724% | | 0.724% |
| | Authorized overrun services | | | |
| | Storage ($ / GJ) | | | |
| | Commodity charges: | | | |
| 15 | Injection | 0.167 | | 0.167 |
| 16 | Customer provides compressor fuel | 0.070 | | 0.070 |
| 17 | Withdrawals | 0.167 | | 0.167 |
| 18 | Customer provides compressor fuel | 0.070 | | 0.070 |
| 19 | Transportation commodity charge (cents/$m^3$) | 0.6189 | | 0.6189 |
| 20 | Customer provides compressor fuel (cents/$m^3$) | 0.3615 | | 0.3615 |
| | Monthly Charge | | | |
| 21 | City of Kitchener | $17,285.43 | | $17,285.43 |
| 22 | Natural Resource Gas | $2,653.49 | | $2,653.49 |
| 23 | Six Nations | $884.50 | | $884.50 |

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Unbundled Rates

| Line No. | Particulars | EB-2008-0220 Approved January 1, 2009 Rate | Rate Change | EB-2009-0054 Approved April 1, 2009 Rate |
|---|---|---|---|---|
| | | (a) | (b) | (c) |
| | U2 Unbundled Service | | | |
| | Storage ($ / GJ) | | | |
| | Monthly demand charges: | | | |
| | Standard Storage Service (SSS) | | | |
| 1 | Combined Firm Space & Deliverability | 0.021 | | 0.021 |
| | Standard Peaking Service (SPS) | | | |
| 2 | Combined Firm Space & Deliverability | 0.104 | | 0.104 |
| 3 | Incremental firm injection right | 0.940 | | 0.940 |
| 4 | Incremental firm withdrawal right | 0.940 | | 0.940 |
| | Commodity charges: | | | |
| 5 | Injection customer provides compressor fuel | 0.014 | | 0.014 |
| 6 | Withdrawal customer provides compressor fuel | 0.014 | | 0.014 |
| 7 | Storage fuel ratio - Customer provides fuel | 0.599% | | 0.599% |
| | Authorized overrun services | | | |
| | Storage ($ / GJ) | | | |
| | Commodity charges: | | | |
| 8 | Injection customer provides compressor fuel | 0.045 | | 0.045 |
| 9 | Withdrawal customer provides compressor fuel | 0.045 | | 0.045 |
| | U5 Unbundled Service | | | |
| | Storage ($ / GJ) | | | |
| | Monthly demand charges: | | | |
| 10 | Combined Firm Space & Deliverability | 0.021 | | 0.021 |
| 11 | Incremental firm injection right | 0.940 | | 0.940 |
| 12 | Incremental firm withdrawal right | 0.940 | | 0.940 |
| | Commodity charges: | | | |
| 13 | Injection customer provides compressor fuel | 0.014 | | 0.014 |
| 14 | Withdrawal customer provides compressor fuel | 0.014 | | 0.014 |
| 15 | Storage fuel ratio - Customer provides fuel | 0.599% | | 0.599% |
| | Delivery (cents / $m^3$) | | | |
| | Firm contracts | | | |
| 16 | Monthly demand charge | 21.7116 | | 21.7116 |
| 17 | Monthly delivery commodity charge | 1.8067 | | 1.8067 |
| 18 | Transportation fuel ratio - Customer provides fuel | 0.554% | | 0.554% |
| | Interruptible contracts | | | |
| 19 | Monthly Charge | $499.70 | | $499.70 |
| | Monthly delivery commodity charge: | | | |
| 20 | 4 800 $m^3$ to 17 000 $m^3$ | 1.5400 | | 1.5400 |
| 21 | 17 000 $m^3$ to 30 000 $m^3$ | 1.4101 | | 1.4101 |
| 22 | 30 000 $m^3$ to 50 000 $m^3$ | 1.3418 | | 1.3418 |
| 23 | 50 000 $m^3$ to 70 000 $m^3$ | 1.2939 | | 1.2939 |
| 24 | 70 000 $m^3$ to 100 000 $m^3$ | 1.2596 | | 1.2596 |
| 25 | 100 000 $m^3$ to 140 870 $m^3$ | 1.2259 | | 1.2259 |
| | Authorized overrun services | | | |
| | Storage ($ / GJ) | | | |
| | Commodity charges: | | | |
| 26 | Injection customer provides compressor fuel | 0.045 | | 0.045 |
| 27 | Withdrawal customer provides compressor fuel | 0.045 | | 0.045 |

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Unbundled Rates

| Line No. | Particulars | EB-2008-0220 Approved January 1, 2009 Rate | Rate Change | EB-2009-0054 Approved April 1, 2009 Rate |
|---|---|---|---|---|
| | | (a) | (b) | (c) |
| | U7 Unbundled Service | | | |
| | Storage ($ / GJ) | | | |
| | Monthly demand charges: | | | |
| 1 | Combined Firm Space & Deliverability | 0.021 | | 0.021 |
| 2 | Incremental firm injection right | 0.940 | | 0.940 |
| 3 | Incremental firm withdrawal right | 0.940 | | 0.940 |
| | Commodity charges: | | | |
| 4 | Injection customer provides compressor fuel | 0.014 | | 0.014 |
| 5 | Withdrawal customer provides compressor fuel | 0.014 | | 0.014 |
| 6 | Storage fuel ratio - Customer provides fuel | 0.599% | | 0.599% |
| | Delivery (cents / $m^3$) | | | |
| 7 | Monthly demand charge first 140,870 $m^3$ | 18.8968 | | 18.8968 |
| 8 | Monthly demand charge all over 140,870 $m^3$ | 12.9127 | | 12.9127 |
| | Commodity charges | | | |
| 9 | Firm Customer provides compressor fuel first 2,360,653 $m^3$ | 0.1700 | | 0.1700 |
| 10 | Firm Customer provides compressor fuel all over 2,360,653 $m^3$ | 0.0846 | | 0.0846 |
| | Interruptible: | | | |
| 11 | Maximum customer provides compressor fuel | 2.5610 | | 2.5610 |
| 12 | Transportation fuel ratio - Customer provides fuel | 0.554% | | 0.554% |
| | Authorized overrun services | | | |
| | Storage ($ / GJ) | | | |
| | Commodity charges: | | | |
| 13 | Injection customer provides compressor fuel | 0.045 | | 0.045 |
| 14 | Withdrawal customer provides compressor fuel | 0.045 | | 0.045 |
| 15 | Transportation commodity charge (cents/$m^3$) | 0.7913 | | 0.7913 |
| | Other Services & Charges | | | |
| 16 | Monthly Charge | $1,798.91 | | $1,798.91 |
| | U9 Unbundled Service | | | |
| | Storage ($ / GJ) | | | |
| | Monthly demand charges: | | | |
| 17 | Firm space | 0.021 | | 0.021 |
| 18 | Incremental firm injection right | 0.940 | | 0.940 |
| 19 | Incremental firm withdrawal right | 0.940 | | 0.940 |
| | Commodity charges: | | | |
| 20 | Injection customer provides compressor fuel | 0.014 | | 0.014 |
| 21 | Withdrawal customer provides compressor fuel | 0.014 | | 0.014 |
| 22 | Storage fuel ratio - Customer provides fuel | 0.599% | | 0.599% |
| | Delivery (cents / $m^3$) | | | |
| 23 | Monthly demand charge | 8.9561 | | 8.9561 |
| | Commodity charges | | | |
| 24 | Firm customer provides compressor fuel | 0.0671 | | 0.0671 |
| 25 | Transportation fuel ratio - Customer provides fuel | 0.724% | | 0.724% |
| | Authorized overrun services | | | |
| | Storage ($ / GJ) | | | |
| | Commodity charges: | | | |
| 26 | Injection customer provides compressor fuel | 0.045 | | 0.045 |
| 27 | Withdrawal customer provides compressor fuel | 0.045 | | 0.045 |
| 28 | Transportation commodity charge (cents/$m^3$) | 0.3615 | | 0.3615 |
| | Other Services & Charges | | | |
| | Monthly Charge | | | |
| 29 | City of Kitchener | $17,285.43 | | $17,285.43 |
| 30 | NRG | $2,653.49 | | $2,653.49 |
| 31 | Six Nations | $884.50 | | $884.50 |

# APPENDIX B

RATE 01A – SMALL VOLUME GENERAL FIRM SERVICE

**ELIGIBILITY**

Any customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end user whose total gas requirements at that location are equal to or less than 50,000 m³ per year.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

(a) **Sales Service**

For continuous supply of natural gas by Union and associated transportation and storage services necessary to ensure deliverability in accordance with the customer's needs. For this service, the Monthly, Delivery and Gas Supply Charges shall apply.

(b) **Transportation Service**

For continuous delivery on Union's distribution system from the Point of Receipt on TCPL's system to the Point of Consumption on the customer's premises of natural gas owned by the customer and transported by TCPL under a firm transportation service tariff or equivalent National Energy Board Order. For this service, the Monthly and Delivery Charges shall apply. Unless otherwise authorized by Union, customers who initiate a movement to Transportation Service from a Sales Service or Bundled Transportation Service must accept an assignment from Union of transportation capacity on upstream pipeline systems.

(c) **Bundled Transportation Service**

For continuous delivery by Union of gas owned by the customer and for the associated transportation and storage services necessary to ensure deliverability in accordance with the customer's needs. For this service the Monthly, and Delivery Charges, as well as the Storage and Transportation Charges of the Gas Supply Charge shall apply.

**MONTHLY RATES AND CHARGES**

| Zone | Fort Frances | Western | Northern | Eastern |
|---|---|---|---|---|
| Rate Schedule No. | 201 | 101 | 301 | 601 |
| | APPLICABLE TO ALL SERVICES | | | |
| MONTHLY CHARGE | $18.00 | $18.00 | $18.00 | $18.00 |
| DELIVERY CHARGE | ¢ per m³ | ¢ per m³ | ¢ per m³ | ¢ per m³ |
| First 100 m³ per month @ | 8.7142 | 8.7142 | 8.7142 | 8.7142 |
| Next 200 m³ per month @ | 8.1473 | 8.1473 | 8.1473 | 8.1473 |
| Next 200 m³ per month @ | 7.7445 | 7.7445 | 7.7445 | 7.7445 |
| Next 500 m³ per month @ | 7.3748 | 7.3748 | 7.3748 | 7.3748 |
| Over 1,000 m³ per month @ | 7.0695 | 7.0695 | 7.0695 | 7.0695 |
| Delivery- Price Adjustment (All Volumes) | 0.0431 (1) | 0.0431 (1) | 0.0431 (1) | 0.0431 (1) |

Note (1) The Delivery – Price Adjustment is composed of a temporary charge of 0.0431 cents/m³ for the period April 1 to December 31, 2009.

ADDITIONAL CHARGES FOR SALES SERVICE

GAS SUPPLY CHARGES

Gas Supply Charge (if applicable)

The gas supply charge is comprised of charges for transportation and for commodity and fuel.
The applicable rates are provided in Schedule "A".

**MONTHLY BILL**

The monthly bill will equal the sum of the monthly charges plus the rates multiplied by the applicable gas quantities delivered plus all applicable taxes. If the customer transports its own gas, the Gas Supply Charge under Sales Service will not apply.

**MINIMUM MONTHLY BILL**

The Minimum Monthly Bill shall be the Monthly Charge.

**DELAYED PAYMENT**

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

**SERVICE AGREEMENT**

Customers providing their own gas supply in whole or in part, for transportation by Union, must enter into a Service Agreement with Union.

**TERMS AND CONDITIONS OF SERVICE**

1. If multiple end-users are receiving service from a customer under this rate, for billing purposes, the Monthly Charge, the Delivery Charge and any other charge that is specific to the location of each end-user shall be used to develop a monthly bill for each end-user at each location. Upon request, possibly for a fee, Union will combine the individual bills on a single invoice or statement for administrative convenience. However, Union will not combine the quantities or demands of several end-use locations so that eligibility to a different rate class will result. Further, Union will not combine the monthly billing data of individual end-users to generate a single bill which is less than the sum of the monthly bills of the individual end-users involved at each location.

2. Customers must enter into a Service Agreement with Union prior to the commencement of service.

3. The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

## RATE 10 – LARGE VOLUME GENERAL FIRM SERVICE

### ELIGIBILITY

Any customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end-user whose total firm gas requirements at one or more Company-owned meters at one location exceed 50,000 m³ per year.

### SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

For continuous supply of natural gas by Union and associated transportation and storage services necessary to ensure deliverability in accordance with the customer's needs. For this service, the Monthly, Delivery and Gas Supply Charges shall apply.

(b) **Transportation Service**

For continuous delivery on Union's distribution system from the Point of Receipt on TCPL's system to the Point of Consumption on the customer's premises of natural gas owned by the customer and transported by TCPL under a firm transportation service tariff or equivalent National Energy Board Order. For this service, the Monthly, and Delivery Charges shall apply. Unless otherwise authorized by Union, customers who initiate a movement to Transportation Service from a Sales Service or Bundled Transportation Service must accept an assignment from Union of transportation capacity on upstream pipeline systems. Customers may reduce their assignment of transportation capacity in compliance with Union's Turnback Policy.

(c) **Bundled Transportation Service**

For continuous delivery by Union of gas owned by the customer and for the associated transportation and storage services necessary to ensure deliverability in accordance with the customer's needs. For this service the Monthly, and Delivery Charges, as well as the Storage and Transportation Charges of the Gas Supply Charge shall apply.

### MONTHLY RATES AND CHARGES

| Zone | Fort Frances | Western | Northern | Eastern |
|---|---|---|---|---|
| Rate Schedule No. | 210 | 110 | 310 | 610 |
| | APPLICABLE TO ALL SERVICES | | | |
| MONTHLY CHARGE | $70.00 | $70.00 | $70.00 | $70.00 |
| DELIVERY CHARGE | ¢ per m³ | ¢ per m³ | ¢ per m³ | ¢ per m³ |
| First 1,000 m³ per month @ | 7.5341 | 7.5341 | 7.5341 | 7.5341 |
| Next 9,000 m³ per month @ | 5.9959 | 5.9959 | 5.9959 | 5.9959 |
| Next 20,000 m³ per month @ | 5.1188 | 5.1188 | 5.1188 | 5.1188 |
| Next 70,000 m³ per month @ | 4.5572 | 4.5572 | 4.5572 | 4.5572 |
| Over 100,000 m³ per month @ | 2.4299 | 2.4299 | 2.4299 | 2.4299 |
| Delivery-Price Adjustment (All Volumes) | 0.0559 (1) | 0.0559 (1) | 0.0559 (1) | 0.0559 (1) |

Note (1) The Delivery – Price Adjustment is composed of a temporary charge of 0.0559 cents/m³ for the period April 1 to December 31, 2009.

ADDITIONAL CHARGES FOR SALES SERVICE

GAS SUPPLY CHARGES

Gas Supply Charge (if applicable)

The gas supply charge is comprised of charges for transportation and for commodity and fuel.
The applicable rates are provided in Schedule "A".

**MONTHLY BILL**

The monthly bill will equal the sum of the monthly charges plus the rates multiplied by the applicable gas quantities delivered plus all applicable taxes. If the customer transports its own gas, the Gas Supply Charge under Sales Service will not apply.

**MINIMUM MONTHLY BILL**

The minimum monthly bill shall be the Monthly Charge.

**DELAYED PAYMENT**

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

**SERVICE AGREEMENT**

Customers providing their own gas supply in whole or in part, for transportation by Union and customers purchasing gas from Union with maximum daily requirements in excess of 3,000 $m^3$ per day must enter into a Service Agreement with Union.

**TERMS AND CONDITIONS OF SERVICE**

1. Service shall be for a minimum term of one year.

2. If multiple end-users are receiving service from a customer under this rate, for billing purposes, the Monthly Charge, the Delivery Charge and any other charge that is specific to the location of each end-user shall be used to develop a monthly bill for each end-user at each location. Upon request, possibly for a fee, Union will combine the individual bills on a single invoice or statement for administrative convenience. However, Union will not combine the quantities or demands of several end-use locations so that eligibility to a different rate class will result. Further, Union will not combine the monthly billing data of individual end-users to generate a single bill which is less than the sum of the monthly bills of the individual end-users involved at each location.

3 Customers must enter into a Service Agreement with Union prior to the commencement of service.

4. For the purposes of qualifying for a rate class, the total quantities of gas consumed or expected to be consumed on the customer's contiguous property will be used, irrespective of the number of meters installed.

5. The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

RATE 20 – MEDIUM VOLUME FIRM SERVICE

## ELIGIBILITY

Any customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end-user or who is authorized to serve an end-user of gas through one or more Company-owned meters at one location, and whose total maximum daily requirements for firm or combined firm and interruptible service is 14,000 $m^3$ or more.

## SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

For continuous supply of natural gas by Union and associated transportation and storage services necessary to ensure deliverability in accordance with the customer's needs. For this service, the Monthly, Delivery and Gas Supply Charges shall apply.

(b) **Transportation Service**

For continuous delivery on Union's distribution system from the Point of Receipt on TCPL's system to the Point of Consumption on the customer's premises of natural gas owned by the customer. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Monthly, Delivery, Transportation Account and Diversion Transaction Charges shall apply. Unless otherwise authorized by Union, customers who initiate a movement to Transportation Service from a Sales Service or Bundled Transportation Service must accept an assignment from Union of transportation capacity on upstream pipeline systems. Customers may reduce their assignment of transportation capacity in compliance with Union's Turnback Policy.

(c) **Bundled Transportation Service**

For continuous delivery by Union of gas owned by the customer and for the associated transportation and storage services necessary to ensure deliverability in accordance with the customer's needs. For this service the Monthly, Delivery, Gas Supply Demand and Commodity Transportation Charges shall apply.

(d) **Storage Service**

For load balancing purposes for customers using Transportation Service on this rate schedule. If at the sole discretion of Union, adequate supplies exist, bundled and unbundled storage and delivery/redelivery services will be provided.

The charge for Bundled Storage Service will consist of the charges for Transportation Service plus the charges for Bundled Storage Service.

The charge for Unbundled Storage Service will consist of the charges for Transportation Service plus the charges for Unbundled Storage Service which must include charges for delivery/redelivery service to/from storage.

NOTE: Union has a short-term intermittent gas supply service under Rate 30 which customers may avail themselves of, if they qualify for use of the service.

**MONTHLY RATES AND CHARGES**

APPLICABLE TO ALL SERVICES – ALL ZONES (1)

| | |
|---|---|
| MONTHLY CHARGE | $779.53 |
| DELIVERY CHARGES (cents per month per $m^3$) | |
| Monthly Demand Charge for first 70,000 $m^3$ of Contracted Daily Demand | 20.1719 |
| Monthly Demand Charge for all units over 70,000 $m^3$ of Contracted Daily Demand | 11.8621 |
| Commodity Charge for first 852,000 $m^3$ of gas volumes delivered | 0.3280 |
| Commodity Charge for all units over 852,000 $m^3$ of gas volumes delivered | 0.2429 |

NOTE
(1) Either the utility or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates, charges and terms and conditions applicable thereto, different from the rates, charges and terms and conditions specified herein if changed rates, charges and terms and conditions are considered by either party to be necessary, desirable and in the public interest.

ADDITIONAL CHARGES FOR SALES SERVICE

Gas Supply Charge

The gas supply charge is comprised of charges for transportation and for commodity and fuel. The applicable rates are provided in Schedule "A".

Commodity Transportation

Charge 1 applies for all gas volumes delivered in the billing month up to the volume represented by the Contract Demand multiplied by the number of days in the billing month multiplied by 0.4.

Charge 2 applies for all additional gas volumes delivered in the billing month.

**HEAT CONTENT ADJUSTMENT**

The gas supply commodity charges hereunder will be adjusted upwards or downwards as described below if the average total heating value of the gas per cubic metre ($m^3$) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per $m^3$, respectively.

The adjustment shall be determined by multiplying the amount otherwise payable by a fraction, where the numerator is the monthly weighted average total heating value per cubic meter and the denominator 37.89.

## COMMISSIONING AND DECOMMISSIONING RATE

The contract may provide that the Monthly Demand Charges specified above shall not apply on all or part of the daily contracted demand used by the customer either during the testing, commissioning and phasing in of gas using equipment or, alternatively, in the decommissioning and phasing out of gas using equipment being displaced by other gas using equipment, for a period not to exceed one year ("the transition period"). To be eligible the new or displaced gas using equipment must be separately meterable. In such event, the contract will provide the following rates that such volume during the transitional period will be charged.

| Zone | Fort Frances | Western | Northern | Eastern |
|---|---|---|---|---|
| Rate Schedule No. | 220 | 120 | 320 | 620 |
| MONTHLY CHARGE | $779.53 | $779.53 | $779.53 | $779.53 |
| DELIVERY CHARGES | cents per $m^3$ | cents per $m^3$ | cents per $m^3$ | cents per $m^3$ |
| Commodity Charge for each unit of gas volumes delivered | 1.6544 | 1.6544 | 1.6544 | 1.6544 |

GAS SUPPLY CHARGES
The gas supply charge is comprised of charges for transportation and for commodity and fuel.
The applicable rates are provided in Schedule "A".

ADDITIONAL CHARGES FOR TRANSPORTATION AND STORAGE SERVICES – ALL ZONES

| | |
|---|---|
| MONTHLY TRANSPORTATION ACCOUNT CHARGE | |
| For customers that currently have installed or will require installing telemetering equipment: | $219.87 |
| BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES | |
| Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement ($ per GJ per Month) | $11.217 |
| Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: ($ per GJ per Month) | - |
| Commodity Charge for each unit of gas withdrawn from storage ($ per GJ) | $0.240 |
| Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage ($ per GJ) | $0.609 |

The Authorized Overrun Commodity Charge is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

| | |
|---|---|
| UNBUNDLED STORAGE SERVICE CHARGES | |
| Storage Space Charge: | |
| Applied to Contracted Maximum Storage Balance ($ per GJ per Month) | $0.031 |
| Fuel Ratio: | |
| Applied to all gas injected and withdrawn from storage (%) | 0.599% |
| Commodity Charge: | |
| Applied to all gas injected and withdrawn from storage ($ per GJ) | $0.014 |
| UNBUNDLED STORAGE SERVICE AUTHORIZED OVERRUN CHARGES: | |
| Fuel Ratio: | |
| Applied to all gas injected and withdrawn from storage (%) | 1.03% |
| Commodity Charge: | |
| Applied to all gas injected and withdrawn from storage ($ per GJ) | $0.072 |

The Authorized Overrun Commodity Charge is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

UNBUNDLED STORAGE SERVICE UNAUTHORIZED OVERRUN CHARGES

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be $60.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be $6.000 per GJ.

UNBUNDLED SERVICE NOMINATION VARIANCES

The rate for unauthorized parking or drafting which results from nomination variances shall be equal to 50% of the "Daily Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff. No Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 4% of the nominated amount and 150 GJ.

| Zone | Fort Frances | Western | Northern | Eastern |
|---|---|---|---|---|
| Rate Schedule No. | 220 | 120 | 320 | 620 |
| Delivery Service to Storage Facilities (1) | | | | |
| Demand Charge ($/GJ/month) | N/A | $29.227 | $12.025 | $1.202 |
| Commodity ($/GJ) | N/A | $0.032 | $0.024 | $0.019 |
| Redelivery Service from Storage Facilities | | | | |
| Demand Charge ($/GJ/month) | $2.236 | $2.236 | $2.236 | $5.859 |
| Commodity ($/GJ) | N/A | $0.095 | $0.095 | $0.099 |

Notes:

1. Delivery Service to Storage Facilities is not available to Northern Zone Customers in the Sault Ste. Marie Delivery Area (SSMDA).
2. Daily Firm injection and Withdrawal Rights shall be pursuant to the storage contract.
3. Storage Space, Withdrawal Rights and Injection Rights are not assignable to any other party without the prior written consent of Union and where necessary, approval from the Ontario Energy Board.

DIVERSION TRANSACTION CHARGE

Charge to a customer Receiving Delivery of diverted gas each time such customer requests a diversion and Union provides the service: $10.00

**THE BILL**

The bill will equal the sum of the charges for all services selected plus the rates multiplied by the applicable gas quantities delivered or withdrawn for each service chosen plus all applicable taxes. If the customer transports its own gas, the Gas Supply Charge under Sales Service will not apply. If the customer selects Union's Sales Service which includes the Gas Supply Charge, no additional charges for Transportation and Storage Services will apply.

**MINIMUM BILL**

The minimum bill shall be the Monthly Charge, the Transportation Account Charge and the Demand Charges, as applicable.

## DELAYED PAYMENT

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

## SERVICE AGREEMENT

All customers must enter into a Service Agreement with Union before receiving service under this rate schedule.

## TERMS AND CONDITIONS OF SERVICE

1. Service shall be for a minimum term of one year.

2. If multiple end-users are receiving service from a customer under this rate, for billing purposes, the Monthly Charge, the Delivery Charge, the Transportation Account Charge and any other charge that is specific to the location of each end-user shall be used to develop a monthly bill for each end-user at each location. Upon request, possibly for a fee, Union will combine the individual bills on a single invoice or statement for administrative convenience. However, Union will not combine the quantities or demands of several end-use locations so that eligibility to a different rate class will result. Further, Union will not combine the billing data of individual end-users to generate a single bill which is less than the sum of the bills of the individual end-users involved at each location.

3 Customers must enter into a Service Agreement with Union prior to the commencement of service.

4. For the purposes of qualifying for a rate class, the total quantities of gas consumed or expected to be consumed on the customer's contiguous property will be used, irrespective of the number of meters installed.

5. The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

RATE 25 – LARGE VOLUME INTERRUPTIBLE SERVICE

## ELIGIBILITY

Any customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end-user or who is authorized to serve an end-user of gas through one or more Company-owned meters at one location, and whose total maximum daily interruptible requirement is 3,000 $m^3$ or more or the interruptible portion of a maximum daily requirement for combined firm and interruptible service is 14,000 $m^3$ or more and whose operations, in the judgement of Union, can readily accept interruption and restoration of gas service.

## SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

For interruptible supply of natural gas by Union and associated transportation services necessary to ensure its delivery in accordance with customer's needs. For this service, the Monthly, Delivery and Gas Supply Charges shall apply.

(b) **Transportation Service**

For delivery of natural gas owned by the customer on Union's distribution system from the Point of Receipt from TCPL's system to the Point of Consumption on the customer's or end-user's premises, providing that, in the judgement of Union, acting reasonably, the customer-owned gas does not displace service from Union under a Rate 20 or Rate 100 contract specific to that location. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Monthly, Delivery, Transportation Account and Diversion Transaction Charges shall apply.

NOTE: Union has a short-term intermittent gas supply service under Rate 30 which customers may avail themselves of, if they qualify for use of the service.

## MONTHLY RATES AND CHARGES

APPLICABLE TO ALL SERVICES – ALL ZONES (1)

| | |
|---|---|
| MONTHLY CHARGE | $189.88 |
| DELIVERY CHARGES | cents per $m^3$ |
| A Delivery Price for all volumes delivered to the customer to be negotiated between Union and the customer and the average price during the period in which these rates remain in effect shall not exceed: | 4.6875 |

NOTE
(1) Either the utility or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates, charges and terms and conditions applicable thereto, different from the rates, charges and terms and conditions specified herein if changed rates, charges and terms and conditions are considered by either party to be necessary, desirable and in the public interest.

ADDITIONAL CHARGES FOR SALES SERVICE

Gas Supply Charge
As per applicable rate provided in
Schedule "A".

Interruptible Service Applicable all year at a price agreed upon between Union and the customer and the average price during the period in which these rates remain in effect.

## HEAT CONTENT ADJUSTMENT

The gas supply commodity charges hereunder will be adjusted upwards or downwards as described below if the average total heating value of the gas per cubic metre ($m^3$) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per $m^3$, respectively.

The adjustment shall be determined by multiplying the amount otherwise payable by a fraction, where the numerator is the monthly weighted average total heating value per cubic meter and the denominator 37.89.

ADDITIONAL CHARGES FOR TRANSPORTATION – ALL ZONES

| | |
|---|---|
| MONTHLY TRANSPORTATION ACCOUNT CHARGE: For customers that currently have installed or will require installing telemetering equipment. | $219.87 |

## THE BILL

The bill will equal the sum of the monthly charges for all services selected plus the rates multiplied by the applicable gas volumes delivered or withdrawn for each service chosen plus all applicable taxes. If the customer transports its own gas, the Gas Supply Charge under Sales Service will not apply. If the customer selects Union's Sales Service which includes the Gas Supply Charge, no additional charges for Transportation will apply.

## MINIMUM BILL

The minimum bill shall be the Monthly Charge and the Transportation Account Charge, if applicable.

## DELAYED PAYMENT

When payment of the monthly bill has not been made in full, 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

## SERVICE AGREEMENT

All customers must enter into a Service Agreement with Union before receiving service under this rate schedule.

## TERMS AND CONDITIONS OF SERVICE

1. Service shall be for a minimum term of one year.

2. If multiple end-users are receiving service from a customer under this rate, for billing purposes, the Monthly Charge, the Delivery Charge, the Transportation Account Charge and any other charge that is specific to the location of each end-user shall be used to develop a monthly bill for each end-user at each location. Upon request, Union will combine the individual bills on a single invoice or statement for administrative convenience. However, Union will not combine the volumes or demands of several end-use locations so that eligibility to a different rate class will result. Further, Union will not combine the monthly billing data of individual end-users to generate a single bill which is less than the sum of the monthly bills of the individual end-users involved at each location.

3 Customers must enter into a Service Agreement with Union prior to the commencement of service.

4. For the purposes of qualifying for a rate class, the total volumes of gas consumed or expected to be consumed on the customer's contiguous property will be used, irrespective of the number of meters installed.

5. The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

# RATE 30 – INTERMITTENT GAS SUPPLY SERVICE AND SHORT TERM STORAGE / BALANCING SERVICE

## ELIGIBILITY

Any customer in Union's Fort Frances, Western, Northern or Eastern Zones already connected to Union's gas distribution system who is an end-user or is authorized to serve an end-user.

## SERVICE AVAILABLE

For intermittent, short-term gas supply which will be a substitute for energy forms other than Company owned gas sold under other rate schedules. This may include situations where customer-owned gas supplies are inadequate and short-term backstopping service is requested or during a situation of curtailment on the basis of price when the purchase price of Spot gas is outside the interruptible service price range. The gas supply service available hereunder is offered only in conjunction with service to the customer under an applicable firm or interruptible service rate schedule of Union. The service is for intermittent gas supply and short term storage / balancing service and will be billed in combination with Monthly, Delivery, and other applicable charges for such services under the applicable rate schedule. Gas supply under this rate will be provided when, at the sole discretion of Union, adequate supplies are available.

## GAS SUPPLY CHARGE

The gas supply charge shall be $5.00 per $10^3m^3$ plus the greater of the incremental cost of gas for Union and the customer's gas supply charge.

## SHORT TERM STORAGE / BALANCING SERVICE

Short Term Storage / Balancing Service is:

i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
ii) short-term firm deliverability, OR
iii) a component of an operational balancing service offered.

In negotiating the rate to be charged for service, the matters that are to be considered include:

i) the minimum amount of storage service to which a customer is willing to commit,
ii) whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
iii) utilization of facilities, and
iv) competition.

A commodity charge to be negotiated between Union and the customer not to exceed $6.000/GJ.

## THE BILL

The bill for gas supply and/or short term supplemental services under this rate shall be rendered in conjunction with the billing for delivery and other services under the customer's applicable rate for such services.

## SERVICE AGREEMENT

All customers must enter into a Service Agreement with Union for this service and must agree therein to curtail or interrupt use of gas under this rate schedule whenever requested to do so by Union.

**TERMS AND CONDITIONS OF SERVICE**

1. Failure of the customer to interrupt or curtail use of gas on this rate as requested by Union shall be subject to the Unauthorized Overrun Gas Penalty as provided in Union's Terms and Conditions. Anytime the customer has such failure, Union reserves the right to cancel service under this rate.

2. The Terms and Conditions of the applicable rate schedule for delivery of the gas sold hereunder shall also apply.

3. The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

RATE 77 – WHOLESALE TRANSPORTATION SERVICE

**ELIGIBILITY**

Any natural gas distributor in Union's Fort Frances, Western, Northern or Eastern Zones who uses Union's gas distribution facilities for the transportation of natural gas to customers outside Union's franchise area.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

(a) **Transportation Service**

For the continuous delivery through Union's distribution system from the Point of Receipt on TCPL to the Point of Consumption at the Consumer's distribution system of natural gas owned by the customer. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Monthly and Delivery Charges shall apply.

**MONTHLY RATES AND CHARGES – ALL ZONES**

| | |
|---|---|
| MONTHLY CHARGE ($ per month) | $144.91 |
| MONTHLY DELIVERY DEMAND CHARGE (cents per $m^3$) | 28.3493 |

**THE BILL**

The bill will equal the sum of the monthly charges plus all applicable taxes.

**DELAYED PAYMENT**

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

**SERVICE AGREEMENT**

All customers must enter into a Service Agreement with Union before receiving service under this rate schedule.

**TERMS AND CONDITIONS OF SERVICE**

1. Service shall be for a minimum term of one year.

2. Customers must enter into a Service Agreement with Union prior to the commencement of service.

3 The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

## RATE 100 – LARGE VOLUME HIGH LOAD FACTOR FIRM SERVICE

### ELIGIBILITY

Any customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end-user or who is authorized to serve an end-user of gas through one or more Company-owned meters at one location, and whose maximum daily requirement for firm service is 100,000 $m^3$ or more, and whose annual requirement for firm service is equal to or greater than its maximum daily requirement multiplied by 256.

### SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

For continuous supply of natural gas by Union and associated transportation and storage services necessary to ensure deliverability in accordance with the customer's needs. For this service, the Monthly, Delivery and Gas Supply Charges shall apply.

(b) **Transportation Service**

For continuous delivery on Union's distribution system from the Point of Receipt on TCPL's system to the Point of Consumption on the customer's premises of natural gas owned by the customer. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Monthly, Delivery, Transportation Account and Diversion Transaction Charges shall apply. Unless otherwise authorized by Union, customers who initiate a movement to Transportation Service from a Sales Service or Bundled Transportation Service must accept an assignment from Union of transportation capacity on upstream pipeline systems. Customers may reduce their assignment of transportation capacity in compliance with Union's Turnback Policy.

(c) **Bundled Transportation Service**

For continuous delivery by Union of gas owned by the customer and for the associated transportation and storage services necessary to ensure deliverability in accordance with the customer's needs. For this service the Monthly, Delivery, Gas Supply Demand and Commodity Transportation Charges shall apply.

(d) **Storage Service**

For load balancing purposes for customers using Transportation Service on this rate schedule. If at the sole discretion of Union, adequate supplies exist, bundled and unbundled storage and delivery/redelivery services will be provided.

The charge for Bundled Storage Service will consist of the charges for Transportation Service plus the charges for Bundled Storage Service.

The charge for Unbundled Storage Service will consist of the charges for Transportation Service plus the charges for Unbundled Storage Service which must include charges for delivery/redelivery service to/from storage.

NOTE: Union has a short-term intermittent gas supply service under Rate 30 which customers may avail themselves of, if they qualify for use of the service.

**MONTHLY RATES AND CHARGES**

APPLICABLE TO ALL SERVICES – ALL ZONES (1)

| | |
|---|---|
| MONTHLY CHARGE | $779.53 |
| DELIVERY CHARGES (cents per Month per $m^3$ of Daily Contract Demand) | |
| Monthly Demand Charge for each unit of Contracted Daily Demand: | 11.8941 |
| COMMODITY CHARGE for each unit of gas volumes delivered (cents per $m^3$) | 0.2255 |

NOTE:
(1) Either the utility or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates, charges and terms and conditions applicable thereto, different from the rates, charges and terms and conditions specified herein if changed rates, charges and terms and conditions are considered by either party to be necessary, desirable and in the public interest.

ADDITIONAL CHARGES FOR SALES SERVICE

Gas Supply Charges
The gas supply charge is comprised of charges for transportation and for commodity and fuel. The applicable rates are provided in Schedule "A".

Commodity Transportation
Charge 1 applies for all gas volumes delivered in the billing month up to the volume represented by the Contract Demand multiplied by the number of days in the billing month multiplied by 0.3.

Charge 2 applies for all additional gas volumes delivered in the billing month.

**HEAT CONTENT ADJUSTMENT**

The gas supply commodity charges hereunder will be adjusted upwards or downwards as described below if the average total heating value of the gas per cubic metre ($m^3$) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per $m^3$, respectively.

The adjustment shall be determined by multiplying the amount otherwise payable by a fraction, where the numerator is the monthly weighted average total heating value per cubic meter and the denominator 37.89.

## COMMISSIONING AND DECOMMISSIONING RATE

The contract may provide that the Monthly Demand Charges specified above shall not apply on all or part of the daily contracted demand used by the customer either during the testing, commissioning and phasing in of gas using equipment or, alternatively, in the decommissioning and phasing out of gas using equipment being displaced by other gas using equipment, for a period not to exceed one year ("the transitional period"). To be eligible the new or displaced gas using equipment must be separately meterable. In such event, the contract will provide the following rates that such volume during the transitional period will be charged.

| Zone | Fort Frances | Western | Northern | Eastern |
|---|---|---|---|---|
| Rate Schedule No. | 2100 | 1100 | 3100 | 6100 |
| MONTHLY CHARGE | $779.53 | $779.53 | $779.53 | $779.53 |
| DELIVERY CHARGES | | | | |
| Commodity Charge for each unit of gas volumes delivered | cents per $m^3$ 0.7841 | cents per $m^3$ 0.7841 | cents per $m^3$ 0.7841 | cents per $m^3$ 0.7841 |

GAS SUPPLY CHARGES
The gas supply charge is comprised of charges for transportation and for commodity and fuel. The applicable rates are provided in Schedule "A".

### ADDITIONAL CHARGES FOR TRANSPORTATION AND STORAGE SERVICES – ALL ZONES

| | |
|---|---|
| MONTHLY TRANSPORTATION ACCOUNT CHARGE | |
| For customers that currently have installed or will require installing telemetering equipment | $219.87 |
| BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES | |
| Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement ($ per GJ per Month) | $11.217 |
| Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: ($ per GJ per Month) | - |
| Commodity Charge for each unit of gas withdrawn from storage ($ per GJ) | $0.240 |
| Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage ($ per GJ) | $0.609 |

The Authorized Overrun Commodity Charge is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

| | |
|---|---|
| UNBUNDLED STORAGE SERVICE CHARGES | |
| Storage Space Charge: | |
| Applied to Contracted Maximum Storage Balance ($ per GJ per Month) | $0.031 |
| Fuel Ratio: | |
| Applied to all gas injected and withdrawn from storage (%) | 0.599% |
| Commodity Charge: | |
| Applied to all gas injected and withdrawn from storage ($ per GJ) | $0.014 |
| UNBUNDLED STORAGE SERVICE AUTHORIZED OVERRUN CHARGES | |
| Fuel Ratio: | |
| Applied to all gas injected and withdrawn from storage (%) | 1.03% |
| Commodity Charge: | |
| Applied to all gas injected and withdrawn from storage ($ per GJ) | $0.072 |

The Authorized Overrun Commodity Charge is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

UNBUNDLED STORAGE SERVICE UNAUTHORIZED OVERRUN CHARGES

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be $60.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be $6.000 per GJ.

UNBUNDLED SERVICE NOMINATION VARIANCES

The rate for unauthorized parking or drafting which results from nomination variances shall be equal to 50% of the "Daily Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff. No Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 4% of the nominated amount and 150 GJ.

| Zone | Fort Frances | Western | Northern | Eastern |
|---|---|---|---|---|
| Rate Schedule No. | 2100 | 1100 | 3100 | 6100 |
| Delivery Service to Storage Facilities (1) | | | | |
| Demand Charge ($/GJ/month) | N/A | $29.227 | $12.025 | $1.202 |
| Commodity ($/GJ) | N/A | $0.032 | $0.024 | $0.019 |
| Redelivery Service from Storage Facilities | | | | |
| Demand Charge ($/GJ/month) | $2.236 | $2.236 | $2.236 | $5.859 |
| Commodity ($/GJ) | N/A | $0.095 | $0.095 | $0.099 |

Notes:

1. Delivery Service to Storage Facilities is not available to Northern Zone customers in the Sault Ste. Marie Delivery Area (SSMDA).

2. Daily Firm Injection and Withdrawal Rights shall be pursuant to the storage contract.

3. Storage Space, Withdrawal Rights and Injection Rights are not assignable to any other party without the prior written consent of Union and where necessary, approval from the Ontario Energy Board.

DIVERSION TRANSACTION CHARGE

Charge to a customer Receiving Delivery of diverted gas each time such customer requests a diversion and Union provides the service: $10.00

**THE BILL**

The bill will equal the sum of the charges for all services selected plus the rates multiplied by the applicable gas quantities delivered or withdrawn for each service chosen plus all applicable taxes. If the customer transports its own gas, the Gas Supply Charge under Sales Service will not apply. If the customer selects Union's Sales Service which includes the Gas Supply Charge, no additional charges for Transportation and Storage Services will apply.

**MINIMUM BILL**

The minimum bill shall be the Monthly Charge, the Transportation Account Charge and the Demand Charges, as applicable.

## DELAYED PAYMENT

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

## SERVICE AGREEMENT

All customers must enter into a Service Agreement with Union before receiving service under this rate schedule.

## TERMS AND CONDITIONS OF SERVICE

1. Service shall be for a minimum term of one year.

2. If multiple end-users are receiving service from a customer under this rate, for billing purposes, the Monthly Charge, the Delivery Charge, the Transportation Account Charge and any other charge that is specific to the location of each end-user shall be used to develop a monthly bill for each end-user at each location. Upon request, possibly for a fee, Union will combine the individual bills on a single invoice or statement for administrative convenience. However, Union will not combine the quantities or demands of several end-use locations so that eligibility to a different rate class will result. Further, Union will not combine the billing data of individual end-users to generate a single bill which is less than the sum of the bills of the individual end-users involved at each location.

3 Customers must enter into a Service Agreement with Union prior to the commencement of service.

4. For the purposes of qualifying for a rate class, the total quantities of gas consumed or expected to be consumed on the customer's contiguous property will be used, irrespective of the number of meters installed.

5. The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

# RATE S1 – GENERAL FIRM SERVICE STORAGE RATES

## ELIGIBILITY

Any customer or agent in Union's Fort Frances, Western, Northern or Eastern Zones who is authorized to serve an end-user of gas, paying for delivery services under Rate 01A or Rate 10.

## SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Transportation Service**

The customer is responsible for obtaining all Gas Supply services to the end-user including the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Diversion Transaction Charge shall apply. Unless otherwise authorized by Union, customers who initiate a movement to Transportation Service from a Sales Service or Bundled Transportation Service must accept an assignment from Union of transportation capacity on upstream pipeline systems.

(b) **Storage Service**

For load balancing purposes for customers using Transportation Service on this rate schedule. If at the sole discretion of Union, adequate supplies exist, unbundled storage and delivery/redelivery services will be provided.

The charge for Unbundled Storage Service will consist of the charges for Transportation Service plus the charges for Unbundled Storage Service which must include charges for delivery/redelivery service to/from storage.

## MONTHLY RATES AND CHARGES

UNBUNDLED STORAGE SERVICE CHARGES

| | |
|---|---|
| Storage Space Charge<br>Applied to Contracted Maximum Storage Space ($ per GJ per Month) | $0.031 |
| Fuel Ratio<br>Applied to all gas injected and withdrawn from storage (%) | 0.599% |
| Commodity Charge<br>Applied to all gas injected and withdrawn from storage ($ per GJ) | $0.014 |

UNBUNDLED STORAGE SERVICE AUTHORIZED OVERRUN CHARGES

| | |
|---|---|
| Fuel Ratio<br>Applied to all gas injected and withdrawn from storage (%) | 1.03% |
| Commodity Charge<br>Applied to all gas injected and withdrawn from storage ($ per GJ) | $0.072 |

The Authorized Overrun Commodity Charge is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

UNBUNDLED STORAGE SERVICE UNAUTHORIZED OVERRUN CHARGES

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be $60.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be $6.000 per GJ.

| Zone | Fort Frances | Western | Northern | Eastern |
|---|---|---|---|---|
| Delivery Service to Storage Facilities (1) | | | | |
| Demand Charge ($/GJ/month) | N/A | $29.227 | $12.025 | $1.202 |
| Commodity ($/GJ) | N/A | $0.032 | $0.024 | $0.019 |
| Redelivery Service from Storage Facilities | | | | |
| Demand Charge ($/GJ/month) | $2.236 | $2.236 | $2.236 | $5.859 |
| Commodity ($/GJ) | N/A | $0.095 | $0.095 | $0.099 |

Notes:
1. Delivery Service to Storage Facilities is not available to Northern Zone customers in the Sault Ste. Marie Delivery Area (SSMDA).
2. Daily Firm Injection and Withdrawal Rights shall be pursuant to the storage contract.
3. Storage Space, Withdrawal Rights, and Injection Rights are not assignable to any other party without the prior written consent of Union and where necessary, approval from the Ontario Energy Board.

Diversion Transaction Charge
Charge to a customer receiving delivery of diverted gas each time such customer requests a diversion and Union provides the service: $10.00

**MONTHLY BILL**

The monthly bill will equal the sum of the monthly charges for all services selected plus the rates multiplied by the applicable gas quantities delivered or withdrawn for each service chosen plus all applicable taxes.

**DELAYED PAYMENT**

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

**TERMS AND CONDITIONS OF SERVICE**

1. Customers must enter into a Service Agreement with Union prior to the commencement of service.

2. The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

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Union Gas Limited
Northern and Eastern Operations Area
Gas Supply Charges

(A) Availability

Available to customers in Union's Fort Frances, Western, Northern and Eastern Delivery Zones.

(B) Applicability:

To all sales customers served under Rate 01A, Rate 10, Rate 20, Rate 100 and Rate 25.

(C) Rates

Utility Sales

Rate 01A (cents / $m^3$)

| | Fort Frances | Western | Northern | Eastern |
|---|---|---|---|---|
| Storage | 1.8950 | 1.8926 | 2.2788 | 2.5905 |
| Storage - Price Adjustment | 0.0025 | 0.0025 | 0.0025 | 0.0025 |
| Commodity and Fuel (1) | 22.9153 | 23.1004 | 23.3292 | 23.5286 |
| Commodity and Fuel - Price Adjustment | (2.5412) | (2.5412) | (2.5412) | (2.5412) |
| Transportation | 3.3308 | 3.4254 | 4.1325 | 4.7466 |
| Transportation - Price Adjustment | 0.0640 | 0.0640 | 0.0640 | 0.0640 |
| Total Gas Supply Charge | 25.6664 | 25.9437 | 27.2658 | 28.3910 |

Rate 10 (cents / $m^3$)

| | Fort Frances | Western | Northern | Eastern |
|---|---|---|---|---|
| Storage | 1.2139 | 1.2116 | 1.5986 | 1.9106 |
| Storage - Price Adjustment | 0.0016 | 0.0016 | 0.0016 | 0.0016 |
| Commodity and Fuel (1) | 22.9153 | 23.1004 | 23.3292 | 23.5286 |
| Commodity and Fuel - Price Adjustment | (2.5412) | (2.5412) | (2.5412) | (2.5412) |
| Transportation | 3.0598 | 3.1544 | 3.8615 | 4.4756 |
| Transportation - Price Adjustment | 0.0622 | 0.0622 | 0.0622 | 0.0622 |
| Total Gas Supply Charge | 24.7117 | 24.9890 | 26.3119 | 27.4375 |

Notes:
(1) As laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.3138 cents/$m^3$.

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Union Gas Limited
Northern and Eastern Operations Area
Gas Supply Charges

Utility Sales

| Rate 20 (cents / $m^3$) | Fort Frances | Western | Northern | Eastern |
|---|---|---|---|---|
| Commodity and Fuel (1) | 22.9752 | 23.1607 | 23.3902 | 23.5901 |
| Commodity and Fuel - Price Adjustment | (2.5412) | (2.5412) | (2.5412) | (2.5412) |
| Commodity Transportation - Charge 1 | 2.4266 | 2.4635 | 2.9014 | 3.2721 |
| Transportation 1 - Price Adjustment | 0.0633 | 0.0633 | 0.0633 | 0.0633 |
| Commodity Transportation - Charge 2 | 0.1551 | 0.1687 | 0.2635 | 0.3471 |
| Monthly Gas Supply Demand | 28.3704 | 29.9524 | 48.4085 | 63.9966 |
| Gas Supply Demand - Price Adjustment | - | - | - | - |
| Commissioning and Decommissioning Rate | 3.8884 | 4.0246 | 5.6075 | 6.9457 |

| Rate 100 (cents / $m^3$) | Fort Frances | Western | Northern | Eastern |
|---|---|---|---|---|
| Commodity and Fuel (1) | 22.9752 | 23.1607 | 23.3902 | 23.5901 |
| Commodity and Fuel - Price Adjustment | (2.5412) | (2.5412) | (2.5412) | (2.5412) |
| Commodity Transportation - Charge 1 | 4.3790 | 4.4067 | 4.7351 | 5.0132 |
| Commodity Transportation - Charge 2 | 0.1551 | 0.1687 | 0.2635 | 0.3471 |
| Monthly Gas Supply Demand | 45.9252 | 47.7711 | 69.3032 | 87.4891 |
| Commissioning and Decommissioning Rate | 4.1223 | 4.2286 | 5.4348 | 6.4560 |

| Rate 25 (cents / $m^3$) | Fort Frances | Western | Northern | Eastern |
|---|---|---|---|---|
| Gas Supply Charge: Interruptible Service | | | | |
| Minimum | 14.3135 | 14.3135 | 14.3135 | 14.3135 |
| Maximum | 140.5622 | 140.5622 | 140.5622 | 140.5622 |

Notes:
(1) As laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.3138 cents/$m^3$.

Effective: April 1, 2009
O.E.B. Order # EB-2009-0054

Chatham, Ontario

Supersedes EB-2008-0220 Rate Schedule effective January 1, 2009.

SMALL VOLUME GENERAL SERVICE RATE

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To general service customers whose total consumption is equal to or less than 50,000 m³ per year.

**(C) Rates**

The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated which may be higher than the identified rates.

a) Monthly Charge $ 18.00

b) Delivery Charge

| | | |
|---|---|---|
| First | 100 m³ | 4.6685 ¢ per m³ |
| Next | 150 m³ | 4.4284 ¢ per m³ |
| All Over | 250 m³ | 3.8601 ¢ per m³ |
| Delivery – Price Adjustment (All Volumes) (1) | | (0.0255)¢ per m³ |

c) Storage Charge (if applicable) 0.9899 ¢ per m³

Storage – Price Adjustment (2) 0.0023 ¢ per m³

Applicable to all bundled customers (sales and bundled transportation service).

d) Gas Supply Charge (if applicable)

The gas supply charge is comprised of charges for transportation and for commodity and fuel.
The applicable rates are provided in Schedule "A".

During any month in which a customer terminates service or begins service, the fixed charge for the month will be prorated to such customer.

Notes:
(1) The Delivery – Price Adjustment includes a temporary credit of (0.0297) cents/m³ for the period April 1 to December 31, 2009.
(2) The Storage – Price Adjustment is composed of a temporary charge of 0.0023 cents/m³ for the period April 1 to December 31, 2009.

**(D) Supplemental Service to Commercial and Industrial Customers Under Group Meters**

Combination of readings from several meters may be authorized by the Company and the Company will not reasonably withhold authorization in cases where meters are located on contiguous pieces of property of the same owner not divided by a public right-of-way. In such cases, an additional service charge shall be rendered each month in the amount of $15.00 per month for each additional meter so combined.

**(E) Delayed Payment**

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

**(F) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver at a point(s) specified by Union, and must acquire and maintain firm transportation on all upstream pipeline systems. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

**(G) Overrun Charge**

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. The customer may pay 5.6584 ¢ per $m^3$ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per $m^3$, plus 7¢ per $m^3$.

**(H) Bundled Direct Purchase Delivery**

Where a customer elects transportation service under this rate schedule, the customer must enter into a Bundled T Gas Contract with Union for delivery of gas to Union. Bundled T Gas Contract Rates and Gas Purchase Contract Rates are described in rate schedule R1.

**(I) Company Policy Relating to Terms of Service**

a. Customers who temporarily discontinue service during any twelve consecutive months without payment of the monthly fixed charge for the months in which the gas is temporarily disconnected shall pay for disconnection and reconnection.

b. When gas is delivered at an absolute pressure in excess of 101.325 kilopascals, then for purposes of measurement, hereunder, such volume of gas shall be corrected to an absolute pressure of 101.325 kilopascals. Atmospheric pressure is assumed to be the levels shown below in kilopascals (absolute) regardless of the actual atmospheric pressure at which the gas is measured and delivered.

| Zone | Assumed Atmospheric Pressure kPa |
|---|---|
| 1 | 100.148 |
| 2 | 99.494 |
| 3 | 98.874 |
| 4 | 98.564 |
| 5 | 98.185 |
| 6 | 97.754 |
| 7 | 97.582 |
| 8 | 97.065 |
| 9 | 96.721 |
| 10 | 100.561 |
| 11 | 99.321 |
| 12 | 98.883 |

# LARGE VOLUME GENERAL SERVICE RATE

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To general service customers whose total consumption is greater than 50,000 $m^3$ per year.

**(C) Rates**

The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated which may be higher than the identified rates.

a) Monthly Charge — $ 70.00

b) Delivery Charge

| | | |
|---|---|---|
| First | 1 000 $m^3$ | 3.7565 ¢ per $m^3$ |
| Next | 6 000 $m^3$ | 3.6845 ¢ per $m^3$ |
| Next | 13 000 $m^3$ | 3.4700 ¢ per $m^3$ |
| All Over | 20 000 $m^3$ | 3.2126 ¢ per $m^3$ |
| Delivery – Price Adjustment (All Volumes) (1) | | 0.0633 ¢ per $m^3$ |

c) Storage Charge (if applicable) — 0.7289 ¢ per $m^3$

Storage – Price Adjustment (2) — 0.0013 ¢ per $m^3$

Applicable to all bundled customers (sales and bundled transportation service).

d) Gas Supply Charge (if applicable)

The gas supply charge is comprised of charges for transportation and for commodity and fuel.
The applicable rates are provided in Schedule "A".

During any month in which a customer terminates service or begins service, the fixed charge for the month will be prorated to such customer.

Notes:
(1) The Delivery – Price Adjustment includes a temporary charge of 0.0591 cents/$m^3$ for the period April 1 to December 31, 2009.
(2) The Storage – Price Adjustment is composed of a temporary charge of 0.0013 cents/$m^3$ for the period April 1 to December 31, 2009.

**(D) Supplemental Service to Commercial and Industrial Customers Under Group Meters**

Combination of readings from several meters may be authorized by the Company and the Company will not reasonably withhold authorization in cases where meters are located on contiguous pieces of property of the same owner not divided by a public right-of-way. In such cases, an additional service charge shall be rendered each month in the amount of $15.00 per month for each additional meter so combined.

**(E) Delayed Payment**

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

**(F) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver at a point(s) specified by Union, and must acquire and maintain firm transportation on all upstream pipeline systems. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

**(G) Overrun Charge**

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. The customer may pay 4.4854¢ per $m^3$ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per $m^3$, plus 7¢ per $m^3$.

**(H) Bundled Direct Purchase Delivery**

Where a customer elects transportation service under this rate schedule, the customer must enter into a Bundled T Gas Contract with Union for delivery of gas to Union. Bundled T Gas Contract Rates and Gas Purchase Contract Rates are described in rate schedule R1.

**(I) Company Policy Relating to Terms of Service**

a. Customers who temporarily discontinue service during any twelve consecutive months without payment of the monthly fixed charge for the months in which the gas is temporarily disconnected shall pay for disconnection and reconnection.

b. When gas is delivered at an absolute pressure in excess of 101.325 kilopascals, then for purposes of measurement, hereunder, such volume of gas shall be corrected to an absolute pressure of 101.325 kilopascals. Atmospheric pressure is assumed to be the levels shown below in kilopascals (absolute) regardless of the actual atmospheric pressure at which the gas is measured and delivered.

| Zone | Assumed Atmospheric Pressure kPa |
|---|---|
| 1 | 100.148 |
| 2 | 99.494 |
| 3 | 98.874 |
| 4 | 98.564 |
| 5 | 98.185 |
| 6 | 97.754 |
| 7 | 97.582 |
| 8 | 97.065 |
| 9 | 96.721 |
| 10 | 100.561 |
| 11 | 99.321 |
| 12 | 98.883 |

FIRM INDUSTRIAL AND COMMERCIAL CONTRACT RATE

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a daily contracted demand between 4 800 m³ and 140 870 m³.

**(C) Rates**

The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated which may be higher than the identified rates.

1. Bills will be rendered monthly and shall be the total of:

(i) A Monthly Demand Charge

| | | |
|---|---|---|
| First | 8 450 m³ of daily contracted demand | 45.3025 ¢ per m³ |
| Next | 19 700 m³ of daily contracted demand | 19.6552 ¢ per m³ |
| All Over | 28 150 m³ of daily contracted demand | 16.3226 ¢ per m³ |

(ii) A Monthly Delivery Commodity Charge

| | |
|---|---|
| First 422 250 m³ delivered per month | 0.9602 ¢ per m³ |
| Next volume equal to 15 days use of daily contracted demand | 0.9602 ¢ per m³ |
| For remainder of volumes delivered in the month | 0.5259 ¢ per m³ |
| Delivery- Price Adjustment (All Volumes) | 0.0042 ¢ per m³ |

(iii) Gas Supply Charge (if applicable)

The gas supply charge is comprised of charges for transportation and for commodity and fuel. The applicable rates are provided in Schedule "A"

2. Overrun Charge

Authorized overrun gas is available provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization. Overrun means gas taken on any day in excess of 103% of contracted daily demand. Authorized overrun will be available April 1 through October 31 and will be paid for at a Delivery Rate of 2.4496 ¢ per m³ and, if applicable, the total gas supply charge for utility sales provided in Schedule " A " per m³ for all volumes purchased.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 5.6584 ¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

3. Minimum Annual Charge

In each contract year, the customer shall purchase from Union or pay for a minimum volume of gas or transportation services equivalent to 146 days use of contracted demand. Overrun gas volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery Charge of 1.2740 ¢ per m³ and, if applicable a gas supply commodity charge provided in Schedule "A".

In the event that the contract period exceeds one year the annual minimum volume will be prorated for any part year.

## (D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

## (E) Direct Purchase

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver at a point(s) specified by Union, and must acquire and maintain firm transportation on all upstream pipeline systems for all volumes. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

## (F) Bundled Direct Purchase Delivery

Where a customer elects transportation service under this rate schedule the customer must enter into a Bundled T Gas Contract with Union for delivery of gas to Union.

Bundled T Gas Contract Rates and Gas Purchase Contract Rates are described in rate schedule R1.

INTERRUPTIBLE INDUSTRIAL AND COMMERCIAL CONTRACT RATE

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a daily contracted demand between 4 800 $m^3$ and 140 870 $m^3$ inclusive.

**(C) Rates**

The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated which may be higher than the identified rates.

1. Interruptible Service

The price of all gas delivered by Union pursuant to any contract, contract amendment, or contract renewal shall be determined on the basis of the following schedules:

a) (i) Monthly Delivery Commodity Charge

| Daily Contracted Demand Level (CD) | Price per $m^3$ |
|---|---|
| 4 800 $m^3$ ≤ CD < 17 000 $m^3$ | 1.9571 ¢ per $m^3$ |
| 17 000 $m^3$ ≤ CD < 30 000 $m^3$ | 1.8272 ¢ per $m^3$ |
| 30 000 $m^3$ ≤ CD < 50 000 $m^3$ | 1.7589 ¢ per $m^3$ |
| 50 000 $m^3$ ≤ CD < 70 000 $m^3$ | 1.7110 ¢ per $m^3$ |
| 70 000 $m^3$ ≤ CD < 100 000 $m^3$ | 1.6767 ¢ per $m^3$ |
| 100 000 $m^3$ ≤ CD ≤ 140 870 $m^3$ | 1.6430 ¢ per $m^3$ |
| | |
| Delivery- Price Adjustment (All Volumes) | 0.0042 ¢ per $m^3$ |

(ii) Days Use of Interruptible Contract Demand

The price determined under Paragraph 1(a) of "Rates" will be reduced by the amount based on the number of Days Use of Contracted Demand as scheduled below:

| | |
|---|---|
| For 75 days use of contracted demand | 0.0530 ¢ per $m^3$ |
| For each additional days use of contracted demand up to a maximum of 275 days, an additional discount of | 0.00212¢ per $m^3$ |

(iii) Gas Supply Charge (if applicable)

The gas supply charge is comprised of charges for transportation and for commodity and fuel. The applicable rates are provided in Schedule "A"

(iv) Monthly Charge $499.70 per month

2. In each contract year, the customer shall take delivery from Union, or in any event pay for, if available and not accepted by the customer, a minimum volume of gas or transportation services as specified in the contract between the parties and which will not be less than 700 000 $m^3$ per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery Charge of 2.2709 ¢ per $m^3$, and if applicable, a gas supply charge provided in Schedule "A".

   In the event that the contract period exceeds one year, the annual minimum volume will be prorated for any part year.

3. Overrun gas is available without penalty provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization. Overrun means gas taken on any day in excess of 105% of contracted daily demand.

   Unauthorized overrun gas taken in any month shall be paid for at the rate of 5.6584 ¢ per $m^3$ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per $m^3$ for all gas supply volumes purchased.

4. Non-Interruptible Service

   Union may agree, in its sole discretion, to combine an interruptible service with a firm service in which case the amount of firm daily demand to be delivered shall be agreed upon by Union and the customer.

   a) The monthly demand charge for firm daily deliveries will be 27.4441 ¢ per $m^3$.

   b) The commodity charge for firm service shall be the rate for firm service at Union's firm rates net of a monthly demand charge of 27.4441 ¢ per $m^3$ of daily contracted demand and a delivery commodity price adjustment of 0.0042 ¢ per $m^3$.

   c) The interruptible commodity charge will be established under Clause 1 of this schedule.

**(D) Delayed Payment**

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

**(E) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver at a point(s) specified by Union, and must acquire and maintain firm transportation on all upstream pipeline systems. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

**(F) Bundled Direct Purchase Delivery**

Where a customer elects transportation service under this rate schedule the customer must enter into a Bundled T Gas Contract with Union for delivery of gas to Union.

Bundled T Gas Contract Rates and Gas Purchase Contract Rates are described in rate schedule R1.

uniongas



SPECIAL LARGE VOLUME
INDUSTRIAL AND COMMERCIAL CONTRACT RATE

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a Customer

a) who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a combined maximum daily requirement for firm, interruptible and seasonal service of at least 140 870 $m^3$, and a qualifying annual volume of at least 28 327 840 $m^3$; and

b) who has site specific energy measuring equipment installed at each Point of Consumption that will be used in determining energy balances.

For the purposes of qualifying for a rate class, the total quantities of gas consumed or expected to be consumed on the customer's contiguous property will be used, irrespective of the number of meters installed.

**(C) Rates**

The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated which may be higher than the identified rates.

1. Bills will be rendered monthly and shall be the total of:

(i) A Monthly Demand Charge

A negotiated Monthly Demand Charge of up to 25.3025 ¢ per $m^3$ for each $m^3$ of daily contracted firm demand.

(ii) A Monthly Delivery Commodity Charge

(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of 0.3812 ¢ per $m^3$ for each $m^3$, and a Delivery- Price Adjustment of 0.0042 ¢ per $m^3$.

(2) A Monthly Interruptible Delivery Commodity Charge for all interruptible volumes to be negotiated between Union and the customer not to exceed an annual average of 2.7579 ¢ per $m^3$.

(3) A Monthly Seasonal Delivery Commodity Charge for all seasonal volumes to be negotiated between Union and the customer not to exceed an annual average of 2.5138 ¢ per $m^3$.

(iii) Gas Supply Charge (if applicable)

The gas supply charge is comprised of charges for transportation and for commodity and fuel.
The applicable rates are provided in Schedule "A".

(iv) Overrun Gas

Overrun gas is available without penalty provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization.

Unauthorized overrun gas taken in any month shall be paid for at the M1 rate in effect at the time the overrun occurs, plus, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per $m^3$ for all the gas supply volumes purchased.

2. In negotiating the Monthly Interruptible and Seasonal Commodity Charges, the matters to be considered include:

   a) The volume of gas for which the customer is willing to contract,

   b) The load factor of the customer's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for,

   c) Interruptible or curtailment provisions, and

   d) Competition.

3. In each contract year, the customer shall take delivery from Union, or in any event, pay for if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun gas volumes will not contribute to the minimum volume.

4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the customer during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the "transition period"). In such event, the contract will provide for a Monthly Delivery Commodity Charge to be applied on such volume during the transition of 2.4538¢ per $m^3$ and the total gas supply charge for utility sales provided in Schedule "A" per $m^3$, if applicable.

5. Either the utility or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.

**(D) Delayed Payment**

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

**(E) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver at a point(s) specified by Union, and must acquire and maintain firm transportation on all upstream pipeline systems. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

**(F) Bundled Direct Purchase Delivery and Short Term Supplemental Services**

Where a customer elects transportation service and/or a short term supplemental service under this rate schedule, the customer must enter into a Contract under rate schedule R1.

# LARGE WHOLESALE SERVICE RATE

## (A) Availability

Available to customers in Union's Southern Delivery Zone.

## (B) Applicability

To a distributor who enters into a contract to purchase and/or receive delivery of a firm supply of gas for distribution to its customers and who agrees to take or pay for an annual quantity of at least two million cubic metres.

## (C) Rates

The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated which may be higher than the identified rates.

1. (i) A Monthly Demand Charge of 16.9216 ¢ per $m^3$ of established daily demand determined in accordance with the service contract, such demand charge to be computed on a calendar month basis and a prorata charge to be made for the fraction of a calendar month which will occur if the day of first regular delivery does not fall on the first day of a month,

   (ii) A Delivery Commodity Charge of 0.5377 ¢ per $m^3$, a Delivery- Price Adjustment of 0.0042 ¢ per $m^3$ for gas delivered and,

   (iii) Gas Supply Charge (if applicable)

   The gas supply charge is comprised of charges for transportation and for commodity and fuel.
   The applicable rates are provided in Schedule "A".

## (D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

## (E) Direct Purchase

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver at a point(s) specified by Union, and must acquire and maintain firm transportation on all upstream pipeline systems. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

## (F) Overrun Charge

Authorized:

For all quantities on any day in excess of 103% of the customer's contractual rights, for which authorization has been received, the customer will be charged 1.0940 ¢ per $m^3$. Overrun will be authorized by Union at its sole discretion.

Unauthorized:

For all quantities on any day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 36.0 ¢ per $m^3$.

(G) **Bundled Direct Purchase Delivery**

Where a customer elects transportation service under this rate schedule the customer must enter into a Bundled T Gas Contract with Union for delivery of gas to Union.

Bundled T Gas Contract Rates and Gas Purchase Contract Rates are described in rate schedule R1.

# SMALL WHOLESALE SERVICE RATE

## (A) Availability

Available to customers in Union's Southern Delivery Zone.

## (B) Applicability

To a non-contract distributor who purchases and/or receives delivery of a firm supply of gas for distribution only to its own customers.

## (C) Rates

The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated which may be higher than the identified rates.

1. A Delivery Commodity Charge of 2.6751 ¢ per $m^3$ for gas delivered

2. Gas Supply Charge (if applicable)

   The gas supply charge is comprised of charges for transportation and for commodity and fuel. The applicable rates are provided in Schedule "A".

## (D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

## (E) Direct Purchase

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver at a point(s) specified by Union, and must acquire and maintain firm transportation on all upstream pipeline systems. Customers initiating direct purchase arrangements must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

## (F) Overrun Charge

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. This gas shall be paid for at the rate of 5.6584 ¢ per $m^3$ for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per $m^3$, plus 7 ¢ per $m^3$ for all gas supply volumes purchased.

## (G) Bundled Direct Purchase Delivery

Where a customer elects transportation service under this rate schedule, the customer must enter into a Bundled T Gas Contract with Union for delivery of gas to Union.

Bundled T Gas Contract Rates and Gas Purchase Contract Rates are described in rate schedule R1.

Effective April 1, 2009
O.E.B. ORDER # EB-2009-0054 Chatham, Ontario

Supersedes EB-2008-0220 Rate Schedule effective January 1, 2009.

unionGas



BUNDLED DIRECT PURCHASE CONTRACT RATE

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer who enters into a Receipt Contract or Gas Purchase Contract for delivery and/or sale of gas to Union.

**(C) Rates**

| | | Demand Charge Rate/GJ/month | Commodity Charges/Credits Rate/GJ |
|---|---|---|---|
| a) | Transportation by Union<br>For gas delivered to Union at any point other than the Ontario Point(s) of Receipt, Union will charge a customer all approved tolls and charges, incurred by Union to transport the gas to the Ontario Point(s) of Receipt | | |
| b) | Firm Backstop Gas<br>Applied to the contracted Firm Backstop Gas Supply Service | $2.770 | |
| | Backstop Gas Commodity Charge<br>On all quantities supplied by Union to the Ontario Point(s) of Receipt | | $7.509 |
| c) | Reasonable Efforts Backstop Gas<br>Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption | | $8.578 |
| d) | Banked Gas Purchase | | |
| | T-service | | Note (1) |
| e) | Failure to Deliver<br>Applied to all quantities not delivered to Union in the event the customer's supply fails | | $2.866 |
| f) | Short Term Storage / Balancing Service (2) | | |
| | Maximum | | $6.000 |
| g) | Discretionary Gas Supply Service ("DGSS") | | Note (3) |

**Notes**:

(1) The charge for banked gas purchases shall be the higher of the daily spot cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.

(2) Short Term Storage / Balancing Service is:

i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
ii) short-term firm deliverability, OR
iii) a component of an operational balancing service offered.

In negotiating the rate to be charged for short term storage services, the matters that are to be considered include:

i) The minimum amount of storage service to which a customer is willing to commit,
ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
iii) Utilization of facilities, and
iv) Competition

(3) Discretionary Gas Supply Service price reflects the "back-to-back" price plus gas supply administration charge.

STORAGE AND TRANSPORTATION RATES
FOR CONTRACT CARRIAGE CUSTOMERS

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer

a) whose combined firm and interruptible service minimum annual transportation of natural gas is 5 000 000 $m^3$ or greater; and

b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for use at facilities located within Union's gas franchise area; and

c) who has meters with electronic recording at each Point of Consumption; and

d) who has site specific energy measuring equipment installed at each Point of Consumption that will be used in determining energy balances; and

e) for whom Union has determined transportation and/or storage capacity is available.

For the purposes of qualifying for a rate class, the total quantities of gas consumed or expected to be consumed on the customer's contiguous property will be used, irrespective of the number of meters installed.

**(C) Rates**

The following rates shall be charged for all quantities contracted or handled as appropriate. The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

**STORAGE SERVICE:**

| | | | For Customers Providing Their Own Compressor Fuel | |
|---|---|---|---|---|
| | Demand Charge Rate/GJ/mo | Commodity Charge Rate/GJ | Fuel Ratio | Commodity Charge Rate/GJ |
| a) Annual Firm Storage Space<br>Applied to contracted Maximum<br>Annual Storage Space | $0.010 | | | |
| b) Annual Firm Injection/Withdrawal Right:<br>Applied to the contracted Maximum<br>Annual Firm Injection/Withdrawal Right | | | | |
| Union provides deliverability Inventory | $1.947 | | | |
| Customer provides deliverability Inventory (4) | $1.035 | | | |
| c) Incremental Firm Injection Right:<br>Applied to the contracted Maximum<br>Incremental Firm Injection Right | $1.035 | | | |
| d) Annual Interruptible Withdrawal Right:<br>Applied to the contracted Maximum<br>Annual Interruptible Withdrawal Right | $1.035 | | | |

| | Demand Charge Rate/GJ/mo | Commodity Charge Rate/GJ | For Customers Providing Their Own Compressor Fuel: Fuel Ratio | For Customers Providing Their Own Compressor Fuel: Commodity Charge Rate/GJ |
|---|---|---|---|---|
| e) Withdrawal Commodity<br>Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity | | $0.063 | 0.599% | $0.006 |
| f) Injection Commodity<br>Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity | | $0.063 | 0.599% | $0.006 |
| g) Short Term Storage / Balancing Service<br>Maximum | | $6.000 | | |

Notes:

1. Demand charges for Annual Services are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.

2. Annual Firm Injection Rights are equal to 100% of their respective Annual Firm Withdrawal Rights. Injection Rights in excess of the Annual Firm Injection Rights will be charged at the Incremental Firm Injection Right.

3. Annual Firm Storage Space

   The maximum storage space available to a customer at the rates specified herein is determined by one of the following storage allocation methodologies:

   3.1 Aggregate Excess
   Aggregate excess is the difference between a customer's gas consumption in the 151-day winter period and consumption during the balance of the year. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

   3.2 Obligated daily contract quantity multiple of 15
   Obligated daily contract quantity is the firm daily quantity of gas which the customer must deliver to Union. The 15 x obligated daily contract quantity calculation will be done using the daily contract quantity for the upcoming contract year. At each contract renewal, the 15 x obligated daily contract quantity calculation will be performed to set the new space allocation.

   3.3 For new, large (daily firm transportation demand requirements in excess of 1,200,000 $m^3$/day) gas fired power generation customers, storage space is determined by peak hourly consumption x 24 x 4 days. Should the customer elect firm deliverability less than their maximum entitlement (see Note 4.2), the maximum storage space available at the rates specified herein is 10 x firm storage deliverability contracted, not to exceed peak hourly consumption x 24 x 4 days.

   Customers may contract for less than their maximum entitlement of firm storage space.

4. Annual Injection/Withdrawal Right

   The maximum level of deliverability available to a customer at the rates specified herein is determined by one of the following methodologies:

   4.1 The greater of obligated daily contract quantity or firm daily contract demand less obligated daily contract quantity.

   4.2 For new, large (daily firm transportation demand requirements in excess of 1,200,000 $m^3$/day) gas fired power generation customers, the maximum entitlement of firm storage deliverability is 24 times the customer's peak hourly consumption, with 1.2% firm deliverability available at the rates specified herein.

   Customers may contract for less than their maximum entitlement of deliverability. A customer may contract up to this maximum entitlement with a combination of firm and interruptible deliverability as specified in Section (C) Storage Service.

5. Additional storage space or deliverability, in excess of the allocated entitlements per Notes 3 and 4, may be available at market prices.

6. Storage Space and Withdrawal Rights are not assignable to any other party without the prior written consent of Union.

7. Deliverability Inventory being defined as 20% of annual storage space.

8. Short Term Storage / Balancing Service is:
   i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, or
   ii) short-term firm deliverability, or
   iii) a component of an operational balancing service offered.

   In negotiating the rate to be charged for service, the matters that are to be considered include:
   i) The minimum amount of storage service to which a customer is willing to commit,
   ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
   iii) Utilization of facilities, and
   iv) Competition

## TRANSPORTATION CHARGES:

| | Demand Charge Rate/m³/mo | Commodity Charge Rate/m³ | For Customers Providing Their Own Compressor Fuel: Fuel Ratio (5) (6) | For Customers Providing Their Own Compressor Fuel: Commodity Charge Rate/m³ |
|---|---|---|---|---|
| a) Annual Firm Transportation Demand | | | | |
| Applied to the Firm Daily Contract Demand | | | | |
| First 140,870 $m^3$ per month | 18.8968 ¢ | | | |
| All over 140,870 $m^3$ per month | 12.9127 ¢ | | | |
| b) Firm Transportation Commodity | | | | |
| Paid on all firm quantities redelivered to the customer's Point(s) of Consumption | | | | |
| First 2,360,653 $m^3$ per month | | 0.3669 ¢ | 0.554% | 0.1700 ¢ |
| All over 2,360,653 $m^3$ per month | | 0.2815 ¢ | 0.554% | 0.0846 ¢ |
| c) Interruptible Transportation Commodity | | | | |
| Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption | | | | |
| Maximum | | 2.7579 ¢ | 0.554% | 2.5610 ¢ |

Notes:

1. All demand charges are paid monthly during the term of the contract for not less than one year unless Union, at its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.

2. Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day and who are directly connected to i) the Dawn-Trafalgar transmission system in close proximity to Parkway or ii) a third party pipeline, have the option to pay for service using a Billing Contract Demand. The Billing Contract Demand shall be determined by Union such that the annual revenues over the term of the contract will recover the invested capital, return on capital and operating and maintenance costs associated with the dedicated service in accordance with Union's system expansion policy. The firm transportation demand charge will be applied to the Billing Contract Demand. For customers choosing the Billing Contract Demand option, the authorized transportation overrun rate will apply to all volumes in excess of the Billing Contract Demand but less than the daily firm demand requirement.

3. In negotiating the rate to be charged for the transportation of gas under Interruptible Transportation, the matters that are to be considered include:
   a) The amount of the interruptible transportation for which customer is willing to contract,

   b) The anticipated load factor for the interruptible transportation quantities,

   c) Interruptible or curtailment provisions, and

   d) Competition.

4. In each contract year, the customer shall pay for a Minimum Interruptible Transportation Activity level as specified in the Contract. Overrun activity will not contribute to the minimum activity level.

5. Transportation fuel ratios do not apply to customers served from dedicated facilities directly connected to third party transmission systems with custody transfer metering at the interconnect.

6. Firm transportation fuel ratio does not apply to new customers or existing customers with incremental daily firm demand requirements in excess of 1,200,000 $m^3$/day that contract for M12 Dawn to Parkway transportation service equivalent to 100% of their daily firm demand requirement. If a customer with a daily firm demand requirement in excess of 1,200,000 $m^3$/day contracts for M12 Dawn to Parkway transportation service at less than 100% of their firm daily demand requirement, the firm transportation fuel ratio will be applicable to daily volumes not transported under the M12 transportation contract.

7. Either Union or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.

**SUPPLEMENTAL CHARGES:**

Rates for supplemental services are provided in Schedule "A".

Notes:

1. All demand charges are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year.

**OVERRUN SERVICE:**

**1. Annual Storage Space**

Authorized

Authorized Overrun is provided as Storage/Balancing Service. It is payable on all quantities on any Day in excess of the customer's contracted Maximum Storage Space. Overrun will be authorized by Union at is sole discretion. Storage Space Overrun equal to the customer's firm deliveries from TCPL: less the customer's Firm Daily Contract Demand, all multiplied by the Days of Interruption called during the period of November 1 to March 31, will be automatically authorized until the following July 1.

Unauthorized

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space, and which has not been authorized by Union or provided for under a short term supplemental storage service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate will be $6.000 per GJ applied to the greatest excess for each occurrence.

If on any Day the gas storage balance for the account of the customer is less than zero, the Unauthorized Overrun charge will apply for each GJ of gas below a zero inventory level and this amount of gas shall be deemed not to have been withdrawn from storage. The gas shall be deemed to have been sold to the customer at the highest spot price at Dawn in the month of occurrence and the month following occurrence as identified in the Canadian Gas Price Reporter and shall not be less than Union's approved weighted average cost of gas If the customer has contracted to provide its own deliverability inventory, the zero inventory level shall be deemed to mean twenty percent (20%) of the Annual Firm Storage Space.

## 2. Injection, Withdrawals and Transportation

Authorized

The following Overrun rates are applied to any quantities transported, injected or withdrawn in excess of 103% of the Contract parameters. Overrun will be authorized by Union at its sole discretion.

Automatic authorization of Injection Overrun will be given during all Days a customer has been interrupted.

| | Union Providing Fuel | For Customers Providing Their Own Compressor Fuel Firm or Interruptible Service | |
|---|---|---|---|
| | Firm or Interruptible Service | Fuel Ratio | Commodity Charge |
| Storage Injections | \$0.167/GJ | 1.03% | \$0.070/GJ |
| Storage Withdrawals | \$0.167/GJ | 1.03% | \$0.070/GJ |
| Transportation | 0.9882 ¢/m³ | 0.554% | 0.7913 ¢/m³ |

Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 5.6584 ¢ per $m^3$ or \$1.497 per GJ, as appropriate.

## 3. Storage / Balancing Service

Authorized

The following Overrun rates are applied to any quantities stored in excess of the Contract parameters. Overrun will be authorized by Union Gas at its sole discretion.

| | Firm Service Rate/GJ |
|---|---|
| Space | \$6.000 |
| Injection / Withdrawal Maximum | \$6.000 |

OTHER SERVICES & CHARGES:

1. **Monthly Charge**

In addition to the rates and charges described previously for each Point of Consumption, a Monthly Charge shall be applied as follows:

Monthly Charge $1 798.91

2. **Diversion of Gas**

The availability of the right to divert gas will be based on Union's ability to accommodate the diversion. The price to be charged for the right to divert shall be determined through negotiation.

3. **Delivery Obligations**

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 $m^3$/day who are delivering gas to Union under direct purchase arrangements may be entitled to non-obligated deliveries. The delivery options available to customers are detailed at www.uniongas.com/aboutus/regulatory/rates/deliveryobligations.asp.

Unless otherwise authorized by Union, all other customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver at a point(s) specified by Union and must acquire and maintain firm transportation on all upstream pipeline systems. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

4. **Nominations**

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 $m^3$/day who have non obligated deliveries may contract to use Union's 5 additional nomination windows (13 in total) for the purposes of delivering gas to Union. These windows are in addition to the standard NAESB and TCPL STS nomination windows. Customers taking the additional nomination window service will pay an additional monthly demand charge of $0.692/GJ/day/month multiplied by the non-obligated daily contract quantity.

5. **Additional Service Information**

Additional information on Union's T1 service offering can be found at www.uniongas.com/aboutus/regulatory/rates/T1info.asp. The additional information consists of, but is not limited to, the following:

i. Storage space and deliverability entitlement;
ii. The determination of gas supply receipt points and delivery obligations;
iii. The nomination schedule;
iv. The management of multiple redelivery points by a common fuel manager; and
v. The availability of supplemental transactional services including title transfers.

## (D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

STORAGE AND TRANSPORTATION RATES
FOR CONTRACT CARRIAGE CUSTOMERS

## (A) Availability

Available to customers in Union's Southern Delivery Zone.

## (B) Applicability

To a Distributor:

a) whose minimum annual transportation of natural gas is 700 000 $m^3$ or greater; and

b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for distribution to its customers; and

c) who has meters with electronic recording at each Point of Redelivery; and

d) for whom Union has determined transportation and/or storage capacity is available.

## (C) Rates

The following rates shall be charged for all quantities contracted or handled as appropriate. The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

**STORAGE SERVICE**

| | | | For Customers Providing Their Own Compressor Fuel | |
|---|---|---|---|---|
| | Demand Charge Rate/GJ/mo | Commodity Charge Rate/GJ | Fuel Ratio | Commodity Charge Rate/GJ |
| a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space | $0.010 | | | |
| b) Annual Firm Injection/Withdrawal Right Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right | | | | |
| Union provides deliverability Inventory | $1.947 | | | |
| Customer provides deliverability Inventory (4) | $1.035 | | | |
| c) Incremental Firm Injection Right Applied to the contracted Maximum Incremental Firm Injection Right | $1.035 | | | |
| d) Annual Interruptible Withdrawal Right Applied to the contracted Maximum Annual Interruptible Withdrawal Right | $1.035 | | | |

| | Demand Charge Rate/GJ/mo | Commodity Charge Rate/GJ | For Customers Providing Their Own Compressor Fuel: Fuel Ratio | Commodity Charge Rate/GJ |
|---|---|---|---|---|
| e) Withdrawal Commodity<br>Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity | | $0.063 | 0.599% | $0.006 |
| f) Injection Commodity<br>Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity | | $0.063 | 0.599% | $0.006 |
| g) Short Term Storage / Balancing Service<br>Maximum | | $6.000 | | |

Notes:

1. Demand charges for Annual Services are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.

2. Annual Firm Injection Rights are equal to 100% of their respective Annual Firm Withdrawal Rights. Injection Rights in excess of the Annual Firm Injection Rights will be charged at the Incremental Firm Injection Right.

3. Annual Firm Storage Space

   The maximum storage space available to a customer at the rates specified herein is determined by one of the following storage allocation methodologies:

   3.1 Aggregate Excess
   Aggregate excess is the difference between a customer's gas consumption in the 151-day winter period and consumption during the balance of the year. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

   3.2 Obligated daily contract quantity multiple of 15
   Obligated daily contract quantity is the firm daily quantity of gas which the customer must deliver to Union. The 15 x obligated daily contract quantity calculation will be done using the daily contract quantity for the upcoming contract year. At each contract renewal, the 15 x obligated daily contract quantity calculation will be performed to set the new space allocation.

   Customers may contract for less than their maximum entitlement of firm storage space.

4. Annual Injection/Withdrawal Right

   The maximum level of deliverability available to a customer at the rates specified herein is determined to be the greater of obligated daily contract quantity or firm daily contract demand less obligated daily contract quantity.

   Customers may contract for less than their maximum entitlement of deliverability. A customer may contract up to this maximum entitlement with a combination of firm and interruptible deliverability as specified in Section (C) Storage Service.

5. Additional storage space or deliverability, in excess of the allocated entitlements per Notes 3 and 4, may be available at market prices.

6. Storage Space and Withdrawal Rights are not assignable to any other party without the prior written consent of Union.

7. Deliverability Inventory being defined as 20% of annual storage space.

8. Short Term Storage / Balancing Service is:
   i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
   ii) short-term firm deliverability, OR
   iii) a component of an operational balancing service offered.

   In negotiating the rate to be charged for this service, the matters that are to be considered include:
   i) The minimum amount of storage service to which a customer is willing to commit,
   ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
   iii) Utilization of facilities, and
   iv) Competition

## TRANSPORTATION CHARGES

| | Demand Charge Rate/m³/mo | Commodity Charge Rate/m³ | For Customers Providing Their Own Compressor Fuel: Fuel Ratio | Commodity Charge Rate/m³ |
|---|---|---|---|---|
| a) Annual Firm Transportation Demand (1) Applied to the Firm Daily Contract Demand | 8.9561 ¢ | | | |
| b) Firm Transportation Commodity Paid on all firm quantities redelivered to the Customer's Point(s) of Redelivery | | 0.3245 ¢ | 0.724% | 0.0671 ¢ |

Notes:
(1) All demand charges are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.

## SUPPLEMENTAL CHARGES

Rates for supplemental services are provided in Schedule "A".

Notes:

1. All demand charges are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year.

## OVERRUN SERVICE

**1. Annual Storage Space**

Authorized

Authorized Overrun is provided as Storage/Balancing Service. It is payable on all quantities on any Day in excess of the customer's contracted Maximum Storage Space. Overrun will be authorized by Union at is sole discretion.

Unauthorized

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space, and which has not been authorized by Union or provided for under a short term supplemental storage service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate will be $6.000 per GJ applied to the greatest excess for each occurrence.

If on any Day, the gas storage balance for the account of the customer is less than zero, the Unauthorized Overrun charge will apply for each GJ of gas below a zero inventory level and this amount of gas shall be deemed not to have been withdrawn from storage. The gas shall be deemed to have been sold to the customer at the highest spot price at Dawn in the month of occurrence and the month following occurrence as identified in the Canadian Gas Price Reporter and shall not be less than Union's approved weighted average cost of gas. If the customer has contracted to provide its own deliverability inventory, the zero inventory level shall be deemed to mean twenty percent (20%) of the Annual Firm Storage Space.

## 2. Injection, Withdrawals and Transportation

Authorized

The following Overrun rates are applied to any quantities transported, injected or withdrawn in excess of 103% of the Contract parameters. Overrun will be authorized by Union at its sole discretion.

| | Union Providing Fuel | For Customers Providing Their Own Compressor Fuel Firm or Interruptible Service | |
|---|---|---|---|
| | Firm or Interruptible Service | Fuel Ratio | Commodity Charge |
| Storage Injections | \$0.167/GJ | 1.03% | \$0.070/GJ |
| Storage Withdrawals | \$0.167/GJ | 1.03% | \$0.070/GJ |
| Transportation | 0.6189 ¢/$m^3$ | 0.724% | 0.3615 ¢/$m^3$ |

Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 36.0¢ per $m^3$ or \$9.526 per GJ, as appropriate.

## 3. Short Term Storage Services

Authorized

The following Overrun rates are applied to any quantities stored in excess of the Contract parameters. Overrun will be authorized by Union Gas at its sole discretion.

| | Firm Service Rate/GJ |
|---|---|
| Space | \$6.000 |
| Injection | |
| Maximum | \$6.000 |

OTHER SERVICES & CHARGES

1. **Monthly Charge**

In addition to the rates and charges described previously for each Point of redelivery a Monthly Charge shall be applied to each specific customer as follows:

| | Monthly Charge |
|---|---|
| City of Kitchener | $ 17,285.43 |
| NRG | $ 2,653.49 |
| Six Nations | $ 884.50 |

If a customer combines Sales Service with Contract Carriage Service, the monthly charge will be prorated such that the customer will under both services pay no more than the above monthly charge.

2. **Diversion of Gas**

The availability of the right to divert gas will be based on Union's ability to accommodate the diversion. The price to be charged for the right to divert shall be determined through negotiation.

3. Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver at a point(s) specified by Union and must acquire and maintain firm transportation on all upstream pipeline systems. Customers initiating direct purchase arrangements must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

(D) **Delayed Payment**

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

unionGas

Effective
2009-04-01
Schedule "A"

## Gas Supply Charges

**(A) Availability:**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability:**

To all sales customers served under rates M1, M2, M4, M5A, M7, M9, M10 and storage and transportation customers taking supplemental services under rates T1 and T3.

**(C) Rates:**

| | cents / $m^3$ | |
|---|---|---|
| Utility Sales | | |
| Commodity and Fuel | 23.5286 | (1) |
| Commodity and Fuel - Price Adjustment | (1.8283) | |
| Transportation | 3.2310 | |
| Total Gas Supply Commodity Charge | 24.9313 | |
| Minimum Annual Gas Supply Commodity Charge | | |
| Rate M4 Firm and Rate M5A Interruptible Contract | 4.4182 | |

| Storage and Transportation Supplemental Services - Rate T1 & T3 | $/GJ |
|---|---|
| Monthly demand charges: | |
| Firm gas supply service | 33.067 |
| Firm backstop gas | 2.770 |
| Commodity charges: | |
| Gas supply | 6.235 |
| Backstop gas | 7.509 |
| Reasonable Efforts Backstop Gas | 8.578 |
| Supplemental Inventory | Note (2) |
| Supplemental Gas Sales Service (cents / $m^3$) | 30.4557 |
| Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails | 2.866 |
| Discretionary Gas Supply Service (DGSS) | Note (3) |

Notes:

(1) The Commodity and Fuel line includes gas supply administration charge of 0.3138 cents/ $m^3$.
(2) The charge for banked gas purchases shall be the higher of the daily spot gas cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.
(3) Reflects the "back to back" price plus gas supply administration charge.

Effective: April 1, 2009
O.E.B. Order # EB-2009-0054

Chatham, Ontario

Supersedes EB-2008-0220 Rate Schedule effective January 1, 2009.

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STORAGE RATES FOR
UNBUNDLED CUSTOMERS

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer, or an agent, who is authorized to service residential and non-contract commercial and industrial end-users paying for the Monthly Fixed Charge and Delivery charge under Rate M1 or Rate M2:

a) who enters into an Unbundled Service Contract with Union for the storage of Gas for use at facilities located within Union's gas franchise area;

b) who contracts for Standard Peaking Service (SPS) with Union unless the customer can demonstrate that it has a replacement to the deliverability available in the SPS physically tied into Union's system and an OEB approved rate to provide the SPS replacement service;

c) who accepts daily estimates of consumption at Points of Consumption as prepared by Union so that they may nominate an equivalent amount from storage, upstream transportation, or Ontario Producers authorized to sell to third parties;

d) who nominates injections and withdrawals from storage and deliveries on upstream pipeline systems daily or Ontario Producers authorized to sell to third parties;

e) for whom Union has determined storage capacity is available; and

f) who accepts a monthly bill as prepared by Union.

**(C) Rates**

The following rates shall be charged for all volumes contracted or handled as appropriate. The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

**STORAGE SERVICE**

| | Demand Charge Rate/GJ/mo | Fuel Ratio | Commodity Charge Rate/GJ |
|---|---|---|---|
| i) Standard Storage Service (SSS) | | | |
| a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space | $0.021 | | |
| b) Injection Commodity | | 0.599% | $0.014 |
| c) Withdrawal Commodity | | 0.599% | $0.014 |
| ii) Standard Peaking Service (SPS) | | | |
| a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space | $0.104 | | |
| b) Injection Commodity | | 0.599% | $0.014 |
| c) Withdrawal Commodity | | 1.03% | $0.014 |

| | Demand Charge Rate/GJ/mo | Fuel Ratio | Commodity Charge Rate/GJ |
|---|---|---|---|
| iii) Supplemental Service | | | |
| a) Incremental Firm Injection Right: (5) Applied to the contracted Maximum Incremental Firm Injection Right | $0.940 | | |
| b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right | $0.940 | | |
| c) Short Term Storage / Balancing Service - Maximum | | | $6.000 |

Notes:

1. Demand charges for Annual Services are paid monthly during the term of the Contract, which shall not be less than one year, unless Union, in its sole discretion, accepts a term of less than one year.

2. Daily Firm Injection and Withdrawal Rights shall be pursuant to the Storage Contract.

3. Storage Space, Withdrawal Rights, and Injection Rights are not assignable to any other party without the prior written consent of Union and where necessary, approval from the Ontario Energy Board.

4. Short Term Storage / Balancing service (less than 2 years) is:
   i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
   ii) short-term incremental firm deliverability, OR
   iii) a component of an operational balancing service offered.

   In negotiating the rate to be charged for service, the matters that are to be considered include:
   i) The minimum amount of storage service to which a customer is willing to commit,
   ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
   iii) Utilization of facilities,
   iv) Competition, and
   v) Term.

5. Union's ability to offer incremental injection and withdrawal rights is subject to annual asset availability.

## OVERRUN SERVICE

### 1. Injection and Withdrawal

Authorized

| | Fuel Ratio | Commodity Charge Rate/GJ |
|---|---|---|
| Injection | 1.03% | $0.045 |
| Withdrawal | 1.03% | $0.045 |

The Authorized Overrun rate is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

Unauthorized

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be $60.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be $6.000 per GJ.

## OTHER SERVICES & CHARGES

1. Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must commit to provide a call at Parkway, throughout the winter period, for a specified number of days. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

## (D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

STORAGE AND DELIVERY RATES
FOR UNBUNDLED CUSTOMERS

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To an interruptible industrial and commercial customer:

a) whose daily contracted demand is between 4 800 $m^3$ and 140 870 $m^3$ inclusive;

b) who enters into an Unbundled Service Contract with Union for the delivery or the storage and delivery of Gas for use at facilities located within Union's gas franchise area;

c) who has meters with electronic recording at each Point of Consumption;

d) who nominates injections and withdrawals from storage, deliveries on upstream pipeline systems daily or Ontario Producers authorized to sell to third parties; and

e) for whom Union has determined delivery and/or storage capacity is available.

**(C) Rates**

The following rates shall be charged for all volumes contracted or handled as appropriate. The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

**STORAGE SERVICE**

| | Demand Charge Rate/GJ/mo | Fuel Ratio | Commodity Charge Rate/GJ |
|---|---|---|---|
| i) Standard Storage Service (SSS) | | | |
| a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space | $0.021 | | |
| b) Injection Commodity | | 0.599% | $0.014 |
| c) Withdrawal Commodity | | 0.599% | $0.014 |
| ii) Supplemental Service | | | |
| a) Incremental Firm Injection Right (5) Applied to the contracted Maximum Incremental Firm Injection Right | $0.940 | | |
| b) Incremental Firm Withdrawal Right (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right | $0.940 | | |
| c) Short Term Storage / Balancing Service - Maximum | | | $6.000 |

Notes:

1. Demand charges for Annual Services are paid monthly during the term of the Contract, which shall not be less than one year, unless Union, in its sole discretion, accepts a term of less than one year.

2. Daily Firm Injection and Withdrawal Rights shall be pursuant to the Storage Contract.

3. Storage Space, Withdrawal Rights, and Injection Rights are not assignable to any other party without the prior written consent of Union and where necessary, approval from the Ontario Energy Board.

4. Short Term Storage / Balancing service (less than 2 years) is:
   i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
   ii) short-term incremental firm deliverability, OR
   iii) a component of an operational balancing service offered.

   In negotiating the rate to be charged for service, the matters that are to be considered include:
   i) The minimum amount of storage service to which a customer is willing to commit,
   ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
   iii) Utilization of facilities,
   iv) Competition, and
   v) Term.

5. Union's ability to offer incremental injection and withdrawal rights is subject to annual asset availability.

**DELIVERY SERVICE**

1. Interruptible Service

   The price of all gas delivered by the Company pursuant to any contract, contract amendment, or contract renewal shall be determined on the basis of the following schedules:

   (i) Monthly Delivery Commodity Charge

| Daily Contracted Demand Level (CD) | Price per m³ (¢/m³) |
|---|---|
| 4 800 m³ ≤ CD < 17 000 m³ | 1.5400 |
| 17 000 m³ ≤ CD < 30 000 m³ | 1.4101 |
| 30 000 m³ ≤ CD < 50 000 m³ | 1.3418 |
| 50 000 m³ ≤ CD < 70 000 m³ | 1.2939 |
| 70 000 m³ ≤ CD < 100 000 m³ | 1.2596 |
| 100 000 m³ ≤ CD ≤ 140 870 m³ | 1.2259 |

   (ii) Days Use of Interruptible Contract Demand

   The price determined under Paragraph 1(i) of "Delivery Service" will be reduced by the amount based on the number of Days Use of Contracted Demand as scheduled below:

| | |
|---|---|
| For 75 days use of contracted demand | .053¢ per m³ minimum |
| For each additional days use of contracted demand up to a maximum of 275 days, an additional discount of | .00212¢ per m³ minimum |

   (iii) Monthly Charge $499.70 per month

2. In each contract year, the customer shall take delivery from the Company or in any event pay for if available and not accepted by the customer, a minimum volume of gas or delivery services as specified in the contract between the parties and which will not be less than 700 000 $m^3$ per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery charge of 1.5400 ¢ per $m^3$.

   In the event that the contract period exceeds one year, the annual minimum volume will be prorated for any part year.

3. Non-Interruptible Service

   The Company may agree, at its sole discretion, to combine an interruptible service with a firm service in which case the amount of firm daily demand to be delivered shall be agreed upon by the Company and the customer.

   a) The monthly demand charge for firm daily deliveries will be 21.7116 ¢ per $m^3$.

   b) The commodity charge for firm service shall be the rate for firm service at the Company's firm rates net of a monthly demand charge of 21.7116 ¢ per $m^3$ of daily contracted demand.

   c) The interruptible commodity charge will be established under Clause 1 of "Delivery Service" of this schedule.

## OVERRUN SERVICE

### 1. Injection and Withdrawal

Authorized

| | Fuel Ratio | Commodity Charge Rate/GJ |
|---|---|---|
| Injection | 1.03% | $0.045 |
| Withdrawal | 1.03% | $0.045 |

The Authorized Overrun rate is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

Unauthorized

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be $60.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be $6.000 per GJ.

2. **Delivery**

Authorized

Overrun Delivery Service is available without penalty provided that it is authorized by the Company in advance. The Company will not unreasonably withhold authorization.

Unauthorized

Unauthorized Delivery Overrun Service taken in a month shall be paid for at the rate of 5.6584 ¢ per $m^3$.

**OTHER SERVICES & CHARGES**

1. Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must commit to provide a call at Parkway, throughout the winter period, for a specified number of days. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

2. **Nomination Variances**

The rate for unauthorized parking or drafting which results from nomination variances shall be equal to 50% of the "Daily Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff. During the period September 1 to November 30, and February 1 to April 30, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 4% of the nominated amount and 150 GJ's. For the remainder of the year, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 8% of the nominated amount and 302 GJ's.

**(D) Delayed Payment**

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

## STORAGE AND DELIVERY RATES FOR UNBUNDLED CUSTOMERS

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer:

a) whose combined firm and interruptible service minimum annual delivery of natural gas is 5 000 000 $m^3$ or greater;

b) who enters into an Unbundled Service Contract with Union for the delivery or the storage and delivery of Gas for use at facilities located within Union's gas franchise area;

c) who has meters with electronic recording at each Point of Consumption;

d) who nominates injections and withdrawals from storage, deliveries on upstream pipeline systems daily, or Ontario Producers authorized to sell to third parties;

e) for whom Union has determined delivery and/or storage capacity is available; and

f) who has site specific energy measuring equipment installed at each Point of Consumption that will be used in determining energy balances.

For the purposes of qualifying for a rate class, the total quantities of gas consumed or expected to be consumed on the customer's property will be used, irrespective of the number of meters installed.

**(C) Rates**

The following rates shall be charged for all volumes contracted or handled as appropriate. The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

**STORAGE SERVICE**

| | Demand Charge Rate/GJ/mo | Fuel Ratio | Commodity Charge Rate/GJ |
|---|---|---|---|
| i) Standard Storage Service (SSS) | | | |
| a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space | $0.021 | | |
| b) Injection Commodity | | 0.599% | $0.014 |
| c) Withdrawal Commodity | | 0.599% | $0.014 |
| ii) Supplemental Service | | | |
| a) Incremental Firm Injection Right (5) Applied to the contracted Maximum Incremental Firm Injection Right | $0.940 | | |
| b) Incremental Firm Withdrawal Right (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right | $0.940 | | |
| c) Short Term Storage / Balancing Service - Maximum | | | $6.000 |

Notes:

1. Demand charges for Annual Services are paid monthly during the term of the Contract, which shall not be less than one year, unless Union, in its sole discretion, accepts a term of less than one year.

2. Daily Firm Injection and Withdrawal Rights shall be pursuant to the Storage Contract.

3. Annual Firm Storage Space

   The maximum storage space available to a customer at the rates specified herein is determined by one of the following storage allocation methodologies:

   3.1 Aggregate Excess
   Aggregate excess is the difference between a customer's gas consumption in the 151-day winter period and consumption during the balance of the year. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

   3.2 Obligated daily contract quantity multiple of 15
   Obligated daily contract quantity is the firm daily quantity of gas which the customer must deliver to Union. The 15 x obligated daily contract quantity calculation will be done using the daily contract quantity for the upcoming contract year. At each contract renewal, the 15 x obligated daily contract quantity calculation will be performed to set the new space allocation.

   3.3 For new, large (daily firm transportation demand requirements in excess of 1,200,000 $m^3$/day) gas fired power generation customers, storage space is determined by peak hourly consumption x 24 x 4 days. Should the customer elect firm deliverability less than their maximum entitlement (see Note 4.2), the maximum storage space available at the rates specified herein is 10 x firm storage deliverability contracted, not to exceed peak hourly consumption x 24 x 4 days.

   Customers may contract for less than their maximum entitlement of firm storage space.

4. Annual Injection/Withdrawal Right

   The maximum level of deliverability available to a customer at the rates specified herein is determined by one of the following methodologies:

   4.1 The greater of obligated daily contract quantity or firm daily contract demand less obligated daily contract quantity.

   4.2 For new, large (daily firm transportation demand requirements in excess of 1,200,000 $m^3$/day) gas fired power generation customers, the maximum entitlement of firm storage deliverability is 24 times the customer's peak hourly consumption, with 1.2% firm deliverability available at the rates specified herein.

   Customers may contract for less than their maximum entitlement of deliverability. A customer may contract up to this maximum entitlement with a combination of firm and interruptible deliverability as specified in Section (C) Storage Service.

5. Additional storage space or deliverability, in excess of the allocated entitlements per Notes 3 and 4, may be available at market prices.

6. Storage Space, Withdrawal Rights, and Injection Rights are not assignable to any other party without the prior written consent of Union and where necessary, approval from the Ontario Energy Board.

7. Short Term Storage / Balancing Service (less than 2 years) is:
   i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
   ii) short-term incremental firm deliverability, OR
   iii) a component of an operational balancing service offered.

   In negotiating the rate to be charged for service, the matters that are to be considered include:
   i) The minimum amount of storage service to which a customer is willing to commit,
   ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
   iii) Utilization of facilities,
   iv) Competition, and
   v) Term.

8. Union's ability to offer incremental injection and withdrawal rights is subject to annual asset availability.

## DELIVERY SERVICE

| | Demand Charge Rate/$m^3$/mo | Fuel Ratio (5) (6) | Commodity Charge Rate/ $m^3$ |
|---|---|---|---|
| a) Annual Firm Delivery Demand<br>Applied to the Firm Daily Contracted Demand | | | |
| First 140,870 $m^3$ per month | 18.8968 ¢ | | |
| All over 140,870 $m^3$ per month | 12.9127 ¢ | | |
| b) Firm Delivery Commodity<br>Paid on all firm volumes redelivered to the customer's Point(s) of Consumption | | | |
| First 2,360,653 $m^3$ per month | | 0.554% | 0.1700 ¢ |
| All over 2,360,653 $m^3$ per month | | 0.554% | 0.0846 ¢ |
| c) Interruptible Delivery Commodity<br>Paid on all interruptible volumes redelivered to the customer's Point of Consumption – Maximum | | 0.554% | 2.5610 ¢ |

Notes:

1. All demand charges are paid monthly during the term of the Contract, which shall not be less than one year unless Union, at its sole discretion, accepts a term of less than one year.

2. Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 $m^3$/day and who are directly connected to i) the Dawn-Trafalgar transmission system in close proximity to Parkway or ii) a third party pipeline, have the option to pay for service using a Billing Contract Demand. The Billing Contract Demand shall be determined by Union such that the annual revenues over the term of the contract will recover the invested capital, return on capital and operating and maintenance costs associated with the dedicated service in accordance with Union's system expansion policy. The firm transportation demand charge will be applied to the Billing Contract Demand. For customers choosing the Billing Contract Demand option, the authorized transportation overrun rate will apply to all volumes in excess of the Billing Contract Demand but less than the daily firm demand requirement.

3. In negotiating the rate to be charged for the delivery of gas under interruptible Delivery, the matters that are to be considered include:

    a) The amount of the Interruptible Delivery for which customer is willing to contract,

    b) The anticipated load factor for the Interruptible Delivery volumes,

    c) Interruptible or curtailment provisions, and

    d) Competition.

4. In each contract year, the customer shall pay for a Minimum Interruptible Delivery Activity level as specified in the Contract. Overrun activity will not contribute to the minimum activity level.

5. Transportation fuel ratios do not apply to customers served from dedicated facilities directly connected to third party transmission systems with custody transfer metering at the interconnect.

6. Firm transportation fuel ratio does not apply to new customers or existing customers with incremental daily firm demand requirements in excess of 1,200,000 $m^3$/day that contract for M12 Dawn to Parkway transportation service equivalent to 100% of their daily firm demand requirement. If a customer with a daily firm demand requirement in excess of 1,200,000 $m^3$/day contracts for M12 Dawn to Parkway transportation service at less than 100% of their firm daily demand requirement, the firm transportation fuel ratio will be applicable to daily volumes not transported under the M12 transportation contract.

## OVERRUN SERVICE

### 1. Injection and Withdrawal

Authorized

| | Fuel Ratio | Commodity Charge Rate/GJ |
|---|---|---|
| Injection | 1.03% | $0.045 |
| Withdrawal | 1.03% | $0.045 |

The Authorized Overrun rate is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

Unauthorized

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be $60.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be $6.000 per GJ.

### 2. Delivery

Authorized

The following Authorized Overrun rates are applied to any volumes transported in excess of 103% of the Contract parameters. Overrun will be authorized by Union at its sole discretion.

| | Fuel Ratio | Commodity Charge Rate/ $m^3$ |
|---|---|---|
| Delivery | 0.554% | 0.7913 ¢ |

Unauthorized

For all volumes on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged a rate of 5.6584 ¢ per $m^3$.

## OTHER SERVICES & CHARGES

### 1. Monthly Charge

In addition to the rates and charges described previously for each Point of Consumption, a Monthly Charge shall be applied as follows:

| | |
|---|---|
| Monthly Charge | $1 798.91 per month |

### 2. Delivery Obligations

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 $m^3$/day who are delivering gas to Union under direct purchase arrangements may be entitled to non-obligated deliveries. The delivery options available to customers are detailed at www.uniongas.com/aboutus/regulatory/rates/deliveryobligations.asp.

Unless otherwise authorized by Union, all other customers who are delivering gas to Union under direct purchase arrangements must commit to provide a call at Parkway, throughout the winter period, for a specified number of days. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

### 3. Nominations

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 $m^3$/day who have non obligated deliveries may contract to use Union's 5 additional nomination windows (13 in total) for U7 storage services, U7 delivery services and U7 gas supply receipts. These windows are in addition to the standard NAESB and TCPL STS nomination windows. Customers taking the additional nomination window service will pay an additional monthly demand charge of $0.692/GJ/day/month multiplied by the non-obligated daily contract quantity.

### 4. Nomination Variances

The rate for unauthorized parking or drafting which results from nomination variances ( i.e. the difference between nominated consumption and actual consumption) shall be equal to 50% of the "Daily Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff. During the period September 1 to November 30, and February 1 to April 30, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 4% of the nominated amount and 150 GJ's. For the remainder of the year, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 8% of the nominated amount and 302 GJ's.

5. **Additional Service Information**

Additional information on Union's U7 service offering can be found at www.uniongas.com/aboutus/regulatory/rates/U7info.asp. The additional information consists of, but is not limited to, the following:

i. Storage space and deliverability entitlement;
ii. The determination of gas supply receipt points and delivery obligations;
iii. The nomination schedule;
iv. The management of multiple redelivery points by a common fuel manager; and
v. The availability of supplemental transactional services including title transfers.

**(D) Delayed Payment**

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

STORAGE AND DELIVERY RATES
FOR UNBUNDLED CUSTOMERS

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a Distributor

a) whose minimum annual delivery of natural gas is 700 000 $m^3$ or greater;

b) who enters into an Unbundled Service Contract with Union for the delivery or the storage and delivery of Gas for use at facilities located within Union's gas franchise area;

c) who has meters with electronic recording at each Point of Consumption;

d) who nominates injections and withdrawals from storage, deliveries on upstream pipeline systems daily or Ontario Producers authorized to sell to third parties; and

e) for whom Union has determined delivery and/or storage capacity is available.

**(C) Rates**

The following rates shall be charged for all volumes contracted or handled as appropriate. The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

**STORAGE SERVICE**

| | Demand Charge Rate/GJ/mo | Fuel Ratio | Commodity Charge Rate/GJ |
|---|---|---|---|
| i) Standard Storage Service (SSS) | | | |
| a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space | $0.021 | | |
| b) Injection Commodity | | 0.599% | $0.014 |
| c) Withdrawal Commodity | | 0.599% | $0.014 |
| ii) Supplemental Service | | | |
| a) Incremental Firm Injection Right (5) Applied to the contracted Maximum Incremental Firm Injection Right | $0.940 | | |
| b) Incremental Firm Withdrawal Right (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right | $0.940 | | |
| c) Short Term Storage / Balancing Service - Maximum | | | $6.000 |

Notes:

1. Demand charges for Annual Services are paid monthly during the term of the Contract, which shall not be less than one year, unless Union, in its sole discretion, accepts a term of less than one year.
2. Daily Firm Injection and Withdrawal Rights shall be pursuant to the Storage Contract.
3. Annual Firm Storage Space

   The maximum storage space available to a customer at the rates specified herein is determined by one of the following storage allocation methodologies:

   3.1 Aggregate Excess
   Aggregate excess is the difference between a customer's gas consumption in the 151-day winter period and consumption during the balance of the year. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

   3.2 Obligated daily contract quantity multiple of 15
   Obligated daily contract quantity is the firm daily quantity of gas which the customer must deliver to Union. The 15 x obligated daily contract quantity calculation will be done using the daily contract quantity for the upcoming contract year. At each contract renewal, the 15 x obligated daily contract quantity calculation will be performed to set the new space allocation.

   Customers may contract for less than their maximum entitlement of firm storage space.

4. Annual Injection/Withdrawal Right

   The maximum level of deliverability available to a customer at the rates specified herein is determined to be the greater of obligated daily contract quantity or firm daily contract demand less obligated daily contract quantity.

   Customers may contract for less than their maximum entitlement of deliverability. A customer may contract up to this maximum entitlement with a combination of firm and interruptible deliverability as specified in Section (C) Storage Service.

5. Additional storage space or deliverability, in excess of the allocated entitlements per Notes 3 and 4, may be available at market prices.
6. Storage Space, Withdrawal Rights, and Injection Rights are not assignable to any other party without the prior written consent of Union and where necessary, approval from the Ontario Energy Board.
7. Short Term Storage / Balancing service (less than 2 years) is:
   i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
   ii) short-term incremental firm deliverability, OR
   iii) a component of an operational balancing service offered.

   In negotiating the rate to be charged for service, the matters that are to be considered include:
   i) The minimum amount of storage service to which a customer is willing to commit,
   ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
   iii) Utilization of facilities,
   iv) Competition, and
   v) Term.

8. Union's ability to offer incremental injection and withdrawal rights is subject to annual asset availability.

## DELIVERY SERVICE

| | Demand Charge Rate/ $m^3$/mo | Fuel Ratio | Commodity Charge Rate/ $m^3$ |
|---|---|---|---|
| a) Annual Firm Delivery Demand (1) Applied to the Firm Daily Contracted Demand | 8.9561 ¢ | | |
| b) Firm Delivery Commodity Paid on all firm volumes redelivered to the customer's Point(s) of Consumption | | 0.724% | 0.0671 ¢ |

Notes:

1. All demand charges are paid monthly during the term of the Contract, which shall not be less than one year unless Union, at its sole discretion, accepts a term of less than one year.

## OVERRUN SERVICE

### 1. Injection and Withdrawal

Authorized

| | Fuel Ratio | Commodity Charge Rate/GJ |
|---|---|---|
| Injection | 1.03% | $0.045 |
| Withdrawal | 1.03% | $0.045 |

The Authorized Overrun rate is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

Unauthorized

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be $60.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be $6.000 per GJ.

### 2. Delivery

Authorized

The following Authorized Overrun rates are applied to any volumes transported in excess of 103% of the Contract parameters. Overrun will be authorized by Union at its sole discretion.

| | Fuel Ratio | Commodity Charge Rate/ $m^3$ |
|---|---|---|
| Delivery | 0.724% | 0.3615 ¢ |

Unauthorized

For all volumes on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 36.0¢ per $m^3$ or $9.526 per GJ, as appropriate.

OTHER SERVICES & CHARGES

1. **Monthly Charge**

In addition to the rates and charges described previously for each Point of Consumption, a Monthly Charge shall be applied to each specific customer as follows:

| | Monthly Charge |
|---|---|
| City of Kitchener | $17 285.43 |
| NRG | $ 2 653.49 |
| Six Nations | $ 884.50 |

If a customer combines Sales Service with Contract Carriage Service, the monthly charge will be prorated such that the customer will under both services pay no more than the above monthly charge.

2. Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must commit to provide a call at Parkway, throughout the winter period, for a specified number of days. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

3. **Nomination Variances**

The rate for unauthorized parking or drafting which results from nomination variances shall be equal to 50% of the "Daily Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff. During the period September 1 to November 30, and February 1 to April 30, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 4% of the nominated amount and 150 GJ's. For the remainder of the year, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 8% of the nominated amount and 302 GJ's.

**(D) Delayed Payment**

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5% (annual effective rate of 19.56%).

# APPENDIX C

UNION GAS LIMITED
Infranchise Customers
Summary of Average Rate and Price Adjustment Changes for Rates 25, M5A, M7 and T1
Effective April 1, 2009

| Line No. | Particulars (cents / $m^3$) | Monthly Charge Increase / (Decrease) (a) | Monthly Demand Charge Increase / (Decrease) (b) | Delivery Commodity Charge Increase / (Decrease) (c) | Delivery - Price Adjustment Increase / (Decrease) (d) |
|---|---|---|---|---|---|
| | Rate 25 | | | | |
| 1 | All Zones | | | | |
| | M5A | | | | |
| 2 | Interruptible | | | | (0.0002) |
| | M7 | | | | |
| 3 | Interruptible | | | | (0.0002) |
| 4 | Seasonal | | | | (0.0002) |
| | T1-Interruptible | | | | |
| 5 | Transportation - Union supplies fuel | | | | |
| 6 | Transportation - Customer supplies fuel | | | | |

Working Papers

**EB-2009-0054**

## Working Paper Index

UNION GAS LIMITED
Calculation of Supplemental Service Charges
Commissioning and Decommissioning Rates
Effective April 1, 2009

| Line No. | Particulars | Ft. Frances (a) | Western (b) | Northern (c) | Eastern (d) |
|---|---|---|---|---|---|
| | **Northern and Eastern Operations Area** | | | | |
| | **Rate 20 - At 50% Load Factor** | | | | |
| | Delivery (cents / $m^3$) | | | | |
| 1 | Monthly Demand (1) | 20.1719 | 20.1719 | 20.1719 | 20.1719 |
| 2 | x 12 months | 242.0628 | 242.0628 | 242.0628 | 242.0628 |
| 3 | / 365 days | 0.6632 | 0.6632 | 0.6632 | 0.6632 |
| 4 | @ 50% L.F. | 1.3264 | 1.3264 | 1.3264 | 1.3264 |
| 5 | Commodity Charge (2) | 0.3280 | 0.3280 | 0.3280 | 0.3280 |
| 6 | Total Delivery Commissioning | 1.6544 | 1.6544 | 1.6544 | 1.6544 |
| | Gas Supply (cents / $m^3$) | | | | |
| 7 | Monthy Demand (3) | 28.3704 | 29.9524 | 48.4085 | 63.9966 |
| 8 | Gas Supply Demand - Price Adjustment (3) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 9 | (Line 7 + Line 8) x 12 months | 340.4448 | 359.4288 | 580.9020 | 767.9592 |
| 10 | / 365 days | 0.9327 | 0.9847 | 1.5915 | 2.1040 |
| 11 | @ 50% L.F. | 1.8655 | 1.9695 | 3.1830 | 4.2080 |
| 12 | Transportation 1 (4) | 2.4266 | 2.4635 | 2.9014 | 3.2721 |
| 13 | Transportation 1 - Price Adjustment | 0.0633 | 0.0633 | 0.0633 | 0.0633 |
| 14 | (Line 12 + Line 13) x 4/5 | 1.9919 | 2.0214 | 2.3717 | 2.6683 |
| 15 | Transportation 2 (5) | 0.1551 | 0.1687 | 0.2635 | 0.3471 |
| 16 | x 1/5 | 0.0310 | 0.0337 | 0.0527 | 0.0694 |
| 17 | Total Commodity Transportation Charge for Commissioning Rate | 3.8884 | 4.0246 | 5.6075 | 6.9457 |
| | **Rate 100 - At 70% Load Factor** | | | | |
| | Delivery (cents / $m^3$) | | | | |
| 18 | Monthly Demand (6) | 11.8941 | 11.8941 | 11.8941 | 11.8941 |
| 19 | x 12 months | 142.7292 | 142.7292 | 142.7292 | 142.7292 |
| 20 | / 365 days | 0.3910 | 0.3910 | 0.3910 | 0.3910 |
| 21 | @ 70% L.F. | 0.5586 | 0.5586 | 0.5586 | 0.5586 |
| 22 | Commodity Charge (7) | 0.2255 | 0.2255 | 0.2255 | 0.2255 |
| 23 | Total Delivery Commissioning | 0.7841 | 0.7841 | 0.7841 | 0.7841 |
| | Gas Supply (cents / $m^3$) | | | | |
| 24 | Monthy Demand (8) | 45.9252 | 47.7711 | 69.3032 | 87.4891 |
| 25 | x 12 months | 551.1024 | 573.2532 | 831.6384 | 1,049.8692 |
| 26 | / 365 days | 1.5099 | 1.5706 | 2.2785 | 2.8764 |
| 27 | @ 70% L.F. | 2.1570 | 2.2437 | 3.2549 | 4.1091 |
| 28 | Transportation 1 (9) | 4.3790 | 4.4067 | 4.7351 | 5.0132 |
| 29 | x 3/7 | 1.8767 | 1.8886 | 2.0293 | 2.1485 |
| 30 | Transportation 2 (10) | 0.1551 | 0.1687 | 0.2635 | 0.3471 |
| 31 | x 4/7 | 0.0886 | 0.0964 | 0.1506 | 0.1984 |
| 32 | Total Commodity Transportation Charge for Commissioning Rate | 4.1223 | 4.2286 | 5.4348 | 6.4560 |

Notes:
(1) Appendix A, Page 3.
(2) Appendix A, Page 3.
(3) Appendix A, Page 3.
(4) Appendix A, Page 3.
(5) Appendix A, Page 3.
(6) Appendix A, Page 4.
(7) Appendix A, Page 4.
(8) Appendix A, Page 4.
(9) Appendix A, Page 4.
(10) Appendix A, Page 4.

UNION GAS LIMITED
Southern Operations Area
Calculation of Supplemental Service Charges
Effective April 1, 2009

| Line No. | Particulars | cents / $m^3$ (a) | ($ / GJ) (b) |
|---|---|---|---|
| | Minimum annual gas supply commodity charge - Rate M4, M5A | | |
| 1 | Compressor Fuel | 0.8734 | |
| 2 | Transportation Tolls | 3.2310 | |
| 3 | Administration Charge | 0.3138 | |
| 4 | Minimum annual gas supply commodity charge | 4.4182 | 1.169 |
| | Gas Supply Commodity Charges | | |
| 5 | Commodity Cost of Gas | 22.3414 | |
| 6 | FT Transportation Commodity | 0.3471 | |
| 7 | FT Fuel | 0.8734 | |
| 8 | Total Gas Supply Commodity Charge | 23.5619 | 6.235 |
| | Firm Gas Supply Service Monthly Demand Charge | | |
| 9 | FT Demand Charge | 124.9587 | 33.067 |

UNION GAS LIMITED
Southern Operations Area
Calculation of Supplemental Service Charges
Effective April 1, 2009

| Line No. | Particulars | | | | | | cents / $m^3$ (a) | ($ / GJ) (b) |
|---|---|---|---|---|---|---|---|---|
| | Firm backstop gas: | | | | | | | |
| | Demand: | | | | | | | |
| 1 | Monthly space charge | | | | | 0.0367 | | |
| 2 | Units required (1) | Note: Each unit of added delivery requires 43 $m^3$ of additional inventory. | | | | 43 | | |
| 3 | Number of months | | | | | 12 | 18.9276 (a) | |
| | Inventory carrying costs: | | | | | | | |
| 4 | Sales WACOG | | | | | 26.7596 | | |
| 5 | Overrun storage withdrawal | | | | | 0.6301 | | |
| 6 | | | | | | 27.3897 | | |
| 7 | Units required ($m^3$) | | | | | 43 | | |
| 8 | Pre-tax return (%) | | | | | 9.060% | 106.7047 (b) | |
| 9 | Annual demand charge | | | | | | 125.6323 (a) + (b) | |
| 10 | | | | | | | 12 | |
| 11 | Monthly demand charge | | | | | | 10.4694 | 2.770 |
| | Commodity: | | | | | | | |
| 12 | Sales WACOG | | | | | | 26.7596 | |
| 13 | Overrun storage withdrawal | | | | | | 0.6301 | |
| 14 | Overrun transportation | | | | | | 0.9882 | |
| 15 | Commodity charge | | | | | | 28.3779 | 7.509 |
| | Reasonable efforts backstop gas: | | | | | | | |
| 16 | M1 Block 1 plus Storage | | | | | | 5.6584 | |
| 17 | Sales WACOG | | | | | | 26.7596 | |
| 18 | | | | | | | 32.4180 | 8.578 |
| | Supplemental inventory: | | | | | | | |
| 19 | Sales WACOG | | | | | | 26.7596 | |
| 20 | Injection commodity | | | | | | 0.3880 | |
| 21 | Space charge | | | 0.0367 | x 12 | | 0.4402 | |
| 22 | | | | | | | 27.5877 | 7.300 |
| | Carrying costs (1/2 year) | | | | | | | |
| 23 | | 27.5877 | x | 9.060% | / 2 | | 1.2497 | |
| 24 | | | | | | | 28.8375 | 7.631 |
| | Supplemental gas sales: | | | | | | | |
| 25 | Supplemental inventory | | | | | | 28.8375 | |
| 26 | Overrun storage withdrawal | | | | | | 0.6301 | |
| 27 | Overrun transportation | | | | | | 0.9882 | |
| 28 | | | | | | | 30.4557 | |
| | Failure to Deliver: | | | | | | | |
| 29 | M1 Block 1 plus Storage | | | | | | 5.6584 | 1.497 |
| 30 | Failure to Deilver Adjustment | | | | | | 5.1708 | 1.368 |
| 31 | Failure to Deliver Charge | | | | | | 10.8292 | 2.866 |

Notes:
(1) Each unit of added delivery requires 43 $m^3$ of additional inventory.

UNION GAS LIMITED
Southern Operations Area
Calculation of Supplemental Service Charges
Calculation of Minimum, Maximum & Seasonal Charges
Effective April 1, 2009

| Line No. | | | cents / $m^3$ (a) |
|---|---|---|---|
| | Minimum Charges | | |
| | Rate M4 | Minimum annual delivery commodity charge: | |
| 1 | | Monthly delivery commodity charge (1st Block M4) | 0.9602 |
| 2 | | Administration Fee | 0.3138 |
| 3 | | Minimum annual delivery commodity charge | 1.2740 |
| | Rate M5 | Minimum annual delivery commodity charge: | |
| 4 | | Monthly delivery commodity charge (1st block M5) | 1.9571 |
| 5 | | Administration Fee | 0.3138 |
| 6 | | Minimum annual delivery commodity charge | 2.2709 |
| | Maximum Charges | | |
| | Rate M7 Interruptible | Maximum interruptible delivery commodity charge: | |
| 7 | | M7 firm commodity charge | 0.3812 |
| 8 | | M7 firm demand charge commoditized using 35% LF | 2.3767 |
| 9 | | M7 maximum interruptible charge | 2.7579 |
| 10 | Rate T1 Interruptible | Maximum interruptible delivery commodity charge: | 2.7579 |

UNION GAS LIMITED
Southern Operations Area
Calculation of Supplemental Service Charges
Effective April 1, 2009

| Line No. | | Union Supplies Fuel | Customer Supplies Fuel |
|---|---|---|---|
| | **M7 - Commissioning and Decommissioning Rate** | | |
| | Delivery (cents / $m^3$) | | |
| 1 | Monthly Demand (1) | | 25.3025 |
| 2 | x 12 months | | 303.6297 |
| 3 | / 365 days | | 0.8319 |
| 4 | @ Class Average Firm Load Factor : 271, 296 (2) /(22,110 (3) /12*365) = 39.6% | | 2.0684 |
| 5 | Commodity Charge (4) | | 0.3812 |
| 6 | Commodity - Price Adjustment (4) | | 0.0042 |
| 7 | Total Delivery Commissioning | | 2.4538 |
| | **T1 - At 100% Load Factor** | Union Supplies Fuel | Customer Supplies Fuel |
| | Authorized Storage Overrun ($ / GJ) | | |
| 8 | Monthly Demand (5) | 1.947 | 1.947 |
| 9 | x 12 months | 23.364 | 23.364 |
| 10 | / 365 days | 0.064 | 0.064 |
| 11 | @ 100% L.F. | 0.064 | 0.064 |
| 12 | Commodity Charge (WACOG/ Heat Value * Overrun Fuel Ratio + Injection Commodity) (6) | 0.103 | 0.006 |
| 13 | Total Storage Overrun | 0.167 | 0.070 |
| | Authorized Transportation Overrun (cents / $m^3$) | | |
| 14 | Monthly Demand (7) | 18.8968 | 18.8968 |
| 15 | x 12 months | 226.7616 | 226.7616 |
| 16 | / 365 days | 0.6213 | 0.6213 |
| 17 | @ 100% L.F. | 0.6213 | 0.6213 |
| 18 | Commodity Charge (WACOG/10 * Transportation fuel ratio/100 + Firm Commodity Transport) (8) | 0.3669 | 0.1700 |
| 19 | Total Transportation Overrun | 0.9882 | 0.7913 |
| | **T3 - At 100% Load Factor** | | |
| | Authorized Transportation Overrun (cents / $m^3$) | | |
| 20 | Monthly Demand (9) | 8.9561 | 8.9561 |
| 21 | x 12 months | 107.4732 | 107.4732 |
| 22 | / 365 days | 0.2944 | 0.2944 |
| 23 | @ 100% L.F. | 0.2944 | 0.2944 |
| 24 | Commodity Charge (10) | 0.3245 | 0.0671 |
| 25 | Total Transportation Overrun | 0.6189 | 0.3615 |
| | **U5/U7/U9 - At 100% Load Factor** | | |
| | Authorized Storage Overrun ($ / GJ) | | |
| 26 | Monthly Demand (11) | | 0.940 |
| 27 | x 12 months | | 11.275 |
| 28 | / 365 days | | 0.031 |
| 29 | @ 100% L.F. | | 0.031 |
| 30 | Commodity Charge (12) | | 0.014 |
| 31 | Total Storage Overrun | | 0.045 |

Notes:
(1) Appendix A, Page 8.
(2) EB-2008-0220, Rate Order, Working Papers, Schedule 4, Page 15.
(3) EB-2008-0220, Rate Order, Working Papers, Schedule 4, Page 15.
(4) Appendix A, Page 8.
(5) Appendix A, Page 9.
(6) $355.473/$10^3m^3$ / 37.62 GJ/$10^3m^3$ * 1.03% + $0.006/GJ.
(7) Appendix A, Page 9.
(8) $355.473/$10^3m^3$ / 10 * 0.554% + 0.1700 cents/$m^3$.
(9) Appendix A, Page 10.
(10) Appendix A, Page 10.
(11) Appendix A, Page 11, Line 11.
(12) Appendix A, Page 11, Line 14.

UNION GAS LIMITED
Load Balancing Costs

| Line No. | Particulars | Load Balancing Allocator (PJ's) (a) | Load Balancing Costs ($000's) (b) | Load Balancing Revenue in Approved Rates ($000's) (c) | Interest ($000's) (d) | Subtotal ($000's) (e) = (b+c+d) | Previous Projection in QRAM Rates ($000's) (f) | Subtotal ($000's) (g) = (e-f) | True-up of Prospective Recovery Amounts ($000's) (h) | Net Balance ($000's) (i) = (g+h) |
|---|---|---|---|---|---|---|---|---|---|---|
| | Northern & Eastern and Southern Operations Area R20, M1, M2, M4, M5A, M7, M9 | | | | | | | | | |
| 1 | November * | | | | 1 | 1 | | | | |
| 2 | December * | | | | 1 | 1 | | | | |
| 3 | January * | | | | 1 | 1 | | | | |
| 4 | February | | | | 3 | 3 | | | | |
| 5 | March | | | | 3 | 3 | | | | |
| 6 | April 2009 - March 2010 | | | | - | - | | | | |
| 7 | Total | | - | - | 9 | 9 | 17 | (8) | (13) | (21) |
| | Northern & Eastern Operations Area - R01 | | | | | | | | | |
| 8 | November * | | | | 0 | 0 | | | | |
| 9 | December * | | | | 0 | 0 | | | | |
| 10 | January * | | (3) | | 0 | (3) | | | | |
| 11 | February | | (6) | | 1 | (5) | | | | |
| 12 | March | | | | 1 | 1 | | | | |
| 13 | April 2009 - March 2010 | | | | | | | | | |
| 14 | Total | | (9) | - | 3 | (7) | - | (7) | (2) | (9) |
| | Northern & Eastern Operations Area - R10 | | | | | | | | | |
| 15 | November * | | | | 0 | 0 | | | | |
| 16 | December * | | | | 0 | 0 | | | | |
| 17 | January * | | (3) | | 0 | (2) | | | | |
| 18 | February | | (5) | | 0 | (4) | | | | |
| 19 | March | | | | 0 | 0 | | | | |
| 20 | April 2009 - March 2010 | | | | | | | | | |
| 21 | Total | | (7) | - | 1 | (6) | - | (6) | (0) | (6) |
| | | | (17) | - | 13 | (4) | 17 | (21) | (15) | (36) |

* Actuals

Union Gas Limited - Northern Operations Area
Gas Purchase Transportation Expense
Year Ending December 31, 2009

| Line No. | | | Annual Vol. TJ | EB-2005-0520 Rates ($ / GJ) | EB-2005-0520 Costs ($000's) | April 2007 QRAM Toll Update Updated Rates ($ / GJ) | April 2007 QRAM Toll Update Updated Costs ($000's) | July 2007 QRAM Toll Update Updated Rates ($ / GJ) | July 2007 QRAM Toll Update Updated Costs ($000's) | April 2008 QRAM Toll Update Updated Rates ($ / GJ) | April 2008 QRAM Toll Update Updated Costs ($000's) | July 2008 QRAM Toll Update Updated Rates ($ / GJ) | July 2008 QRAM Toll Update Updated Costs ($000's) | April 2009 QRAM Toll Update (1) Updated Rates ($ / GJ) | April 2009 QRAM Toll Update (1) Updated Costs ($000's) | Variance in Costs ($000's) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | (a) | (b) | (c ) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) = (m)-(k) |
| | **FT TCPL Transportation** | | | | | | | | | | | | | | | |
| | Demand Costs | | | | | | | | | | | | | | | |
| 1 | CDA | Capacity | 3,211 | 26.474 | 2,787 | 28.065 | 2,954 | 29.128 | 3,066 | 30.869 | 3,249 | 38.936 | 4,099 | 33.376 | 3,523 | (576) |
| 2 | EDA | Capacity | 22,967 | 26.474 | 19,935 | 28.065 | 21,133 | 29.128 | 21,933 | 30.869 | 23,244 | 38.936 | 29,319 | 33.376 | 25,201 | (4,118) |
| 3 | MDA | Capacity | 1,651 | 8.496 | 460 | 8.779 | 475 | 9.205 | 498 | 9.621 | 521 | 12.285 | 665 | 10.389 | 564 | (101) |
| 4 | NDA | Capacity | 17,924 | 20.734 | 12,185 | 21.615 | 12,702 | 22.465 | 13,202 | 23.604 | 13,871 | 30.420 | 17,877 | 25.634 | 15,106 | (2,771) |
| 5 | SDA | Capacity | 2,966 | 20.734 | 2,016 | 21.615 | 2,102 | 22.465 | 2,184 | 23.604 | 2,295 | 30.420 | 2,958 | 25.634 | 2,499 | (459) |
| 6 | WDA | Capacity | 12,145 | 13.595 | 5,413 | 14.081 | 5,607 | 14.682 | 5,846 | 15.626 | 6,222 | 20.074 | 7,993 | 16.704 | 6,670 | (1,324) |
| 7 | Supply TCPL Demand Costs | | | | 42,796 | | 44,973 | | 46,730 | | 49,403 | | 62,910 | | 53,562 | (9,349) |
| 8 | LBA | | | | 1,200 | | 1,200 | | 1,200 | | 1,200 | | 1,200 | | 1,200 | - |
| 9 | CMinn/CTrans | | 3,136 | 4.782 | 493 | 4.782 | 493 | 4.782 | 493 | 4.782 | 493 | 4.782 | 493 | 4.782 | 493 | - |
| 10 | Supply Transportation Demand | | | | 44,489 | | 46,666 | | 48,423 | | 51,096 | | 64,603 | | 55,255 | (9,349) |
| 11 | Company Used | | (355) | | (366) | | (366) | | (366) | | (366) | | (366) | | (366) | - |
| 12 | Inventory Change | | (112) | | (115) | | (115) | | (115) | | (115) | | (115) | | (115) | - |
| 13 | Adjustment | | | | (41) | | (41) | | (41) | | (41) | | (41) | | (41) | - |
| 14 | Demand Costs in Rates | | | | 43,967 | | 46,144 | | 47,901 | | 50,574 | | 64,081 | | 54,733 | (9,349) |
| | Commodity Costs | | | | | | | | | | | | | | | |
| 15 | CDA | Flow | 2,924 | 0.065 | 189 | 0.067 | 197 | 0.073 | 213 | 0.078 | 228 | 0.123 | 361 | 0.093 | 271 | (90) |
| 16 | EDA | Flow | 21,398 | 0.065 | 1,383 | 0.067 | 1,440 | 0.073 | 1,555 | 0.078 | 1,667 | 0.123 | 2,640 | 0.093 | 1,984 | (656) |
| 17 | MDA | Flow | 706 | 0.019 | 13 | 0.019 | 14 | 0.021 | 15 | 0.022 | 16 | 0.037 | 26 | 0.027 | 19 | (7) |
| 18 | NDA | Flow | 17,924 | 0.050 | 897 | 0.051 | 918 | 0.055 | 992 | 0.059 | 1,055 | 0.096 | 1,721 | 0.070 | 1,261 | (459) |
| 19 | SDA | Flow | 2,966 | 0.050 | 148 | 0.051 | 152 | 0.055 | 164 | 0.059 | 175 | 0.096 | 285 | 0.070 | 209 | (76) |
| 20 | WDA | Flow | 10,505 | 0.032 | 339 | 0.033 | 344 | 0.035 | 371 | 0.038 | 402 | 0.064 | 671 | 0.045 | 473 | (198) |
| 21 | Supply TCPL Commodity | | 56,423 | | 2,969 | | 3,065 | | 3,310 | | 3,542 | | 5,704 | | 4,218 | (1,486) |
| 22 | CMinn/CTrans | | 706 | | 10 | | 10 | | 10 | | 10 | | 10 | | 10 | - |
| 23 | Supply Transportation Commodity | | | | 2,980 | | 3,075 | | 3,320 | | 3,552 | | 5,714 | | 4,228 | (1,486) |
| 24 | Company Used | | (355) | | (18) | | (18) | | (18) | | (18) | | (18) | | (18) | - |
| 25 | Inventory Change | | (112) | | (6) | | (6) | | (6) | | (6) | | (6) | | (6) | - |
| 26 | Adjustment | | | | (2) | | (2) | | (2) | | (2) | | (2) | | (2) | - |
| 27 | Commodity Costs in Rates | | | | 2,954 | | 3,050 | | 3,295 | | 3,527 | | 5,689 | | 4,203 | (1,486) |
| | Fuel Costs | | | | | | | | | | | | | | | |
| 28 | CDA | Flow | 885 | 4.373% | 268 | 4.373% | 268 | 4.373% | 268 | | 268 | | 268 | | 268 | - |
| 29 | EDA | Flow | 10,688 | 4.373% | 3,280 | 4.373% | 3,280 | 4.373% | 3,280 | | 3,280 | | 3,280 | | 3,280 | - |
| 30 | MDA | Flow | 385 | 1.350% | 40 | 1.350% | 40 | 1.350% | 40 | | 40 | | 40 | | 40 | - |
| 31 | NDA | Flow | 9,050 | 3.303% | 2,177 | 3.303% | 2,177 | 3.303% | 2,177 | | 2,177 | | 2,177 | | 2,177 | - |
| 32 | SDA | Flow | 657 | 3.303% | 158 | 3.303% | 158 | 3.303% | 158 | | 158 | | 158 | | 158 | - |
| 33 | WDA | Flow | 5,123 | 2.012% | 791 | 2.012% | 791 | 2.012% | 791 | | 791 | | 791 | | 791 | - |
| 34 | Supply Transportation Fuel | | 26,788 | | 6,714 | | 6,714 | | 6,714 | | 6,714 | | 6,714 | | 6,714 | - |
| 35 | Company Used | | | | (124) | | (124) | | (124) | | (124) | | (124) | | (124) | - |
| 36 | Inventory Change | | | | (39) | | (39) | | (39) | | (39) | | (39) | | (39) | - |
| 37 | Deferral Adjustment | | | | 766 | | 766 | | 766 | | 766 | | 766 | | 766 | - |
| 38 | Fuel Costs in Rates | | | | 7,317 | | 7,317 | | 7,317 | | 7,317 | | 7,317 | | 7,317 | - |
| 39 | **Total North FT Transport in Rates** | | | | $ 54,238 | | $ 56,511 | | $ 58,512 | | $ 61,417 | | $ 77,087 | | $ 66,252 | $ (10,835) |

Notes:
(1) The effective date for Union customers reflecting in rates the most recent Toll update by TCPL (for January 1, 2009).

UNION GAS LIMITED
Allocation of Firm Transportation Related Costs
($000's)

| Line No. | Particulars | Total (a) | Rate 01 (b) | Rate 10 (c) | Rate 20 (d) | Rate 100 (e) | Rate 25 (f) |
|---|---|---|---|---|---|---|---|
| | FT Transportation Demand | | | | | | |
| 1 | Approved Toll Rate for July 2008 (1) (2) | 64,081 | 39,844 | 16,205 | 6,814 | - | 1,220 |
| 2 | Updated Toll Rate for April 2009 (1) (3) | 54,733 | 34,031 | 13,841 | 5,820 | - | 1,041 |
| 3 | Decrease (Line 2 minus Line 1) (4) | (9,349) | (5,812) | (2,364) | (994) | - | (178) |
| | FT Transportation Commodity | | | | | | |
| 4 | Approved Toll Rate for July 2008 (1) (5) | 5,689 | 3,428 | 1,436 | 650 | - | 176 |
| 5 | Updated Toll Rate for April 2009 (1) (6) | 4,203 | 2,531 | 1,060 | 480 | - | 131 |
| 6 | Decrease (Line 5 minus Line 4) (7) | (1,486) | (897) | (376) | (170) | - | (44) |
| 7 | Total Incremental Costs (Line 3 plus Line 6) (8) | (10,835) | (6,709) | (2,740) | (1,164) | - | (222) |

Notes:
1) The allocation of Firm Transportation related costs is consistent with EB-2005-0520.
2) EB-2009-0054, Schedule 3, Page 1 of 11, Working Papers, Line 14, Col. (k)
3) EB-2009-0054, Schedule 3, Page 1 of 11, Working Papers, Line 14, Col. (m)
4) EB-2009-0054, Schedule 3, Page 1 of 11, Working Papers, Line 14, Col. (n)
5) EB-2009-0054, Schedule 3, Page 1 of 11, Working Papers, Line 27, Col. (k)
6) EB-2009-0054, Schedule 3, Page 1 of 11, Working Papers, Line 27, Col. (m)
7) EB-2009-0054, Schedule 3, Page 1 of 11, Working Papers, Line 27, Col. (n)
8) EB-2009-0054, Schedule 3, Page 1 of 11, Working Papers, Line 39, Col. (n)

UNION GAS LIMITED
Northern & Eastern Operations Area
Gas Supply Transportation Charges
Effective April 1, 2009

| Line No. | Particulars | Billing Units (1) ($10^3$ $m^3$) | EB-2008-0220 Approved Rate (2) (cents/$m^3$) | EB-2008-0220 Approved Revenue ($000's) | EB-2009-0054 Proposed Rate (3) (cents/$m^3$) | EB-2009-0054 Proposed Revenue ($000's) | Rate Difference (cents/$m^3$) | Revenue Difference ($000's) |
|---|---|---|---|---|---|---|---|---|
| | | (a) | (b) | (c) = (b*a/100) | (d) | (e) = (d*a/100) | (f) = (d-b) | (g) = (e-c) |
| | Rate 01 (cents/ $m^3$) | | | | | | | |
| | Gas Transportation | | | | | | | |
| 1 | Fort Frances | 13,366 | 3.8301 | 512 | 3.3308 | 445 | (0.4993) | (67) |
| 2 | Western | 178,403 | 4.0518 | 7,229 | 3.4254 | 6,111 | (0.6265) | (1,118) |
| 3 | Northern | 397,216 | 4.8770 | 19,372 | 4.1325 | 16,415 | (0.7444) | (2,957) |
| 4 | Eastern | 316,326 | 5.5583 | 17,582 | 4.7466 | 15,015 | (0.8117) | (2,568) |
| 5 | Total Rate 01 | 905,311 | 4.9370 | 44,695 | 4.1959 | 37,986 | (0.7411) | (6,709) |
| | Gas Storage | | | | | | | |
| 6 | Fort Frances | 13,366 | 1.8950 | 253 | 1.8950 | 253 | - | - |
| 7 | Western | 178,403 | 1.8926 | 3,376 | 1.8926 | 3,376 | - | - |
| 8 | Northern | 397,216 | 2.2788 | 9,052 | 2.2788 | 9,052 | - | - |
| 9 | Eastern | 316,326 | 2.5905 | 8,194 | 2.5905 | 8,194 | - | - |
| 10 | Total Rate 01 | 905,311 | 2.3059 | 20,876 | 2.3059 | 20,876 | - | - |
| | Rate 10 (cents/ $m^3$) | | | | | | | |
| | Gas Transportation | | | | | | | |
| 11 | Fort Frances | 2,629 | 3.5301 | 93 | 3.0598 | 80 | (0.4703) | (12) |
| 12 | Western | 65,506 | 3.7520 | 2,458 | 3.1544 | 2,066 | (0.5977) | (392) |
| 13 | Northern | 146,303 | 4.5771 | 6,696 | 3.8615 | 5,650 | (0.7156) | (1,047) |
| 14 | Eastern | 164,703 | 5.2584 | 8,661 | 4.4756 | 7,371 | (0.7828) | (1,289) |
| 15 | Total Rate 10 | 379,141 | 4.7233 | 17,908 | 4.0006 | 15,168 | (0.7227) | (2,740) |
| | Gas Storage | | | | | | | |
| 16 | Fort Frances | 2,629 | 1.2139 | 32 | 1.2139 | 32 | - | - |
| 17 | Western | 65,506 | 1.2116 | 794 | 1.2116 | 794 | - | - |
| 18 | Northern | 146,303 | 1.5986 | 2,339 | 1.5986 | 2,339 | - | - |
| 19 | Eastern | 164,703 | 1.9106 | 3,147 | 1.9106 | 3,147 | - | - |
| 20 | Total Rate 10 | 379,141 | 1.6646 | 6,311 | 1.6646 | 6,311 | - | - |

Notes:
(1) EB-2005-0520, Rate Order, Working Papers, Schedule 6, Column (a)
(2) EB-2008-0220, Appendix A effective January 1, 2009 (Excludes Price Adjustments)
(3) EB-2009-0054, Schedule 3, Working Papers, Pages 6-10

UNION GAS LIMITED
Northern & Eastern Operations Area
Gas Supply Transportation Charges
Effective April 1, 2009

| Line No. | Particulars | Billing Units (1) ($10^3$ $m^3$) | EB-2008-0220 Approved Rate (2) (cents/$m^3$) | EB-2008-0220 Approved Revenue ($000's) | EB-2009-0054 Proposed Rate (3) (cents/$m^3$) | EB-2009-0054 Proposed Revenue ($000's) | Rate Difference (cents/$m^3$) | Revenue Difference ($000's) |
|---|---|---|---|---|---|---|---|---|
| | | (a) | (b) | (c) = (b*a/100) | (d) | (e) = (d*a/100) | (f) = (d-b) | (g) = (e-c) |
| | Rate 20 | | | | | | | |
| | Gas Supply Demand | | | | | | | |
| 1 | Fort Frances | - | 32.8903 | - | 28.3704 | - | (4.5199) | - |
| 2 | Western | 2,664 | 36.4534 | 971 | 29.9524 | 798 | (6.5010) | (173) |
| 3 | Northern | 942 | 56.7925 | 535 | 48.4085 | 456 | (8.3840) | (79) |
| 4 | Eastern | 4,757 | 73.4080 | 3,492 | 63.9966 | 3,044 | (9.4114) | (448) |
| | Commodity Trans. 1 | | | | | | | |
| 5 | Fort Frances | - | 2.7417 | - | 2.4266 | - | (0.3151) | - |
| 6 | Western | 25,318 | 2.8294 | 716 | 2.4635 | 624 | (0.3659) | (93) |
| 7 | Northern | 10,073 | 3.3145 | 334 | 2.9014 | 292 | (0.4131) | (42) |
| 8 | Eastern | 55,824 | 3.7121 | 2,072 | 3.2721 | 1,827 | (0.4400) | (246) |
| | Commodity Trans. 2 | | | | | | | |
| 9 | Fort Frances | - | 0.1933 | - | 0.1551 | - | (0.0382) | - |
| 10 | Western | 11,140 | 0.2396 | 27 | 0.1687 | 19 | (0.0709) | (8) |
| 11 | Northern | 10,162 | 0.3594 | 37 | 0.2635 | 27 | (0.0959) | (10) |
| 12 | Eastern | 59,036 | 0.4605 | 272 | 0.3471 | 205 | (0.1134) | (67) |
| 13 | Total Rate 20 | 171,554 | 4.9289 | 8,456 | 4.2502 | 7,291 | (0.6787) | (1,164) |
| | R100 | | | | | | | |
| | Gas Supply Demand | | | | | | | |
| 14 | Fort Frances | | 53.8074 | - | 45.9252 | - | (7.8822) | - |
| 15 | Western | | 57.9404 | - | 47.7711 | - | (10.1693) | - |
| 16 | Northern | | 81.6719 | - | 69.3032 | - | (12.3687) | - |
| 17 | Eastern | | 101.0594 | - | 87.4891 | - | (13.5703) | - |
| | Commodity Trans. 1 | | | | | | | |
| 18 | Fort Frances | | 5.1132 | - | 4.3790 | - | (0.7342) | - |
| 19 | Western | | 5.1790 | - | 4.4067 | - | (0.7723) | - |
| 20 | Northern | | 5.5428 | - | 4.7351 | - | (0.8077) | - |
| 21 | Eastern | | 5.8410 | - | 5.0132 | - | (0.8278) | - |
| | Commodity Trans. 2 | | | | | | | |
| 22 | Fort Frances | - | 0.1933 | - | 0.1551 | - | (0.0383) | - |
| 23 | Western | - | 0.2396 | - | 0.1687 | - | (0.0709) | - |
| 24 | Northern | - | 0.3594 | - | 0.2635 | - | (0.0959) | - |
| 25 | Eastern | - | 0.4605 | - | 0.3471 | - | (0.1134) | - |
| 26 | Total Rate 100 | - | - | - | - | - | - | - |
| | R25 | | | | | | | |
| 27 | Gas Supply | 41,048 | - | - | | | (0.5408) | (222) |
| 28 | Total Difference | | | | | | | (10,835) |

Notes:
(1) EB-2005-0520, Rate Order, Working Papers, Schedule 6, Column (a)
(2) EB-2008-0220, Appendix A effective January 1, 2009 (Excludes Price Adjustments)
(3) EB-2009-0054, Schedule 3, Working Papers, Pages 6-10

UNION GAS LIMITED
Northern & Eastern Operations Area
Change in Commodity Transportation Rate
Effective April 1, 2009

| Line No. | Description | Fort Frances District | Western Zone | Northern Zone | Eastern Zone |
|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (d) |
| | **R01 (cents/ $m^3$)** | | | | |
| 1 | Proposed Transportation Toll Prospective Recovery | (0.5748) | (0.5748) | (0.5748) | (0.5748) |
| 2 | Less: Current Transportation Toll Prospective Recovery | 0.0856 | 0.0856 | 0.0856 | 0.0856 |
| 3 | Load Balancing Prospective Recovery | (0.0010) | (0.0010) | (0.0010) | (0.0010) |
| 4 | Less: Current Load Balancing Prospective Recovery | (0.0002) | (0.0002) | (0.0002) | (0.0002) |
| 5 | TCPL Toll Change Adjustment | (0.4993) | (0.6265) | (0.7444) | (0.8117) |
| 6 | Total Transportation Rate Change | (1.1605) | (1.2877) | (1.4056) | (1.4729) |
| | **R10 (cents/ $m^3$)** | | | | |
| 7 | Proposed Transportation Toll Prospective Recovery | (0.5748) | (0.5748) | (0.5748) | (0.5748) |
| 8 | Less: Current Transportation Toll Prospective Recovery | 0.0856 | 0.0856 | 0.0856 | 0.0856 |
| 9 | Load Balancing Prospective Recovery | (0.0016) | (0.0016) | (0.0016) | (0.0016) |
| 10 | Less: Current Load Balancing Prospective Recovery | (0.0002) | (0.0002) | (0.0002) | (0.0002) |
| 11 | TCPL Toll Change Adjustment | (0.4703) | (0.5977) | (0.7156) | (0.7828) |
| 12 | Total Transportation Rate Change | (1.1321) | (1.2595) | (1.3774) | (1.4446) |
| | **R20 (cents/ $m^3$)** | | | | |
| | Commodity Transport 1 | | | | |
| 13 | Proposed Transportation Toll Prospective Recovery | (0.5748) | (0.5748) | (0.5748) | (0.5748) |
| 14 | Less: Current Transportation Toll Prospective Recovery | 0.0856 | 0.0856 | 0.0856 | 0.0856 |
| 15 | Load Balancing Prospective Recovery | (0.0004) | (0.0004) | (0.0004) | (0.0004) |
| 16 | Less: Current Load Balancing Prospective Recovery | (0.0002) | (0.0002) | (0.0002) | (0.0002) |
| 17 | TCPL Toll Change Adjustment Transport 1 | (0.3151) | (0.3659) | (0.4131) | (0.4400) |
| 18 | Total Commodity Transport 1 Rate Change | (0.9757) | (1.0265) | (1.0737) | (1.1006) |
| | Commodity Transport 2 | | | | |
| 19 | TCPL Toll Change Adjustment Transport 2 | (0.0382) | (0.0709) | (0.0959) | (0.1134) |
| 20 | Total Commodity Transport 2 Rate Change | (0.0382) | (0.0709) | (0.0959) | (0.1134) |

UNION GAS LIMITED
Northern & Eastern Operations Area
Gas Supply Charges for Rates 01 and 10

| Line No. | Particulars | Rate 01 Transport | Rate 01 Storage | Rate 10 Transport | Rate 10 Storage |
|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (d) |
| 1 | Allocated Costs | 44,695 | 20,876 | 17,908 | 6,312 |
| 2 | Change in costs | (6,709) | - | (2,740) | - |
| 3 | Total Allocated Costs- ($000's) | 37,986 | 20,876 | 15,168 | 6,312 |
| | Western District Adjustment | | | | |
| 4 | Volume - $10^3$ $m^3$ | 178,403 | 178,403 | 65,506 | 65,506 |
| 5 | Zonal Commodity Differential - cents/ $m^3$ | 0.0946 | (0.0024) | 0.0946 | (0.0024) |
| 6 | Cost - ($000) | 169 | (4) | 62 | (2) |
| | Northern Zone Adjustment | | | | |
| 7 | Volume - $10^3$ $m^3$ | 397,216 | 397,216 | 146,303 | 146,303 |
| 8 | Zonal Commodity Differential - cents/ $m^3$ | 0.8017 | 0.3852 | 0.8017 | 0.3852 |
| 9 | Cost - ($000's) | 3,185 | 1,524 | 1,173 | 563 |
| | Eastern Zone Adjustment | | | | |
| 10 | Volume - $10^3$ $m^3$ | 316,326 | 316,326 | 164,703 | 164,703 |
| 11 | Zonal Commodity Differential - cents/ $m^3$ | 1.4158 | 0.6980 | 1.4158 | 0.6980 |
| 12 | Cost - ($000's) | 4,479 | 2,200 | 2,332 | 1,148 |
| 13 | Total Cost Differential ($000's) | 7,832 | 3,720 | 3,567 | 1,709 |
| 14 | Remaining Cost - ($000's) - (line 3 - line 13) | 30,154 | 17,156 | 11,601 | 4,603 |
| 15 | Total Volume - $10^3$ $m^3$ | 905,311 | 905,311 | 379,141 | 379,141 |
| | **Rate By Zone- cents/$m^3$** | | | | |
| 16 | Avg. Ft. Frances (line 14 / line 15 *100) | 3.3308 | 1.8950 | 3.0598 | 1.2139 |
| 17 | Western District | 3.4254 | 1.8926 | 3.1544 | 1.2116 |
| 18 | Northern Zone | 4.1325 | 2.2788 | 3.8615 | 1.5986 |
| 19 | Eastern Zone | 4.7466 | 2.5905 | 4.4756 | 1.9106 |

UNION GAS LIMITED
Northern & Eastern Operations Area
Combination of Costs
Allocated to Rate 20

| Line No. | Particulars | Demand Related | Commodity Related | Total ($000's) |
|---|---|---|---|---|
| | | (a) | (b) | (c)= (a+b) |
| | Gas Supply | | | |
| 1 | Total Transportation Costs ($000's) | 7,684 | - | 7,684 |
| 2 | Change in Transportation | (1,164) | - | (1,164) |
| 3 | Total Transportation | 6,520 | - | 6,520 |
| 4 | Total Storage Costs ($000's) | 641 | 126 | 767 |
| 5 | Total Gas Supply Costs ($000's) | 7,161 | 126 | 7,287 |
| | Allocation of Costs | | | |
| 6 | Demand Recovery @ 60% | 4,296 | - | 4,296 |
| 7 | Commodity Recovery @ 40% | 2,867 | 126 | 2,993 |

| Line No. | R20 Annual Billing Units By Zone | Fort Frances | Western Zone | Northern Zone | Eastern Zone | Total |
|---|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (d) | (e) |
| | Sales & Bundled- T Volume ($10^3$ $m^3$) | | | | | |
| 8 | Commodity Transportation 1 | - | 25,318 | 10,073 | 55,824 | 91,215 |
| 9 | Commodity Transportation 2 | - | 11,140 | 10,162 | 59,036 | 80,338 |
| 10 | Total Volume | - | 36,458 | 20,235 | 114,860 | 171,554 |
| | Gas Supply Demand Volume ($10^3$ $m^3$ per day) | | | | | |
| 11 | Annual Billing Volume | - | 2,663 | 941 | 4,755 | 8,358 |

UNION GAS LIMITED
Northern & Eastern Operations
Separation of Gas Supply Costs
Allocated to Rate 20

| Line No. | Particulars | Fort Frances (a) | Western Zone (b) | Northern Zone (c) | Eastern Zone (d) | Total ($000's) (e) |
|---|---|---|---|---|---|---|
| | **Commodity Transportation 2** | | | | | |
| 1 | Commodity Related Costs | | | | | 126 |
| 2 | Demand Related Costs | | | | | 2,867 |
| 3 | Total Costs ($000's) (1) | | | | | 2,993 |
| 4 | Volume (Second Block) ($10^3 m^3$) | - | 11,140 | 10,162 | 59,036 | |
| 5 | Commodity Transportation- cents per $m^3$ | 0.1551 | 0.1687 | 0.2635 | 0.3471 | |
| 6 | Base Cost (line 4 * line 5 /100) | - | 19 | 27 | 205 | 250 |
| 7 | Remaining Cost Recovered in Commodity Trans 1 (line 3 - line 6) | | | | | 2,743 |
| | **Commodity Transportation 1** | | | | | |
| 8 | Total Cost Differential (cents per $m^3$) | - | 0.0922 | 1.1869 | 2.1138 | |
| 9 | Adjustment Factor | - | 40% | 40% | 40% | |
| 10 | Adjusted Differential (line 8 * line 9) | - | 0.0369 | 0.4748 | 0.8455 | |
| 11 | Volume (First Block) ($10^3 m^3$) | - | 25,318 | 10,073 | 55,824 | |
| 12 | Cost Differential ($000's) | - | 9 | 48 | 472 | 529 |
| 13 | Remaining Costs ($000's) (line 7 - line 12) | | | | | 2,213 |
| 14 | Total Volume (First Block) | | | | | 91,215 |
| 15 | Avg. Fort Frances Zone Rate | | | | | 2.4266 |
| 16 | Zone Rates (cents per $m^3$) - (line 10 + line 15) | 2.4266 | 2.4635 | 2.9014 | 3.2721 | |
| | **Gas Supply Demand Charge** | | | | | |
| 17 | Total Gas Supply Demand Costs ($000's) (2) | | | | | 4,296 |
| 18 | Total Demand Differential (cents/$m^3$/day) | - | 2.6370 | 33.3972 | 59.3770 | |
| 19 | Adjustment Factor | - | 60% | 60% | 60% | |
| 20 | Adjusted Differential (line 18 * line 19) | - | 1.5820 | 20.0381 | 35.6262 | |
| 21 | Annual Demand Volume - ($10^3 m^3$ / day ) | - | 2,663 | 941 | 4,755 | |
| 22 | Cost Differential ($000's) | - | 42 | 189 | 1,694 | 1,925 |
| 23 | Remaining Costs ($000's) (line 17 - line 22) | | | | | 2,371 |
| 24 | Total Annual Demand Volume ($10^3 m^3$ / day) | | | | | 8,358 |
| 25 | Avg. Fort Frances Zone Rate | | | | | 28.3704 |
| 26 | Zone Rates (cents per $m^3$) - (line 20 + line 25) | 28.3704 | 29.9524 | 48.4085 | 63.9966 | |

Notes:
(1) EB-2005-0520, Rate Order, Working Papers, Schedule 11, Page 4 of 8, Column (c), Line 7
(2) EB-2005-0520, Rate Order, Working Papers, Schedule 11, Page 4 of 8, Column (c), Line 6

UNION GAS LIMITED
Northern & Eastern Operations Area
Combination of Costs
Allocated to Rate 100

| Line No. | Particulars | Demand Related (a) | Commodity Related (b) | Total ($000's) (c)= (a+b) |
|---|---|---|---|---|
| | Gas Supply | | | |
| 1 | Total Transportation Costs ($000's) | 89,268 | 6,002 | 95,270 |
| 2 | Change in Transportaion | - | - | - |
| 3 | Total Transportation | 89,268 | 6,002 | 95,270 |
| 4 | Total Storage Costs ($000's) | 3,760 | 2,715 | 6,476 |
| 5 | Total Gas Supply Costs ($000's) | 93,029 | 8,717 | 101,746 |
| | Allocation of Costs | | | |
| 6 | Demand Recovery @ 70% | 65,120 | - | 65,120 |
| 7 | Commodity Recovery @ 30% | 27,909 | 8,717 | 36,626 |

| | R100 Annual Billing Units By Zone | Fort Frances (a) | Western Zone (b) | Northern Zone (c) | Eastern Zone (d) | Total (e) |
|---|---|---|---|---|---|---|
| | Sales & Bundled- T Volume ($10^3$ $m^3$) | | | | | |
| 8 | Commodity Transportation 1 | 35,947 | 103,235 | 353,788 | 189,564 | 682,534 |
| 9 | Commodity Transportation 2 | 83,875 | 240,881 | 825,506 | 442,316 | 1,592,578 |
| 10 | Total Volume | 119,822 | 344,116 | 1,179,294 | 631,880 | 2,275,112 |
| | Gas Supply Demand Volume ($10^3$ $m^3$ per day) | | | | | |
| 11 | Annual Billing Volume | 5,600 | 12,918 | 50,172 | 24,696 | 93,386 |

UNION GAS LIMITED
Northern & Eastern Operations
Separation of Gas Supply Costs
Allocated to Rate 100

| Line No. | Particulars | Fort Frances (a) | Western Zone (b) | Northern Zone (c) | Eastern Zone (d) | Total ($000's) (e) |
|---|---|---|---|---|---|---|
| | **Commodity Transportation 2** | | | | | |
| 1 | Commodity Related Costs | | | | | 8,717 |
| 2 | Demand Related Costs | | | | | 27,909 |
| 3 | Total Costs ($000's) (1) | | | | | 36,626 |
| 4 | Volume (Second Block) ($10^3$ $m^3$) | 83,875 | 240,881 | 825,506 | 442,316 | |
| 5 | Commodity Transportation- cents per $m^3$ | 0.1551 | 0.1687 | 0.2635 | 0.3471 | |
| 6 | Base Cost (line 4 * line 5 /100) | 130 | 406 | 2,175 | 1,536 | 4,247 |
| 7 | Remaining Cost Recovered in Commodity Trans 1 (line 3 - line 6) | | | | | 32,379 |
| | **Commodity Transportation 1** | | | | | |
| 8 | Total Cost Differential (cents per $m^3$) | - | 0.0922 | 1.1869 | 2.1138 | |
| 9 | Adjustment Factor | - | 30% | 30% | 30% | |
| 10 | Adjusted Differential (line 8 * line 9) | - | 0.0277 | 0.3561 | 0.6342 | |
| 11 | Volume (First Block) ($10^3$ $m^3$) | 35,947 | 103,235 | 353,788 | 189,564 | |
| 12 | Cost Differential ($000's) | - | 29 | 1,260 | 1,202 | 2,491 |
| 13 | Remaining Costs ($000's) (line 7 - line 12) | | | | | 29,888 |
| 14 | Total Volume (First Block) | | | | | 682,534 |
| 15 | Avg. Fort Frances Zone Rate | | | | | 4.379 |
| 16 | Zone Rates (cents per $m^3$) - (line 10 + line 15) | 4.3790 | 4.4067 | 4.7351 | 5.0132 | |
| | **Gas Supply Demand Charge** | | | | | |
| 17 | Total Gas Supply Demand Costs ($000's) (2) | | | | | 65,120 |
| 18 | Total Demand Differential (cents/$m^3$/day) | - | 2.6370 | 33.3972 | 59.3770 | |
| 19 | Adjustment Factor | - | 70% | 70% | 70% | |
| 20 | Adjusted Differential (line 18 * line 19) | - | 1.8459 | 23.3780 | 41.5639 | |
| 21 | Annual Demand Volume ($10^3$ $m^3$ / day) | 5,600 | 12,918 | 50,172 | 24,696 | |
| 22 | Cost Differential ($000's) | - | 238 | 11,729 | 10,265 | 22,232 |
| 23 | Remaining Costs ($000's) (line 17 - line 22) | | | | | 42,888 |
| 24 | Total Annual Demand Volume ($10^3$ $m^3$ / day) | | | | | 93,386 |
| 25 | Avg. Fort Frances Zone Rate | | | | | 45.9252 |
| 26 | Zone Rates (cents per $m^3$) - (line 20 + line 25) | 45.9252 | 47.7711 | 69.3032 | 87.4891 | |

Notes:
(1) EB-2005-0520, Rate Order, Working Papers, Schedule 11, Page 6 of 8, Column (c), Line 7
(2) EB-2005-0520, Rate Order, Working Papers, Schedule 11, Page 6 of 8, Column (c), Line 6

Northern & Eastern Operations Area
Derivation of Zonal Differentials
Effective April 1, 2009

| Line No. | Particulars | Fort Frances District (a) | Western Zone (b) | Northern Zone (c) | Eastern Zone (d) | Zonal Differential Transport: Fort Frances to West (e) | Fort Frances to North (f) | Fort Frances to East (g) | Zonal Differential Storage: Fort Frances to West (h) | Fort Frances to North (i) | Fort Frances to East (j) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Commodity Charges | | | | | | | | | | |
| | Firm Service (cents/m³) | | | | | | | | | | |
| 1 | Commodity Transportation | 0.1003 | 0.1687 | 0.2635 | 0.3471 | | | | | | |
| 2 | Centra Transmission Commodity | 0.0548 | 0.0000 | 0.0000 | 0.0000 | | | | | | |
| 3 | Commodity Transportation | 0.1551 | 0.1687 | 0.2635 | 0.3471 | 0.0081 | 0.0642 | 0.1138 | (0.0024) | 0.0252 | 0.0483 |
| 4 | Contract Daily Demand at 100% Load Factor | 1.9100 | 2.0560 | 3.1550 | 4.1080 | 0.0865 | 0.7375 | 1.3020 | 0.0000 | 0.3599 | 0.6498 |
| 5 | Total Commodity Charges at 100% Load Factor | 2.0651 | 2.2247 | 3.4185 | 4.4551 | 0.0946 | 0.8017 | 1.4158 | (0.0024) | 0.3852 | 0.6980 |
| | Demand Charges | | | | | | | | | | |
| | CD Transportation Demand | | | | | | | | | | |
| 6 | Rate - cents/m³ per day | 38.8948 | 62.5415 | 95.9727 | 124.9587 | | | | | | |
| 7 | Centra Transmission Demand | 12.5652 | 0.0000 | 0.0000 | 0.0000 | | | | | | |
| 8 | Centra Minnesota Pipelines Demand | 6.6309 | 0.0000 | 0.0000 | 0.0000 | | | | | | |
| 9 | Total Demand Charges | 58.0909 | 62.5415 | 95.9727 | 124.9587 | 2.6364 | 22.4403 | 39.6109 | 0.0007 | 10.9569 | 19.7661 |

**UNION GAS LIMITED**
**Summary of Amounts for Prospective Recovery and**
**Derivation of Unit Changes to Prospective Rate Riders**
**for the 12-month period ending March 31, 2010**

| Line No. | Particulars | | Units | North PGVA (179-105) (a) | North Tolls (179-100) (b) | North Fuel (179-100) (c) | South PGVA (179-106) (d) | Inventory Revaluation (179-109) (e) | Load Balancing (179-107) (f) | Spot Gas Variance Acct (179-107) (g) | Total (h) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Deferral Amounts for Recovery** | | | | | | | | | | |
| | Change in 12-month deferral account projection: | | | | | | | | | | |
| 1 | *12-month projection from current QRAM application* | (1) | ($000's) | - | 279 | (14) | - | 4,264 | - | - | 4,529 |
| 2 | *Less: 12-month projection from previous QRAM application* | (2) | ($000's) | - | 2,383 | 128 | - | 20,691 | - | - | 23,201 |
| 3 | *Change (Line 1 - Line 2)* | | ($000's) | - | (2,104) | (142) | - | (16,426) | - | - | (18,672) |
| | Previous Quarter: True-up of deferral balances | | | | | | | | | | |
| 4 | *Actual deferral balance for November, December January* | (3) | ($000's) | (13,717) | (3,278) | 449 | (39,980) | 26,021 | (0) | (1,536) | (32,042) |
| 5 | *Current projected deferral amount for February, March* | (4) | ($000's) | (12,886) | (1,866) | (429) | (53,829) | (1) | (3) | (4,509) | (73,524) |
| 6 | *Less: Previous projection included in recovery for November, December* | (5) | ($000's) | (8,526) | 401 | (246) | (26,534) | 26 | 17 | - | (34,862) |
| 7 | *Variance (Line 4 + Line 5 - Line 6)* | | ($000's) | (18,077) | (5,544) | 266 | (67,275) | 25,993 | (21) | (6,045) | (70,704) |
| 8 | Total Deferral Amounts for Recovery (Line 3 + Line 7) | | ($000's) | (18,077) | (7,648) | 124 | (67,275) | 9,567 | (21) | (6,045) | (89,376) |
| | **Previous Quarter: True-up of Prospective Recovery Amounts** | | | | | | | | | | |
| 9 | *Forecast prospective recovery amount for November, December, January* | | ($000's) | 3,036 | 4,394 | 660 | (960) | 18,746 | 88 | - | 25,965 |
| 10 | *Less: Actual prospective recovery amount for November, December, January* | | ($000's) | 3,726 | 4,656 | 834 | (1,163) | 22,716 | 103 | 0 | 30,871 |
| 11 | *Variance (Line 9 - Line 10)* | | ($000's) | (690) | (261) | (173) | 204 | (3,970) | (15) | (0) | (4,906) |
| 12 | Total Amount for Prospective Recovery (Line 8 + Line 11) | | ($000's) | (18,767) | (7,909) | (49) | (67,072) | 5,596 | (36) | (6,045) | (94,283) |
| | **Prospective Rate Rider Changes** | | | | | | | | | | |
| 13 | *Forecast Billing Units (April 1, 2009 to March 31, 2010)* | (6) | ($10^3m^3$) | 636,680 | 1,376,055 | 636,680 | 2,154,862 | 2,791,543 | Class Specific | 636,680 | |
| 14 | *Unit Rate Change* (Line 12 / Line 13) | | (cents/$m^3$) | (2.9476) | (0.5748) | (0.0077) | (3.1126) | 0.2005 | - | (0.9495) | |
| | **Summary of Unit Rates** | | | | | | | | | | |
| 15 | *Expiring Rider Q2* | (7) | (cents/$m^3$) | 0.4583 | 0.0856 | (0.0531) | 0.2396 | (0.0886) | - | - | |
| 16 | *Unit Rate Q1* | (8) | (cents/$m^3$) | (2.0455) | 0.0075 | 0.0229 | (1.5534) | 0.1067 | - | - | |
| 17 | *Unit Rate Q2 Expiring rider replaced by new rider (Line 14)* | | (cents/$m^3$) | (2.9476) | (0.5748) | (0.0077) | (3.1126) | 0.2005 | - | (0.9495) | |
| 18 | *Unit Rate Q3* | (9) | (cents/$m^3$) | 1.8270 | 0.4669 | 0.5795 | 1.7611 | (0.5445) | - | - | |
| 19 | *Unit Rate Q4* | (10) | (cents/$m^3$) | (0.3650) | 0.1595 | (0.2723) | (0.5404) | 1.8543 | - | - | |
| 20 | **Total Unit Rate - Prospective Recovery** | | (cents/$m^3$) | **(3.5311)** | **0.0591** | **0.3224** | **(3.4453)** | **1.6170** | - | **(0.9495)** | |
| 21 | *Change in Rider* (Line 14 - Line 15) | (11) | (cents/$m^3$) | (3.4059) | (0.6604) | 0.0454 | (3.3522) | 0.2891 | - | (0.9495) | |

Notes:
(1) Tab 1, Schedule 3, Page 1, Line 27.
(2) EB-2008-0371, Tab 1, Schedule 3, Page 1, Line 27.
(3) Tab 1, Schedule 3, Page 1, Lines 9+10+11.
(4) Tab 1, Schedule 3, Page 1, Lines 12+13.
(5) EB-2008-0371, Tab 2, Schedule 2, Page 2, Line 5.
(6) Billing units reflect the approved allocation basis for each deferral account.
(7) EB-2008-0033, Tab 2, Schedule 2, Page 1, Line 9
(8) EB-2008-0371, Tab 2, Schedule 2, Page 1, Line 9
(9) EB-2008-0109, Tab 2, Schedule 2, Page 1, Line 9
(10) EB-2008-0281, Tab 2, Schedule 2, Page 1, Line 9
(11) EB-2009-0054, Tab 2, Schedule 1, Column (e)