



uniongas

A Spectra Energy Company

August 27, 2007

Ontario Energy Board
2300 Yonge Street, 26th Floor
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Re: EB-2007-0598 – Draft Rate Order for Rates Effective October 1, 2007

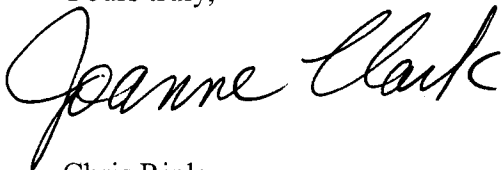
Dear Ms. Walli:

Attached is a draft Rate Order and supporting working papers for rates effective October 1, 2007, which reflects the August 17, 2007 Decision and Order of the Board. The draft Rate Order and working papers are being submitted on a without prejudice basis to appeal.

This draft Rate Order including the working papers is also available electronically in searchable PDF format through the following link on Union's website: <http://www.uniongas.com/EB-2007-0598>.

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 M. Penny (Torys)
EB-2005-0520 Intervenors

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 for an order or orders amending or varying
the rate or rates charged to customers as of October 1,
2007;

BEFORE:

Paul Sommerville
Presiding Member

Ken Quesnelle
Member

**DRAFT DECISION AND ORDER
(for rates effective October 1, 2007)**

Union Gas Limited (“Union”) filed an application dated April 27, 2007 to address the disposition of 2006 deferral account balances and the level and allocation of the 2006 earnings sharing amount. The Board assigned docket number EB-2007-0598 to the application.

Union also proposed that the resulting impacts from the disposition be implemented on July 1, 2007 to align with other rate changes expected to result from the Quarterly Rate Adjustment Mechanism (“QRAM”). Union subsequently revised the proposed timing to align with the October QRAM.

On August 17, 2007, the Board issued its Decision and Order on this matter. This Rate Order represents the implementation in rates of the amounts that were decided by the Board in its August 17, 2007 Decision and Order.

The Board also ordered that interest on the earnings sharing amount shall accrue from January 1, 2007 to September 30, 2007. It further directed that the disposition shall be timed with the next QRAM for M2, Rate 01 and Rate 10 customers and as a one time adjustment for in-franchise distribution contract and ex-franchise rate classes.

THE BOARD THEREFORE ORDERS THAT:

1. The rate changes set out in Appendix "A" and the rate schedules set out in Appendix "B" are approved effective October 1, 2007. Union shall implement these rates on the first billing cycle on or after October 1, 2007.
2. The deferral account balances as at December 31, 2006, totalling \$ 3.767 million (debit) as set out in Appendix "C", including interest up to September 30, 2007, are approved for disposition. Balances in Deferral Account No. 179-108 (Unabsorbed Demand Costs Account) and Deferral Account No. 179-89 (Heating Value Account) shall be disposed of in this proceeding. The balances in the other gas supply-related accounts are approved for disposition and shall be recovered through the QRAM process. The balance in Deferral Account No. 116 (Interest on the Gain on the 2004 Cushion Gas Disposition) shall be zero following Union's implementation of the Board's EB-2005-0211 Decision With Reasons dated June 27, 2007.
3. The 2006 earnings sharing amount available for distribution to ratepayers is \$ 5.836 million (credit), including interest up to September 30, 2007, as set out in Appendix "C".
4. Union shall combine 2006 Deferral account balances with the 2006 Earnings Sharing balance for disposition. For General Service rate classes M2, 01 and 10, Union shall dispose of the total balance prospectively for each of these rate classes through a temporary rate adjustment between October 1, 2007 and December 31, 2007 as set out in Appendix "D". For all other rate classes, Union shall apply the unit rates as a one-time adjustment as set out in Appendix "D".

5. The customer notices in Appendix "E" shall be given to all customers with the first bill or invoice reflecting the balances for disposition.
6. Union shall pay the Board's costs of, and incidental to, this proceeding immediately upon receipt of the Board's invoice.

DATED at Toronto _____, 2007.

ONTARIO ENERGY BOARD

Kirsten Walli
Board Secretary

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EB-2007-0598
Rate Order
Index of Appendices

Appendix A	Summary of Changes to Sales Rates
Appendix B	Rate Schedules (Rate 01, Rate 10, Rate M2, and Schedule A by operating area)
Appendix C	Deferral Account and Earnings Sharing Balances for Disposition
Appendix D	Unit Rates for Prospective Recovery and One-Time Adjustments
Appendix E	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-2007-0634 Approved July 1, 2007	Rate Change (b)	EB-2007-0598 Approved October 1, 2007
		Rate (a)		Rate (c)
1	Monthly Charge - All Zones	\$16.00		\$16.00
	Monthly Delivery Charge - All Zones			
2	First 100 m3	9.2380		9.2380
3	Next 200 m3	8.6369		8.6369
4	Next 200 m3	8.2100		8.2100
5	Next 500 m3	7.8180		7.8180
6	Over 1,000 m3	7.4944		7.4944
7	Delivery - Price Adjustment (All Volumes)		0.0886	0.0886 (1)
	Gas Transportation Service			
8	Fort Frances	2.9778		2.9778
9	Western Zone	3.0018		3.0018
10	Northern Zone	3.6137		3.6137
11	Eastern Zone	4.1393		4.1393
12	Transportation - Price Adjustment (All Zones)	0.0317 (2)	(0.9196)	(0.8879) (3)
	Storage Service			
13	Fort Frances	1.9099		1.9099
14	Western Zone	1.9075		1.9075
15	Northern Zone	2.2951		2.2951
16	Eastern Zone	2.6079		2.6079
17	Storage - Price Adjustment (All Zones)	(0.0191) (4)		(0.0191) (5)
	Commodity Cost of Gas and Fuel			
18	Fort Frances	32.1338		32.1338
19	Western Zone	32.4613		32.4613
20	Northern Zone	32.9042		32.9042
21	Eastern Zone	33.2739		33.2739
22	Commodity and Fuel - Price Adjustment (All Zones)	(7.5884) (6)		(7.5884) (7)

Notes:

- (1) Includes a temporary charge of 0.0886 cents/m³ for the period October 1 to December 31, 2007.
(2) Includes Prospective Recovery of 0.0122, (0.0796), 0.0580 and 0.0411cents/m³.
(3) Includes Prospective Recovery of 0.0122, (0.0796), 0.0580, 0.0411and a temporary credit of (0.9196) cents/m³ for the period Oct 1-Dec 31, 2007.
(4) Includes Prospective Recovery of (0.0021), (0.0029) and (0.0141) cents/m³.
(5) Includes Prospective Recovery of (0.0021), (0.0029) and (0.0141) cents/m³.
(6) Includes Prospective Recovery of (3.0312), (2.7354), (1.0007) and (0.8211) cents/m³.
(7) Includes Prospective Recovery of (3.0312), (2.7354), (1.0007) and (0.8211) cents/m³.

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

Line No.	Particulars (cents/m ³)	EB-2007-0634 Approved July 1, 2007	Rate Change (b)	EB-2007-0598 Approved October 1, 2007
		Rate (a)		Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
2	First 1,000 m3	7.3562		7.3562
3	Next 9,000 m3	5.8543		5.8543
4	Next 20,000 m3	4.9979		4.9979
5	Next 70,000 m3	4.4495		4.4495
6	Over 100,000 m3	2.3725		2.3725
7	Delivery - Price Adjustment (All Volumes)		0.3049	0.3049 (1)
	Gas Transportation Service			
8	Fort Frances	2.7311		2.7311
9	Western Zone	2.7552		2.7552
10	Northern Zone	3.3670		3.3670
11	Eastern Zone	3.8927		3.8927
12	Transportation - Price Adjustment (All Zones)	0.0403 (2)	(0.9003)	(0.8600) (3)
	Storage Service			
13	Fort Frances	1.2255		1.2255
14	Western Zone	1.2231		1.2231
15	Northern Zone	1.6107		1.6107
16	Eastern Zone	1.9235		1.9235
17	Storage - Price Adjustment (All Zones)	(0.0245) (4)		(0.0245) (5)
	Commodity Cost of Gas and Fuel			
18	Fort Frances	32.1338		32.1338
19	Western Zone	32.4613		32.4613
20	Northern Zone	32.9042		32.9042
21	Eastern Zone	33.2739		33.2739
22	Commodity and Fuel - Price Adjustment (All Zones)	(7.5884) (6)		(7.5884) (7)

Notes:

- (1) Includes a temporary charge of 0.3049 cents/m³ for the period October 1 to December 31, 2007.
(2) Includes Prospective Recovery of 0.0129, (0.0779), 0.0604 and 0.0449 cents/m³.
(3) Includes Prospective Recovery of 0.0129, (0.0779), 0.0604, 0.0449 and a temporary credit of (0.9003) cents/m³ for the period Oct 1-Dec 31, 2007.
(4) Includes Prospective Recovery of (0.0052), (0.0043) and (0.0150) cents/m³.
(5) Includes Prospective Recovery of (0.0052), (0.0043) and (0.0150) cents/m³.
(6) Includes Prospective Recovery of (3.0312), (2.7354), (1.0007) and (0.8211) cents/m³.
(7) Includes Prospective Recovery of (3.0312), (2.7354), (1.0007) and (0.8211) 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/m ³)	EB-2007-0634	Rate Change (b)	EB-2007-0598
		Approved July 1, 2007 Rate (a)		Approved October 1, 2007 Rate (c)
1	Monthly Charge	\$780.00		\$780.00
2	Delivery Demand Charge			
	First 70,000 m ³	20.3317		20.3317
3	All over 70,000 m ³	11.9561		11.9561
4	Delivery Commodity Charge			
	First 852,000 m ³	0.2877		0.2877
5	All over 852,000 m ³	0.2131		0.2131
6	Monthly Gas Supply Demand Charge			
	Fort Frances	25.3849		25.3849
7	Western Zone	25.8508		25.8508
8	Northern Zone	42.7815		42.7815
9	Eastern Zone	56.9336		56.9336
10	Gas Supply Demand - Price Adjustment (All Zones)	0.4999 (1)		0.4999 (2)
11	Commodity Transportation 1			
	Fort Frances	2.1971		2.1971
12	Western Zone	2.2058		2.2058
13	Northern Zone	2.6055		2.6055
14	Eastern Zone	2.9409		2.9409
15	Transportation 1 - Price Adjustment (All Zones)	(0.0725) (3)		(0.0725) (4)
16	Commodity Transportation 2			
	Fort Frances	0.1334		0.1334
17	Western Zone	0.1310		0.1310
18	Northern Zone	0.2059		0.2059
19	Eastern Zone	0.2733		0.2733
20	Commodity Cost of Gas and Fuel			
	Fort Frances	32.5161		32.5161
21	Western Zone	32.8476		32.8476
22	Northern Zone	33.2958		33.2958
23	Eastern Zone	33.6699		33.6699
24	Commodity and Fuel - Price Adjustment (All Zones)	(7.5884) (5)		(7.5884) (6)
25	Bundled Storage Service (\$/GJ)			
	Monthly Demand Charge	11.289		11.289
26	Commodity Charge	0.240		0.240
27	Storage Demand - Price Adjustment	(0.338) (7)		(0.338) (8)

Notes:

- (1) Includes Prospective Recovery of 0.1426, 0.3066 and 0.0507 cents/m³.
(2) Includes Prospective Recovery of 0.1426, 0.3066 and 0.0507 cents/m³.
(3) Includes Prospective Recovery of 0.0053, (0.0918), 0.0343 and (0.0203) cents/m³.
(4) Includes Prospective Recovery of 0.0053, (0.0918), 0.0343 and (0.0203) cents/m³.
(5) Includes Prospective Recovery of (3.0312), (2.7354), (1.0007) and (0.8211) cents/m³.
(6) Includes Prospective Recovery of (3.0312), (2.7354), (1.0007) and (0.8211) cents/m³.
(7) Includes Prospective Recovery of (0.070), (0.119) and (0.149) \$/GJ.
(8) Includes Prospective Recovery of (0.070), (0.119) and (0.149) \$/GJ.

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-2007-0634 Approved July 1, 2007	Rate Change (b)	EB-2007-0598 Approved October 1, 2007
		Rate (a)		Rate (c)
1	Monthly Charge	\$780.00		\$780.00
2	Delivery Demand Charge All Zones	11.9268		11.9268
3	Delivery Commodity Charge All Zones	0.2102		0.2102
4	Monthly Gas Supply Demand Charge Fort Frances	40.6945		40.6945
5	Western Zone	41.2381		41.2381
6	Northern Zone	60.9906		60.9906
7	Eastern Zone	77.5013		77.5013
8	Commodity Transportation 1 Fort Frances	3.8838		3.8838
9	Western Zone	3.8903		3.8903
10	Northern Zone	4.1901		4.1901
11	Eastern Zone	4.4417		4.4417
12	Commodity Transportation 2 Fort Frances	0.1334		0.1334
13	Western Zone	0.1310		0.1310
14	Northern Zone	0.2059		0.2059
15	Eastern Zone	0.2733		0.2733
16	Commodity Cost of Gas and Fuel Fort Frances	32.5161		32.5161
17	Western Zone	32.8476		32.8476
18	Northern Zone	33.2958		33.2958
19	Eastern Zone	33.6699		33.6699
20	Commodity and Fuel - Price Adjustment (All Zones)	(7.5884) (1)		(7.5884) (2)
21	Bundled Storage Service (\$/GJ) Monthly Demand Charge	11.289		11.289
22	Commodity Charge	0.240		0.240
23	Storage Demand - Price Adjustment	(0.338) (3)		(0.338) (4)

Notes:

(1) Includes Prospective Recovery of (3.0312), (2.7354), (1.0007) and (0.8211) cents/m³.

(2) Includes Prospective Recovery of (3.0312), (2.7354), (1.0007) and (0.8211) cents/m³.

(3) Includes Prospective Recovery of (0.070), (0.119) and (0.149) \$/GJ.

(4) Includes Prospective Recovery of (0.070), (0.119) and (0.149) \$/GJ.

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

Line No.	Particulars (cents/m ³)	EB-2007-0634 Approved July 1, 2007	Rate Change	EB-2007-0598 Approved October 1, 2007
		Rate (a)	(b)	Rate (c)
	<u>Rate 25 - Large Volume Interruptible Service</u>			
1	Monthly Charge	\$190.00		\$190.00
	 Delivery Charge - All Zones *			
2	Maximum	4.5768		4.5768
	 Gas Supply Charges - All Zones			
3	Minimum	14.3135		14.3135
4	Maximum	140.5622		140.5622
	<u>Rate 77 - Wholesale Transportation Service</u>			
5	Monthly Charge	\$145.00		\$145.00
	 Delivery Demand Charge - All Zones			
6		28.2927		28.2927

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

Line No.	Particulars (cents/m ³)	EB-2007-0634 Approved July 1, 2007	Rate Change	EB-2007-0598 Approved October 1, 2007
		Rate (a)		Rate (c)
	<u>Utility Sales</u>			
1	Commodity and Fuel	33.2739		33.2739
2	Commodity and Fuel - Price Adjustment	(5.7728) (1)	0.0715	(5.7013) (2)
3	Transportation	3.5830		3.5830
4	Total Gas Supply Commodity Charge	31.0841	0.0715	31.1556
	<u>M4 Firm Commercial/Industrial</u>			
5	Minimum annual gas supply commodity charge	5.4859		5.4859
	<u>M5A Interruptible Commercial/Industrial</u>			
6	Minimum annual gas supply commodity charge	5.4859		5.4859
	<u>Storage and Transportation Supplemental Services - Rate T1 & T3</u>	<u>\$/GJ</u>		<u>\$/GJ</u>
	Monthly demand charges: (\$/GJ)			
7	Firm gas supply service	29.128		29.128
8	Firm backstop gas	4.269		4.269
	Commodity charges:			
9	Gas supply	8.876		8.876
10	Backstop gas	11.797		11.797
11	Reasonable Efforts Backstop Gas	11.474		11.474
12	Supplemental Inventory	Note (3)		Note (3)
13	Supplemental Gas Sales Service (cents/m ³)	46.7560		46.7560
14	Failure to Deliver	3.011		3.011
15	Discretionary Gas Supply Service (DGSS)	Note (4)		Note (4)

Notes:

- (1) Includes Prospective Recovery of (2.5373), (1.2473), (1.2208) and (0.7674) cents/m³.
(2) Incl. Prospective Recovery of (2.5373), (1.2473), (1.2208), (0.7674) & a temporary charge of 0.0715 cents/m³ for the period Oct 1-Dec 31, 2007.
(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-2007-0634 Approved July 1, 2007	Rate Change (b)	EB-2007-0598 Approved October 1, 2007
		Rate (a)		Rate (c)
	<u>M2 General Service Rate</u>			
1	Monthly Charge	\$16.00		\$16.00
	Monthly delivery commodity charge:			
2	First 1 400 m ³	5.1701		5.1701
3	Next 4 600 m ³	4.1427		4.1427
4	Next 124 000 m ³	3.0859		3.0859
5	Next 270 000 m ³	2.4743		2.4743
6	All over 400 000 m ³	2.2978		2.2978
7	Delivery - Price Adjustment (All Volumes)	(0.0502) (1)	0.1398	0.0896 (2)
8	Storage Service	0.9309		0.9309
	<u>M4 Firm comm/ind contract rate</u>			
	Monthly demand charge:			
9	First 8 450 m ³	45.6744		45.6744
10	Next 19 700 m ³	19.8165		19.8165
11	All over 28 150 m ³	16.4565		16.4565
	Monthly delivery commodity charge:			
12	First block	0.9291		0.9291
13	All remaining use	0.5089		0.5089
14	Delivery - Price Adjustment (All Volumes)	(0.0717) (3)		(0.0717) (4)
15	Minimum annual delivery commodity charge	1.2464		1.2464
	<u>M5A interruptible comm/ind contract</u>			
	<u>Firm contracts *</u>			
16	Monthly demand charge	27.5785		27.5785
17	Monthly delivery commodity charge	1.7957		1.7957
18	Delivery - Price Adjustment (All Volumes)	(0.0396) (5)		(0.0396) (6)
	<u>Interruptible contracts *</u>			
19	Monthly Charge	\$500.00		\$500.00
	Daily delivery commodity charge:			
20	4 800 m ³ to 17 000 m ³	1.9019		1.9019
21	17 000 m ³ to 30 000 m ³	1.7720		1.7720
22	30 000 m ³ to 50 000 m ³	1.7037		1.7037
23	50 000 m ³ to 70 000 m ³	1.6558		1.6558
24	70 000 m ³ to 100 000 m ³	1.6215		1.6215
25	100 000 m ³ to 140 870 m ³	1.5878		1.5878
26	Delivery - Price Adjustment (All Volumes)	(0.0396) (5)		(0.0396) (6)
27	Annual minimum delivery commodity charge	2.2192		2.2192

Notes:

- (1) Includes Prospective Recovery of (0.0028), (0.0031), (0.0027) and (0.0416) cents/m³.
(2) Incl. Prospective Recovery of (0.0028), (0.0031), (0.0027), (0.0416) & a temporary charge of 0.1398 cents/m³ for the period Oct 1 - Dec 31, 2007.
(3) Includes Prospective Recovery of (0.0008), 0.0020, 0.0006 and (0.0735) cents/m³.
(4) Includes Prospective Recovery of (0.0008), 0.0020, 0.0006 and (0.0735) cents/m³.
(5) Includes Prospective Recovery of 0.0009, 0.0043, 0.0045 and (0.0493) cents/m³ associated with load balancing costs.
(6) Includes Prospective Recovery of 0.0009, 0.0043, 0.0045 and (0.0493) cents/m³ associated with load balancing costs.

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

Line No.	Particulars (cents/m ³)	EB-2007-0634 Approved July 1, 2007	Rate Change (b)	EB-2007-0598 Approved October 1, 2007
		Rate (a)		Rate (c)
	<u>M7 Special large volume contract</u>			
	<u>Firm</u>			
1	Monthly demand charge	25.5426		25.5426
2	Monthly delivery commodity charge	0.3344		0.3344
3	Delivery - Price Adjustment	0.0292 (1)		0.0292 (2)
	<u>Interruptible *</u>			
4	Monthly delivery commodity charge: Maximum	2.7337	-	2.7337
5	Delivery - Price Adjustment	0.0292 (1)		0.0292 (2)
	<u>Seasonal *</u>			
6	Monthly delivery commodity charge: Maximum	2.4896		2.4896
7	Delivery - Price Adjustment	0.0292 (1)		0.0292 (2)
	<u>M9 Large wholesale service</u>			
8	Monthly demand charge	17.0902		17.0902
9	Monthly delivery commodity charge	0.5367		0.5367
10	Delivery - Price Adjustment	(0.0663) (3)		(0.0663) (4)
	<u>M10 Small wholesale service</u>			
11	Monthly delivery commodity charge	2.6978		2.6978

Notes:

- (1) Includes Prospective Recovery of 0.0126, 0.0431, 0.0218 and (0.0483) cents/m³.
(2) Includes Prospective Recovery of 0.0126, 0.0431, 0.0218 and (0.0483) cents/m³.
(3) Includes Prospective Recovery of (0.0019), (0.0066), (0.0150) and (0.0428) cents/m³.
(4) Includes Prospective Recovery of (0.0019), (0.0066), (0.0150) and (0.0428) cents/m³.

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

Line No.	Particulars	EB-2007-0634 Approved July 1, 2007 Rate (a)	Rate Change (b)	EB-2007-0598 Approved October 1, 2007 Rate (c)
	<u>Contract Carriage Service</u>			
	<u>T1 Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.010		0.010
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.980		1.980
3	Customer provides deliverability inventory	1.050		1.050
4	Firm incremental injection	1.050		1.050
5	Interruptible withdrawal	1.050		1.050
	Commodity charges:			
6	Withdrawal	0.064		0.064
7	Customer provides compressor fuel	0.007		0.007
8	Injection	0.064		0.064
9	Customer provides compressor fuel	0.007		0.007
10	Storage fuel ratio - customer provides fuel	0.600%		0.600%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge first 140,870 m ³	18.9471		18.9471
12	Monthly demand charge all over 140,870 m ³	12.9470		12.9470
	Commodity charges:			
13	Firm- Union provides compressor fuel first 2,360,653 m ³	0.3573		0.3573
14	Union provides compressor fuel all over 2,360,653 m ³	0.2767		0.2767
15	Customer provides compressor fuel first 2,360,653 m ³	0.1604		0.1604
16	Customer provides compressor fuel all over 2,360,653 m ³	0.0798		0.0798
	Interruptible: *			
17	Maximum - Union provides compressor fuel	2.7337		2.7337
18	Maximum - customer provides compressor fuel	2.5368		2.5368
19	Transportation fuel ratio - customer provides fuel	0.554%		0.554%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
20	Injection May 1 to Oct 31	0.169		0.169
21	Customer provides compressor fuel	0.072		0.072
22	Withdrawals Nov 1 to Apr 30	0.169		0.169
23	Customer provides compressor fuel	0.072		0.072
24	Transportation commodity charge (cents / m ³)	0.9803		0.9803
25	Customer provides compressor fuel	0.7833		0.7833
26	<u>Monthly Charge</u>	\$1,800		\$1,800

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

Line No.	Particulars	EB-2007-0634 Approved July 1, 2007 Rate (a)	Rate Change (b)	EB-2007-0598 Approved October 1, 2007 Rate (c)
	<u>T3 Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.010		0.010
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.980		1.980
3	Customer provides deliverability inventory	1.050		1.050
4	Firm incremental injection	1.050		1.050
5	Interruptible withdrawal	1.050		1.050
	Commodity charges:			
6	Withdrawal	0.064		0.064
7	Customer provides compressor fuel	0.007		0.007
8	Injection	0.064		0.064
9	Customer provides compressor fuel	0.007		0.007
10	Storage fuel ratio- Cust. provides fuel	0.600%		0.600%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge	9.0121		9.0121
	Commodity charges			
12	Firm- Union supplies compressor fuel	0.3242		0.3242
13	Customer provides compressor fuel	0.0666		0.0666
14	Transportation fuel ratio- Cust. provides fuel	0.725%		0.725%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
15	Injection	0.169		0.169
16	Customer provides compressor fuel	0.072		0.072
17	Withdrawals	0.169		0.169
18	Customer provides compressor fuel	0.072		0.072
19	Transportation commodity charge (cents / m ³)	0.6205		0.6205
20	Customer provides compressor fuel (cents / m ³)	0.3629		0.3629
	<u>Monthly Charge</u>			
21	City of Kitchener	\$17,155		\$17,155
22	Natural Resource Gas	\$2,631		\$2,631
23	Six Nations	\$877		\$877

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

Line No.	Particulars	EB-2007-0634 Approved July 1, 2007 Rate (a)	Rate Change (b)	EB-2007-0598 Approved October 1, 2007 Rate (c)
<u>U2 Unbundled Customers</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
1	Standard Storage Service (SSS)			
	Combined Firm Space & Deliverability	0.021		0.021
2	Standard Peaking Service (SPS)			
	Combined Firm Space & Deliverability	0.106		0.106
3	Incremental firm injection right	0.955		0.955
4	Incremental firm withdrawal right	0.955		0.955
Commodity charges:				
5	Injection customer provides compressor fuel	0.015		0.015
6	Withdrawal customer provides compressor fuel	0.015		0.015
7	Storage fuel ratio - Customer provides fuel	0.600%		0.600%
<u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges:				
8	Injection customer provides compressor fuel	0.046		0.046
9	Withdrawal customer provides compressor fuel	0.046		0.046
<u>U5 Unbundled Customers</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
10	Combined Firm Space & Deliverability	0.021		0.021
11	Incremental firm injection right	0.955		0.955
12	Incremental firm withdrawal right	0.955		0.955
Commodity charges:				
13	Injection customer provides compressor fuel	0.015		0.015
14	Withdrawal customer provides compressor fuel	0.015		0.015
15	Storage fuel ratio - Customer provides fuel	0.600%		0.600%
<u>Delivery (cents / m³)</u>				
<u>Firm contracts</u>				
16	Monthly demand charge	21.8236		21.8236
17	Monthly delivery commodity charge	1.7957		1.7957
18	Transportation fuel ratio - Customer provides fuel	0.554%		0.554%
<u>Interruptible contracts</u>				
19	Monthly Charge	\$500.00		\$500.00
Monthly delivery commodity charge:				
20	4 800 m ³ to 17 000 m ³	1.5464		1.5464
21	17 000 m ³ to 30 000 m ³	1.4165		1.4165
22	30 000 m ³ to 50 000 m ³	1.3482		1.3482
23	50 000 m ³ to 70 000 m ³	1.3003		1.3003
24	70 000 m ³ to 100 000 m ³	1.2660		1.2660
25	100 000 m ³ to 140 870 m ³	1.2323		1.2323
<u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges:				
26	Injection customer provides compressor fuel	0.046		0.046
27	Withdrawal customer provides compressor fuel	0.046		0.046

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

Line No.	Particulars	EB-2007-0634 Approved July 1, 2007 Rate (a)	Rate Change (b)	EB-2007-0598 Approved October 1, 2007 Rate (c)
	<u>U7 Unbundled Customers</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Combined Firm Space & Deliverability	0.021		0.021
2	Incremental firm injection right	0.955		0.955
3	Incremental firm withdrawal right	0.955		0.955
	Commodity charges:			
4	Injection customer provides compressor fuel	0.015		0.015
5	Withdrawal customer provides compressor fuel	0.015		0.015
6	Storage fuel ratio - Customer provides fuel	0.600%		0.600%
	<u>Delivery (cents / m³)</u>			
7	Monthly demand charge first 140,870 m ³	18.9471		18.9471
8	Monthly demand charge all over 140,870 m ³	12.9470		12.9470
	Commodity charges			
9	Firm Customer provides compressor fuel first 2,360,653 m ³	0.1604		0.1604
10	Firm Customer provides compressor fuel all over 2,360,653 m ³	0.0798		0.0798
	Interruptible:			
11	Maximum customer provides compressor fuel	2.5368		2.5368
12	Transportation fuel ratio - Customer provides fuel	0.554%		0.554%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
13	Injection customer provides compressor fuel	0.046		0.046
14	Withdrawal customer provides compressor fuel	0.046		0.046
15	Transportation commodity charge (cents / m ³)	0.7833		0.7833
	<u>Other Services & Charges</u>			
16	Monthly Charge	\$1,800		\$1,800

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

Line No.	Particulars	EB-2007-0634 Approved July 1, 2007 Rate (a)	Rate Change (b)	EB-2007-0598 Approved October 1, 2007 Rate (c)
	<u>U9 Unbundled Customers</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.021		0.021
2	Incremental firm injection right	0.955		0.955
3	Incremental firm withdrawal right	0.955		0.955
	Commodity charges:			
4	Injection customer provides compressor fuel	0.015		0.015
5	Withdrawal customer provides compressor fuel	0.015		0.015
6	Storage fuel ratio - Customer provides fuel	0.600%		0.600%
	<u>Delivery (cents / m³)</u>			
7	Monthly demand charge	9.0121		9.0121
	Commodity charges			
8	Firm customer provides compressor fuel	0.0666		0.0666
9	Transportation fuel ratio - Customer provides fuel	0.725%		0.725%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
10	Injection customer provides compressor fuel	0.046		0.046
11	Withdrawal customer provides compressor fuel	0.046		0.046
12	Transportation commodity charge (cents / m ³)	0.3629		0.3629
	<u>Other Services & Charges</u>			
	Monthly Charge			
13	City of Kitchener	\$17,155		\$17,155
14	NRG	\$2,631		\$2,631
15	Six Nations	\$877		\$877

GENERAL SERVICE RATE**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To residential and non-contract commercial and industrial 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.

a) Monthly Charge \$ 16.00

b) Delivery Charge

First	1 400 m ³	5.1701¢ per m ³
Next	4 600 m ³	4.1427¢ per m ³
Next	124 000 m ³	3.0859¢ per m ³
Next	270 000 m ³	2.4743¢ per m ³
All Over	400 000 m ³	2.2978¢ per m ³

Delivery – Price Adjustment (All Volumes) 0.0896¢ per m³

c) Storage Charge (if applicable) 0.9309¢ 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.

(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%.

**(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 6.1010¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³.

(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.

<u>Zone</u>	<u>Assumed Atmospheric Pressure kPa</u>
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

Effective October 1, 2007
O.E.B. ORDER # EB-2007-0598

Chatham, Ontario

Supersedes EB-2007-0634 Rate Schedule effective July 1, 2007.

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 Rate Schedule No.	<u>Fort Frances</u> 201	<u>Western</u> 101	<u>Northern</u> 301	<u>Eastern</u> 601
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$16.00	\$16.00	\$16.00	\$16.00
<u>DELIVERY CHARGE</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 100 m ³ per month @	9.2380	9.2380	9.2380	9.2380
Next 200 m ³ per month @	8.6369	8.6369	8.6369	8.6369
Next 200 m ³ per month @	8.2100	8.2100	8.2100	8.2100
Next 500 m ³ per month @	7.8180	7.8180	7.8180	7.8180
Over 1,000 m ³ per month @	7.4944	7.4944	7.4944	7.4944
Delivery- Price Adjustment (All Volumes)	0.0886	0.0886	0.0886	0.0886



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Effective
2007-10-01
Rate 01A
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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%.

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.

Effective

October 1, 2007
O.E.B. ORDER # EB-2007-0598

Chatham, Ontario

Supersedes EB-2007-0634 Rate Schedule effective July 1, 2007.



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 Rate Schedule No.	<u>Fort Frances</u> 210	<u>Western</u> 110	<u>Northern</u> 310	<u>Eastern</u> 610
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$70.00	\$70.00	\$70.00	\$70.00
<u>DELIVERY CHARGE</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 1,000 m ³ per month @	7.3562	7.3562	7.3562	7.3562
Next 9,000 m ³ per month @	5.8543	5.8543	5.8543	5.8543
Next 20,000 m ³ per month @	4.9979	4.9979	4.9979	4.9979
Next 70,000 m ³ per month @	4.4495	4.4495	4.4495	4.4495
Over 100,000 m ³ per month @	2.3725	2.3725	2.3725	2.3725
Delivery-Price Adjustment (All Volumes)	0.3049	0.3049	0.3049	0.3049

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%.

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 m³ 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.



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Effective
2007-10-01
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 M2, M4, M5A, M7, M9, M10 and storage and transportation customers taking supplemental services under rates T1 and T3.

(C) **Rates:**

cents / m³

Utility Sales

Commodity and Fuel	33.2739 (1)
Commodity and Fuel - Price Adjustment	(5.7013)
Transportation	3.5830
Total Gas Supply Commodity Charge	<u>31.1556</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	5.4859
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Storage and Transportation Supplemental Services - Rate T1 & T3

\$/GJ

Monthly demand charges:	
Firm gas supply service	29.128
Firm backstop gas	4.269
Commodity charges:	
Gas supply	8.876
Backstop gas	11.797
Reasonable Efforts Backstop Gas	11.474
Supplemental Inventory	Note (2)
Supplemental Gas Sales Service (cents / m ³)	46.7560
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	3.011
Discretionary Gas Supply Service (DGSS)	Note (3)

Notes:

- (1) The Commodity and Fuel line includes gas supply administration charge of 0.3173 cents/ m³.
- (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: October 1, 2007
O.E.B. Order # EB-2007-0598

Chatham, Ontario

Supersedes EB-2007-0634 Rate Schedule effective July 1, 2007.



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Effective
2007-10-01
Schedule "A"
Page 1 of 2

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

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 01A (cents / m³)</u>				
Effective October 1, 2007				
Storage	1.9099	1.9075	2.2951	2.6079
Storage - Price Adjustment (1)	(0.0191)	(0.0191)	(0.0191)	(0.0191)
Commodity and Fuel	32.1338	32.4613	32.9042	33.2739
Commodity and Fuel - Price Adjustment (1)	(7.5884)	(7.5884)	(7.5884)	(7.5884)
Transportation	2.9778	3.0018	3.6137	4.1393
Transportation - Price Adjustment (1)	(0.8879)	(0.8879)	(0.8879)	(0.8879)
Total Gas Supply Charge	<u>28.5261</u>	<u>28.8752</u>	<u>30.3175</u>	<u>31.5258</u>

Rate 10 (cents / m³)

Effective October 1, 2007

Storage	1.2255	1.2231	1.6107	1.9235
Storage - Price Adjustment (1)	(0.0245)	(0.0245)	(0.0245)	(0.0245)
Commodity and Fuel	32.1338	32.4613	32.9042	33.2739
Commodity and Fuel - Price Adjustment (1)	(7.5884)	(7.5884)	(7.5884)	(7.5884)
Transportation	2.7311	2.7552	3.3670	3.8927
Transportation - Price Adjustment (1)	(0.8600)	(0.8600)	(0.8600)	(0.8600)
Total Gas Supply Charge	<u>27.6176</u>	<u>27.9667</u>	<u>29.4091</u>	<u>30.6173</u>

Notes:

(1) As laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.3173 cents/m³.



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Effective
2007-10-01
Schedule "A"
Page 2 of 2

Union Gas Limited
Northern and Eastern Operations Area
Gas Supply Charges

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 20 (cents / m³)</u>				
Effective October 1, 2007				
Commodity and Fuel	32.5161	32.8476	33.2958	33.6699
Commodity and Fuel - Price Adjustment (1)	(7.5884)	(7.5884)	(7.5884)	(7.5884)
Commodity Transportation - Charge 1	2.1971	2.2058	2.6055	2.9409
Transportation 1 - Price Adjustment (1)	(0.0725)	(0.0725)	(0.0725)	(0.0725)
Commodity Transportation - Charge 2	0.1334	0.1310	0.2059	0.2733
Monthly Gas Supply Demand	25.3849	25.8508	42.7815	56.9336
Gas Supply Demand - Price Adjustment (1)	0.4999	0.4999	0.4999	0.4999
Commissioning and Decommissioning Rate	3.4284	3.4655	4.9135	6.1258
<u>Rate 100 (cents / m³)</u>				
Effective October 1, 2007				
Commodity and Fuel	32.5161	32.8476	33.2958	33.6699
Commodity and Fuel - Price Adjustment (1)	(7.5884)	(7.5884)	(7.5884)	(7.5884)
Commodity Transportation - Charge 1	3.8838	3.8903	4.1901	4.4417
Commodity Transportation - Charge 2	0.1334	0.1310	0.2059	0.2733
Monthly Gas Supply Demand	40.6945	41.2381	60.9906	77.5013
Commissioning and Decommissioning Rate	3.6520	3.6790	4.7780	5.6997
<u>Rate 25 (cents / m³)</u>				
Effective October 1, 2007				
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 0.3173 cents/m³.

Effective: October 1, 2007
O.E.B. Order # EB-2007-0598

Chatham, Ontario

Supersedes EB-2007-0634 Rate Schedule effective July 1, 2007.

APPENDIX C

UNION GAS LIMITED

Deferral Account and Earnings Sharing Balances for Disposition
 For the 12 months ended December 31, 2006
 (\$000's)

Line No.	Account Number	Account Name	Balance ¹
		<u>Gas Supply Accounts:</u>	
		<u>Joint Accounts:</u>	
1	179-108	Unabsorbed Demand Costs	(731)
		<u>Northern Operations Area:</u>	
2	179-89	Heating Value	(2,486)
3		Total Gas Supply Accounts (Lines 1 + 2)	(3,217)
		<u>Storage and Transportation Accounts:</u>	
4	179-69	Transportation and Exchange Services	(4,142)
5	179-70	Balancing & Short Term Storage Services	(22,307)
6	179-72	Long-term Peak Storage	(3,118)
7	179-73	Other S&T Services	(403)
8	179-74	Other Direct Purchase Services	(386)
9		Total Storage and Transportation Accounts (Lines 4 through 8)	(30,357)
		<u>Other:</u>	
10	179-26	Deferred Customer Rebates/Charges	-
11	179-56	Comprehensive Customer Information Program	-
12	179-60	Direct Purchase Revenue and Payments	(176)
13	179-75	Lost Revenue Adjustment Mechanism	4,116
14	179-102	Intra-period WACOG	16,270
15	179-103	Unbundled Services Unauthorized Storage Overrun	-
16	179-110	Storage Rights Compensation Costs	528
17	179-111	Demand Side Management Variance Account	7,460
18	179-112	Gas Distribution Access Rule Costs	-
19	179-113	Late Payment Penalty Litigation	314
20	179-114	OEB Cost Assessment	1,594
21	179-115	Shared Savings Mechanism Variance Account	7,236
22	179-116	Interest on the Gain on the 2004 Cushion Gas Disposition ²	-
23		Total Other Accounts (Lines 10 through 22)	37,341
24		Total Deferral Accounts (Line 3 + 9 + 23)	3,767
		<u>Earnings Sharing:</u>	
25		2006 Earnings Sharing ³	(5,836)
26		Total Deferral Account and Earnings Sharing Balances for Disposition	(2,068)

Notes:

¹ Includes interest to September 30, 2007.

² The balance in the account is zero. In its EB-2005-0211 Decision With Reasons dated June 27, 2007, the Board decided that both the proceeds of the sale of cushion gas and the interest earned on such proceeds will not be shared with ratepayers. In its Decision, the Board authorized Union to close the deferral account and retain the balance.

³ The details of the earnings sharing amount are shown on page 2. The amount is shown as a credit in this schedule.

UNION GAS LIMITED
Earnings Sharing Calculation
Year Ending December 31, 2006

Line No.	Particulars (\$000's)	Calendar 2006 (a)	Adjustment	Calendar 2006 as Adjusted
1	Corporate earnings	\$ 98,636	(7,893) ⁴	\$ 90,743
	Adjustments required for Earnings Sharing (net of tax):			
2	Add back provision for earnings sharing	8,521		8,521
3	S&T base revenue - shareholder portion (10%)	(1,655)		(1,655)
4	S&T revenue in excess of base - shareholder portion (25%)	(3,846)	(2,631) ⁵	(6,477)
5	Shared savings mechanism incentive (SSM) ¹	(2,356)		(2,356)
6	Other non-utility adjustment	(1,278)	1,278	0
7	Earnings subject to sharing before weather normalization (lines 1 through 6)	98,023	(9,246)	88,776
8	Weather normalization ³	19,913	-	19,913
9	Earnings subject to sharing (lines 7 + 8)	<u>\$ 117,936</u>	<u>(9,246)</u>	<u>\$ 108,689</u>
10	Average corporate common equity	\$ 1,141,528		\$ 1,141,528
11	ROE used for earnings sharing (line 9 / line 10)	10.33%		9.52%
12	Benchmark ROE ²	8.89%		8.89%
13	Earnings sharing % (line 11 minus line 12)	1.44%		0.63%
14	Earnings sharing amount (line 13 x line 10 / 2)	\$ 8,226.9		\$ 3,603.8
15	Pre-tax earnings sharing amount (line 14 / (1 minus tax rate))	<u>\$ 12,879</u>		<u>\$ 5,642</u>
16	Interest charge (line 15 x 4.59% x 9/12)			<u>194</u>
17	Pre-tax earnings sharing amount including interest (line 15 + 16)			<u>\$ 5,836</u>

Notes:

- 1 SSM excluded from earnings sharing per EB-2005-0211 settlement agreement
- 2 Based on October 2005 consensus forecast
- 3 The weather normalization amount was calculated as follows:

General Service Market	\$ 33,317
UFG/Fuel costs	<u>2,145</u>
Total Pre-tax	31,172
Income Tax	<u>11,259</u>
Total After-tax	<u>\$ 19,913</u>
- 4 Represents ratepayer portion of deferral impact (\$16,475 X 75% X (1 - 36.12%))
- 5 Represents shareholder portion of deferral impact (\$16,475 X 25% X (1 - 36.12%))

UNION GAS LIMITED
General Service Rates
Unit Rates for Prospective Recovery/(Refund): Delivery

Line No.	Particulars	Rate Class	2006	2006	Balance	2007	Unit Rate for Prospective Recovery (cents/m ³) (e) = (c) / (d) * 100
			Deferral Balances (\$000's)	Earnings Sharing (\$000's)	for Disposition (\$000's)	Forecast Volume (10 ³ m ³) (1)	
			(a)	(b)	(c) = (a) + (b)	(d)	
1	Small Volume General Service	01	1,365	(1,114)	252	284,131	0.0886
2	Large Volume General Service	10	538	(182)	356	116,684	0.3049
3	General Service	M2	4,444	(2,732)	1,712	1,224,322	0.1398

Notes:

(1) Forecast volume for the period October 1, 2007 to December 31, 2007

UNION GAS LIMITED
General Service Rates
Unit Rates for Prospective Recovery/(Refund): Gas Supply Transportation

Line No.	Particulars	Rate Class	2006	2006	Balance	2007	Unit Rate for Prospective Recovery (cents/m ³) (e) = (c) / (d) * 100
			Deferral Balances (\$000's)	Earnings Sharing (\$000's)	for Disposition (\$000's)	Forecast Volume (10 ³ m ³) (1)	
			(a)	(b)	(c) = (a) + (b)	(d)	
1	Small Volume General Service	01	(2,613)	-	(2,613)	284,131	(0.9196)
2	Large Volume General Service	10	(1,045)	-	(1,045)	116,043	(0.9003)

Notes:

(1) Forecast volume for the period October 1, 2007 to December 31, 2007

UNION GAS LIMITED
South Sales Service Rates
Unit Rates for Prospective Recovery/(Refund): Gas Supply Commodity

Line No.	Particulars	2006 Deferral Balances (\$000's) (a)	2006 Earnings Sharing (\$000's) (b)	Balance for Disposition (\$000's) (c) = (a) + (b)	2007 Forecast Volume (10*3m*3) (1) (d)	Unit Rate for Prospective Recovery (cents/m*3) (e) = (c) / (d) * 100
1	South Sales Service	502	-	502	701,401	0.0715

Notes:

(1) Forecast volume for the period October 1, 2007 to December 31, 2007

UNION GAS LIMITED
Unit Rates for One-Time Adjustments

Line No.	Particulars	Rate Class	2006 Deferral Balances (\$000's) (a)	2006 Earnings Sharing (\$000's) (b)	Total Balance (\$000's) (c)= (a) + (b)	2006 Actual Volume (10*3m*3) (d)	Unit Rate (cents/m*3) (e) = (d)/ (c) * 100
<u>Northern and Eastern Operations Area:</u>							
1	Medium Volume Firm Service (1)	20	52	(20)	31	168,163	0.0187
2	Medium Volume Firm Service (2)	20T	553	(39)	514	323,278	0.1591
3	Large Volume High Load Factor (2)	100T	2,068	(150)	1,918	2,085,761	0.0919
4	Wholesale Service	77	0.03	(0)	(0)	92	(0.2005)
5	Large Volume Interruptible	25	7	(56)	(49)	234,980	(0.0209)
<u>Southern Operations Area:</u>							
6	Firm Com/Ind Contract	M4	840	(110)	731	536,254	0.1362
7	Interruptible Com/Ind Contract	M5	2,311	(68)	2,243	518,036	0.4330
8	Special Large Volume Contract	M7	307	(96)	211	765,164	0.0275
9	Large Wholesale	M9	(28)	(4)	(32)	18,758	(0.1705)
10	Small Wholesale	M10	(3)	(0)	(3)	102	(2.9118)
11	Contract Carriage Service	T1	(2,349)	(201)	(2,549)	3,445,763	(0.0740)
12	Contract Carriage- Wholesale	T3	(889)	(32)	(921)	267,368	(0.3445)

Notes:

- (1) Sales and Bundled-T customers only
(2) T-service customers only

UNION GAS LIMITED
Unit Rates for One-Time Adjustments: Gas Supply Transportation and Bundled Storage

Line No.	Particulars	Rate Class	Billing Units	2006 Deferral Balances (\$000's) (a)	2006 Earnings Sharing (\$000's) (b)	Total Balance (\$000's) (c)= (a) + (b)	2006 Actual Demand (d)	Unit Demand Rate (e) = (d)/ (c) * 100
	<u>Gas Supply Transportation (cents/m*3)</u>							
1	Medium Volume Firm Service	20	10*3m*3	(61)	-	(61)	8,610	(0.7107)
	<u>Bundled (T- Service) Storage (\$/GJ)</u>							
2	Medium Volume Firm Service	20T	GJ	(11)	-	(11)	9,352	(1.133)
3	Large Volume High Load Factor	100T	GJ	(164)	-	(164)	144,628	(1.133)

UNION GAS LIMITED
Summary of 2006 Earnings Sharing and 2006 Deferral Account Disposition
Storage and Transportation Services

Line No.	Particulars (\$000's) (1)	Rate Class	2006 Deferral Balances (\$000's) (a)	2006 Earnings Sharing (\$000's) (b)	Total Balance (\$000's) (c) = (a + b)
1	Storage and Transportation	M12	(2,620)	(1,015)	(3,635)
2	Local Production	M13	190	(1)	189
3	Short-Term Cross Franchise	C1	316	(14)	302
4	Storage Transportation Service	M16	57	(1)	56

Note: (1) Exfranchise M12, M13, M16 and C1 customers based on specific amounts determined using approved deferral account allocation methodologies.

Important Information About Your Rates
October 2007
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective October 1, 2007. For most residential customers, the total decrease will amount to \$6.90 in 2007 depending on the amount of gas used. The enclosed bill uses the new approved rates.

Delivery Costs

The actual costs associated with the delivery of natural gas in 2006 were higher than forecast, resulting in a delivery rate charge of 0.0886 cents per cubic meter. This temporary charge of 0.0886 cents per cubic metre will be applied to your bill for the period October 1, 2007 to December 31, 2007. For most residential customers, the charge will amount to \$0.74 depending on the amount of natural gas used. You will see this delivery rate increase reflected on the **"Delivery Price Adjustment"** line in your bill.

Transportation Costs

The actual costs associated with the transportation of natural gas in 2006 were lower than forecast, resulting in a transportation rate credit of 0.9196 cents per cubic meter. This temporary credit of 0.9196 cents per cubic metre will be applied to your bill for the period October 1, 2007 to December 31, 2007. For most residential customers, the credit will amount to \$7.64 depending on the amount of natural gas used. You will see this transportation rate reduction reflected on the **"Transportation Price Adjustment"** line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our Web site at www.uniongas.com.

Important Information About Your Rates
October 2007
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective October 1, 2007. For most commercial/industrial customers, the total decrease will amount to \$174.71 in 2007 depending on the amount of gas used. The enclosed bill uses the new approved rates.

Delivery Costs

The actual costs associated with the delivery of natural gas in 2006 were higher than forecast, resulting in a delivery rate charge of 0.3049 cents per cubic meter. This temporary charge of 0.3049 cents per cubic metre will be applied to your bill for the period October 1, 2007 to December 31, 2007. For most commercial/industrial customers, the charge will amount to \$89.47 depending on the amount of natural gas used. You will see this delivery rate reduction reflected on the **"Delivery Price Adjustment"** line in your bill.

Transportation Costs

The actual costs associated with the transportation of natural gas in 2006 were lower than forecast, resulting in a transportation rate credit of 0.9003 cents per cubic meter. This temporary credit of 0.9003 cents per cubic metre will be applied to your bill for the period October 1, 2007 to December 31, 2007. For most commercial/industrial customers, the credit will amount to \$264.18 depending on the amount of natural gas used. You will see this transportation rate reduction reflected on the **"Transportation Price Adjustment"** line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our Web site at www.uniongas.com.

Important Information About Your Rates
October 2007
M2 Residential

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective October 1, 2007. For most residential customers, the total increase will amount to \$1.39 in 2007 depending on the amount of gas used. The enclosed bill uses the new approved rates.

Delivery Costs

The actual costs associated with the delivery of natural gas in 2006 were higher than forecast, resulting in a delivery rate charge of 0.1398 cents per cubic meter. The temporary charge of 0.1398 cents per cubic metre will be applied to your bill for the period October 1, 2007 to December 31, 2007. For most residential customers, the charge will amount to \$0.92 depending on the amount of natural gas used. You will see this delivery rate charge reflected on the **"Delivery Price Adjustment"** line in your bill.

Gas Commodity

In addition, an increase in the gas price adjustment of 0.0715 cents/m³ reflects the difference between the actual cost of gas in 2006 and the amount that Union Gas recovered in 2006. The temporary charge of 0.0715 cents per cubic metre will be applied to your bill for the period October 1, 2007 to December 31, 2007. For most residential customers, the charge will amount to \$0.47 depending on the amount of natural gas used. The new rate appears in the **"Gas Price Adjustment"** line on your bill.

Union Gas does not earn income on the sale of the gas commodity. The price we pay for gas is passed directly to customers with no profit included.

The table below shows the approved rates and estimated effects on your bill.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our Web site at www.uniongas.com.

Important Information About Your Rates
October 2007
M2 Commercial/Industrial

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective October 1, 2007. For most commercial/industrial customers, the total increase will amount to \$9.59 in 2007 depending on the amount of gas used. The enclosed bill uses the new approved rates.

Delivery Costs

The actual costs associated with the delivery of natural gas in 2006 were higher than forecast, resulting in a delivery rate charge of 0.1398 cents per cubic meter. The temporary charge of 0.1398 cents per cubic metre will be applied to your bill for the period October 1, 2007 to December 31, 2007. For most commercial/industrial customers, the charge will amount to \$6.35 depending on the amount of natural gas used. You will see this delivery rate charge reflected on the **"Delivery Price Adjustment"** line in your bill.

Gas Commodity

In addition, an increase in the gas price adjustment of 0.0715 cents/m³ reflects the difference between the actual cost of gas in 2006 and the amount that Union Gas recovered in 2006. The temporary charge of 0.0715 cents per cubic metre will be applied to your bill for the period October 1, 2007 to December 31, 2007. For most commercial/industrial customers, the charge will amount to \$3.25 depending on the amount of natural gas used. The new rate appears in the **"Gas Price Adjustment"** line on your bill.

The table below shows the approved rates and estimated effects on your bill.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our Web site at www.uniongas.com.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

October 2007

The Ontario Energy Board has approved a one-time charge to your **Rate M4** bill.

This charge consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time charge of 0.1362 cents per cubic meter applied to volumes consumed in the period of January 1, 2006 to December 31, 2006. Individual customer impacts will vary based on volumes consumed.

We appreciate and thank you for your business. If you have any questions about this adjustment, please call your account representative. Our staff will be pleased to answer your questions.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

October 2007

The Ontario Energy Board has approved a one-time charge to your **Rate M5A** bill.

This charge consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time charge of 0.4330 cents per cubic meter applied to volumes consumed in the period of January 1, 2006 to December 31, 2006. Individual customer impacts will vary based on volumes consumed.

We appreciate and thank you for your business. If you have any questions about this adjustment, please call your account representative. Our staff will be pleased to answer your questions.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

October 2007

The Ontario Energy Board has approved a one-time charge to your **Rate M7** bill.

This charge consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time charge of 0.0275 cents per cubic meter applied to volumes consumed in the period of January 1, 2006 to December 31, 2006. Individual customer impacts will vary based on volumes consumed.

We appreciate and thank you for your business. If you have any questions about this adjustment, please call your account representative. Our staff will be pleased to answer your questions.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

October 2007

The Ontario Energy Board has approved a one-time credit to your **Rate M9** bill.

This credit consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time credit of 0.1705 cents per cubic meter applied to volumes consumed in the period of January 1, 2006 to December 31, 2006. Individual customer impacts will vary based on volumes consumed.

We appreciate and thank you for your business. If you have any questions about this adjustment, please call your account representative. Our staff will be pleased to answer your questions.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

October 2007

The Ontario Energy Board has approved a one-time credit to your **Rate M10** bill.

This credit consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time credit of 2.9118 cents per cubic meter applied to volumes consumed in the period of January 1, 2006 to December 31, 2006. Individual customer impacts will vary based on volumes consumed.

We appreciate and thank you for your business. If you have any questions about this adjustment, please call your account representative. Our staff will be pleased to answer your questions.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

October 2007

The Ontario Energy Board has approved a one-time credit to your **Rate T1** bill.

This credit consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time credit of 0.0740 cents per cubic meter applied to volumes consumed in the period of January 1, 2006 to December 31, 2006. Individual customer impacts will vary based on volumes consumed.

We appreciate and thank you for your business. If you have any questions about this adjustment, please call your account representative. Our staff will be pleased to answer your questions.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

October 2007

The Ontario Energy Board has approved a one-time credit to your **Rate T3** bill.

This credit consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time credit of 0.3445 cents per cubic meter applied to volumes consumed in the period of January 1, 2006 to December 31, 2006. Individual customer impacts will vary based on volumes consumed.

We appreciate and thank you for your business. If you have any questions about this adjustment, please call your account representative. Our staff will be pleased to answer your questions.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

October 2007

The Ontario Energy Board has approved one-time adjustments to your **Rate 20** bill.

These adjustments consist of:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

The following one-time adjustments will be applied to your October bill:

- **a charge of 0.0187** cents per cubic meter applied to volumes consumed by all sales and bundled-T customers only for the period January 1, 2006 to December 31, 2006
- **a charge of 0.1591** cents per cubic meter applied to volumes consumed by T-service customers only for the period January 1, 2006 to December 31, 2006
- **a credit of 0.7107** cents per cubic meter applied to the transportation contracted demand for sales and bundled-T customers only for the period of January 1, 2006 to December 31, 2006
- **a credit of \$1.133** per GJ applied to bundled (T-service) storage contracted demand for T-service customers having bundled storage entitlement for the period of January 1, 2006 to December 31, 2006

Individual customer impacts will vary.

We appreciate and thank you for your business. If you have any questions about this adjustment, please call your account representative. Our staff will be pleased to answer your questions.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

October 2007

The Ontario Energy Board has approved a one-time credit to your **Rate 25** bill.

This net credit consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time credit of 0.0209 cents per cubic meter applied to volumes consumed in the period of January 1, 2006 to December 31, 2006. Individual customer impacts will vary based on volumes consumed.

We appreciate and thank you for your business. If you have any questions about this adjustment, please call your account representative. Our staff will be pleased to answer your questions.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

October 2007

The Ontario Energy Board has approved a one-time credit to your **Rate 77** bill.

This credit consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time credit of 0.2005 cents per cubic meter applied to delivery demand in the period January 1, 2006 to December 31, 2006.

We appreciate and thank you for your business. If you have any questions about this adjustment, please call your account representative. Our staff will be pleased to answer your questions.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

October 2007

The Ontario Energy Board has approved one-time adjustments to your **Rate 100** bill.

These adjustments consist of:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

The following one-time adjustments will be applied to your October bill:

- **a charge of 0.0919** cents per cubic meter applied to volumes consumed by T-service customers only for the period January 1, 2006 to December 31, 2006
- **a credit of \$1.133** per GJ applied to bundled (T-service) storage contracted demand for T-service customers having bundled storage entitlement for the period of January 1, 2006 to December 31, 2006

Individual customer impacts will vary.

We appreciate and thank you for your business. If you have any questions about this adjustment, please call your account representative. Our staff will be pleased to answer your questions.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

October 2007

The Ontario Energy Board has approved a one-time credit to **M12 storage and transportation** customers. This credit consists of two amounts:

deferral account credits for 2006 largely related to short term storage and transportation activity,
and
differences between targeted and actual earnings in 2006

These amounts will be applied as a one-time credit on your bill. Individual customer rate impacts will vary based on demands and volumes consumed.

We appreciate and thank you for your business. If you have any questions about the adjustment, please call your account representative. Our staff will be pleased to answer your questions.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

October 2007

The Ontario Energy Board has approved a one-time adjustment to **M13 transportation of locally produced gas** customers. This adjustment consists of two amounts:

2006 deferral account charge related to compressor fuel costs that were higher than forecast costs. This charge only applies to customers who do not supply their own fuel, and differences between targeted and actual earnings in 2006

These amounts will be applied as a one-time adjustment on your bill. Individual customer rate impacts will vary based on usage.

We appreciate and thank you for your business. If you have any questions about the adjustment, please call your account representative. Our staff will be pleased to answer your questions.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

October 2007

The Ontario Energy Board has approved a one-time charge for **M16 storage transportation service** customers. This charge consists of two amounts:

2006 deferral account charge related to compressor fuel costs that were higher than forecast costs. This charge only applies to customers who do not supply their own fuel, and differences between targeted and actual earnings in 2006

These amounts will be applied as a one-time charge on your bill. Individual customer rate impacts will vary based on usage.

We appreciate and thank you for your business. If you have any questions about the adjustment, please call your account representative. Our staff will be pleased to answer your questions.

EB-2007-0598
Rate Order
Working Paper Index

Schedule 1	Allocation of 2006 Earnings Sharing to Rate Classes
Schedule 2	Allocation of 2006 Deferral Account Balances and 2006 Earnings Sharing to Rate Classes
Schedule 3	General Service Bill Impacts
Schedule 4	Calculation of Gas Supply Commodity Charges

UNION GAS LIMITED
Allocation of 2006 Earnings Sharing to Rate Classes

Line No.	Particulars	Rate Class	C2004 Return on Equity Allocation (1) (\$000's) (a)	2006 Earnings Sharing (\$000's) (b)
Northern & Eastern Operations Area				
1	Small volume general service	01	50,591	(1,114)
2	Large volume general service	10	8,275	(182)
3	Medium volume firm service	20	2,694	(59)
4	Large volume high load factor	100	6,820	(150)
5	Large volume interruptible	25	2,556	(56)
6	Wholesale transportation	77	10	(0)
7	Total Northern & Eastern Operations Area		<u>70,946</u>	<u>(1,562)</u>
Southern Operations Area				
8	General service	M2	124,089	(2,732)
9	Firm comm/ind contract	M4	4,979	(110)
10	Interruptible comm/ind contract	M5A	3,076	(68)
11	Seasonal comm/ind contract	M6A	-	-
12	Special large volume contract:	M7	4,365	(96)
13	Large wholesale service	M9	189	(4)
14	Small wholesale service	M10	11	(0)
15	Total Bundled Service		<u>136,709</u>	<u>(3,010)</u>
Contract Carriage				
Storage and transportation:				
16	Contract carriage service	T1	9,110	(201)
17	Wholesale service	T3	1,451	(32)
18	Total contract carriage		<u>10,561</u>	<u>(232)</u>
19	Total in-franchise service		<u>147,270</u>	<u>(3,242)</u>
Storage and Transportation				
20	Cross franchise service	C1	658	(14)
21	Dawn-Trafalgar service	M12	46,116	(1,015)
22	Transportation of local production	M13	42	(1)
23	Storage Transportation service	M16	61	(1)
24	Total storage and transportation		<u>46,877</u>	<u>(1,032)</u>
25	Total Southern Operations Area		<u>194,147</u>	<u>(4,274)</u>
26	Total (line 7 + line 25)		<u><u>265,093</u></u>	<u><u>(5,836)</u></u> (2)

Notes: (1) Allocated costs per 2004 Decision
(2) EB-2007-0598, Rate Order, Appendix C

UNION GAS LIMITED
Allocation of 2006 Deferral Account Balances and 2006 Earnings Sharing to Rate Classes

Line No.	Particulars	Northern and Eastern Operations Area										Southern Operations Area										Total (1) (\$'000's) (t)
		Rate 01 (\$'000's) (a)	Rate 10 (\$'000's) (b)	Rate 20 (\$'000's) (c)	Rate 77 (\$'000's) (d)	Rate 100 (\$'000's) (e)	Rate 25 (\$'000's) (f)	M2 (\$'000's) (g)	M4 (\$'000's) (h)	M5A (\$'000's) (i)	M7 (\$'000's) (j)	M9 (\$'000's) (k)	M10 (\$'000's) (l)	T1 (\$'000's) (m)	T3 (\$'000's) (n)	M12 (\$'000's) (o)	M13 (\$'000's) (p)	C1 (\$'000's) (q)	M16 (\$'000's) (r)			
1	Gas Supply Transportation-Related Deferrals:																					
2	Unabsorbed Demand Cost (UDC) Variance	(902)	(269)	(61)				497	5				0						(731)			
	Heating Value	(1,711)	(775)																(2,486)			
3	Storage and Transportation-Related Deferrals:																					
4	Transportation and Exchange Services	(162)	(48)	(11)	-	(7)		(651)	(65)	(3)	(70)	(4)	(0)	(206)	(42)	(2,742)	-	(130)	(4,142)			
5	Balancing & Short Term Storage Services	(2,956)	(884)	(201)	-	(133)		(11,334)	(1,135)	(55)	(1,222)	(63)	(3)	(3,562)	(736)	-	-	-	(22,307)			
6	Long-Term Peak Storage Services	(412)	(123)	(28)	-	(19)		(1,586)	(159)	(8)	(171)	(9)	(0)	(501)	(103)	-	-	-	(3,118)			
7	Other S&T Services	(53)	(16)	(4)	-	(2)		(205)	(21)	(1)	(22)	(1)	(0)	(65)	(13)	-	-	-	(403)			
8	Other Direct Purchase Services	(51)	(15)	(3)	-	(1)		(196)	(20)	(1)	(21)	(1)	(0)	(62)	(13)	-	-	-	(386)			
	Total Gas Supply Transportation-Related	(6,250)	(2,131)	(308)	-	(164)		(13,476)	(1,395)	(68)	(1,506)	(78)	(4)	(4,415)	(907)	(2,742)	-	(130)	(33,574)			
9	Delivery-Related Deferrals:																					
10	Deferred Customer Rebates/Charges	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-			
11	Comprehensive Customer Information Program	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-			
12	Direct Purchase Revenue and Payments	1,076	421	51	-	49		2,051	143	295	27	(8)	(1)	(23)	(10)	-	-	-	(176)			
13	Lost Revenue Adjustment Mechanism	2,322	550	135	-	876		8,486	1,024	827	1,311	49	1	4	-	-	190	444	4,116			
14	Infra-period WACOG	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	16,270			
15	Unbundled Services Unauthorized Storage Overrun	56	17	4	-	3		309	18	7	13	2	-	80	20	-	-	-	528			
16	Storage Rights Compensation Costs	711	192	(55)	-	427		3,895	584	639	56	-	-	1,011	-	-	-	-	7,460			
17	Demand Side Management Variance Account	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-			
18	Gas Distribution Access Rule Costs	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-			
19	Late Payment Penalty Litigation	70	3	0	-	0		240	0	0	26	1	0	66	9	122	-	3	314			
20	Incremental OEB Cost Assessment	282	28	12	0	22		965	31	20	388	-	-	-	-	-	-	-	1,594			
21	Shared Savings Mechanism Variance Account	484	414	694	-	691		2,953	451	591	398	-	-	930	-	-	-	-	7,236			
	Total Delivery-Related	5,002	1,624	841	0	2,068		18,416	2,240	2,379	1,813	50	1	2,066	18	122	190	446	37,341			
22	Total 2006 Deferral Account Disposition	(1,249)	(507)	533	0	1,904		4,940	845	2,311	307	(28)	(3)	(2,349)	(889)	(2,620)	190	316	3,767			
23	Earnings Sharing for 2006	(1,114)	(182)	(59)	(0)	(150)		(2,732)	(110)	(68)	(96)	(4)	(0)	(201)	(32)	(1,015)	(1)	(14)	(5,836)			
24	Grand Total	(2,361)	(689)	474	(0)	1,754		2,209	736	2,243	211	(32)	(3)	(2,549)	(921)	(3,635)	189	302	(2,068)			

Notes:
(1) EB-2007-0598, Rate Order, Appendix C

UNION GAS LIMITED
General Service Bill Impacts
2006 Deferral Account and 2006 Earnings Sharing Disposition

Line No.	Particulars	Rate Component	Balance for Disposition (\$000's) (1) (a)	Forecast Volume (10*3m*3) (2) (b)	Unit Rate for Prospective Recovery (cents/m*3) (c)	Volume (m*3) (3) (d)	Bill Impact (\$) (e) = (c*d) / 100
1	Rate 01	Delivery	252	284,131	0.0886	831	0.74
2		Transportation	(2,613) (4)	284,131	(0.9196)	831	(7.64)
3			(2,361)		(0.8310)		(6.90)
4	Rate 10	Delivery	356	116,684	0.3049	29,344	89.47
5		Transportation	(1,045) (5)	116,043	(0.9003)	29,344	(264.18)
6			(689)		(0.5954)		(174.71)
7	Rate M2 Residential	Delivery	1,712	1,224,322	0.1398	660	0.92
8		Commodity	497	694,523	0.0715	660	0.47
9			2,209		0.2113		1.39
10	Rate M2 Commercial/ Industrial	Delivery			0.1398	4,539	6.35
11		Commodity			0.0715	4,539	3.25
12					0.2113		9.59

Notes:

- (1) Includes the 2006 deferral account balances and 2006 Earnings Sharing.
(2) October 1 to December 31, 2007 forecast volumes.
(3) Average consumption, per customer, for the period October 1 to December 31, 2007.
(4) EB-2007-0598, Rate Order, Working Papers, Schedule 2, Column (b), Line 1 + Line 2.
(5) EB-2007-0598, Rate Order, Working Papers, Schedule 2, Column (c), Line 1 + Line 2.

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

Line No.	Particulars	EB-2007-0053		EB-2007-0598		Change	
		Effective July 1, 2007		Effective October 1, 2007		Effective October 1, 2007	
		(cents/m ³)	(\$/GJ) (1)	(cents/m ³)	(\$/GJ) (2)	(cents/m ³)	(\$/GJ)
		(a)	(b)	(c)	(d)	(e)= (c) - (a)	(f)= (d) - (b)
1	Alberta Border Price	31.3710	8.379	31.3710	8.379	(3) -	-
2	Fuel Ratios	5.054%	5.054%	5.054%	5.054%	-	-
3	Compressor Fuel Charge	1.5856	0.424	1.5856	0.424	-	-
4	Administration Charge	0.3173	0.085	0.3173	0.085	-	-
5	Gas Commodity & Fuel Rate (line 1+3+4)	33.2739	8.888	33.2739	8.888	-	-
<u>Prospective Recovery</u>							
6	Inventory Revaluations	0.8956	0.239	0.8956	0.239	-	-
7	Spot Gas	(0.0000)	-	(0.0000)	-	-	-
8	Firm PGVA	(6.6684)	(1.781)	(6.6684)	(1.781)	-	-
9	Commodity Temporary Charge/(Credit) - Oct 1-Dec 31, 2007			0.0715	0.019	0.0715 (4)	0.019
10	Prospective Recovery (line 6+7+8+9)	(5.7728)	(1.542)	(5.7013)	(1.523)	0.0715	0.019
11	Total Commodity and Fuel Rate (line 5+10)	27.5011	7.346	27.5726	7.365	0.0715	0.019
12	Transportation Tolls	3.5830	0.957	3.5830	0.957	(5) -	-
13	Total Commodity & Fuel & Transportation Rate (line 11+12)	31.0841	8.303	31.1556 (6)	8.322	0.0715	0.019

Notes:

- (1) Conversion to GJs based on avg. heating value of Western suppliers of 37.44 GJs / 10³m³.
- (2) Conversion to GJs based on avg. heating value of Western suppliers of 37.44 GJs / 10³m³.
- (3) Alberta Border price per Tab 1, Schedule 1, Line 11.
- (4) Commodity temporary charge of 0.0715 cents/m³ for the period Oct 1-Dec 31, 2007.
- (5) EB-2007-0634, Tab 1, Schedule 2, Line 6
- (6) Appendix A, Page 6, Line 4, Column (c)