

UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 7 & PEG Report, page iii*

*Issue: 1.1 - What are the implications associated with a revenue cap, a price cap and other alternative multi-year incentive ratemaking frameworks?*

***Question:***

*Union's evidence states that an annual net adjustment before Y and Z factors approximately equal to the rate of inflation is supported in moving from cost of service regulation to IR.*

- a) Does Union accept the summary rate trend of 0.87% in the PEG Report at page iii as being accurate?*
- b) Please provide the M2, Rate 1 and Rate 10 distribution and storage regulated rates that have been in place since 2000.*
- c) What is the annual cost of regulated services to a typical residential customer from 2000 through 2007 using the above rates?*
- d) What is the annual cost of regulated services to a typical small commercial customer from 2000 through 2007 using the above rates?*
- e) Please provide the Board approved rates for service under Rate M4 and provide the annual cost of regulated services for a typical M4 customer for each year from 2000 through 2007.*
- f) Please provide the Board approved rates for service under Rate M9 and provide the annual cost of regulated services for a customer with a firm contract demand of 170,000 m3 per day and an annual delivery volume of 15,000 103 m3 for each year from 2000 through 2007.*
- g) Please provide the Board approved rates for service under Rate M10 and provide the annual cost of regulated services for a typical M10 customer for each year from 2000 through 2007.*

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Question: August 20, 2007  
Answer: September 4, 2007  
Docket: EB-2007-0606

**Response:**

- a) It is not clear to Union how PEG completed the calculation.
- b) Please see Attachment 1.
- c) In order to respond to the various requests for annual bill illustrations, Union has provided Rate M2 data from 1993 to 2007 and Rate 01 data from 1999 to 2007.

Residential Bill Comparison  
General Service - Rate M2  
Based on an annual consumption of 2,600 m<sup>3</sup>

Line No.	Year	EBRO Number	Delivery & Storage (\$)	Transportation (\$)	Commodity (\$)	Estimated Annual Bill (\$)
	(a)	(b)	(c)	(d)	(e)	(f)
1	1993	476-03-04	338	91	194	624
2	1994	476-06	329	95	214	638
3	1995	486	343	84	170	596
4	1996	486-04	343	93	161	597
5	1997	494	333	119	190	641
6	1998	494-06A	348	89	205	642
7	1999	499	314	89	267	669
8	2000	RP-1999-0017	316	89	814	1,219
9	2001	RP-2001-0029	328	111	510	948
10	2002	RP-2001-0029	325	111	510	946
11	2003	RP-2002-0130	325	118	677	1,120
12	2004	RP-2003-0063	339	98	692	1,130
13	2005	RP-2003-0063	343	105	768	1,217
14	2006	EB-2005-0531	339	93	1,083	1,515
15	2007	EB-2006-0502	348	87	646	1,081

*Note: includes rate riders*

Question: August 20, 2007

Answer: September 4, 2007

Docket: EB-2007-0606

Residential Bill Comparison  
General Service -Rate 01  
Based on annual consumption of 2,600 m<sup>3</sup>

Line No.	Year (a)	EBRO Number (b)	Delivery (\$) (c)	Storage (\$) (d)
1	1999	499	398.23	-
2	2000	RP-1999-0017	413.04	-
3	2001	RP-2001-0029	415.75	-
4	2002	RP-2001-0029	416.03	-
5	2003	RP-2002-0130	408.71	53.24
6	2004	RP-2003-0063	408.41	84.54
7	2005	RP-2003-0063	407.99	63.96
8	2006	EB-2005-0531	407.99	68.45
9	2007	EB-2006-0502	420.95	67.85

*Note: includes rate riders*

d)

Commercial Bill Comparison  
General Service - Rate M2  
Based on an annual consumption of 17,000 m<sup>3</sup>

Line No.	Year (a)	EBRO Number (b)	Delivery & Storage (\$) (c)	Transportation (\$) (d)	Commodity (\$) (e)	Estimated Annual Bill (\$) (f)
1	1993	476-03-04	1,530	594	1,271	3,395
2	1994	476-06	1,471	619	1,397	3,488
3	1995	486	1,550	547	1,111	3,208
4	1996	486-04	1,550	608	1,055	3,213
5	1997	494	1,484	777	1,239	3,500
6	1998	494-06A	1,583	580	1,343	3,506
7	1999	499	1,397	579	1,745	3,720
8	2000	RP-1999-0017	1,417	579	5,324	7,319
9	2001	RP-2001-0029	1,484	725	3,332	5,541
10	2002	RP-2001-0029	1,401	725	3,332	5,458
11	2003	RP-2002-0130	1,336	770	4,429	6,535
12	2004	RP-2003-0063	1,337	641	4,536	6,514
13	2005	RP-2003-0063	1,225	689	5,024	6,938
14	2006	EB-2005-0531	1,200	607	7,084	8,891
15	2007	EB-2006-0502	1,159	571	4,221	5,951

*Note: includes rate riders*

Question: August 20, 2007  
Answer: September 4, 2007  
Docket: EB-2007-0606

Commercial Bill Comparison  
General Service - Rate 10  
Based on an annual consumption of 93,000 m<sup>3</sup>

Line No.	Year (a)	EBRO Number (b)	Delivery (\$) (c)	Storage (\$) (d)
1	2000	RP-1999-0017	7,381	-
2	2001	RP-2001-0029	7,463	-
3	2002	RP-2001-0029	7,470	-
4	2003	RP-2002-0130	7,346	1,447
5	2004	RP-2003-0063	5,599	2,169
6	2005	RP-2003-0063	6,046	1,696
7	2006	EB-2005-0531	6,046	1,821
8	2007	EB-2006-0502	6,373	1,773

*Note: includes rate riders*

e) Please see Attachment 2.

The following bill illustrations are based on a typical Rate M4 customer. The annual delivery volume used is the 2007 average annual delivery volume as calculated from the 2007 Board approved forecast. Similarly, the contract demand used is the 2007 average contract demand as calculated from the 2007 Board approved forecast.

Rate M4  
Estimated Annual Delivery Bill  
Contract Demand of 10,797m<sup>3</sup>; Annual Delivery Volume of 2,262,014 m<sup>3</sup>

Line No.	Year (a)	Estimated Annual Bill (\$) (c)
1	2000	65,200
2	2001	70,401
3	2002	67,708
4	2003	68,550
5	2004	73,907
6	2005	72,262
7	2006	70,613
8	2007	72,910

f) Please see Attachment 3.

The following bill illustrations are based on a Rate M9 customer with a firm contract demand of 170,000 m<sup>3</sup> per day and an annual delivery volume of 15,000 10<sup>3</sup>m<sup>3</sup>, as requested.

Question: August 20, 2007

Answer: September 4, 2007

Docket: EB-2007-0606

Rate M9  
Estimated Annual Delivery Bill  
Contract Demand of 170,000 m<sup>3</sup> and Annual Delivery Volume of 15,000 m<sup>3</sup>

Line No.	Year (a)	Estimated Annual Bill (\$) (b)
1	2000	521,753
2	2001	589,956
3	2002	533,062
4	2003	521,483
5	2004	488,351
6	2005	459,738
7	2006	431,125
8	2007	429,145

g) Please see Attachment 4.

The following bill illustrations are based on a typical Rate M10 customer. The annual delivery volume used is the 2007 average annual delivery volume as calculated from the 2007 Board approved forecast.

Rate M10  
Estimated Annual Delivery Bill  
Annual Delivery Volume of 67,330 m<sup>3</sup>

Line No.	Year (a)	Estimated Annual Bill (\$) (b)
1	2000	2,041
2	2001	2,324
3	2002	2,102
4	2003	2,172
5	2004	2,329
6	2005	2,084
7	2006	1,839
8	2007	1,816

Question: August 20, 2007

Answer: September 4, 2007

Docket: EB-2007-0606

**uniongas****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 or who is authorized to serve an end-user of gas through one Company-owned meter at one location and whose total gas requirements at that location are equal to or less than 50,000 m<sup>3</sup> per year.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Sales Service**

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

**(b) Transportation Service**

For continuous delivery on the Company's distribution system from the Point of Receipt on TCPL's system to the Point of Delivery 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. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to the Company's distribution system. For this service, the Customer, Delivery 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 the Company of gas owned by the Customer and associated transportation and storage services necessary to ensure deliverability in accordance with the Customer's needs. For this service the Customer, Delivery 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 the company, adequate supplies exist, bundled storage service will be provided.

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

**NOTE:** The Company 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.



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**Effective**  
**2000-01-01**  
**Rate 01A**  
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# **MONTHLY RATES AND CHARGES**

ZONE	<u>FORT FRANCES</u>	<u>WESTERN</u>	<u>NORTHERN</u>	<u>EASTERN</u>
Rate Schedule No.	201	101	301	601

## APPLICABLE TO ALL SERVICES

<u>MONTHLY CUSTOMER CHARGE:</u>	\$10.00	\$10.00	\$10.00	\$10.00
<u>DELIVERY CHARGE:</u>	<u>\$ per m<sup>3</sup></u>	<u>\$ per m<sup>3</sup></u>	<u>\$ per m<sup>3</sup></u>	<u>\$ per m<sup>3</sup></u>
First 100 m <sup>3</sup> per month @	0.11890	0.11890	0.11890	0.11890
Next 200 m <sup>3</sup> per month @	0.10986	0.10986	0.10986	0.10986
Next 200 m <sup>3</sup> per month @	0.10525	0.10525	0.10525	0.10525
Next 500 m <sup>3</sup> per month @	0.09989	0.09989	0.09989	0.09989
Over 1,000 m <sup>3</sup> per month @	0.03416	0.08228	0.08228	0.08228

## ADDITIONAL CHARGES FOR SALES SERVICE

### GAS SUPPLY CHARGES PER CUBIC METRE DELIVERED:

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".

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

### BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES:

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$ per GJ per Month)	\$8.077
Commodity Charge for each unit of gas withdrawn from storage: (\$ per GJ)	\$0.188
Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage: (\$ per GJ)	\$0.454

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.

### DIVERSION TRANSACTION CHARGE:

Charge to a Customer receiving delivery of diverted gas each time such customer requests a diversion and the Company provides the service:	\$10.00
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## **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. If the Customer transports its own gas, the Gas Supply Charge under Sales Service will not apply. If the Customer selects the Company's Sales Service which includes the Gas Supply Charges, no additional charges for Transportation and Storage Services will apply.

## **MINIMUM MONTHLY BILL**

The Minimum Monthly Bill shall be the Customer Charge.



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Rate 01A  
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#### **LATE PAYMENT CHARGE**

When payment of the monthly bill has not been made by the due date shown on the bill (16 days after mailing) the amount due including all applicable taxes, plus a penalty charge of five percent (5%) of the bill shall be payable. Payment will be deemed to be made on the date postmarked and shall be applied first to the oldest amount outstanding.

#### **SERVICE AGREEMENT**

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

#### **TERMS AND CONDITIONS OF SERVICE**

1. Gas taken by the end-user at the Point of Delivery may not be resold.
2. If multiple end-users are receiving service from a Customer under this rate, for billing purposes, the Customer 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, the Company will combine the individual bills on a single invoice or statement for administrative convenience. However, the Company will not combine the quantities or demands of several end-use locations so that eligibility to a different rate class will result. Further, the Company 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 the Company prior to the commencement of service.
4. 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 or lower than the identified rates.

Effective January 1, 2000  
O.E.B. ORDER # RP-1999-0017

Supersedes EB-2001-0021 Rate Schedule effective March 1, 2001.





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Effective  
2000-01-01  
**Rate 10**  
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**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 or who is authorized to serve an end-user of gas through one or more Company-owned meters at one location and whose total firm gas requirements at that location exceed 50,000 m<sup>3</sup> per year.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Sales Service**

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

**(b) Transportation Service**

For continuous delivery on the Company's distribution system from the Point of Receipt on TCPL's system to the Point of Delivery 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. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to the Company's distribution system. For this service, the Customer, Delivery 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 the Company 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 Customer, Delivery and Commodity Transportation Charges shall apply.

**(d) Storage Service**

For load balancing purposes for Customers using Transportation Service on this rate schedule. If the sole discretion of the company, adequate supplies exist, bundled storage service will be provided.

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

**NOTE:** The Company 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.



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2000-01-01  
Rate 10  
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**MONTHLY RATES AND CHARGES**

ZONE	<u>FORT FRANCES</u>	<u>WESTERN</u>	<u>NORTHERN</u>	<u>EASTERN</u>
Rate Schedule No.	210	110	310	610

APPLICABLE TO ALL SERVICES

<u>MONTHLY CUSTOMER CHARGE:</u>	\$50.00	\$50.00	\$50.00	\$50.00
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	<u>\$ per m³</u>	<u>\$ per m³</u>	<u>\$ per m³</u>	<u>\$ per m³</u>
<u>DELIVERY CHARGE:</u>				
First 1,000 m³ per month @	0.09560	0.09560	0.09560	0.09560
Next 9,000 m³ per month @	0.07134	0.07134	0.07134	0.07134
Next 20,000 m³ per month @	0.04770	0.05790	0.05790	0.05790
Next 70,000 m³ per month @	0.03632	0.04915	0.04915	0.04915
Over 100,000 m³ per month @	0.02324	0.02324	0.02324	0.02324

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".

ADDITIONAL CHARGES FOR TRANSPORTATION AND STORAGE SERVICES - ALL ZONES

BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES:

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$ per GJ per Month) \$8.077

Commodity Charge for each unit of gas withdrawn from storage: (\$ per GJ) \$0.188

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage: (\$ per GJ) \$0.454

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.

DIVERSION TRANSACTION CHARGE:

Charge to a Customer receiving delivery of diverted gas each time such customer requests a diversion and the Company 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. If the Customer transports its own gas, the Gas Supply Charge under Sales Service will not apply. If the Customer selects the Company's Sales Service which includes the Gas Supply Charge, no additional charges for Transportation and Storage Services will apply.

**MINIMUM MONTHLY BILL**

The minimum monthly bill shall be the Customer Charge.



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Effective  
2000-01-01  
Rate 10  
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#### **LATE PAYMENT CHARGE**

When payment of the monthly bill has not been made by the due date shown on the bill (16 days after mailing) the amount due, including all applicable taxes plus a penalty charge of five percent (5%) of the bill shall be payable. Payment will be deemed to be made on the date postmarked and shall be applied first to the oldest amount outstanding.

#### **SERVICE AGREEMENT**

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

#### **TERMS AND CONDITIONS OF SERVICE**

1. Service shall be for a minimum term of one year.
2. Gas taken by the end-user at the Point of Delivery may not be resold.
3. If multiple end-users are receiving service from a Customer under this rate, for billing purposes, the Customer 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, the Company will combine the individual bills on a single invoice or statement for administrative convenience. However, the Company will not combine the quantities or demands of several end-use locations so that eligibility to a different rate class will result. Further, the Company 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.
4. Customers must enter into a Service Agreement with the Company prior to the commencement of service.
5. 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.
6. 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 or lower than the identified rates.

Effective      January 1, 2000  
                  O.E.B. ORDER # RP-1999-0017

Supersedes EB-2001-0021 Rate Schedule effective March 1, 2001.



**uniongas**

Effective  
2000-01-01  
Schedule "A"  
Page 1 of 2

Union Gas Limited  
Northern 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 01, Rate 01A, Rate 10, Rate 16, Rate 20, Rate 25 and Rate 100.

(C) Rates

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rates 01 and 01A (\$ / m<sup>3</sup>)</u>				
Effective March 1, 2001 (EB-2001-0021)				
Commodity and Fuel	0.29536	0.30067	0.30827	0.31329
Effective January 1, 2000 (RP-1999-0017)				
Transportation - Winter	0.03568	0.03701	0.04939	0.05735
Transportation - Summer	0.03568	0.03701	0.04939	0.05735
Total Gas Supply Charge - Winter *	0.33104	0.33768	0.35766	0.37064
Total Gas Supply Charge - Summer	0.33104	0.33768	0.35766	0.37064

\* Winter - December 1 to March 31

Rate 10 (\$ / m<sup>3</sup>)

Effective March 1, 2001 (EB-2001-0021)				
Commodity and Fuel	0.29536	0.30067	0.30827	0.31329
Effective January 1, 2000 (RP-1999-0017)				
Transportation - Winter	0.03645	0.03760	0.04980	0.05726
Transportation - Summer	0.01645	0.01760	0.02980	0.03726
Total Gas Supply Charge - Winter +	0.33181	0.33827	0.35807	0.37055
Total Gas Supply Charge - Summer	0.31181	0.31827	0.33807	0.35055

+ Winter - November 1 to April 30

Rate 16 (\$ / m<sup>3</sup>)

Effective March 1, 2001 (EB-2001-0021)				
Gas Supply Charges - Winter ~	0.34732	0.35252	0.37007	0.38122
Gas Supply Charges - Summer	0.32992	0.33481	0.34269	0.34790

~ Winter - November 1 to April 15



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Effective  
2000-01-01  
Schedule "A"  
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Union Gas Limited  
Northern Eastern Operations Area  
Gas Supply Charges

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 20 (\$ / 10*3m*3)</u>				
Effective March 1, 2001 (EB-2001-0021)				
Commodity and Fuel	297.35	302.70	310.30	315.34
Effective January 1, 2000 (RP-1999-0017)				
Commodity Transportation - Charge 1	20.85	21.45	26.37	29.48
Commodity Transportation - Charge 2	1.07	0.86	1.35	1.67

Rate 100 (\$ / 10\*3m\*3)

Effective March 1, 2001 (EB-2001-0021)				
Commodity and Fuel	297.35	302.70	310.30	315.34
Effective January 1, 2000 (RP-1999-0017)				
Commodity Transportation - Charge 1	25.72	26.17	29.86	32.19
Commodity Transportation - Charge 2	1.07	0.86	1.35	1.67

Rate 25 (\$ / 10\*3m\*3)

Effective March 1, 2001 (EB-2001-0021)				
Gas Supply Charge:				
Interruptible Service I				
Minimum	76.04	77.07	79.32	80.80
Maximum	434.05	440.05	460.12	472.93
Interruptible Service II				
Minimum	76.04	77.07	79.32	80.80
Maximum	416.34	422.34	432.75	439.61



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Effective  
2000-01-01  
Rate M2  
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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 or lower than the identified rates.

a) Monthly fixed charge \$ 7.50

b) Delivery Charge

First	1 400 m <sup>3</sup>	8.7043¢ per m <sup>3</sup>
Next	4 600 m <sup>3</sup>	5.7990¢ per m <sup>3</sup>
Next	124 000 m <sup>3</sup>	4.4196¢ per m <sup>3</sup>
Next	270 000 m <sup>3</sup>	3.3344¢ per m <sup>3</sup>
All over	400 000 m <sup>3</sup>	3.1828¢ per m <sup>3</sup>

c) 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 in full is not made on or before the due date shown on the bill, which date shall be not less than 16 days after the date of the mailing or delivery of the bill by Union Gas Limited, the overdue balance of the current bill shall be increased by five percent (5%) which increased amount shall be due and payable thereafter.

**(F) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver, and 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. Customers may reduce their assignment of upstream transportation capacity in compliance with Union's Turnback Policy.



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Effective  
2000-01-01  
Rate M2  
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**(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 8.7043¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup>.

**(H) Bundled Direct Purchase Delivery**

Where a customer elects transportation service under this rate schedule the customer must enter into a Bundled T-Service Receipt Contract with Union for delivery of gas to Union. Bundled T-Service Receipt 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>	Assumed Atmospheric Pressure <u>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 January 1, 2000  
O.E.B. ORDER # RP-1999-0017

Chatham, Ontario

Supersedes EB-2001-0021 Rate Schedule effective March 1, 2001.



# uniongas

## 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, M6A, M7, M9, M10 and storage and transportation customers taking supplemental services under rates T1 and T3.

(C) **Rates:**

cents / m<sup>3</sup>

Utility Sales

Effective March 1, 2001 (EB-2001-0021)

Commodity and Fuel	31.3155
Transportation	3.4054
<b>Total Gas Supply Commodity Charge</b>	<b>34.7209</b>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract 6.0069

Monthly Minimum Gas Supply Commodity Charge/day

M6A Seasonal Contract \$98.73

Storage and Transportation Supplemental Services - Rate T1 & T3

\$/GJ

Monthly demand charges:

Firm gas supply service 26.081

Firm backstop gas 4.551

Commodity charges:

Gas supply 8.325

Backstop gas 9.516

Reasonable Efforts Backstop Gas 11.506

Supplemental Inventory 9.948

Supplemental Gas Sales Service (cents / m<sup>3</sup>) 38.7383

Effective: January 1, 2000

O.E.B. Order # RP-1999-0017

Chatham, Ontario

Supersedes EB-2001-0021 Rate Schedule effective March 1, 2001.





**uniongas**

Effective  
2001-01-01  
**Rate 01A**  
Page 1 of 3

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 or who is authorized to serve an end-user of gas through one Company-owned meter at one location and whose total gas requirements at that location are equal to or less than 50,000 m<sup>3</sup> per year.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

For continuous delivery on the Company's distribution system from the Point of Receipt on TCPL's system to the Point of Delivery 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. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to the Company's distribution system. For this service, the Customer, Delivery 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 the Company of gas owned by the Customer and associated transportation and storage services necessary to ensure deliverability in accordance with the Customer's needs. For this service the Customer, Delivery 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 the company, adequate supplies exist, bundled storage service will be provided.

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

**NOTE:** The Company 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.



**uniongas**

Effective  
2001-01-01  
Rate 01A  
Page 2 of 3

## MONTHLY RATES AND CHARGES

ZONE	<u>FORT FRANCES</u>	<u>WESTERN</u>	<u>NORTHERN</u>	<u>EASTERN</u>
Rate Schedule No.	201	101	301	601

### APPLICABLE TO ALL SERVICES

<u>MONTHLY CUSTOMER CHARGE:</u>	\$10.00	\$10.00	\$10.00	\$10.00
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<u>DELIVERY CHARGE:</u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 100 m <sup>3</sup> per month @	12.0080	12.0080	12.0080	12.0080
Next 200 m <sup>3</sup> per month @	11.0840	11.0840	11.0840	11.0840
Next 200 m <sup>3</sup> per month @	10.6130	10.6130	10.6130	10.6130
Next 500 m <sup>3</sup> per month @	10.0650	10.0650	10.0650	10.0650
Over 1,000 m <sup>3</sup> per month @	3.4550	8.2670	8.2670	8.2670

### ADDITIONAL CHARGES FOR SALES SERVICE

#### GAS SUPPLY CHARGES PER CUBIC METRE DELIVERED:

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".

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

#### BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES:

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$ per GJ per Month) \$7.794

Commodity Charge for each unit of gas withdrawn from storage: (\$ per GJ) \$0.291

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage: (\$ per GJ) \$0.547

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.

#### DIVERSION TRANSACTION CHARGE:

Charge to a Customer receiving delivery of diverted gas each time such customer requests a diversion and the Company 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. If the Customer transports its own gas, the Gas Supply Charge under Sales Service will not apply. If the Customer selects the Company's Sales Service which includes the Gas Supply Charges, no additional charges for Transportation and Storage Services will apply.

## MINIMUM MONTHLY BILL

The Minimum Monthly Bill shall be the Customer Charge.



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Effective  
2001-01-01  
**Rate 01A**  
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#### **LATE PAYMENT CHARGE**

When payment of the monthly bill has not been made by the due date shown on the bill (16 days after mailing) the amount due including all applicable taxes, plus a penalty charge of five percent (5%) of the bill shall be payable. Payment will be deemed to be made on the date postmarked and shall be applied first to the oldest amount outstanding.

#### **SERVICE AGREEMENT**

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

#### **TERMS AND CONDITIONS OF SERVICE**

1. Gas taken by the end-user at the Point of Delivery may not be resold.
2. If multiple end-users are receiving service from a Customer under this rate, for billing purposes, the Customer 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, the Company will combine the individual bills on a single invoice or statement for administrative convenience. However, the Company will not combine the quantities or demands of several end-use locations so that eligibility to a different rate class will result. Further, the Company 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 the Company prior to the commencement of service.
4. 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 or lower than the identified rates.

Effective January 1, 2001  
O.E.B. ORDER # RP-2001-0029

Supersedes EB-2002-0357 Rate Schedule effective July 1, 2002.



**uniongas**

Effective  
2001-01-01  
**Rate 10**  
Page 1 of 3

**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 or who is authorized to serve an end-user of gas through one or more Company-owned meters at one location and whose total firm gas requirements at that location exceed 50,000 m<sup>3</sup> per year.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Sales Service**

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

**(b) Transportation Service**

For continuous delivery on the Company's distribution system from the Point of Receipt on TCPL's system to the Point of Delivery 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. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to the Company's distribution system. For this service, the Customer, Delivery 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 the Company 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 Customer, Delivery and Commodity Transportation Charges shall apply.

**(d) Storage Service**

For load balancing purposes for Customers using Transportation Service on this rate schedule. If the sole discretion of the company, adequate supplies exist, bundled storage service will be provided.

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

NOTE: The Company 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.



**uniongas**

Effective  
2001-01-01  
**Rate 10**  
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## MONTHLY RATES AND CHARGES

ZONE	<u>FORT FRANCES</u>	<u>WESTERN</u>	<u>NORTHERN</u>	<u>EASTERN</u>
Rate Schedule No.	210	110	310	610
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CUSTOMER CHARGE:</u>	\$50.00	\$50.00	\$50.00	\$50.00
<u>DELIVERY CHARGE:</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 1,000 m³ per month @	9.6890	9.6890	9.6890	9.6890
Next 9,000 m³ per month @	7.2190	7.2190	7.2190	7.2190
Next 20,000 m³ per month @	4.8310	5.8510	5.8510	5.8510
Next 70,000 m³ per month @	3.6780	4.9610	4.9610	4.9610
Over 100,000 m³ per month @	2.3240	2.3240	2.3240	2.3240

## 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".

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

### BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES:

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$ per GJ per Month) \$7.794

Commodity Charge for each unit of gas withdrawn from storage: (\$ per GJ) \$0.291

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage: (\$ per GJ) \$0.547

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.

### DIVERSION TRANSACTION CHARGE:

Charge to a Customer receiving delivery of diverted gas each time such customer requests a diversion and the Company 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. If the Customer transports its own gas, the Gas Supply Charge under Sales Service will not apply. If the Customer selects the Company's Sales Service which includes the Gas Supply Charge, no additional charges for Transportation and Storage Services will apply.

## MINIMUM MONTHLY BILL

The minimum monthly bill shall be the Customer Charge.



**uniongas**

Effective  
2001-01-01  
**Rate 10**  
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#### **LATE PAYMENT CHARGE**

When payment of the monthly bill has not been made by the due date shown on the bill (16 days after mailing) the amount due, including all applicable taxes plus a penalty charge of five percent (5%) of the bill shall be payable. Payment will be deemed to be made on the date postmarked and shall be applied first to the oldest amount outstanding.

#### **SERVICE AGREEMENT**

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

#### **TERMS AND CONDITIONS OF SERVICE**

1. Service shall be for a minimum term of one year.
2. Gas taken by the end-user at the Point of Delivery may not be resold.
3. If multiple end-users are receiving service from a Customer under this rate, for billing purposes, the Customer 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, the Company will combine the individual bills on a single invoice or statement for administrative convenience. However, the Company will not combine the quantities or demands of several end-use locations so that eligibility to a different rate class will result. Further, the Company 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.
4. Customers must enter into a Service Agreement with the Company prior to the commencement of service.
5. 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.
6. 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 or lower than the identified rates.

Effective        January 1, 2001  
                  O.E.B. ORDER # RP-2001-0029

Supersedes EB-2002-0357 Rate Schedule effective July 1, 2002.



uniongas

Effective  
2001-01-01  
Schedule "A"  
Page 1 of 2

Union Gas Limited  
Northern 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 01, Rate 01A, Rate 10, Rate 16, Rate 20, Rate 25 and Rate 100.

(C) Rates

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rates 01 and 01A (\$ / m<sup>3</sup>)</u>				
Effective July 1, 2002 (EB-2002-0357)				
Commodity and Fuel	0.18490	0.18822	0.19299	0.19613
Effective January 1, 2001 (RP-2001-0029)				
Transportation - Winter	0.04081	0.04384	0.05827	0.06893
Transportation - Summer	0.04081	0.04384	0.05827	0.06893
Total Gas Supply Charge - Winter *	0.22571	0.23206	0.25126	0.26506
Total Gas Supply Charge - Summer	0.22571	0.23206	0.25126	0.26506

\* Winter - December 1 to March 31

Rate 10 (\$ / m<sup>3</sup>)

Effective July 1, 2002 (EB-2002-0357)				
Commodity and Fuel	0.18490	0.18822	0.19299	0.19613
Effective January 1, 2001 (RP-2001-0029)				
Transportation - Winter	0.04054	0.04349	0.05770	0.06783
Transportation - Summer	0.02054	0.02349	0.03770	0.04783
Total Gas Supply Charge - Winter +	0.22544	0.23171	0.25069	0.26396
Total Gas Supply Charge - Summer	0.20544	0.21171	0.23069	0.24396

+ Winter - November 1 to April 30

Rate 16 (\$ / m<sup>3</sup>)

Effective July 1, 2002 (EB-2002-0357)				
Gas Supply Charges - Winter ~	0.23881	0.24368	0.26040	0.27227
Gas Supply Charges - Summer	0.21921	0.22211	0.22716	0.23049

~ Winter - November 1 to April 15



**uniongas**

Effective  
2001-01-01  
Schedule "A"  
Page 2 of 2

Union Gas Limited  
Northern Eastern Operations Area  
Gas Supply Charges

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 20 (\$ / 10*3m*3)</u>				
Effective July 1, 2002 (EB-2002-0357)				
Commodity and Fuel	186.13	189.48	194.23	197.38
Effective January 1, 2001 (RP-2001-0029)				
Commodity Transportation - Charge 1	24.86	26.14	31.86	36.03
Commodity Transportation - Charge 2	1.08	0.91	1.41	1.79

Rate 100 (\$ / 10\*3m\*3)

Effective July 1, 2002 (EB-2002-0357)				
Commodity and Fuel	186.13	189.48	194.23	197.38
Effective January 1, 2001 (RP-2001-0029)				
Commodity Transportation - Charge 1	31.93	32.89	37.18	40.31
Commodity Transportation - Charge 2	1.08	0.91	1.41	1.79

Rate 25 (\$ / 10\*3m\*3)

Effective July 1, 2002 (EB-2002-0357)				
Gas Supply Charge:				
Interruptible Service I				
Minimum	76.04	77.07	79.32	80.80
Maximum	437.86	443.86	463.93	476.74
Interruptible Service II				
Minimum	76.04	77.07	79.32	80.80
Maximum	420.15	426.15	436.56	443.42

Effective: January 1, 2001  
O.E.B. ORDER # RP -2001-0029

Chatham, Ontario

Supersedes EB-2002-0357 Rate Schedule effective July 1, 2002.





**uniongas**

Effective  
2001-01-01  
**Rate M2**  
Page 1 of 2

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 or lower than the identified rates.

a)	Monthly fixed charge	\$ 7.50
b)	Delivery Charge	
	First 1 400 m <sup>3</sup>	9.1480¢ per m <sup>3</sup>
	Next 4 600 m <sup>3</sup>	6.0946¢ per m <sup>3</sup>
	Next 124 000 m <sup>3</sup>	4.6450¢ per m <sup>3</sup>
	Next 270 000 m <sup>3</sup>	3.5044¢ per m <sup>3</sup>
	All over 400 000 m <sup>3</sup>	3.3450¢ per m <sup>3</sup>

c) 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 in full is not made on or before the due date shown on the bill, which date shall be not less than 16 days after the date of the mailing or delivery of the bill by Union Gas Limited, the overdue balance of the current bill shall be increased by five percent (5%) which increased amount shall be due and payable thereafter.

**(F) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver, and 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. Customers may reduce their assignment of upstream transportation capacity in compliance with Union's Turnback Policy.



**uniongas**

Effective  
2001-01-01  
**Rate M2**  
Page 2 of 2

**(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 9.1480¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup>.

**(H) Bundled Direct Purchase Delivery**

Where a customer elects transportation service under this rate schedule the customer must enter into a Bundled T-Service Receipt Contract with Union for delivery of gas to Union. Bundled T-Service Receipt 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    January 1, 2001  
                 O.E.B. ORDER # RP-2001-0029                    Chatham, Ontario

Supersedes EB-2002-0357 Rate Schedule effective July 1, 2002.



**uniongas**

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, M6A, M7, M9, M10 and storage and transportation customers taking supplemental services under rates T1 and T3.

**(C) Rates:**

cents / m<sup>3</sup>

Utility Sales

Commodity and Fuel	19.6008
Transportation	4.2632
Total Gas Supply Commodity Charge	<u>23.8640</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	5.9122
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Monthly Minimum Gas Supply Commodity Charge/day

M6A Seasonal Contract	\$97.19
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Storage and Transportation Supplemental Services - Rate T1 & T3

\$/GJ

Monthly demand charges:	
Firm gas supply service	32.898
Firm backstop gas	3.237
Commodity charges:	
Gas supply	5.224
Backstop gas	6.714
Reasonable Efforts Backstop Gas	8.747
Supplemental Inventory	6.931
Supplemental Gas Sales Service (cents / m <sup>3</sup> )	27.6354
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	

Effective: January 1, 2001  
O.E.B. Order # RP-2001-0029

Chatham, Ontario

Supersedes EB-2002-0357 Rate Schedule effective July 1, 2002.



**uniongas**

Effective  
2002-01-01  
**Rate 01A**  
Page 1 of 3

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 or who is authorized to serve an end-user of gas through one Company-owned meter at one location and whose total gas requirements at that location are equal to or less than 50,000 m<sup>3</sup> per year.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

For continuous delivery on the Company's distribution system from the Point of Receipt on TCPL's system to the Point of Delivery 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. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to the Company's distribution system. For this service, the Customer, Delivery 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 the Company of gas owned by the Customer and associated transportation and storage services necessary to ensure deliverability in accordance with the Customer's needs. For this service the Customer, Delivery 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 the company, adequate supplies exist, bundled storage service will be provided.

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

**NOTE:** The Company 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.



**uniongas**

Effective  
2002-01-01  
**Rate 01A**  
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## MONTHLY RATES AND CHARGES

ZONE	<u>FORT FRANCES</u>	<u>WESTERN</u>	<u>NORTHERN</u>	<u>EASTERN</u>
Rate Schedule No.	201	101	301	601

### APPLICABLE TO ALL SERVICES

<u>MONTHLY CUSTOMER CHARGE:</u>	\$10.00	\$10.00	\$10.00	\$10.00
<u>DELIVERY CHARGE:</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 100 m³ per month @	12.0200	12.0200	12.0200	12.0200
Next 200 m³ per month @	11.0940	11.0940	11.0940	11.0940
Next 200 m³ per month @	10.6240	10.6240	10.6240	10.6240
Next 500 m³ per month @	10.0750	10.0750	10.0750	10.0750
Over 1,000 m³ per month @	3.5420	8.2750	8.2750	8.2750

### ADDITIONAL CHARGES FOR SALES SERVICE

#### GAS SUPPLY CHARGES PER CUBIC METRE DELIVERED:

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".

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

#### BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES:

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$ per GJ per Month) \$8.029

Commodity Charge for each unit of gas withdrawn from storage: (\$ per GJ) \$0.210

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes  
for withdrawal from storage: (\$ per GJ) \$0.474

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.

#### DIVERSION TRANSACTION CHARGE:

Charge to a Customer receiving delivery of diverted gas each time such customer requests a  
diversion and the Company 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. If the Customer transports its own gas, the Gas Supply Charge under Sales Service will not apply. If the Customer selects the Company's Sales Service which includes the Gas Supply Charges, no additional charges for Transportation and Storage Services will apply.

## MINIMUM MONTHLY BILL

The Minimum Monthly Bill shall be the Customer Charge.



**uniongas**

Effective  
2002-01-01  
**Rate 01A**  
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#### **LATE PAYMENT CHARGE**

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the overdue balance of the current gas-related bill will be increased by two percent (2%).

#### **SERVICE AGREEMENT**

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

#### **TERMS AND CONDITIONS OF SERVICE**

1. Gas taken by the end-user at the Point of Delivery may not be resold.
2. If multiple end-users are receiving service from a Customer under this rate, for billing purposes, the Customer 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, the Company will combine the individual bills on a single invoice or statement for administrative convenience. However, the Company will not combine the quantities or demands of several end-use locations so that eligibility to a different rate class will result. Further, the Company 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 the Company prior to the commencement of service.
4. 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 or lower than the identified rates.

Effective January 1, 2002  
O.E.B. ORDER # RP-2001-0029

Supersedes RP-2001-0029 Rate Schedule effective January 1, 2001.



**uniongas**

Effective  
2002-01-01  
**Rate 10**  
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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 or who is authorized to serve an end-user of gas through one or more Company-owned meters at one location and whose total firm gas requirements at that location exceed 50,000 m<sup>3</sup> per year.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Sales Service**

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

**(b) Transportation Service**

For continuous delivery on the Company's distribution system from the Point of Receipt on TCPL's system to the Point of Delivery 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. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to the Company's distribution system. For this service, the Customer, Delivery 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 the Company 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 Customer, Delivery and Commodity Transportation Charges shall apply.

**(d) Storage Service**

For load balancing purposes for Customers using Transportation Service on this rate schedule. If the sole discretion of the company, adequate supplies exist, bundled storage service will be provided.

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

NOTE: The Company 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.



**uniongas**

Effective  
2002-01-01  
**Rate 10**  
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## MONTHLY RATES AND CHARGES

ZONE	<u>FORT FRANCES</u>	<u>WESTERN</u>	<u>NORTHERN</u>	<u>EASTERN</u>
Rate Schedule No.	210	110	310	610
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CUSTOMER CHARGE:</u>	\$50.00	\$50.00	\$50.00	\$50.00
<u>DELIVERY CHARGE:</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 1,000 m³ per month @	9.6980	9.6980	9.6980	9.6980
Next 9,000 m³ per month @	7.2260	7.2260	7.2260	7.2260
Next 20,000 m³ per month @	5.2890	5.8570	5.8570	5.8570
Next 70,000 m³ per month @	4.0240	4.9660	4.9660	4.9660
Over 100,000 m³ per month @	2.3260	2.3260	2.3260	2.3260

## 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".

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

### BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES:

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$ per GJ per Month) \$8.029

Commodity Charge for each unit of gas withdrawn from storage: (\$ per GJ) \$0.210

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage: (\$ per GJ) \$0.474

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.

### DIVERSION TRANSACTION CHARGE:

Charge to a Customer receiving delivery of diverted gas each time such customer requests a diversion and the Company 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. If the Customer transports its own gas, the Gas Supply Charge under Sales Service will not apply. If the Customer selects the Company's Sales Service which includes the Gas Supply Charge, no additional charges for Transportation and Storage Services will apply.

## MINIMUM MONTHLY BILL

The minimum monthly bill shall be the Customer Charge.





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Effective  
2002-01-01  
**Rate 10**  
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#### **LATE PAYMENT CHARGE**

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the overdue balance of the current gas-related bill will be increased by two percent (2%).

#### **SERVICE AGREEMENT**

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

#### **TERMS AND CONDITIONS OF SERVICE**

1. Service shall be for a minimum term of one year.
2. Gas taken by the end-user at the Point of Delivery may not be resold.
3. If multiple end-users are receiving service from a Customer under this rate, for billing purposes, the Customer 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, the Company will combine the individual bills on a single invoice or statement for administrative convenience. However, the Company will not combine the quantities or demands of several end-use locations so that eligibility to a different rate class will result. Further, the Company 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.
4. Customers must enter into a Service Agreement with the Company prior to the commencement of service.
5. 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.
6. 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 or lower than the identified rates.

Effective      January 1, 2002  
                    O.E.B. ORDER # RP-2001-0029

Supersedes RP-2001-0029 Rate Schedule effective January 1, 2001.

Union Gas Limited  
Northern Eastern Operations  
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 16, Rate 20, Rate 25 and Rate 100 .

## (C) Rates

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rates 01A (cents / m*3)</u>				
Effective July 1, 2002 (EB-2002-0357)				
Commodity and Fuel	18.49000	18.82200	19.29900	19.61300
Effective January 1, 2002 (RP-2001-0029)				
Transportation	3.83900	4.14100	5.58000	6.64200

Rate 10 (cents / m\*3)

Effective July 1, 2002 (EB-2002-0357)				
Commodity and Fuel	18.49000	18.82200	19.29900	19.61300
Effective January 1, 2002 (RP-2001-0029)				
Transportation - Winter +	3.86000	4.15500	5.57600	6.58900
Transportation - Summer	1.86000	2.15500	3.57600	4.58900

+ Winter - November 1 to April 30

Rate 16 (\$ / m\*3)

Effective July 1, 2002 (EB-2002-0357)				
Gas Supply Charges - Winter ~	0.23881	0.24368	0.26040	0.27227
Gas Supply Charges - Summer	0.21921	0.22211	0.22716	0.23049

~ Winter - November 1 to April 15

Union Gas Limited  
Northern Eastern Operations  
Gas Supply Charges

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 20 (\$ / 10*3m*3)</u>				
Effective July 1, 2002 (EB-2002-0357)				
Commodity and Fuel	186.13	189.48	194.23	197.38
Effective January 1, 2002 (RP-2001-0029)				
Commodity Transportation - Charge 1	23.92	25.20	30.92	35.09
Commodity Transportation - Charge 2	1.08	0.91	1.41	1.79

Rate 100 (\$ / 10\*3m\*3)

Effective July 1, 2002 (EB-2002-0357)				
Commodity and Fuel	186.13	189.48	194.23	197.38
Effective January 1, 2002 (RP-2001-0029)				
Commodity Transportation - Charge 1	29.80	30.76	35.05	38.18
Commodity Transportation - Charge 2	1.08	0.91	1.41	1.79

Rate 25 (\$ / 10\*3m\*3)

Effective July 1, 2002 (EB-2002-0357)				
Interruptible Service I				
Minimum	76.04	77.07	79.32	80.80
Maximum	437.86	443.86	463.93	476.74
Interruptible Service II				
Minimum	76.04	77.07	79.32	80.80
Maximum	420.15	426.15	436.56	443.42

Effective: January 1, 2002  
O.E.B. ORDER # RP -2001-0029

Chatham, Ontario

Supersedes RP-2001-0029 Rate Schedule effective January 1, 2001.



**uniongas**

Effective  
2002-01-01  
**Rate M2**  
Page 1 of 2

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 or lower than the identified rates.

a)	Monthly fixed charge	\$ 8.75
b)	Delivery Charge	
	First 1 400 m <sup>3</sup>	8.4720¢ per m <sup>3</sup>
	Next 4 800 m <sup>3</sup>	5.7426¢ per m <sup>3</sup>
	Next 124 000 m <sup>3</sup>	4.3767¢ per m <sup>3</sup>
	Next 270 000 m <sup>3</sup>	3.3020¢ per m <sup>3</sup>
	All over 400 000 m <sup>3</sup>	3.1518¢ per m <sup>3</sup>

c) 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 overdue balance of the current gas-related bill will be increased by two percent (2%).

**(F) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver, and 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. Customers may reduce their assignment of upstream transportation capacity in compliance with Union's Turnback Policy.


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2002-01-01  
**Rate M2**  
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**(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 8.4720¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup>.

**(H) Bundled Direct Purchase Delivery**

Where a customer elects transportation service under this rate schedule the customer must enter into a Bundled T-Service Receipt Contract with Union for delivery of gas to Union. Bundled T-Service Receipt 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>	Assumed Atmospheric Pressure <u>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 January 1, 2002  
O.E.B. ORDER # RP-2001-0029

Chatham, Ontario

Supersedes RP-2001-0029 Rate Schedule effective January 1, 2001.

Effective  
2002-01-01  
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, M6A, M7, M9, M10 and storage and transportation customers taking supplemental services under rates T1 and T3.

**(C) Rates:**

cents / m<sup>3</sup>

Utility Sales

Commodity and Fuel	19.6008
Transportation	4.2632
Total Gas Supply Commodity Charge	<u>23.8640</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract 5.9122

Monthly Minimum Gas Supply Commodity Charge/day

M6A Seasonal Contract \$97.19

Storage and Transportation Supplemental Services - Rate T1 & T3

\$/GJ

Monthly demand charges:

Firm gas supply service 32.898

Firm backstop gas 3.248

Commodity charges:

Gas supply 5.224

Backstop gas 6.651

Reasonable Efforts Backstop Gas 8.568

Banked Gas Purchase Note (1)

Supplemental Gas Sales Service (cents / m<sup>3</sup>) 27.2713

Failure to Deliver: Applied to quantities not delivered to Union  
in the event the customer's supply fails

Notes:

1. The charge for banked gas purchases shall be the higher of the spot cost at Dawn in the month of contract expiry or the month following contract expiry and shall not be less than Union's approved weighted average cost of gas.

Effective: January 1, 2002

O.E.B. Order # RP-2001-0029

Chatham, Ontario

Supersedes RP-2001-0029 Rate Schedule effective January 1, 2001.



**uniongas**

Effective  
2003-01-01  
Rate 01A  
Page 1 of 2

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 m<sup>3</sup> 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 Customer, 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 Customer, 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 Customer, and Delivery Charges, as well as the Storage and Transportation Charges of the Gas Supply Charge shall apply.

**MONTHLY RATES AND CHARGES**

ZONE	<u>FORT FRANCES</u>	<u>WESTERN</u>	<u>NORTHERN</u>	<u>EASTERN</u>
Rate Schedule No.	201	101	301	601

APPLICABLE TO ALL SERVICES

<u>MONTHLY CUSTOMER CHARGE:</u>	\$10.00	\$10.00	\$10.00	\$10.00
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<u>DELIVERY CHARGE:</u>	<u>\$ per m<sup>3</sup></u>	<u>\$ per m<sup>3</sup></u>	<u>\$ per m<sup>3</sup></u>	<u>\$ per m<sup>3</sup></u>
First 100 m <sup>3</sup> per month @	11.7229	11.7229	11.7229	11.7229
Next 200 m <sup>3</sup> per month @	10.8198	10.8198	10.8198	10.8198
Next 200 m <sup>3</sup> per month @	10.3614	10.3614	10.3614	10.3614
Next 500 m <sup>3</sup> per month @	9.8260	9.8260	9.8260	9.8260
Over 1,000 m <sup>3</sup> per month @	4.0316	8.0705	8.0705	8.0705

ADDITIONAL CHARGES FOR SALES SERVICE

GAS SUPPLY CHARGES PER  
CUBIC METRE DELIVERED:

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".



**uniongas**

Effective  
2003-01-01  
**Rate 01A**  
Page 2 of 2

#### **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 Customer Charge.

#### **LATE PAYMENT CHARGE**

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 1.9%.

#### **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 Customer 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 or lower than the identified rates.

Effective      January 1, 2003  
                  O.E.B. ORDER # RP-2002-0130

Supersedes EB-2003-0056 Rate Schedule effective May 1, 2003.





**uniongas**

Effective  
2003-01-01  
**Rate 10**  
Page 1 of 2

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 m<sup>3</sup> 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 Customer, 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 Customer, 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 Customer, and Delivery Charges, as well as the Storage and Transportation Charges of the Gas Supply Charge shall apply.

**MONTHLY RATES AND CHARGES**

ZONE	<u>FORT FRANCES</u>	<u>WESTERN</u>	<u>NORTHERN</u>	<u>EASTERN</u>
Rate Schedule No.	210	110	310	610
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CUSTOMER CHARGE:</u>	\$50.00	\$50.00	\$50.00	\$50.00
<u>DELIVERY CHARGE:</u>	<u>\$ per m<sup>3</sup></u>	<u>\$ per m<sup>3</sup></u>	<u>\$ per m<sup>3</sup></u>	<u>\$ per m<sup>3</sup></u>
First 1,000 m <sup>3</sup> per month @	9.5234	9.5234	9.5234	9.5234
Next 9,000 m <sup>3</sup> per month @	7.0959	7.0959	7.0959	7.0959
Next 20,000 m <sup>3</sup> per month @	5.4137	5.7515	5.7515	5.7515
Next 70,000 m <sup>3</sup> per month @	4.2922	4.8766	4.8766	4.8766
Over 100,000 m <sup>3</sup> per month @	2.2690	2.2690	2.2690	2.2690

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".



**uniongas**

Effective  
2003-01-01  
**Rate 10**  
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#### **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 Customer Charge.

#### **LATE PAYMENT CHARGE**

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 1.9%.

#### **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<sup>3</sup> 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 Customer 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 or lower than the identified rates.

Effective January 1, 2003  
O.E.B. ORDER # RP-2002-0130

Supersedes EB-2003-0056 Rate Schedule effective May 1, 2003.



**uniongas**

Effective  
2003-01-01  
Schedule "A"  
Page 1 of 2

Union Gas Limited  
Northern 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 16, Rate 20 and Rate 100.

(C) Rates

Utility Sales

Rate 01A (cents / m<sup>3</sup>)

Effective May 1, 2003 (EB-2003-0056)

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
Storage	1.1778	1.2860	1.7257	2.0476
Commodity and Fuel	25.6999	25.9958	26.3988	26.6977
Transportation	5.9108	6.1726	7.2360	8.0145
Total Gas Supply Charge	<u>32.7885</u>	<u>33.4544</u>	<u>35.3605</u>	<u>36.7598</u>

Rate 10 (cents / m<sup>3</sup>)

Effective May 1, 2003 (EB-2003-0056)

Storage	0.8501	0.9291	1.2945	1.5563
Commodity and Fuel	25.6999	25.9958	26.3988	26.6977
Transportation - Winter	5.6907	5.9348	7.0647	7.8740
Transportation - Summer	5.6907	5.9348	7.0647	7.8740
Total Gas Supply Charge - Winter +	<u>32.2407</u>	<u>32.8596</u>	<u>34.7580</u>	<u>36.1279</u>
Total Gas Supply Charge - Summer	<u>32.2407</u>	<u>32.8596</u>	<u>34.7580</u>	<u>36.1279</u>

+ Winter - November 1 to April 30

Rate 16 (\$ / m<sup>3</sup>)

Effective May 1, 2003 (EB-2003-0056)

Gas Supply Charges - Winter ~	0.31174	0.31666	0.33330	0.34556
Gas Supply Charges - Summer	0.29158	0.29412	0.29843	0.30161

~ Winter - November 1 to April 15



**uniongas**

Effective  
2003-01-01  
Schedule "A"  
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Union Gas Limited  
Northern Eastern Operations Area  
Gas Supply Charges

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 20 (\$ / 10*3m*3)</u>				
Effective May 1, 2003 (EB-2003-0056)				
Commodity and Fuel	258.67	261.65	265.66	268.65
Commodity Transportation - Charge 1	24.95	26.43	32.46	36.88
Commodity Transportation - Charge 2	1.23	1.16	1.80	2.28

Rate 100 (\$ / 10\*3m\*3)

Effective May 1, 2003 (EB-2003-0056)				
Commodity and Fuel	258.67	261.65	265.66	268.65
Commodity Transportation - Charge 1	31.11	32.24	36.79	40.11
Commodity Transportation - Charge 2	1.23	1.16	1.80	2.28

Rate 25 (\$ / 10\*3m\*3)

Effective May 1, 2003 (EB-2003-0056)				
Gas Supply Charge:				
Interruptible Service				
Minimum	76.04	77.07	79.32	80.80
Maximum	437.86	443.86	463.93	476.74



Effective  
2003-01-01  
**Rate M2**  
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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 or lower than the identified rates.

a)	Monthly fixed charge	\$ 10.00
b)	Delivery Charge	
	First 1 400 m <sup>3</sup>	10.3994¢ per m <sup>3</sup>
	Next 4 800 m <sup>3</sup>	8.0036¢ per m <sup>3</sup>
	Next 124 000 m <sup>3</sup>	6.8954¢ per m <sup>3</sup>
	Next 270 000 m <sup>3</sup>	5.6662¢ per m <sup>3</sup>
	All over 400 000 m <sup>3</sup>	5.5223¢ per m <sup>3</sup>

c)	Gas Supply Charge (if applicable)	.8811¢ per m <sup>3</sup>
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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 1.9%.

**(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.



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2003-01-01  
**Rate M2**  
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**(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 11.2805¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup>.

**(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 January 1, 2003  
O.E.B. ORDER # RP-2002-0130

Chatham, Ontario

Supersedes EB-2003-0056 Rate Schedule effective May 1, 2003.

Effective  
2003-01-01  
Schedule "A"



**uniongas**

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, M6A, M7, M9, M10 and storage and transportation customers taking supplemental services under rates T1 and T3.

(C) **Rates:**

cents / m<sup>3</sup>

Utility Sales

Commodity and Fuel	26.6875
Transportation	4.5293
<b>Total Gas Supply Commodity Charge</b>	<b>31.2168</b>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	6.0024
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Monthly Minimum Gas Supply Commodity Charge/day

M6A Seasonal Contract	\$98.67
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Storage and Transportation Supplemental Services - Rate T1 & T3

\$/GJ

Monthly demand charges:	
Firm gas supply service	34.646
Firm backstop gas	3.907
Commodity charges:	
Gas supply	6.866
Backstop gas	8.366
Reasonable Efforts Backstop Gas	11.011
Supplemental Inventory	Note (1)
Supplemental Gas Sales Service (cents / m <sup>3</sup> )	34.1432
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	3.462
Delivery Commitment Credit (DCC) for all obligated deliveries	(0.090)

1. The charge for banked gas purchases shall be the higher of the spot cost at Dawn in the month of or the month following contract expiry contract expiry and shall not be less than Union's approved weighted average cost of gas.

Effective: January 1, 2003  
O.E.B. Order # RP-2002-0130

Chatham, Ontario

Supersedes EB-2003-0056 Rate Schedule effective May 1, 2003.



**uniongas**

Effective  
2004/01/01  
Rate 01A  
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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 m<sup>3</sup> 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	<u>FORT FRANCES</u>	<u>WESTERN</u>	<u>NORTHERN</u>	<u>EASTERN</u>
Rate Schedule No.	201	101	301	601

APPLICABLE TO ALL SERVICES

<u>MONTHLY CHARGE:</u>	\$12.00	\$12.00	\$12.00	\$12.00
<u>DELIVERY CHARGE: (1)</u>	<u>\$ per m<sup>3</sup></u>	<u>\$ per m<sup>3</sup></u>	<u>\$ per m<sup>3</sup></u>	<u>\$ per m<sup>3</sup></u>
First 100 m <sup>3</sup> per month @	10.5510	10.5510	10.5510	10.5510
Next 200 m <sup>3</sup> per month @	9.8569	9.8569	9.8569	9.8569
Next 200 m <sup>3</sup> per month @	9.3840	9.3840	9.3840	9.3840
Next 500 m <sup>3</sup> per month @	8.9773	8.9773	8.9773	8.9773
Over 1,000 m <sup>3</sup> per month @	5.0095	7.9490	7.9490	7.9490

Note (1) During the period of May 1, 2004 to December 31, 2004, an additional charge of 0.1142 cents/ m<sup>3</sup> will apply to all volumes delivered.

ADDITIONAL CHARGES FOR SALES SERVICE

GAS SUPPLY CHARGES PER  
CUBIC METRE DELIVERED:

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".





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**Rate 01A**  
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#### **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.

#### **LATE PAYMENT CHARGE**

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 1.9%.

#### **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 or lower than the identified rates.

Effective            January 1, 2004  
                         O.E.B. ORDER # RP-2003-0063 -- EB-2003-0087                            Chatham, Ontario

Supersedes EB-2004-0210 Rate Schedule effective April 1, 2004.



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Effective  
2004/01/01  
Rate 10  
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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 m<sup>3</sup> 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	<u>FORT FRANCES</u>	<u>WESTERN</u>	<u>NORTHERN</u>	<u>EASTERN</u>
Rate Schedule No.	210	110	310	610
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE:</u>	\$70.00	\$70.00	\$70.00	\$70.00
<u>DELIVERY CHARGE: (1)</u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 1,000 m <sup>3</sup> per month @	6.9401	6.9401	6.9401	6.9401
Next 9,000 m <sup>3</sup> per month @	5.4987	5.4987	5.4987	5.4987
Next 20,000 m <sup>3</sup> per month @	4.6788	4.6788	4.6788	4.6788
Next 70,000 m <sup>3</sup> per month @	4.1287	4.1287	4.1287	4.1287
Over 100,000 m <sup>3</sup> per month @	2.1234	2.1234	2.1234	2.1234

Note (1) During the period of May 1, 2004 to December 31, 2004, an additional credit of (0.9144) cents/m<sup>3</sup> will apply to all volumes delivered.



**uniongas**

Effective  
2004/01/01  
**Rate 10**  
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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.

#### **LATE PAYMENT CHARGE**

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 1.9%.

#### **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<sup>3</sup> 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 or lower than the identified rates.

Effective January 1, 2004  
O.E.B. ORDER # RP-2003-0063 – EB-2003-0087

Chatham, Ontario

Supersedes EB-2004-0210 Rate Schedule effective April 1, 2004.



**uniongas**

Effective  
2004-01-01  
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 16, Rate 20 and Rate 100.

(C) Rates

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 01A (cents / m<sup>3</sup>)</u>				
Effective January 1, 2004 (RP-2003-0063)				
Storage (1)	2.8241	2.8993	3.3514	3.7382
Commodity and Fuel (1)	27.8021	28.0535	28.3886	28.6448
Transportation (1)	1.3857	1.5140	2.2852	2.9451
Total Gas Supply Charge	<u>32.0119</u>	<u>32.4668</u>	<u>34.0252</u>	<u>35.3281</u>

Rate 10 (cents / m<sup>3</sup>)

Effective January 1, 2004 (RP-2003-0063)

Storage (1)	1.6347	1.7099	2.1620	2.5488
Commodity and Fuel (1)	27.8021	28.0535	28.3886	28.6448
Transportation (1)	0.4955	0.6238	1.3950	2.0549
Total Gas Supply Charge	<u>29.9323</u>	<u>30.3872</u>	<u>31.9456</u>	<u>33.2485</u>

Rate 16 (cents / m<sup>3</sup>)

Effective January 1, 2004 (RP-2003-0063)

Gas Supply Charges - Winter ~	29.8670	30.3184	31.8735	33.1800
Gas Supply Charges - Summer	27.7270	27.9784	28.3135	28.5697

~ Winter - November 1 to April 15

Notes:

(1) Inclusive of Prospective Recoveries and Temporary Charges as laid out in Appendix A.



**uniongas**

Effective  
2004-01-01  
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 / m*3)</u>				
Effective January 1, 2004 (RP-2003-0063)				
Commodity and Fuel (1)	27.8085	28.0599	28.3951	28.6514
Commodity Transportation - Charge 1 (1)	1.9832	2.0632	2.5532	2.9732
Commodity Transportation - Charge 2 (1)	0.1140	0.0975	0.1528	0.1995
Demand Transportation	26.7229	30.7419	52.0409	70.3009

Rate 100 (cents / m\*3)

Effective January 1, 2004 (RP-2003-0063)				
Commodity and Fuel (1)	27.8085	28.0599	28.3951	28.6514
Commodity Transportation - Charge 1	5.4260	5.4860	5.8560	6.1660
Commodity Transportation - Charge 2	0.1120	0.0955	0.1508	0.1975
Demand Transportation	47.8928	52.5818	77.4308	98.7338

Rate 25 (cents / m\*3)

Effective January 1, 2004 (RP-2003-0063)				
Gas Supply Charge:	Interruptible Service			
	Minimum	13.7545	13.8788	14.1233
	Maximum	63.6890	64.7046	67.0257
				68.9354

Notes:

(1) Inclusive of Prospective Recoveries and Temporary Charges as laid out in Appendix A.

Effective: January 1, 2004

O.E.B. ORDER # RP-2003-0063 - EB-2003-0087

Chatham, Ontario

Supersedes EB-2004-0210 Rate Schedule effective April 1, 2004



uniongas

Effective  
2004/01/01  
**Rate M2**  
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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 or lower than the identified rates.

a) Monthly Charge \$ 12.00

b) Delivery Charge (1)

First	1 400 m <sup>3</sup>	6.6503¢ per m <sup>3</sup>
Next	4 600 m <sup>3</sup>	4.8786¢ per m <sup>3</sup>
Next	124 000 m <sup>3</sup>	3.5708¢ per m <sup>3</sup>
Next	270 000 m <sup>3</sup>	2.5185¢ per m <sup>3</sup>
All over	400 000 m <sup>3</sup>	2.3757¢ per m <sup>3</sup>

c) Storage Charge (If applicable) 0.9544¢ per m<sup>3</sup> (2)

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) During the period of May 1, 2004 to December 31, 2004, an additional credit of (0.1718) cents/m<sup>3</sup> will apply to all volumes delivered.  
(2) During the period of May 1, 2004 to December 31, 2004, an additional charge of 0.0841 cents/ m<sup>3</sup> will apply to all volumes delivered.

**(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 1.9%.

**(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.



**uniongas**

Effective  
2004/01/01  
**Rate M2**  
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**(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 7.6047¢ per m<sup>3</sup> (1) for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup>.

Note (1) During the period of May 1, 2004 to December 31, 2004, an additional credit of (0.0877) cents/m<sup>3</sup> will apply to all volumes delivered.

**(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 January 1, 2004  
O.E.B. ORDER # RP-2003-0063 – EB-2003-0087

Chatham, Ontario

Supersedes EB-2004-0210 Rate Schedule effective April 1, 2004.



**uniongas**

Effective  
2004-01-01  
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, M6A, M7, M9, M10 and storage and transportation customers taking supplemental services under rates T1 and T3.

(C) **Rates:**

cents / m<sup>3</sup>

Utility Sales

Commodity and Fuel	26.5273 (2)
Transportation	3.7691
<b>Total Gas Supply Commodity Charge</b>	<b>30.2963</b>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract 5.1801

Monthly Minimum Gas Supply Commodity Charge/day

M6A Seasonal Contract \$85.15

Storage and Transportation Supplemental Services - Rate T1 & T3

\$/GJ

Monthly demand charges:

Firm gas supply service	35.651
Firm backstop gas	3.585

Commodity charges:

Gas supply	6.718
Backstop gas	8.215

Reasonable Efforts Backstop Gas 9.703

Supplemental Inventory Note (1)

Supplemental Gas Sales Service (cents / m<sup>3</sup>) 31.2128

Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails 3.343

Note:

- (1) 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.
- (2) Includes Prospective Recovery unit rate of 0.3417 cents / m<sup>3</sup> and 0.9892 cents / m<sup>3</sup> and Temporary credit of (0.1548) cents / m<sup>3</sup> expiring on Jan. 1, 2005.

Effective: January 1, 2004

O.E.B. Order # RP-2003-0063- EB-2003-0087

Chatham, Ontario

Supersedes EB-2003-0210 Rate Schedule effective April 1, 2004.





**uniongas**

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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 m<sup>3</sup> 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	<u>FORT FRANCES</u>	<u>WESTERN</u>	<u>NORTHERN</u>	<u>EASTERN</u>
Rate Schedule No.	201	101	301	601

APPLICABLE TO ALL SERVICES

<u>MONTHLY CHARGE:</u>	\$14.00	\$14.00	\$14.00	\$14.00
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<u>DELIVERY CHARGE:</u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
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First 100 m <sup>3</sup> per month @	9.6853	9.6853	9.6853	9.6853
Next 200 m <sup>3</sup> per month @	9.0482	9.0482	9.0482	9.0482
Next 200 m <sup>3</sup> per month @	8.6141	8.6141	8.6141	8.6141
Next 500 m <sup>3</sup> per month @	8.2407	8.2407	8.2407	8.2407
Over 1,000 m <sup>3</sup> per month @	5.0373	7.9931	7.9931	7.9931

ADDITIONAL CHARGES FOR SALES SERVICE

GAS SUPPLY CHARGES PER  
CUBIC METRE DELIVERED:

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".



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#### **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.

#### **LATE PAYMENT CHARGE**

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 or lower than the identified rates.

Effective January 1, 2005  
O.E.B. ORDER # RP-2003-0063

Chatham, Ontario

Supersedes EB-2004-0416 Rate Schedule effective October 1, 2004.



**uniongas**

Effective  
2005/01/01  
**Rate 10**  
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**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 m<sup>3</sup> 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	<u>FORT FRANCES</u>	<u>WESTERN</u>	<u>NORTHERN</u>	<u>EASTERN</u>
Rate Schedule No.	210	110	310	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 m<sup>3</sup></u>	<u>\$ per m<sup>3</sup></u>	<u>\$ per m<sup>3</sup></u>	<u>\$ per m<sup>3</sup></u>
First 1,000 m <sup>3</sup> per month @	6.9493	6.9493	6.9493	6.9493
Next 9,000 m <sup>3</sup> per month @	5.5060	5.5060	5.5060	5.5060
Next 20,000 m <sup>3</sup> per month @	4.8850	4.8850	4.8850	4.8850
Next 70,000 m <sup>3</sup> per month @	4.1341	4.1341	4.1341	4.1341
Over 100,000 m <sup>3</sup> per month @	2.1262	2.1262	2.1262	2.1262



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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.

#### **LATE PAYMENT CHARGE**

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 m<sup>3</sup> 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 or lower than the identified rates.

Effective January 1, 2005  
O.E.B. ORDER # RP-2003-0063

Chatham, Ontario

Supersedes EB-2004-0416 Rate Schedule effective October 1, 2004.



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Effective  
2005-01-01  
Schedule "A"  
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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 16, Rate 20 and Rate 100.

(C) Rates

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 01A (cents / m<sup>3</sup>)</u>				
Effective January 1, 2005 (RP-2003-0063)				
Storage (1)	1.5456	1.6208	2.0729	2.4597
Commodity and Fuel (1)	28.5125	28.7688	29.1255	29.4180
Transportation (1)	3.2620	3.3773	4.1241	4.7728
Total Gas Supply Charge	<u>33.3201</u>	<u>33.7669</u>	<u>35.3225</u>	<u>36.6505</u>

Rate 10 (cents / m<sup>3</sup>)

Effective January 1, 2005 (RP-2003-0063)

Storage (1)	0.9092	0.9844	1.4365	1.8233
Commodity and Fuel (1)	28.5125	28.7688	29.1255	29.4180
Transportation (1)	3.1186	3.2339	3.9807	4.6294
Total Gas Supply Charge	<u>32.5403</u>	<u>32.9871</u>	<u>34.5427</u>	<u>35.8707</u>

Rate 16 (cents / m<sup>3</sup>)

Effective January 1, 2005 (RP-2003-0063)

Gas Supply Charges - Winter ~	32.4025	32.8388	34.3755	35.6983
Gas Supply Charges - Summer	30.3026	30.5589	30.9156	31.2081

~ Winter - November 1 to April 15

Notes:

(1) Inclusive of Prospective Recoveries as laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.2923 cents/m<sup>3</sup>



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Schedule "A"  
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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 / m<sup>3</sup>)</u>				
Effective January 1, 2005 (RP-2003-0063)				
Commodity and Fuel (1)	28.5870	28.8440	29.2016	29.4949
Commodity Transportation - Charge 1 (1)	2.7851	2.8551	3.3351	3.7451
Commodity Transportation - Charge 2 (1)	0.0938	0.0797	0.1383	0.1881
Demand Transportation (1)	24.5785	28.1735	48.7175	66.5855

Rate 100 (cents / m<sup>3</sup>)

Effective January 1, 2005 (RP-2003-0063)				
Commodity and Fuel (1)	28.5870	28.8440	29.2016	29.4949
Commodity Transportation - Charge 1	5.2600	5.3100	5.6700	5.9800
Commodity Transportation - Charge 2	0.1155	0.1014	0.1600	0.2098
Demand Transportation	47.0904	51.2844	75.2534	96.0984

Rate 25 (cents / m<sup>3</sup>)

Effective January 1, 2005 (RP-2003-0063)				
Gas Supply Charge:	Interruptible Service			
	Minimum	13.7545	13.8788	14.1233
	Maximum	63.6890	64.7046	67.0257
				68.9354

Notes:

(1) Inclusive of Prospective Recoveries as laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.2923 cents/m<sup>3</sup>

Effective: January 1, 2005  
O.E.B. Order # RP-2003-0063

Chatham, Ontario

Supersedes EB-2004-0416 Rate Schedule effective October 1, 2004.



**uniongas**

Effective  
2005/01/01  
**Rate M2**  
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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 or lower than the identified rates.

a) Monthly Charge \$ 14.00

b) Delivery Charge

First	1 400 m <sup>3</sup>	5.7828¢ per m <sup>3</sup>
Next	4 600 m <sup>3</sup>	4.1479¢ per m <sup>3</sup>
Next	124 000 m <sup>3</sup>	2.9558¢ per m <sup>3</sup>
Next	270 000 m <sup>3</sup>	2.2202¢ per m <sup>3</sup>
All over	400 000 m <sup>3</sup>	2.0763¢ per m <sup>3</sup>

c) Storage Charge (if applicable) 0.9544¢ per m<sup>3</sup>

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.



**uniongas**

Effective  
2005/01/01  
Rate M2  
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**(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 6.7172¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup>.

**(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

January 1, 2005  
O.E.B. ORDER #RP-2003-0063

Chatham, Ontario

Supersedes EB-2004-0416 Rate Schedule effective October 1, 2004.





**uniongas**

Effective  
2005-01-01  
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, M6A, M7, M9, M10 and storage and transportation customers taking supplemental services under rates T1 and T3.

(C) **Rates:**

cents / m<sup>3</sup>

Utility Sales

Commodity and Fuel	29.5549 (2)
Transportation	4.0549
<b>Total Gas Supply Commodity Charge</b>	<b>33.6098</b>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract 5.5186

Monthly Minimum Gas Supply Commodity Charge/day

M6A Seasonal Contract \$90.72

Storage and Transportation Supplemental Services - Rate T1 & T3

\$/GJ

<b>Monthly demand charges:</b>	
Firm gas supply service	34.598
Firm backstop gas	4.588
<b>Commodity charges:</b>	
Gas supply	7.777
Backstop gas	10.652
Reasonable Efforts Backstop Gas	10.651
Supplemental Inventory	Note (1)
Supplemental Gas Sales Service (cents / m <sup>3</sup> )	42.8249
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	3.160
Delivery Commitment Credit (DCC) for all obligated deliveries	(0.045)
Discretionary Gas Supply Service (DGSS)	Note (3)

**Note:**

- (1) 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.
- (2) Includes Prospective Recoveries of 0.3417, 0.9892, (0.4766) and (0.6257) cents/ m<sup>3</sup>. Also includes gas supply administration charge of 0.2481 cents/ m<sup>3</sup>.
- (3) Reflects the "back to back" price plus gas supply administration charge.

Effective: January 1, 2005  
O.E.B. Order # RP-2003-0063

Chatham, Ontario

Supersedes EB-2004-0416 Rate Schedule effective October 1, 2004.



**uniongas**

Effective  
2006-01-01  
**Rate 01A**  
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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 m<sup>3</sup> 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>	\$14.00	\$14.00	\$14.00	\$14.00
<u>DELIVERY CHARGE</u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 100 m <sup>3</sup> per month @	9.6853	9.6853	9.6853	9.6853
Next 200 m <sup>3</sup> per month @	9.0482	9.0482	9.0482	9.0482
Next 200 m <sup>3</sup> per month @	8.6141	8.6141	8.6141	8.6141
Next 500 m <sup>3</sup> per month @	8.2407	8.2407	8.2407	8.2407
Over 1,000 m <sup>3</sup> per month @	5.0373	7.9931	7.9931	7.9931



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ADDITIONAL CHARGES FOR SALES SERVICE

**GAS SUPPLY CHARGES PER  
CUBIC METRE DELIVERED:**

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.

**LATE PAYMENT CHARGE**

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 or lower than the identified rates.

Effective January 1, 2006  
O.E.B. ORDER # EB-2005-0531

Chatham, Ontario

Supersedes EB-2005-0211 Rate Schedule effective July 1, 2005.



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Effective  
2006-01-01  
**Rate 10**  
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**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 m<sup>3</sup> 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 m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 1,000 m <sup>3</sup> per month @	6.9493	6.9493	6.9493	6.9493
Next 9,000 m <sup>3</sup> per month @	5.5060	5.5060	5.5060	5.5060
Next 20,000 m <sup>3</sup> per month @	4.6850	4.6850	4.6850	4.6850
Next 70,000 m <sup>3</sup> per month @	4.1341	4.1341	4.1341	4.1341
Over 100,000 m <sup>3</sup> per month @	2.1262	2.1262	2.1262	2.1262



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Effective  
2006-01-01  
Rate 10  
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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.

##### **LATE PAYMENT CHARGE**

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 m<sup>3</sup> 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 or lower than the identified rates.

Effective January 1, 2006  
O.E.B. ORDER # EB-2005-0531

Chatham, Ontario

Supersedes EB-2005-0211 Rate Schedule effective July 1, 2005.



**uniongas**

Effective  
2006-01-01  
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 16, Rate 20 and Rate 100.

(C) Rates

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 01A (cents / m<sup>3</sup>)</u>				
Effective January 1, 2006 (EB-2005-0531)				
Storage (1)	1.7184	1.7936	2.2457	2.6325
Commodity and Fuel (1)	40.8240	41.3032	41.9479	42.4663
Transportation (1)	2.4951	2.5297	3.1708	3.6729
Total Gas Supply Charge	<u>45.0375</u>	<u>45.6265</u>	<u>47.3644</u>	<u>48.7717</u>

Rate 10 (cents / m<sup>3</sup>)

Effective January 1, 2006 (EB-2005-0531)				
Storage (1)	1.0437	1.1189	1.5710	1.9578
Commodity and Fuel (1)	40.8240	41.3032	41.9479	42.4663
Transportation (1)	2.3210	2.3556	2.9967	3.4988
Total Gas Supply Charge	<u>44.1887</u>	<u>44.7777</u>	<u>46.5156</u>	<u>47.9229</u>

Rate 16 (cents / m<sup>3</sup>)

Effective January 1, 2006 (EB-2005-0531)				
Gas Supply Charges - Winter ~	44.5540	45.0832	46.7479	48.0666
Gas Supply Charges - Summer	42.6641	43.1433	43.7880	44.3064

~ Winter - November 1 to April 15

Notes:

(1) Inclusive of Prospective Recoveries as laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.2923 cents/m<sup>3</sup>



**uniongas**

Effective  
2006-01-01  
Schedule "A"  
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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 / m<sup>3</sup>)</u>				
Effective January 1, 2006 (EB-2005-0531)				
Commodity and Fuel (1)	41.0775	41.5596	42.2083	42.7298
Commodity Transportation - Charge 1 (1)	2.1273	2.1473	2.5573	2.8773
Commodity Transportation - Charge 2 (1)	0.1113	0.0942	0.1431	0.1845
Demand Transportation (1)	25.2534	26.5774	44.2404	58.0144

Rate 100 (cents / m<sup>3</sup>)

Effective January 1, 2006 (EB-2005-0531)				
Commodity and Fuel (1)	41.0775	41.5596	42.2083	42.7298
Commodity Transportation - Charge 1	4.5800	4.6000	4.9000	5.1400
Commodity Transportation - Charge 2	0.1113	0.0942	0.1431	0.1845
Demand Transportation	42.4410	43.9850	64.5920	80.6630

Rate 25 (cents / m<sup>3</sup>)

Effective January 1, 2006 (EB-2005-0531)				
Gas Supply Charge:	Interruptible Service			
	Minimum	13.7545	13.8788	14.1233
	Maximum	63.6890	64.7046	67.0257
				68.9354

Notes:

(1) Inclusive of Prospective Recoveries as laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.2923 cents/m<sup>3</sup>

Effective: January 1, 2006  
O.E.B. Order # EB-2005-0531

Chatham, Ontario

Supersedes EB-2005-0462 Rate Schedule effective October 1, 2005.



**uniongas**

Effective  
2006-01-01  
Rate M2  
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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 or lower than the identified rates.

a) Monthly Charge \$ 14.00

b) Delivery Charge

First	1 400 m <sup>3</sup>	5.6161¢ per m <sup>3</sup>
Next	4 600 m <sup>3</sup>	4.0013¢ per m <sup>3</sup>
Next	124 000 m <sup>3</sup>	2.8092¢ per m <sup>3</sup>
Next	270 000 m <sup>3</sup>	2.0735¢ per m <sup>3</sup>
All Over	400 000 m <sup>3</sup>	1.9296¢ per m <sup>3</sup>

c) Storage Charge (if applicable) 0.9544¢ per m<sup>3</sup>

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%.





**uniongas**

Effective  
2006-01-01  
Rate M2  
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**(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 6.5705¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup>.

**(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 January 1, 2006  
O.E.B. ORDER # EB-2005-0531

Chatham, Ontario

Supersedes EB-2005-0462 Rate Schedule effective October 1, 2005



**uniongas**

Effective  
2006-01-01  
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, M6A, M7, M9, M10 and storage and transportation customers taking supplemental services under rates T1 and T3.

**(C) Rates:**

cents / m<sup>3</sup>

Utility Sales

Commodity and Fuel	41.6725 (2)
Transportation	3.5702
<b>Total Gas Supply Commodity Charge</b>	<b>45.2427</b>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A interruptible Contract 6.0614

Monthly Minimum Gas Supply Commodity Charge/day

M6A Seasonal Contract \$99.64

Storage and Transportation Supplemental Services - Rate T1 & T3

\$/GJ

Monthly demand charges:	
Firm gas supply service	28.840
Firm backstop gas	6.021
Commodity charges:	
Gas supply	11.504
Backstop gas	14.253
Reasonable Efforts Backstop Gas	14.225
Supplemental Inventory	Note (1)
Supplemental Gas Sales Service (cents / m <sup>3</sup> )	57.1410
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	3.130
Delivery Commitment Credit (DCC) for all obligated deliveries	(0.023)
Discretionary Gas Supply Service (DGSS)	Note (3)

**Note:**

- (1) 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.
- (2) Inclusive of Prospective Recoveries as laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.2481 cents/ m<sup>3</sup>.
- (3) Reflects the "back to back" price plus gas supply administration charge.

Effective: January 1, 2006  
O.E.B. Order # EB-2005-0531

Chatham, Ontario

Supersedes EB-2005-0462 Rate Schedule effective October 1, 2005.



**uniongas**

Effective  
2007-01-01  
**Rate 01A**  
Page 1 of 2

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 m<sup>3</sup> 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 m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 100 m <sup>3</sup> per month @	9.2380	9.2380	9.2380	9.2380
Next 200 m <sup>3</sup> per month @	8.6369	8.6369	8.6369	8.6369
Next 200 m <sup>3</sup> per month @	8.2100	8.2100	8.2100	8.2100
Next 500 m <sup>3</sup> per month @	7.8180	7.8180	7.8180	7.8180
Over 1,000 m <sup>3</sup> per month @	7.4944	7.4944	7.4944	7.4944
Delivery- Price Adjustment (All Volumes)	-	-	-	-



**uniongas**

Effective  
2007-01-01  
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

January 1, 2007  
O.E.B. ORDER # EB-2005-0520

Chatham, Ontario

Supersedes EB-2006-0500 Rate Schedule effective October 1, 2006.



**uniongas**

Effective  
2007-01-01  
**Rate 10**  
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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 m<sup>3</sup> 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 m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 1,000 m <sup>3</sup> per month @	7.3562	7.3562	7.3562	7.3562
Next 9,000 m <sup>3</sup> per month @	5.8543	5.8543	5.8543	5.8543
Next 20,000 m <sup>3</sup> per month @	4.9979	4.9979	4.9979	4.9979
Next 70,000 m <sup>3</sup> per month @	4.4495	4.4495	4.4495	4.4495
Over 100,000 m <sup>3</sup> per month @	2.3725	2.3725	2.3725	2.3725
Delivery-Price Adjustment (All Volumes)	-	-	-	-



**uniongas**

Effective  
2007-01-01  
Rate 10  
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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 and customers purchasing gas from Union with maximum daily requirements in excess of 3,000 m<sup>3</sup> 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.

Effective

January 1, 2007  
O.E.B. ORDER # EB-2005-0520

Chatham, Ontario

Supersedes EB-2006-0500 Rate Schedule effective October 1, 2006.



**uniongas**

Union Gas Limited  
Northern and Eastern Operations Area  
Gas Supply Charges

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

(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 and Rate 100.

(C) Rates

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 01A (cents / m<sup>3</sup>)</u>				
Effective January 1, 2007 (EB-2006-0502)				
Storage	1.9099	1.9075	2.2951	2.6079
Storage - Price Adjustment (1)	0.0017	0.0017	0.0017	0.0017
Commodity and Fuel	30.6304	31.0010	31.4986	31.9047
Commodity and Fuel - Price Adjustment (1)	(9.8159)	(9.8159)	(9.8159)	(9.8159)
Transportation	2.7755	2.7721	3.3353	3.7899
Transportation - Price Adjustment (1)	(0.2553)	(0.2553)	(0.2553)	(0.2553)
Total Gas Supply Charge	<u>25.2464</u>	<u>25.6111</u>	<u>27.0595</u>	<u>28.2330</u>

Rate 10 (cents / m<sup>3</sup>)

Effective January 1, 2007 (EB-2006-0502)				
Storage	1.2255	1.2231	1.6107	1.9235
Storage - Price Adjustment (1)	(0.0171)	(0.0171)	(0.0171)	(0.0171)
Commodity and Fuel	30.6304	31.0010	31.4986	31.9047
Commodity and Fuel - Price Adjustment (1)	(9.8159)	(9.8159)	(9.8159)	(9.8159)
Transportation	2.5443	2.5408	3.1040	3.5586
Transportation - Price Adjustment (1)	(0.2407)	(0.2407)	(0.2407)	(0.2407)
Total Gas Supply Charge	<u>24.3265</u>	<u>24.6913</u>	<u>26.1396</u>	<u>27.3132</u>

Notes:

(1) As laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.3173 cents/m<sup>3</sup>.



**uniongas**

Effective  
2007-01-01  
Schedule "A"  
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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 / m<sup>3</sup>)</u>				
Effective January 1, 2007 (EB-2006-0502)				
Commodity and Fuel	30.8399	31.2131	31.7141	32.1230
Commodity and Fuel - Price Adjustment (1)	(9.8159)	(9.8159)	(9.8159)	(9.8159)
Commodity Transportation - Charge 1	2.0635	2.0635	2.4435	2.7435
Transportation 1 - Price Adjustment (1)	(0.3377)	(0.3377)	(0.3377)	(0.3377)
Commodity Transportation - Charge 2	0.1263	0.1205	0.1883	0.2447
Monthly Gas Supply Demand	23.7952	23.7962	39.9232	52.8902
Gas Supply Demand - Price Adjustment (1)	0.9059	0.9059	0.9059	0.9059

Rate 100 (cents / m<sup>3</sup>)

Effective January 1, 2007 (EB-2006-0502)				
Commodity and Fuel	30.8399	31.2131	31.7141	32.1230
Commodity and Fuel - Price Adjustment (1)	(9.8159)	(9.8159)	(9.8159)	(9.8159)
Commodity Transportation - Charge 1	3.6299	3.6299	3.9099	4.1399
Commodity Transportation - Charge 2	0.1263	0.1205	0.1883	0.2447
Monthly Gas Supply Demand	37.8415	37.8425	56.6575	71.7855

Rate 25 (cents/ m<sup>3</sup>)

Effective January 1, 2007 (EB-2006-0502)				
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/m<sup>3</sup>.

Effective: January 1, 2007  
O.E.B. Order # EB-2006-0502

Chatham, Ontario

Supersedes EB-2005-0520 Rate Schedule effective January 1, 2007.





**uniongas**

Effective  
2007-01-01  
**Rate M2**  
Page 1 of 2

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 <sup>3</sup>	5.1701¢ per m <sup>3</sup>
Next	4 600 m <sup>3</sup>	4.1427¢ per m <sup>3</sup>
Next	124 000 m <sup>3</sup>	3.0859¢ per m <sup>3</sup>
Next	270 000 m <sup>3</sup>	2.4743¢ per m <sup>3</sup>
All Over	400 000 m <sup>3</sup>	2.2978¢ per m <sup>3</sup>

Delivery – Price Adjustment (All Volumes) (0.0934)¢ per m<sup>3</sup>

c) Storage Charge (if applicable) 0.9309¢ per m<sup>3</sup>

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%.



**uniongas**

Effective  
2007-01-01  
**Rate M2**  
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**(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 m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup>.

**(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 January 1, 2007  
O.E.B. ORDER # EB-2006-0502

Chatham, Ontario

Supersedes EB-2005-0520 Rate Schedule effective January 1, 2007.



**uniongas**

Effective  
2007-01-01  
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 / m<sup>3</sup>

Utility Sales

Commodity and Fuel	31.9047 (1)
Commodity and Fuel - Price Adjustment	(7.0737)
Transportation	3.3566
<b>Total Gas Supply Commodity Charge</b>	<b>28.1876</b>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	5.4358
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Storage and Transportation Supplemental Services - Rate T1 & T3

\$/GJ

<u>Monthly demand charges:</u>	
Firm gas supply service	26.488
Firm backstop gas	4.111
<u>Commodity charges:</u>	
Gas supply	8.459
Backstop gas	11.324
Reasonable Efforts Backstop Gas	10.992
Supplemental Inventory	Note (2)
Supplemental Gas Sales Service (cents / m <sup>3</sup> )	45.1282
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.995
Discretionary Gas Supply Service (DGSS)	Note (3)

**Notes:**

- (1) The Commodity and Fuel line includes gas supply administration charge of 0.3173 cents/ m<sup>3</sup>.
- (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: January 1, 2007  
O.E.B. Order # EB-2006-0502

Chatham, Ontario

Supersedes EB-2005-0520 Rate Schedule effective January 1, 2007.



**uniongas**

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 m<sup>3</sup> and 140 870 m<sup>3</sup>.

**(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 or lower than the identified rates.

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

(i) A Monthly Demand Charge

First	8 450 m <sup>3</sup> of daily contracted demand	35.0992¢ per m <sup>3</sup>
Next	19 700 m <sup>3</sup> of daily contracted demand	19.4552¢ per m <sup>3</sup>
All over	28 150 m <sup>3</sup> of daily contracted demand	15.9500¢ per m <sup>3</sup>

(ii) A Monthly Delivery Commodity Charge

First	422 250 m <sup>3</sup> delivered per month	1.0668¢ per m <sup>3</sup>
Next	volume equal to 15 days use of daily contracted demand	1.0668¢ per m <sup>3</sup>
	For remainder of volumes delivered in the month	0.7112¢ per m <sup>3</sup>

(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 the Company in advance. The Company will not unreasonably withhold authorization. Authorized overrun will be available April 1 through October 31 and will be paid for at a delivery rate of 2.2207¢ per m<sup>3</sup> and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all volumes purchased.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 8.7043¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all gas supply volumes purchased.

and

3. Minimum Annual Charge

In each contract year the customer shall purchase from the Company 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 1.0691¢ per m<sup>3</sup> 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.



**uniongas**

Effective  
2000-01-01  
Rate M4  
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**(D) Delayed Payment**

When payment in full is not made on or before the due date shown on the bill, a date not less than 16 days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

**(E) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver, and 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. Customers may reduce their assignment of upstream transportation capacity in compliance with Union's Turnback Policy.

**(F) Bundled Direct Purchase Delivery**

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

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

**(G) Definitions**

"Month" means a period beginning at 0900 hours Central Standard time on the first day of a calendar month and ending at 0900 hours Central Standard time on the first day of the following calendar month.

"Day" means a period of 24 consecutive hours beginning at 0900 hours Central Standard time.

"Contracted Demand" means the maximum volume of gas the Company is obligated to deliver to the customer on any one day.

"Overrun" means gas taken on any day in excess of 103% of contracted daily demand.

Effective                      January 1, 2000  
O.E.B. ORDER # RP-1999-0017                      Chatham, Ontario  
  
Supersedes EB-2001-0021 Rate Schedule effective March 1, 2001.



**uniongas**

Effective  
2001-01-01  
**Rate M4**  
Page 1 of 2

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 m<sup>3</sup> and 140 870 m<sup>3</sup>.

**(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 or lower than the identified rates.

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

(i) A Monthly Demand Charge

First	8 450 m <sup>3</sup> of daily contracted demand	36.7023¢ per m <sup>3</sup>
Next	19 700 m <sup>3</sup> of daily contracted demand	20.3438¢ per m <sup>3</sup>
All over	28 150 m <sup>3</sup> of daily contracted demand	16.6785¢ per m <sup>3</sup>

(ii) A Monthly Delivery Commodity Charge

First 422 250 m <sup>3</sup> delivered per month	1.2138¢ per m <sup>3</sup>
Next volume equal to 15 days use of daily contracted demand	1.2138¢ per m <sup>3</sup>
For remainder of volumes delivered in the month	0.8543¢ per m <sup>3</sup>

(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 the Company in advance. The Company will not unreasonably withhold authorization. Authorized overrun will be available April 1 through October 31 and will be paid for at a delivery rate of 2.4205¢ per m<sup>3</sup> and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all volumes purchased.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 9.1480¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all gas supply volumes purchased.

and

3. Minimum Annual Charge

In each contract year the customer shall purchase from the Company 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 1.2161¢ per m<sup>3</sup> 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.



**uniongas**

Effective  
2001-01-01  
**Rate M4**  
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**(D) Delayed Payment**

When payment in full is not made on or before the due date shown on the bill, a date not less than 16 days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

**(E) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver, and 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. Customers may reduce their assignment of upstream transportation capacity in compliance with Union's Turnback Policy.

**(F) Bundled Direct Purchase Delivery**

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

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

**(G) Definitions**

"Month" means a period beginning at 0900 hours Central Standard time on the first day of a calendar month and ending at 0900 hours Central Standard time on the first day of the following calendar month.

"Day" means a period of 24 consecutive hours beginning at 0900 hours Central Standard time.

"Contracted Demand" means the maximum volume of gas the Company is obligated to deliver to the customer on any one day.

"Overrun" means gas taken on any day in excess of 103% of contracted daily demand.

Effective                      January 1, 2001  
                                    O.E.B. ORDER # RP-2001-0029                      Chatham, Ontario  
  
                                    Supersedes EB-2002-03577 Rate Schedule effective July 1, 2002.



**uniongas**

Effective  
2002-01-01  
**Rate M4**  
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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 m<sup>3</sup> and 140 870 m<sup>3</sup>.

**(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 or lower than the identified rates.

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

(i) A Monthly Demand Charge

First	8 450 m <sup>3</sup> of daily contracted demand	39.1993¢ per m <sup>3</sup>
Next	19 700 m <sup>3</sup> of daily contracted demand	18.7384¢ per m <sup>3</sup>
All over	28 150 m <sup>3</sup> of daily contracted demand	15.8538¢ per m <sup>3</sup>

(ii) A Monthly Delivery Commodity Charge

First 422 250 m <sup>3</sup> delivered per month	1.0028¢ per m <sup>3</sup>
Next volume equal to 15 days use of daily contracted demand	1.0028¢ per m <sup>3</sup>
For remainder of volumes delivered in the month	0.5977¢ per m <sup>3</sup>

(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 2.2915¢ per m<sup>3</sup> and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all volumes purchased.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 8.4720¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all gas supply volumes purchased.

and

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 1.0051¢ per m<sup>3</sup> 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.





**uniongas**

Effective  
2002-01-01  
**Rate M4**  
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**(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 two percent (2%) and the increased amount shall be due and payable thereafter.

**(E) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver, and 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. Customers may reduce their assignment of upstream transportation capacity in compliance with Union's Turnback Policy.

**(F) Bundled Direct Purchase Delivery**

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

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

Effective

January 1, 2002

O.E.B. ORDER # RP-2001-0029

Chatham, Ontario

Supersedes RP-2001-0029 Rate Schedule effective January 1, 2001.



**uniongas**

Effective  
2003-01-01  
**Rate M4**  
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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 m<sup>3</sup> and 140 870 m<sup>3</sup>.

**(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 or lower than the identified rates.

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

(i) A Monthly Demand Charge

First	8 450 m <sup>3</sup> of daily contracted demand	40.8323¢ per m <sup>3</sup>
Next	19 700 m <sup>3</sup> of daily contracted demand	15.5660¢ per m <sup>3</sup>
All over	28 150 m <sup>3</sup> of daily contracted demand	12.6307¢ per m <sup>3</sup>

(ii) A Monthly Delivery Commodity Charge

First 422 250 m <sup>3</sup> delivered per month	1.5666¢ per m <sup>3</sup>
Next volume equal to 15 days use of daily contracted demand	1.5666¢ per m <sup>3</sup>
For remainder of volumes delivered in the month	1.1640¢ per m <sup>3</sup>

(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 2.9090¢ per m<sup>3</sup> and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all volumes purchased.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 11.2805¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> 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 1.5689¢ per m<sup>3</sup> 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.



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Effective  
2003-01-01  
**Rate M4**  
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**(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 two percent (2%) and the increased amount shall be due and payable thereafter.

**(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.

Effective January 1, 2003  
O.E.B. ORDER # RP-2002-0130 Chatham, Ontario

Supersedes EB-2003-0056 Rate Schedule effective May 1, 2003.



uniongas

Effective  
2004/01/01  
Rate M4  
Page 1 of 2

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 m<sup>3</sup> and 140 870 m<sup>3</sup>.

(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 or lower than the identified rates.

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

(i) A Monthly Demand Charge

First	8 450 m <sup>3</sup> of daily contracted demand	48.9922¢ per m <sup>3</sup>
Next	19 700 m <sup>3</sup> of daily contracted demand	17.5809¢ per m <sup>3</sup>
All over	28 150 m <sup>3</sup> of daily contracted demand	13.8932¢ per m <sup>3</sup>

(ii) A Monthly Delivery Commodity Charge (1)

First 422 250 m <sup>3</sup> delivered per month	1.0533¢ per m <sup>3</sup>
Next volume equal to 15 days use of daily contracted demand	1.0533¢ per m <sup>3</sup>
For remainder of volumes delivered in the month	0.6502¢ per m <sup>3</sup>

(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".

Note:

(1) During the period of May 1, 2004 to December 31, 2004, an additional charge of 0.1697 cents/m<sup>3</sup> will apply to all volumes delivered.

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 2.5982 ¢ per m<sup>3</sup> (1) and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all volumes purchased.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 7.6047¢ per m<sup>3</sup> (2) for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all gas supply volumes purchased.

Notes:

(1) During the period of May 1, 2004 to December 31, 2004, an additional charge of 0.1697 cents/m<sup>3</sup> will apply to all volumes delivered.

(2) During the period of May 1, 2004 to December 31, 2004, an additional credit of (0.0877) cents/m<sup>3</sup> will apply to all volumes delivered.

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 1.3014¢ per m<sup>3</sup> (1) 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.

Note:

(1) During the period of May 1, 2004 to December 31, 2004, an additional charge of 0.1697 cents/m<sup>3</sup> will apply to all volumes delivered.



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Effective  
2004/01/01  
**Rate M4**  
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**(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 1.9%.

**(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.

Effective

January 1, 2004  
O.E.B. ORDER # RP-2003-0063 – EB-2003-0087

Chatham, Ontario

Supersedes EB-2004-0210 Rate Schedule effective April 1, 2004.



**uniongas**

Effective  
2005/01/01  
**Rate M4**  
Page 1 of 2

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 m<sup>3</sup> and 140 870 m<sup>3</sup>.

**(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 or lower than the identified rates.

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

(i) A Monthly Demand Charge

First	8 450 m <sup>3</sup> of daily contracted demand	48.9922¢ per m <sup>3</sup>
Next	19 700 m <sup>3</sup> of daily contracted demand	17.5809¢ per m <sup>3</sup>
All over	28 150 m <sup>3</sup> of daily contracted demand	13.8932¢ per m <sup>3</sup>

(ii) A Monthly Delivery Commodity Charge

First 422 250 m <sup>3</sup> delivered per month	0.9081¢ per m <sup>3</sup>
Next volume equal to 15 days use of daily contracted demand	0.9081¢ per m <sup>3</sup>
For remainder of volumes delivered in the month	0.5030¢ per m <sup>3</sup>

(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 2.4510 ¢ per m<sup>3</sup> and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all volumes purchased.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 6.7172¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> 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 1.1542¢ per m<sup>3</sup> 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.



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Effective  
2005/01/01  
**Rate M4**  
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**(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%.

**(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.

Effective January 1, 2005  
O.E.B. ORDER # RP-2003-0063

Chatham, Ontario

Supersedes EB-2004-0416 Rate Schedule effective October 1, 2004.



**uniongas**

Exhibit C3/C16/C33.1

Attachment 2

Effective

2006-01-01

**Rate M4**

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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 m<sup>3</sup> and 140 870 m<sup>3</sup>.

**(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 or lower than the identified rates.

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

- |   |  |                             |
|---|--|-----------------------------|
| (i) A Monthly Demand Charge                                 |  |                             |
| First   | 8 450 m <sup>3</sup> of daily contracted demand  | 46.9922¢ per m <sup>3</sup> |
| Next  | 19 700 m <sup>3</sup> of daily contracted demand | 17.5809¢ per m <sup>3</sup> |
| All Over  | 28 150 m <sup>3</sup> of daily contracted demand | 13.8932¢ per m <sup>3</sup> |
| (ii) A Monthly Delivery Commodity Charge                    |  |                             |
| First 422 250 m <sup>3</sup> delivered per month            |  | 0.7492¢ per m <sup>3</sup>  |
| Next volume equal to 15 days use of daily contracted demand |  | 0.7492¢ per m <sup>3</sup>  |
| For remainder of volumes delivered in the month             |  | 0.3461¢ per m <sup>3</sup>  |
| (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 2.2941¢ per m<sup>3</sup> and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all volumes purchased.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 6.5705¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> 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 0.9973¢ per m<sup>3</sup> 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.





**uniongas**

Exhibit C3/C16/C33.1

Attachment 2

Effective

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**Rate M4**

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**(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%.

**(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.

Effective

January 1, 2006

O.E.B. ORDER # EB-2005-0531

Chatham, Ontario

Supersedes EB-2005-0462 Rate Schedule effective October 1, 2005.



uniongas

Exhibit C3/C16/C33.1

Attachment 2

Effective

2007-01-01

Rate M4

Page 1 of 2

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 m<sup>3</sup> and 140 870 m<sup>3</sup>.

(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 m <sup>3</sup> of daily contracted demand 45.6744¢ per m <sup>3</sup>
	Next	19 700 m <sup>3</sup> of daily contracted demand 19.8165¢ per m <sup>3</sup>
	All Over	28 150 m <sup>3</sup> of daily contracted demand 16.4565¢ per m <sup>3</sup>
(ii)	A Monthly Delivery Commodity Charge	
	First 422 250 m <sup>3</sup> delivered per month	0.9291¢ per m <sup>3</sup>
	Next volume equal to 15 days use of daily contracted demand	0.9291¢ per m <sup>3</sup>
	For remainder of volumes delivered in the month	0.5089¢ per m <sup>3</sup>
	Delivery- Price Adjustment (All Volumes)	(0.1298)¢ per m <sup>3</sup>

(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 2.4307¢ per m<sup>3</sup> and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all volumes purchased.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 6.1010¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> 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 1.2464¢ per m<sup>3</sup> 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.



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Exhibit C3/C16/C33.1  
Attachment 2  
Effective  
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**(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%.

**(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.

Effective

January 1, 2007  
O.E.B. ORDER # EB-2006-0502

Chatham, Ontario

Supersedes EB-2005-0520 Rate Schedule effective January 1, 2007.



**uniongas**

Effective  
2000-01-01  
Rate M9  
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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 or lower than the identified rates.

- 1) (i) A Monthly Demand Charge of 23.5989¢ per m<sup>3</sup> 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 0.2689¢ per m<sup>3</sup> for gas delivered and, if applicable,
- (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 in full is not made on or before the due date shown on the bill, a date not less than 16 days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

**(E) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver, and 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. Customers may reduce their assignment of upstream transportation capacity in compliance with Union's Turnback Policy.

**(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 8.7043¢ per m<sup>3</sup> for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" plus 7¢ per m<sup>3</sup>, for all gas supply volumes purchased.



**uniongas**

Effective  
2000-01-01  
**Rate M9**  
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**(G) Bundled Direct Purchase Delivery**

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

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

Effective January 1, 2000  
O.E.B. ORDER # RP-1999-0017

Chatham, Ontario

Supersedes EB-2001-0021 Rate Schedule effective March 1, 2001.



**uniongas**

Exhibit C3/C16/C33.1  
Attachment 3  
Effective  
2001-01-01  
**Rate M9**  
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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 or lower than the identified rates.

- 1) (i) A Monthly Demand Charge of 25.8841¢ per m<sup>3</sup> 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 0.4128¢ per m<sup>3</sup> for gas delivered and, if applicable,
- (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 in full is not made on or before the due date shown on the bill, a date not less than 16 days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

**(E) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver, and 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. Customers may reduce their assignment of upstream transportation capacity in compliance with Union's Turnback Policy.

**(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 9.1480¢ per m<sup>3</sup> for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" plus 7¢ per m<sup>3</sup>, for all gas supply volumes purchased.



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**(G) Bundled Direct Purchase Delivery**

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

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

Effective      January 1, 2001  
                  O.E.B. ORDER # RP-2001-0029                                      Chatham, Ontario

Supersedes EB-2002-0357 Rate Schedule effective July 1, 2002.



**uniongas**

Exhibit C3/C16/C33.1

Attachment 3

Effective

2002-01-01

**Rate M9**

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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 or lower than the identified rates.

- 1) (i) A Monthly Demand Charge of 23.9305¢ per m<sup>3</sup> 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 0.2992¢ per m<sup>3</sup> for gas delivered and, if applicable,
- (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 two percent (2%) and the increased amount shall be due and payable thereafter.

**(E) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver, and 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. Customers may reduce their assignment of upstream transportation capacity in compliance with Union's Turnback Policy.

**(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, Customer will be charged 1.0860¢ per m<sup>3</sup>. 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, Customer will be charged 36.0¢ per m<sup>3</sup>.





**uniongas**

Exhibit C3/C16/C33.1

Attachment 3

Effective

2002-01-01

**Rate M9**

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**(G) Bundled Direct Purchase Delivery**

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

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

Effective January 1, 2002  
O.E.B. ORDER # RP-2001-0029

Chatham, Ontario

Supersedes RP-2001-0029 Rate Schedule effective January 1, 2001.



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Effective  
2003-01-01  
Rate M9  
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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 or lower than the identified rates.

1) (i) A Monthly Demand Charge of 23.0739¢ per m<sup>3</sup> 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 0.3385¢ per m<sup>3</sup> for gas delivered and, if applicable,

(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 two percent (2%) and the increased amount shall be due and payable thereafter.

**(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, Customer will be charged 1.0971¢ per m<sup>3</sup>. 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, Customer will be charged 36.0¢ per m<sup>3</sup>.



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Effective  
2003-01-01  
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**(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      January 1, 2003  
                    O.E.B. ORDER # RP-2002-0130                      Chatham, Ontario

Supersedes EB-2003-0056 Rate Schedule effective May 1, 2003.



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Effective  
2004/01/01  
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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 or lower than the identified rates.

- 1) (i) A Monthly Demand Charge of 20.0910¢ per m<sup>3</sup> 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 0.5233¢ per m<sup>3</sup> <sup>(1)</sup> for gas delivered and, if applicable,
- (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".

**Note:** (1) During the period of May 1, 2004 to December 31, 2004, an additional charge of 0.1311 cents/m<sup>3</sup> will apply to all volumes delivered.

**(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 1.9%.

**(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, Customer will be charged 1.1838¢ per m<sup>3</sup> <sup>(1)</sup>. 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, Customer will be charged 36.0¢ per m<sup>3</sup>.

**Note** (1) During the period of May 1, 2004 to December 31, 2004, an additional charge of 0.1311 cents/m<sup>3</sup> will apply to all volumes delivered.



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**(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

January 1, 2004

O.E.B. ORDER # RP-2003-0063 – EB-2003-0087

Chatham, Ontario

Supersedes EB-2004-0210 Rate Schedule effective April 1, 2004.



**uniongas**

Effective  
2005/01/01  
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Page 1 of 2

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 or lower than the identified rates.

- 1) (i) A Monthly Demand Charge of 18.6884¢ per m<sup>3</sup> 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 0.4140¢ per m<sup>3</sup> for gas delivered and, if applicable,
- (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%.

**(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, Customer will be charged 1.0284¢ per m<sup>3</sup>. 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, Customer will be charged 36.0¢ per m<sup>3</sup>.



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**(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

January 1, 2005  
O.E.B. ORDER #RP-2003-0063

Chatham, Ontario

Supersedes EB-2004-0416 Rate Schedule effective October 1, 2004.



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 or lower than the identified rates.

1. (i) A Monthly Demand Charge of 17.2858¢ per m<sup>3</sup> 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 0.4615¢ per m<sup>3</sup> for gas delivered and, if applicable,

- (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%.

**(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 1.0298¢ per m<sup>3</sup>. 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<sup>3</sup>.





**uniongas**

Exhibit C3/C16/C33.1

Attachment 3

Effective  
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**(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

January 1, 2006  
O.E.B. ORDER # EB-2005-0531

Chatham, Ontario

Supersedes EB-2005-0462 Rate Schedule effective October 1, 2005.



**uniongas**

Exhibit C3/C16/C33.1

Attachment 3

Effective  
2007-01-01

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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 17.0902¢ per m<sup>3</sup> 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 .5367¢ per m<sup>3</sup>, a Delivery- Price Adjustment of (0.1253)¢ per m<sup>3</sup> 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%.

**(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 1.0986¢ per m<sup>3</sup>. 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<sup>3</sup>.



**uniongas**

Exhibit C3/C16/C33.1

Effective 3

2007-01-01

Rate M9

Page 2 of 2

**(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

January 1, 2007

O.E.B. ORDER # EB-2006-0502

Chatham, Ontario

Supersedes EB-2005-0520 Rate Schedule effective January 1, 2007.



**uniongas**

Exhibit C3/C16/C33.1  
Attachment 4

Effective  
2000-01-01  
Rate M10  
Page 1 of 1

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 or lower than the identified rates.

1. A delivery commodity charge of 3.0306¢ per m<sup>3</sup> for gas delivered and, if applicable,
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 in full is not made on or before the due date shown on the bill, a date not less than 16 days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

**(E) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver, and 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. Customers may reduce their assignment of upstream transportation capacity in compliance with Union's Turnback Policy.

**(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 8.7043¢ per m<sup>3</sup> for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup> 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-Service Receipt Contract with Union for delivery of gas to Union.

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

Effective January 1, 2000  
O.E.B. ORDER # RP-1999-0017

Chatham, Ontario

Supersedes EB-2001-0021 Rate Schedule effective March 1, 2001.



**uniongas**

Exhibit C3/C16/C33.1  
Attachment 4  
Effective  
2001-01-01  
**Rate M10**  
Page 1 of 1

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 or lower than the identified rates.

1. A delivery commodity charge of 3.4516¢ per m<sup>3</sup> for gas delivered and, if applicable,

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 in full is not made on or before the due date shown on the bill, a date not less than 16 days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

**(E) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver, and 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. Customers may reduce their assignment of upstream transportation capacity in compliance with Union's Turnback Policy.

**(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 9.1480¢ per m<sup>3</sup> for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup> 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-Service Receipt Contract with Union for delivery of gas to Union.

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

Effective January 1, 2001  
O.E.B. ORDER # RP-2001-0029 Chatham, Ontario

Supersedes EB-2002-0357 Rate Schedule effective July 1, 2002.



**uniongas**

Exhibit C3/C16/C33.1  
Attachment 4  
Effective  
2002-01-01  
**Rate M10**  
Page 1 of 1

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 or lower than the identified rates.

1. A delivery commodity charge of 3.1213¢ per m<sup>3</sup> for gas delivered and, if applicable,
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 two percent (2%) and the increased amount shall be due and payable thereafter.

**(E) Direct Purchase**

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver, and 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. Customers may reduce their assignment of upstream transportation capacity in compliance with Union's Turnback Policy.

**(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 8.4720¢ per m<sup>3</sup> for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup> 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-Service Receipt Contract with Union for delivery of gas to Union.

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

Effective January 1, 2002  
O.E.B. ORDER # RP-2001-0029 Chatham, Ontario  
Supersedes RP-2001-0029 Rate Schedule effective January 1, 2001.



**uniongas**

Effective  
2003-01-01  
**Rate M10**  
Page 1 of 1

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 or lower than the identified rates.

1. A Delivery Commodity Charge of 3.2262¢ per m<sup>3</sup> for gas delivered and, if applicable,
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 two percent (2%) and the increased amount shall be due and payable thereafter.

**(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 11.2805¢ per m<sup>3</sup> for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup> 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 January 1, 2003  
O.E.B. ORDER # RP-2002-0130 Chatham, Ontario

Supersedes EB-2003-0056 Rate Schedule effective May 1, 2003.



uniongas

Effective  
2004/01/01  
Rate M10  
Page 1 of 1

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 or lower than the identified rates.

1. A Delivery Commodity Charge of 3.4590¢ per m<sup>3</sup> (1) for gas delivered and, if applicable,
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".

Notes:

(1) During the period of May 1, 2004 to December 31, 2004, an additional credit of (0.5011) cents/m<sup>3</sup> will apply to all volumes delivered.

**(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 1.9%.

**(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 7.6047¢ per m<sup>3</sup> (2) for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup> for all gas supply volumes purchased.

Notes:

(2) During the period of May 1, 2004 to December 31, 2004, an additional credit of (0.0877) cents/m<sup>3</sup> will apply to all volumes delivered.

**(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 January 1, 2004

O.E.B. ORDER # RP-2003-0063 – EB-2003-0087

Chatham, Ontario

Supersedes EB-2004-0210 Rate Schedule effective April 1, 2004.





uniongas

Effective  
2005/01/01  
Rate M10  
Page 1 of 1

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 or lower than the identified rates.

1. A Delivery Commodity Charge of 3.0954¢ per m<sup>3</sup> for gas delivered and, if applicable,
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%.

**(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 6.7172¢ per m<sup>3</sup> for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup> 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 January 1, 2005  
O.E.B. ORDER # RP-2003-0063

Chatham, Ontario

Supersedes EB-2004-0416 Rate Schedule effective October 1, 2004.



**uniongas**

Exhibit C3/C16/C33.1  
Attachment 4  
Effective  
2006-01-01  
**Rate M10**  
Page 1 of 1

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 or lower than the identified rates.

1. A Delivery Commodity Charge of 2.7318¢ per m<sup>3</sup> for gas delivered and, if applicable,
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%.

**(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 6.5705¢ per m<sup>3</sup> for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup> 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 January 1, 2006  
O.E.B. ORDER # EB-2005-0531

Chatham, Ontario

Supersedes EB-2005-0462 Rate Schedule effective October 1, 2005.



uniongas

Exhibit C3/C16/C33.1  
Attachment 4

Effective  
2007-01-01  
Rate M10  
Page 1 of 1

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 2.6978¢ per m<sup>3</sup> 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%.

**(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 6.1010¢ per m<sup>3</sup> for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup> 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 January 1, 2007  
O.E.B. ORDER # EB-2005-0520

Chatham, Ontario

Supersedes EB-2006-0500 Rate Schedule effective October 1, 2006.

UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 11 - 12*

*Issue: 14.1 - Are there adjustments that should be made to base year revenue requirements and/or rates?*

***Question:***

*For each of the three transmission-related deferral accounts (179-69, 179-73 and 174-74) please provide the following for each year 1999 through 2006 inclusive in a format similar to Attachment #2 of Exhibit J14.36 in EB-2005-0520:*

- a) The actual revenue, costs, gross margin, Board approved amount and deferred margin for each of the three accounts.*
  - b) The corresponding Board Approved figures for each relevant year in the period 1999 through 2006.*
  - c) The corresponding Board Approved figures for 2007.*
- 

***Response:***

- a) to c) Please refer to the attached schedule.

Question: August 20, 2007  
Answer: September 4, 2007  
Docket: EB-2007-0606

Union Gas Limited  
Summary of Transactional Services by Account  
For the Years Ending December 31  
(\$'000's)

Line No.	Particulars	Actual								
		1999 (a)	2000 (b)	2001 (c)	2002 (d)	2003 (e)	2004 (f)	2005 (h)	2006 (i)	2007 (Est) (j)
<u>Total C1 Transportation Service Block</u> #179-69										
1	Revenue	4,289	7,139	5,903	12,525	10,546	11,851	7,421	7,964	8,202
2	Less: Costs	1,252	3,836	3,781	6,549	9,109	1,230	2,194	1,937	1,189
3	Gross Margin	3,037	3,303	2,122	5,976	1,437	10,621	5,227	6,027	7,013
4	Less: Board Approved	1,025	1,025	1,025	1,025	1,025	688	688	688	2,583
5	Deferred Margin	2,012	2,278	1,097	4,951	412	9,933	4,539	5,339	4,430
<u>Other S&amp;I Services</u> #179-73										
6	Revenue	1,201	1,715	1,737	3,770	(2,973)	1,089	1,115	1,048	1,013
7	Less: Costs	23	23	463	1,670	132	90	87	68	73
8	Gross Margin	1,178	1,692	1,274	2,100	(3,104)	999	1,029	980	940
9	Less: Board Approved	1,838	1,838	1,838	1,838	1,838	460	460	460	853
10	Deferred Margin	(660)	(146)	(564)	262	(4,942)	539	569	520	87
<u>Other Direct Purchase Services Deferral Account</u> #179-74										
6	Revenue			1,708	1,949	1,041	1,389	1,665	1,024	2,060
7	Less: Costs			619	1,449	462	230	666	527	1,060
8	Gross Margin									
9	Less: Board Approved	1,583 (1)	992 (1)	1,089	500	579	1,159	999	497	1,000
10	Deferred Margin	-	-	-	-	-	-	-	-	2,000
		1,583	992	1,089	500	579	1,159	999	497	(1,000)
<u>Total Deferred Revenue</u>										
11	Revenue (line 1 + line 6 + line 11 + line 16)			9,348	18,244	8,614	14,329	10,201	10,036	11,275
12	Less: Costs (line 2 + line 7 + line 12 + line 17)			4,863	9,668	9,703	1,550	2,946	2,532	2,322
13	Gross Margin (line 21 - line 22)	5,798	5,987	4,485	8,576	(1,089)	12,779	7,255	7,503	8,953
14	Less: Board Approved (line 4 + line 9 + line 14 + line 19)	2,863	2,863	2,863	2,863	2,863	1,148	1,148	1,148	5,436
15	Deferred Margin (line 23 - line 24)	2,935	3,124	1,622	5,713	(3,951)	11,631	6,107	6,355	3,517

Note:

(1) Union was unable to obtain the revenue and cost detail for 1999 and 2000.

UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 12*

*Issue: 14.1 - Are there adjustments that should be made to base year revenue requirements and/or rates?*

***Question:***

*The evidence refers to a \$7 million impact on rates of using the 20 year declining trend methodology.*

- a) Please provide all data and calculations used to calculate this figure. Where possible, please tie the data and calculations back to the information filed in EB-2005-0520 and provide the appropriate references.*
- b) Is the \$7 million the impact on rates before or after tax? Please provide a breakdown of the after-tax impact on rates, including the calculation of the incremental tax.*
- c) Please provide a breakdown of the total impact on rates by rate class.*
- d) Does the impact of the reduction in delivery volumes have any impact on the allocation of costs to rate classes where the volumes do not depend on the weather forecast? Please explain and provide the change in the allocation of costs by rate class, if appropriate.*
- e) Is there any impact, directly or indirectly, on the calculation of peak demands by rate class of moving to the 20 year trend methodology? Please provide the impact, if any, of the change in the allocation of costs by rate class related to the change in the relative peak demands of the rate classes.*

---

***Response:***

- a) Please see the attached schedule.*
- b) The impact on rates associated with moving to the 20-year trend weather methodology of \$6.197 million is before tax. Assuming a tax rate 36.12% the after*

Question: August 20, 2007

Answer: September 4, 2007

Docket: EB-2007-0606

tax impact is \$3.959

- c) The only rate classes impacted are Rate 01, Rate 10, M1 and M2. Please see part a) above.
- d) Union anticipates that there would be a minor impact on the allocation of costs to other rate classes if the delivery volume impacts resulting from the use of the 20 year declining trend method were incorporated into the 2007 cost allocation study. Union is not proposing to update its 2007 cost allocation study prior to implementing its proposed price cap plan.
- e) Moving to the 20 year declining trend method would have an indirect impact on design day demand as the forecast design day demand is estimated using forecast throughput information. The weather normalization method is one of the inputs used to prepare the throughput forecast.

Question: August 20, 2007

Answer: September 4, 2007

Docket: EB-2007-0606

UNION GAS LIMITEDM1, M2, R01, R10 Rate Impact due to Weather Normalization Methodology Change

Line No.	Particulars	Billing Units 103m3 (a)	Approved Revenue (\$000's) (b)	Approved Rates (cents/m3) (c)	Change in Rates (cents/m3) (d)	Impact to Rates (\$000's) (e)
<u>Rate M1: 2007 Approved Revenue &amp; Rates (1)</u>						
1	Monthly Customer Charge	11,761,016	188,176	\$ 16		
2	First 100 m3	942,287	51,148	5.4281		
3	Next 150 m3	787,238	40,534	5.1489		
4	All over 250 m3	1,132,740	50,838	4.4881		
5	Total M1 Delivery	2,862,265	<u>330,697</u>			
<u>Rate M1: Weather Methodology Change (2)</u>						
6	Monthly Customer Charge	11,761,016	188,176	\$ 16		
7	First 100 m3	921,326	51,148	5.5516	0.1235	1,138
8	Next 150 m3	769,727	40,534	5.2660	0.1171	901
9	All over 250 m3	1,107,542	50,838	4.5902	0.1021	1,131
10	Total M1 Delivery	2,798,595	<u>330,697</u>			<u>3,170</u>
<u>Rate M2: 2007 Approved Revenue &amp; Rates (1)</u>						
11	Monthly Customer Charge	83,737	5,862	\$ 70		
12	First 1,000 m3	77,186	2,825	3.6602		
13	Next 6,000 m3	375,176	13,469	3.5901		
14	Next 13,000 m3	308,414	10,427	3.3810		
15	All over 20,000 m3	339,726	10,634	3.1303		
16	Total M2 Delivery	1,100,502	<u>43,218</u>			
<u>Rate M2: Weather Methodology Change (2)</u>						
17	Monthly Customer Charge	83,737	5,862	\$ 70		
18	First 1,000 m3	75,469	2,825	3.7435	0.0833	63
19	Next 6,000 m3	366,830	13,469	3.6718	0.0817	300
20	Next 13,000 m3	301,554	10,427	3.4579	0.0769	232
21	All over 20,000 m3	332,169	10,634	3.2015	0.0712	237
22	Total M2 Delivery	1,076,022	<u>43,218</u>			<u>831</u>

## Notes

(1) EB-2005-0520, Rate Order, Working Papers, Schedule 21

(2) Volumes adjusted to reflect the change in weather normalization methodology.



UNION GAS LIMITED  
M1, M2, R01, R10 Rate Impact due to Weather Normalization Methodology Change

Line No.	Particulars	Billing Units 103m3 (a)	Approved Revenue (\$000's) (b)	Approved Rates (cents/m3) (c)	Change in Rates (cents/m3) (d)	Impact to Rates (\$000's) (e)
<u>Rate 01: 2007 Approved Revenue &amp; Rates (1)</u>						
1	Monthly Charge	3,548,064	56,769	\$ 16		
2	First 100 m3	206,995	19,122	9.2380		
3	Next 200 m3	289,457	25,000	8.6369		
4	Next 200 m3	138,617	11,380	8.2100		
5	Next 500 m3	132,078	10,326	7.8180		
6	Over 1,000 m3	138,164	10,354	7.4944		
7	Total Rate 01 Delivery	905,311	<u>132,952</u>			
<u>Rate 01: Weather Methodology Change (2)</u>						
8	Monthly Charge	3,548,064	56,769	\$ 16		
9	First 100 m3	201,848	19,122	9.4736	0.2356	475
10	Next 200 m3	282,260	25,000	8.8571	0.2202	622
11	Next 200 m3	135,170	11,380	8.4194	0.2094	283
12	Next 500 m3	128,794	10,326	8.0174	0.1994	257
13	Over 1,000 m3	134,728	10,354	7.6855	0.1911	257
14	Total Rate 01 Delivery	882,801	<u>132,952</u>			<u>1,894</u>
<u>Rate 10: 2007 Approved Revenue &amp; Rates (3)</u>						
15	Monthly Charge	35,539	2,488	\$ 70		
16	First 1000 m3	23,408	1,722	7.3562		
17	Next 9000 m3	144,913	8,484	5.8543		
18	Next 20000 m3	102,022	5,099	4.9979		
19	Next 70000 m3	70,063	3,117	4.4495		
20	Over 100000 m3	40,964	972	2.3725		
21	Total Rate 10 Delivery	381,370	<u>21,882</u>			
<u>Rate 10: Weather Methodology Change (2)</u>						
22	Monthly Charge	35,539	2,488	\$ 70		
23	First 1000 m3	23,044	1,722	7.4723	0.1161	27
24	Next 9000 m3	142,661	8,484	5.9467	0.0924	132
25	Next 20000 m3	100,436	5,099	5.0768	0.0789	79
26	Next 70000 m3	68,974	3,117	4.5197	0.0702	48
27	Over 100000 m3	40,327	972	2.4100	0.0375	15
28	Total Rate 10 Delivery	375,443	<u>21,882</u>			<u>301</u>
29	Total General Service					<u>6,197</u>

## Notes

(1) EB-2005-0520, Rate Order, Working Papers, Schedule 20

(2) Volumes adjusted to reflect the change in weather normalization methodology.

(1) EB-2005-0520, Rate Order, Working Papers, Schedule 6, Page 2

UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 17*

*Issue: 12.3.1- What should be the criteria for changes in rate design?*

***Question:***

*Union is proposing the flexibility to adjust the fixed monthly charges and the variable charge on a revenue neutral basis rather than apply the price cap equally to the fixed and variable charges.*

- a) Please confirm that Board Staff in the Staff Discussion Paper dated January 5, 2007 indicated that it believed that the price cap should be applied equally to the fixed and variable charges at the rate class level to maintain the current fixed/variable ratio.*
- b) Please explain how Union could ensure its' objective of rate stability and predictability for all customers under its proposal.*
- c) Assume a price cap of 2% and that Union increases the fixed monthly charge for the new M1 rate class by \$1 per month as part of the increase to an M1 customer. Please show the resulting impact on an M1 customer using 1,200 m3 per year, an M1 customer using 2,500 m3 per year and an M1 customer using 45,000 m3 per year.*
- d) Assume a price cap of 2% and that Union increases the fixed monthly charge for the new M2 rate class by \$5 per month as part of the increase to an M2 customer. Please show the resulting impact on an M2 customer using 50,000 m3 per year, an M2 customer using 100,000 m3 per year and an M2 customer using 250,000 m3 per year.*

---

**Response:**

- a) Confirmed.
- b) In the PCI formula proposed by Union, the inflation factor, GDP IPI FDD, changes annually but as described in Board Staff's discussion paper, (Appendix A of Union's

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evidence filed as Exhibit B, Tab 1, Table 1, p. 10) this inflation factor is less volatile than the other inflation factors included in Table 1 due to the exclusion of petroleum products, gas exports, and other price-volatile exports. The X factor would be known ahead of time and would not change during the term of the plan.

c) and d) Please see the attached Schedules.

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**RATE M1**  
**Bill Impacts at Various Consumption Levels**

	Assumption #1 Using current Rates Annual Bill (\$) (a)	Assumption #2 Price Cap & new MCC Annual Bill (\$) (b)	Annual Impact (\$) (c) = (b) - (a)	Percent Change (%) (d) = (b-a) / (a)
<b>Annual Consumption of 1,200 m<sup>3</sup></b>				
<b><u>Delivery Charges</u></b>				
Monthly Charge	192.00	204.00	12.00	
Delivery Commodity Charge	65.53	63.16	(2.37)	
Storage Services	12.33	12.58	0.25	
Total Delivery Charge	269.86	279.74	9.88	4%
<b>Annual Consumption of 2,500 m<sup>3</sup></b>				
<b><u>Delivery Charges</u></b>				
Monthly Charge	192.00	204.00	12.00	
Delivery Commodity Charge	130.50	125.79	(4.71)	
Storage Services	25.69	26.20	0.52	
Total Delivery Charge	348.19	355.99	7.80	2%
<b>Annual Consumption of 45,000 m<sup>3</sup></b>				
<b><u>Delivery Charges</u></b>				
Monthly Charge	192.00	204.00	12.00	
Delivery Commodity Charge	2,089.29	2,013.83	(75.47)	
Storage Services	462.38	471.65	9.27	
Total Delivery Charge	2,743.67	2,689.47	(54.20)	-2%

**RATE M2**  
**Bill Impacts at Various Consumption Levels**

	Assumption #1 Using current Rates Annual Bill (\$) (a)	Assumption #2 Price Cap & new MCC Annual Bill (\$) (b)	Annual Impact (\$) (c) = (b) - (a)	Percent Change (%) (d) = (b-a) / (a)
<b>Annual Consumption of 55,000 m<sup>3</sup> (1)</b>				
<b><u>Delivery Charges</u></b>				
Monthly Charge	840.00	900.00	60.00	
Delivery Commodity Charge	2,025.22	2,049.38	24.16	
Storage Services	415.69	424.00	8.31	
Total Delivery Charge	3,280.91	3,373.38	92.47	3%
<b>Annual Consumption of 100,000 m<sup>3</sup></b>				
<b><u>Delivery Charges</u></b>				
Monthly Charge	840.00	900.00	60.00	
Delivery Commodity Charge	3,619.23	3,662.42	43.19	
Storage Services	755.80	770.90	15.10	
Total Delivery Charge	5,215.03	5,333.32	118.29	2%
<b>Annual Consumption of 250,000 m<sup>3</sup></b>				
<b><u>Delivery Charges</u></b>				
Monthly Charge	840.00	900.00	60.00	
Delivery Commodity Charge	8,693.29	8,797.06	103.77	
Storage Services	1,889.50	1,927.25	37.75	
Total Delivery Charge	11,422.79	11,624.31	201.52	2%

**Notes:**

(1) Customers consuming 50,000 m<sup>3</sup> are not eligible for M2 rates. Union has provided a comparison using 55,000 m<sup>3</sup>.

UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 17*

*Issue: 12.3.1 - What should be the criteria for changes in rate design?*

***Question:***

*Union indicates that it does not believe that it is appropriate to apply the price cap to the fixed charges as it would result in a fixed monthly charge that is not a whole number.*

- a) What evidence does Union have that this matters to customers?*
  - b) Is Union aware that the electricity distributors in Ontario have monthly fixed charges that are not whole numbers?*
- 

**Response:**

- a) Please see interrogatory response provided at Exhibit C1.22.
- b) Yes.

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 17*

*Issue 12.3.1 - What should be the criteria for changes in rate design?*

***Question:***

- a) Does Union's proposal to adjust the fixed/variable split at different rates (on a revenue neutral basis) extend beyond the general service customers to contract demand charges for contract customers? Please explain why or why not.*
  - b) Please confirm that revenue neutrality as used in this evidence means revenue neutrality within each rate class.*
  - c) Please confirm that revenue neutrality within each rate class can result in substantially different rate increases to customers within a particular rate class.*
- 

***Response:***

- a) Yes. Union's proposal to adjust the split between fixed and variable cost recovery extends to the contract rate classes. As indicated at Exhibit B, Tab 1, p. 17 of Union's evidence;

"Union requires the flexibility to respond to a changing energy marketplace by developing, on a timely basis, new services and by making any necessary changes to existing services when required."

Union does not anticipate any significant shift in cost recovery within the contract rate classes since the majority of fixed costs are recovered through fixed charges.

Please see interrogatory response provided at Exhibit C1.21 b).

- b) Confirmed.
- c) In Union's experience small changes in fixed cost recovery do not result in significant customer impacts.

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 18 - 20*

*Issue: 1.1- What are the implications associated with a revenue cap, a price cap and other alternative multi-year incentive ratemaking frameworks?*

***Question:***

- a) What evidence does Union have that the regulatory administration and costs could be higher under a revenue cap than under a price cap?*
  - b) On what basis does Union believe that a price cap mechanism was intended by the Board in its NGF Report?*
  - c) What evidence does Union have that a price cap plan better aligns a utility's activities with customer interests as compared to a revenue cap plan?*
- 

**Response:**

- a) Revenue caps typically require either a deferral account to capture revenue variances relative to a threshold amount or regulatory review of a throughput forecast. Both of these items require more regulatory oversight than the application of a price cap formula which does not involve either item.
- b) On p. 27 of the NGF Report, the Board refers to a "price adjustment mechanism". Union also relies on the Board's September 11, 2006 letter (attached) which indicated that "a price cap has been determined as the appropriate form of incentive regulation".
- c) Please see interrogatory responses provided at Exhibits C1.1 and C1.2.

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**VIA E-MAIL AND WEB POSTING**

September 11, 2006

**To: All Natural Gas Utilities  
All Other Interested Parties**

**Re: Multi-year Incentive Rate Regulation for Natural Gas Utilities  
Board File No.: EB-2006-0209**

In its March 30, 2005 "Natural Gas Regulation in Ontario: A Renewed Policy Framework, Report on the Ontario Energy Board Natural Gas Forum" (the "NGF Report"), the Ontario Energy Board indicated that it would develop a multi-year incentive regulation methodology (the "IR Plan") for setting natural gas utility rates. The NGF Report established an overall framework for the IR Plan and identified key elements that would need to be elaborated before the IR Plan could be implemented.

The purpose of this letter is to describe the consultation process that the Board intends to use in relation to the development of certain elements of the IR Plan, and to invite interested parties to participate in this consultation.

**Overview and Scope of Project**

In the NGF Report, the Board noted that the IR Plan must meet the following criteria:

- it must establish incentives for sustainable efficiency improvements in the natural gas utility sector that benefit customers and shareholders;
- it must ensure appropriate quality of service for customers; and
- it must create an environment that is conducive to investment, to the benefit of customers and shareholders.

Because the IR Plan is intended to apply on a multi-year basis, it must be sustainable over the applicable term of the plan. It should also be able to be

applied uniformly (in terms of principles and methodology, but not necessarily the specific adjustments) to all natural gas utilities.

The following elements are not intended to be considered as part of this project as their treatment has previously been determined by the Board in the NGF Report, and in the generic Decision and Order on return on equity (RP-2002-0158):

- the form of incentive regulation: a price cap has been determined as the appropriate form of incentive regulation;
- earnings sharing: the Board has determined that there will not be earnings sharing;
- form of rebasing at plan termination: the Board has determined that a comprehensive cost-of-service rebasing review will be undertaken at plan termination; and
- matters in relation to the cost of capital.

The elements of the IR Plan that have yet to be addressed and that are included within this project are:

- the annual adjustment mechanism (i.e., inflation and productivity factors);
- the term of the IR Plan;
- the need for off-ramps and Z-factors;
- the reporting requirements that will apply during the term of the IR plan;
- the treatment of demand side management; and
- the need for other adjustments.

### **The Board's Approach**

Board staff will be conducting consultation sessions with interested stakeholders. This process will lead to the development of a staff Discussion Paper. Staff's Discussion Paper will also be informed by the expert advice of a consultant.

Interested parties will be invited to comment in writing on staff's Discussion Paper, and will be provided an opportunity to submit their own expert reports if they so choose. The Board will provide an opportunity for interested parties to make oral presentations, followed by a further opportunity to provide written comments.

Subsequent steps in the process of completing the IR Plan will be identified at a later date, as required.

## Timelines

Staff will start its consultations with interested parties by the first week of October, 2006. Details on the consultation sessions will be issued in due course. Staff's Discussion Paper is scheduled to be released by November 30, 2006, while written comments and expert reports from interested parties will be due early in January, 2007. The opportunity to make oral presentations and further written comments would be scheduled for February, 2007.

## Invitation to Participate and Cost Awards

The Board encourages participation in this process by interested parties. Those interested in participating should indicate their interest in writing by letter addressed to the Board Secretary at the Board's mailing address set out above by **September 25, 2006**.

Cost awards will be available to eligible persons under section 30 of the *Ontario Energy Board Act, 1998*. The costs to be awarded will be recovered from all rate-regulated natural gas utilities based on their respective distribution revenues. Appendix A contains further details regarding cost awards for this project. Any person intending to request an award of costs must file with the Board a written submission to that effect by **September 25, 2006**. The submission must be addressed to the Board Secretary at the Board's mailing address set out above. Rate-regulated natural gas utilities will be provided with an opportunity to object to any of the requests for cost award eligibility within fifteen days. Following this process, the Board will make a determination on the cost eligibility of the parties requesting an award of costs.

All filings to the Board in relation to this consultation must quote file number EB-2006-0209 and include your name, address, telephone number and, where available, an e-mail address and fax number. Three paper copies of each filing must be provided. The Board asks that interested parties make every effort to provide electronic copies of their filings, either on diskette or by e-mail to [Boardsec@oeb.gov.on.ca](mailto:Boardsec@oeb.gov.on.ca). The electronic copy should be in searchable, unsecured Adobe Acrobat (PDF), if available, or in Word.

This letter and all filings received by the Board in response will be available for public inspection on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca) and at the Board's office during normal business hours.

Yours truly,

***Original signed by***

Kirsten Walli  
Board Secretary

Attachment: Appendix A – Cost Awards

**Multi-year Incentive Rate Regulation for Natural Gas Utilities  
EB-2006-0209**

**Appendix A  
to Letter Dated September 11, 2006**

**Cost Awards**

**Eligibility**

The Board will determine eligibility for costs in accordance with its *Practice Direction on Cost Awards*. Any person intending to request an award of costs must file with the Board a written submission to that effect, identifying the nature of the person's interest in this process and the grounds on which the person believes that it is eligible for an award of costs, addressing the Board's cost eligibility criteria as set out in section 3 of the *Board's Practice Direction on Cost Awards*. An explanation of any other funding to which the person has access must also be provided, as should the name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known.

**Activities Eligible for Cost Awards**

*Consultations with Board Staff*

Cost awards will be available in relation to consultations with Board staff prior to the issuance of staff's Discussion Paper. Specifically, costs will be available for attendance at meetings with Board staff and for time spent in preparation for the meetings. Preparation time will be limited to 125% of attendance time.

*Written Comments and Oral Presentations*

Cost awards will be available in relation to written comments on the staff Discussion Paper (including the preparation of expert reports) and to oral presentations. The number of hours for which cost awards will be made available in relation to these activities will be determined at a later date.

**Cost Awards**

When determining the amount of the cost awards, the Board will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the Board's Cost Awards Tariff will also be applied.

The Board expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process.

UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 20*

*Issue 12.4.1 - Should the charges for these services be included in the IR mechanism?*

***Question:***

- a) Please provide a complete list of all the unregulated services that are currently provided by Union that the company thinks the price cap should not apply to.*
- b) For each such service, please provide a short explanation as to why the price cap should be applied to that service.*
- c) If Union proposes a new service during the term of the IR plan, how does Union propose that the determination of whether it is a regulated or unregulated service be made?*
- d) Will Union commit to bring forward all new services to the Board for a determination of whether the service should be regulated or not? Does Union further agree that the burden of proof is on the utility to justify that a particular service is unregulated?*
- e) As a regulated entity, does Union believe it should be allowed to provide unregulated services? Please explain.*
- f) Please provide an example of an unregulated service that is not currently provided by Union that could be provided in the future.*

---

***Response:***

- a) & b) There are both regulated and unregulated services that Union is proposing that the price cap formula not apply to. The price cap would not apply to unregulated services because by their very nature, the Board does not negotiate the price of these services. They are unregulated.

Regulated: Union is proposing not to apply the price cap to the non-energy charges identified on Appendix I of Exhibit B, Tab 1 of Union's evidence. Union

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does not propose to apply the price cap to these services for the reasons identified on p. 41 of Exhibit B, Tab 1 of Union's evidence.

The price cap would also not apply to regulated services provided at market sensitive prices within Board approved ranges (e.g. interruptible transportation). As these services are already being provided at market sensitive prices, it would not be possible to increase the price of the service above what Union is already charging.

Unregulated: Storage services provided to ex-franchise customers and new storage services provided to in-franchise and ex-franchise customers are unregulated as a result of the Board's November 7, 2006 NGEIR Decision.

In the past Union has obtained revenue from leasing space in our North York offices or providing a line locate service to Bell Canada. As identified in the attached interrogatory from the EB-2005-0520 proceeding (Exhibit J13.16), these services have been discontinued but had they remained Union would not be applying the price cap to these services.

- c) As in the past, Section 36 of the OEB Act and prior Board decisions will be relied upon to determine whether a service is regulated or unregulated.
- d) No. One of the objectives of incentive regulation Union identified in its evidence at p. 6 of Exhibit B, Tab 1 was flexibility and accountability – “the ratemaking framework should provide the utility with the freedom to make and be accountable for certain pricing and service decisions without undue regulatory intervention”. Union does not believe that bringing forward all new services for a determination of the Board of whether the service should be regulated or not would be efficient or consistent with past practice. It is the utility's responsibility to ensure that it is not violating the OEB Act or being inconsistent with past decisions of the Board. In the past, if there was uncertainty around whether a service was regulated or not, Union would seek clarity from the Board. Union does not see this changing.
- e) Yes. For example, Union should be permitted to provide storage services to ex-franchise customers. Union notes that the undertakings it has with the LGIC prohibits Union from entering into business activities other than the transmission, distribution or storage of gas, without prior approval of the Board. As a result of this constraint, Union has been applying to the Board for approval to provide commodity sales service to in-franchise customers (system sales) and ABC-T service.
- f) An example would be new storage services which are unregulated by virtue of the Board's NGEIR decision.

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UNION GAS LIMITED

Answer to Interrogatory from  
Industrial Gas Users Association ("IGUA")

Reference: C1/T4/pp.1 & 2; C3/T3/S1; C5/T3/S1

*Issue 2.5 - Is the proposed total 2007 Other Revenue Forecast appropriate given that it represents a decrease from the 2005 estimate?*

***Question:***

*Union is forecasting a decrease in its "Other Revenue" for 2007 of about \$13 million from the Board approved and actual "Other Revenue" realized in 2004. The evidence indicates that Union ceased to provide services "for line locates, rental income and mid-market transactions" which generated \$7.6 million more "Other Revenue". Please provide the following information:*

*What are the facts upon which Union relies to support the conclusion that it was prudent for it cease providing services which generated about \$7.6 million more of "Other Revenue"?*

---

**Response:**

- 1) Rental Income decreases due to the expiry of leases in North York in November 2005.
- 2) Line Locate Service: Bell Canada notified Union of their plans to transfer the work to another service provider, as Union's cost to provide the service was too high. Since Union was unable to provide a lower price, a decision was made to discontinue providing that service.
- 3) Please refer to Exhibit J7.01 h) for mid-market transaction details.

Witness: Ken Horner / Pat Elliott  
Question: March 15, 2006  
Answer: April 4, 2006  
Docket: EB-2005-0520

UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 11*

*Issue: 14.1- Are there adjustments that should be made to base year revenue requirements and/or rates?*

***Question:***

*Union has not proposed any reductions in regulatory and OEB cost amortizations despite proposing a five year term during which there would not be any cost of service application.*

- a) Please provide the OEB cost assessment amounts that have been recovered through rates in each year in the time period from 2000 through 2007.*
- b) Has Union had any discussions with the Board about a reduced OEB cost assessment given that IR should substantially reduce the costs at the OEB for regulating the natural gas sector? If not, why not?*
- c) Please provide a detailed breakdown of the remaining regulatory costs that are included in the Board Approved revenue requirement for 2007 (eg. Rate case costs, other proceedings, etc.).*
- d) Union's EB-2005-0520 evidence (at Exhibit D1, Tab 2, page 5) indicated that the entire cost associated with the 2007 rates proceeding would be recovered in 2007 rates rather than amortized over 2 years as was the past practice, to align with Generally Accepted Accounting Principles (GAAP). Please provide the amount specific to this item included in 2007 rates.*
- e) Union's EB-2005-0520 evidence (at Exhibit D1, tab 2, page 5) indicates that in 2005 and 2006 the increase in costs related to the OEB cost assessment were subject to deferral and Union proposed to include these costs in rates and eliminate the deferral account. Were these deferred costs included in 2007 rates? What was the total amount included in 20-07 rates from this deferral account?*
- f) Did Union include the amortization of any other costs incurred in previous years in the 2007 regulatory costs? If yes, please identify and quantify. After 2007 are there any remaining regulatory costs being amortized? If yes, please identify and quantify.*

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**Response:**

- a) During the 2000 through 2007 period, Union's rates were set under a cost of service regulatory framework for 2004 and 2007 only. The value of OEB cost assessments included in rates was \$1.8 million and \$3.7 million respectively for 2004 and 2007.
- b) No. There was no reason to have discussions with the Board. It does not appear to Union that the Board's fixed costs will change materially as a result of the Board implementing incentive regulation in the gas sector.
- c) Regulatory costs (rate proceedings and other proceedings) included in 2007 rates were as follows:

2007 rates proceeding	\$2.3 million
Other proceedings	<u>\$1.0 million</u>
Total	<u>\$3.3 million</u>

- d) Union agreed to modify its proposal (amount and timing of recovery) as part of the EB-2005-0520 ADR settlement agreement. Please see p.17 of the ADR settlement agreement attached for the requested information.
- e) The historical OEB cost assessment variances that were subject to deferral were disposed of when other delivery related deferral account balances were disposed of. The disposition of deferral account balances does not form part of 2007 rates.
- f) Please see responses provided to questions above. There were no previous years' costs included in 2007 rates. The costs of Union's 2007 rates proceeding were amortized over two years as per the ADR settlement agreement.

**EB-2005-0520**

**UNION GAS LIMITED**

**SETTLEMENT AGREEMENT**

**May 15, 2006**

1. D1/T2/p2, T3
2. J1.33, J1.34, J1.35, J1.36, J1.37, J1.38, J1.39, J3.19, J3.20, J3.21, J6.38, J13.01, J13.23, , J13.24, J21.14, J29.21

**3.5 IS THE PROPOSED 2007 AMOUNT TO BE RECOVERED IN AFFILIATE SERVICES APPROPRIATE?**

(Complete Settlement)

See Section 3.3

Evidence References:

1. D1/T2/p3, T8
2. J1.40, J1.41, J1.42, J1.43, J1.44, J1.45, J1.47, J1.48, J1.49, J1.50, J1.51, J6.39, J6.40, J6.41, J7.03, J13.01, J13.25, J13.26, J14.53, J14.54, J21.15, J21.16, J29.22, J29.23, J29.24, J29.25, J29.26, J29.27, J29.28, J29.29, J20.30

**3.6 IS THE INCREASE IN CUSTOMER GROWTH RELATED COSTS APPROPRIATE?**

(Complete Settlement)

See Section 3.3

Evidence References:

1. D1/T2/p4
2. J3.22, J7.04, J13.01, J25.02, J29.31

**3.7 IS THE ASSUMPTION FOR INFLATION RELATED COST INCREASES APPROPRIATE?**

(Complete Settlement)

See Section 3.3

Evidence References:

1. D1/T2/p4
2. J1.52, J3.23, J13.01

**3.8 IS THE INCREASE IN REGULATORY AND OEB RELATED COSTS APPROPRIATE?**

(Complete Settlement)

The parties agree that Union shall reduce its 2007 regulatory cost forecast by \$1.4 million to reflect a reduction in the OEB cost assessment from \$5.1 million to \$3.7 million and by a further \$2.3 million to reflect a two year amortization (2007 and 2008) of the forecast \$4.6 million hearing cost. In support of the two year hearing amortization settlement, the parties agree that the rate order that implements new rates effective January 1, 2007 should specify that the Board orders the two year amortization.

The following parties agree with the settlement of this issue: CME, FONOM & the Cities, CCK, CCC, Energy Probe, IGUA, LPMA, LIEN, SEC, VECC, WGSPG

The following parties take no position on this issue: Coral, EGD, OAPPA, OESLP, Sithe, SEM, TransAlta, TCPL

**Evidence References:**

1. D1/T2/p5; D3/T3/S3
2. J1.53, J1.54, J1.55, J6.43, J6.44, J13.01, J14.48

**3.9 IS THE INCREASE IN BAD DEBT RELATED COSTS APPROPRIATE?**

(Complete Settlement)

See Section 3.3

**Evidence References:**

1. D1/T2/p5
2. J3.24, J7.05, J13.01, J14.49, J21.17

**3.10 IS THE INCREASE IN INTEGRITY MANAGEMENT PROGRAM (IMP) COST APPROPRIATE?**

(Complete Settlement)

See Section 3.3

**Evidence References:**

1. B1/T6; D1/T2/p7
2. J3.07, J13.01, J14.16

UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 22 – 23*

*Issue 2.3 - How often should the Board update the inflation factor?*

***Question:***

*The evidence indicates that the simple average of the actual annualized changes for the last four quarters should be used and that the four quarters would be the those quarters ending June, March, the previous December and the previous September. Please confirm the following:*

- a) For the inflation factor to be used to determine rates effective January 1, 2008 the quarterly data would from the quarters ending in June 2007 and June 2006, March 2007 and March 2006, December 2006 and December 2005, and September 2006 and September 2005. If not, please specify.*
- b) If the most recent quarter to be used was September 2007, which would be available in late November, 2007, Union could not change rates in time for a January 1, 2008 implementation date.*
- c) Please verify that the following calculation is correct in describing what Union refers to as the simple average of the actual annualized changes for the last four quarters. If not please use the GDPIPI FDD figures provided to show the calculation that Union proposes. Please note that the GDPIPI FDD figures are for illustration purposes only.*

<i>Year – Quarter – Value</i>	<i>Year – Quarter – Value</i>	<i>Year over Year % Change</i>
<i>2007 – Q2 – 109.6</i>	<i>2006 – Q2 – 107.2</i>	<i>2.2388 %</i>
<i>2007 – Q1 – 109.0</i>	<i>2006 – Q1 – 107.0</i>	<i>1.8692 %</i>
<i>2006 – Q4 – 108.0</i>	<i>2005 – Q4 – 105.9</i>	<i>1.9830 %</i>
<i>2006 – Q3 – 107.6</i>	<i>2005 – Q3 – 105.8</i>	<i>1.7013 %</i>
<i>Average</i>		<i>1.9481 %</i>

- d) Please confirm that Union would round the estimate above to decimal place, i.e. 1.95% in the example provided in (c) above.*

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- e) *Union indicates that there should be no true-ups to the calculation to reflect GDPPI restatements from Statistics Canada. Please provide the rationale for this.*
  - f) *Has Union done any research to determine if the revised figures from Statistics Canada are generally lower or higher than the originally published figures? Please confirm that if the figures are generally revised downwards, the impact is that the cumulative inflation figures used for the price cap will be higher than the inflation actually recorded over the period.*
- 

**Response:**

- a) Confirmed.
- b) As noted in Union's evidence, Exhibit B, Tab 1, Page 23, "a fall adjustment would therefore reflect the simple average of the actual annualized changes for the four quarters ending, June, March and the previous December and September". For 2008 rates, the most recent quarter used will be June 2007.
- c) The calculation presented in the table is correct. Union accepts that the figures are for illustration purposes only.
- d) Union Gas would round to 2 decimal points.
- e) Using an annualized approach (i.e., average of the annual changes for the last four quarters) minimizes the impact of the revisions in a particular quarter. What Union is proposing is identical to the Board's finding in Union's trial PBR plan (RP-1999-0017, Decision, para. 2.248).
- f) Union has examined the Statistics Canada GDP IPI FDD inflation data to determine if there is a bias present in the preliminary reported data. Union has found that the original or preliminary estimate compared to the final underestimates actual inflation by about 10 percent, which is 0.2 percentage points or 20 basis points. The table below provides the comparison. The data in the table is according to 1997 base year. Statistics Canada rebased in 2005 to a 2002 base year.

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<b>GPI IPI FDD</b>	<b>Preliminary Estimate</b>	<b>Final Estimate</b>	<b>Difference Preliminary</b>	<b>Final - Per Cent Adjustment</b>	<b>Annual Average</b>
First quarter 2002	107.5	107.7	0.2	0.2%	
Second quarter 2002	108.2	108.4	0.2	0.2%	
Third quarter 2002	108.9	109.1	0.2	0.2%	
Fourth quarter 2002	109.5	110.3	0.8	0.7%	0.3%
First quarter 2003	110.2	110.7	0.5	0.5%	0.4%
Second quarter 2003	109.9	110.3	0.4	0.4%	0.4%
Third quarter 2003	110.4	110.8	0.4	0.4%	0.5%
Fourth quarter 2003	110.5	111.1	0.6	0.5%	0.4%
First quarter 2004	111.6	111.7	0.1	0.1%	0.3%
Second quarter 2004	112.7	112.9	0.2	0.2%	0.3%
Third quarter 2004	112.9	113.0	0.1	0.1%	0.2%
Fourth quarter 2004	113.1	113.0	-0.1	-0.1%	0.1%
First quarter 2005	113.8	113.7	-0.1	-0.1%	0.0%
Second quarter 2005	114.5	114.6	0.1	0.1%	0.0%
Third quarter 2005	115.1	115.1	0.0	0.0%	0.0%
Fourth quarter 2005	115.2	115.1	-0.1	-0.1%	0.0%
First quarter 2006	115.7	116.3	0.6	0.5%	0.1%
Second quarter 2006	116.4	116.5	0.1	0.1%	0.1%
Third quarter 2006	116.9	117.0	0.1	0.1%	0.1%
Fourth quarter 2006	117.4	117.4	0.0	0.0%	0.2%
<b>AVERAGE</b>				<b>0.2%</b>	<b>0.2%</b>

Source : Statistics Canada

Note: 4th Quarter 2005 - to 4th quarter 2006 adjusted to match base 1997=100

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 27*

*Issue 4.2 - How should the impact of changes in average use be calculated?*

***Question:***

*The evidence makes reference to the utility being at risk for the acceleration in declining average use which has been Union's most recent experience.*

- a) Please provide the basis for the assumption of acceleration in declining average use.*
  - b) Could the risk of an acceleration or deceleration in declining average use be reduced if the adjusted AU factor is adjusted annually based on a moving average of the change in average use? If no please explain.*
- 

**Response:**

- a) Please see interrogatory response provided at Exhibit C32.13.
- b) Please see interrogatory response provided at Exhibit C1.21.

UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 28 – 31*

*Issue 4.2 - How should the impact of changes in average use be calculated?*

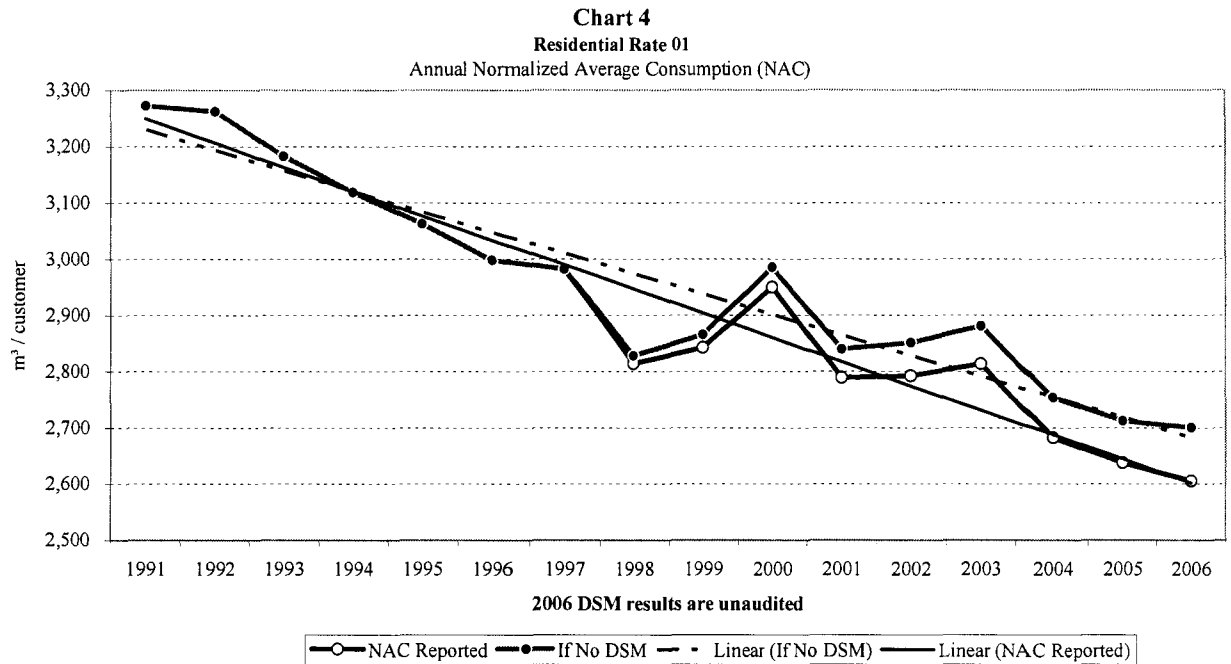
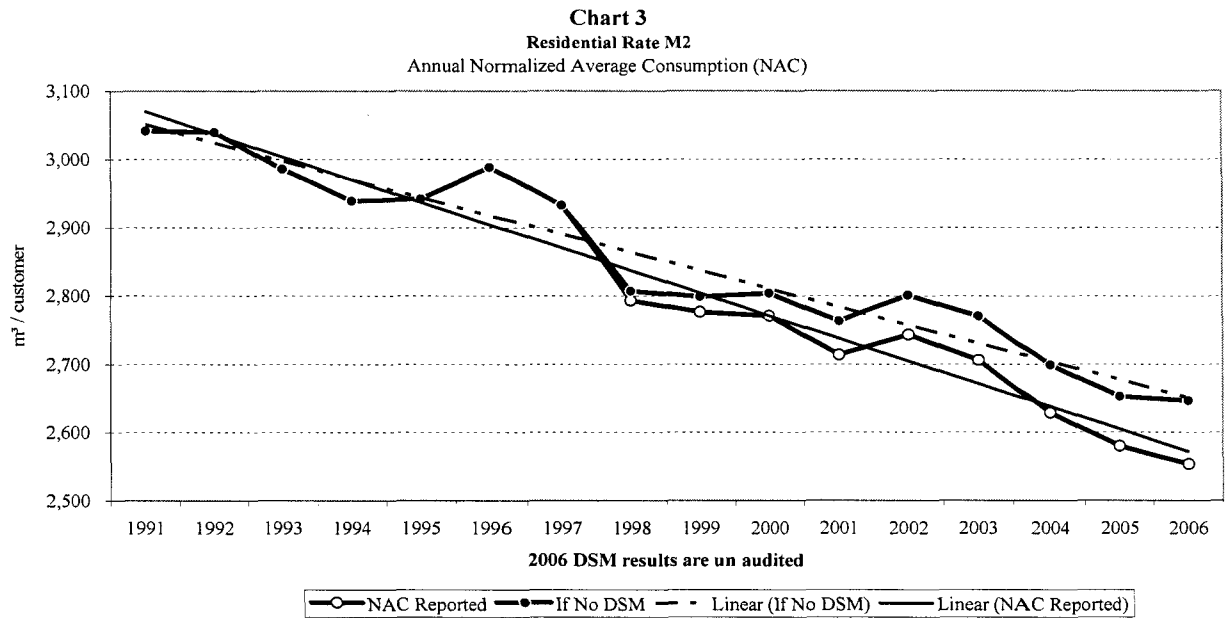
***Question:***

- a) Please replicate Charts 3 through 9 using data back to 1991 for the reported NAC and, if available, the If No DSM line through 2006. Please add to each of these charts a simple trend line based on the reported NAC. If the reported NAC figures used for these charts for 1991 through 2004 is different from that filed in Exhibit C1, Tab 1, Appendix A, page 4 of 11 in EB-2005-0520, please explain.*
- b) Please provide all the data used in part (a) above in tabular format that corresponds to each chart and include in each table a line showing the percentage change from one year to another.*
- c) Please provide separate charts and tables based on the composition of the new rate classes M1 and M2 for each of the residential, commercial and industrial classes of customers.*

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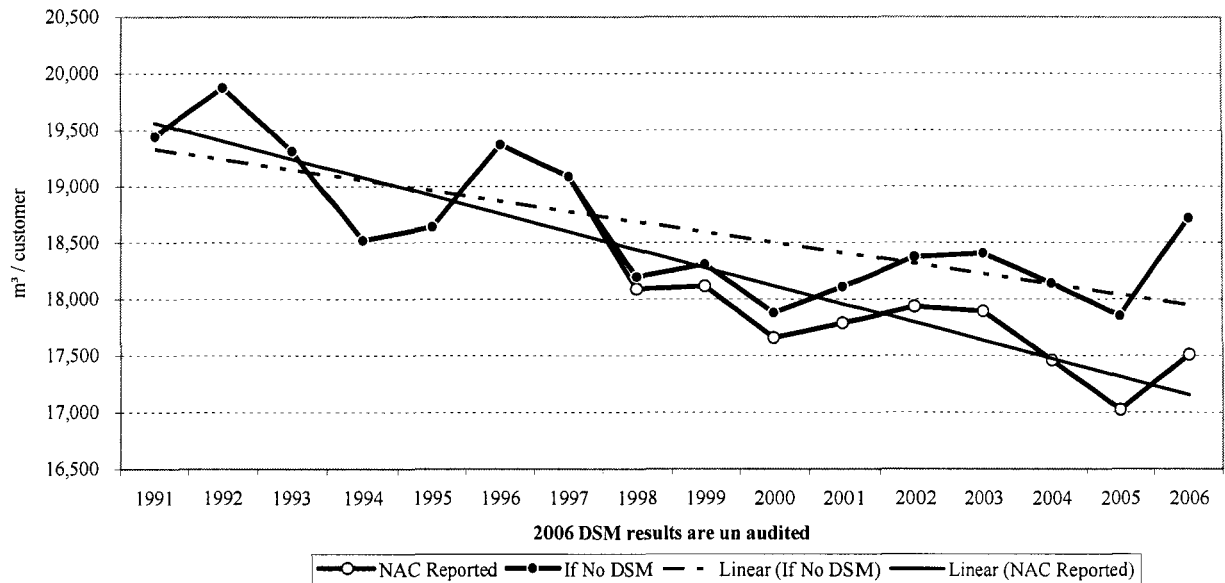
***Response:***

- a) See attached charts.

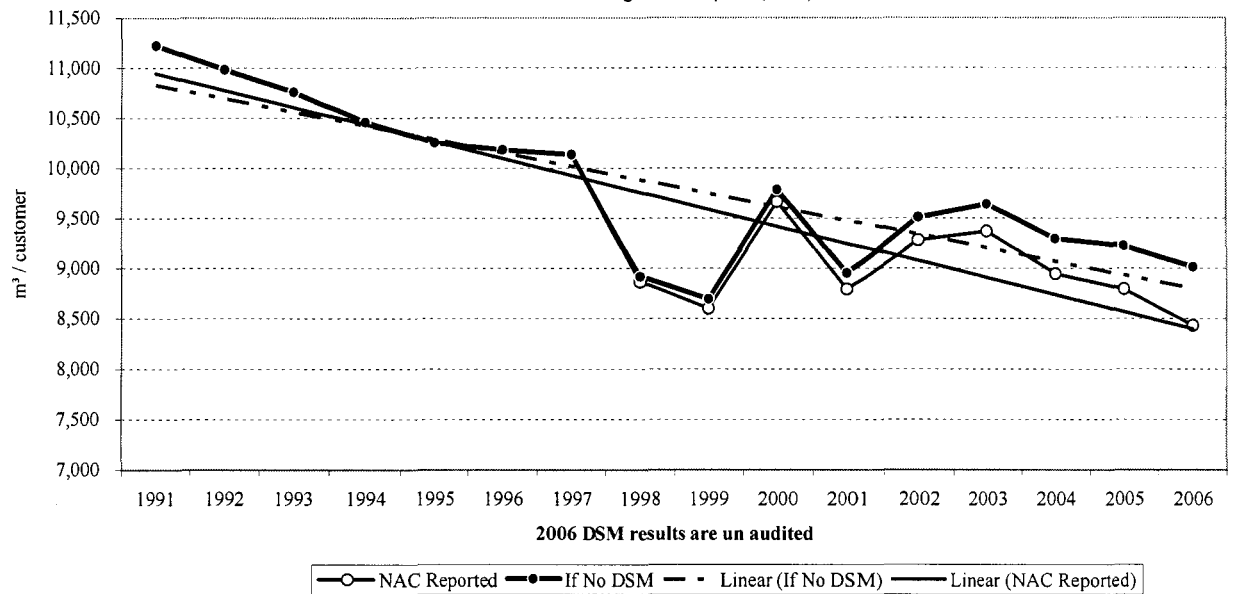


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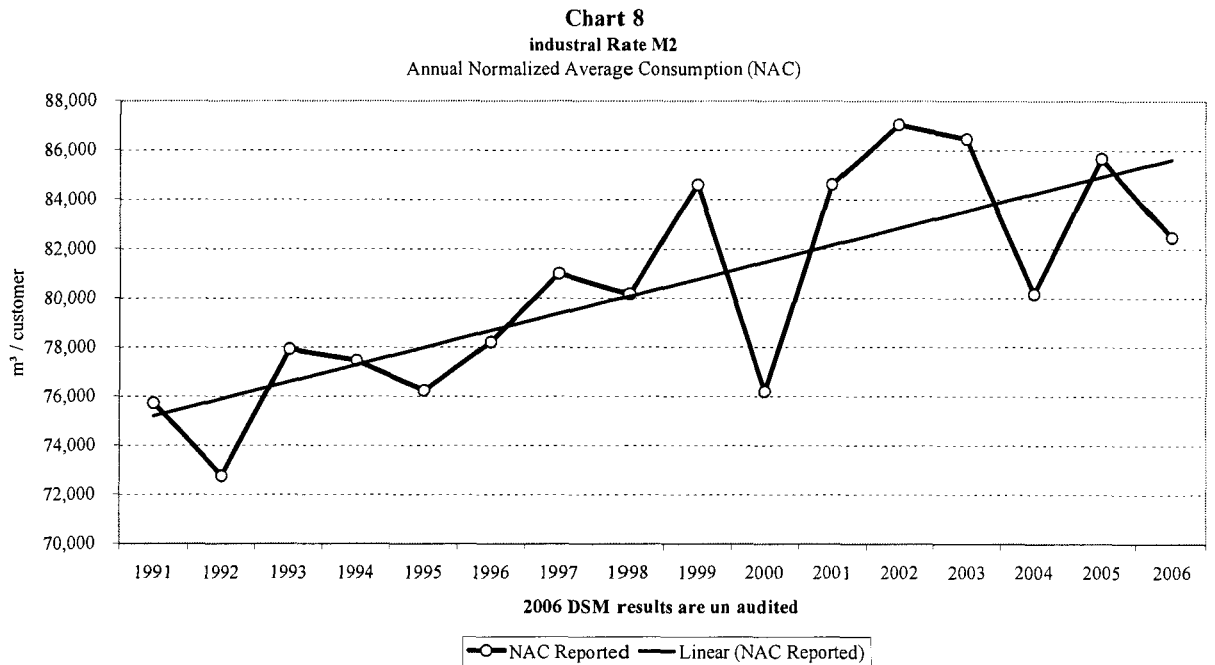
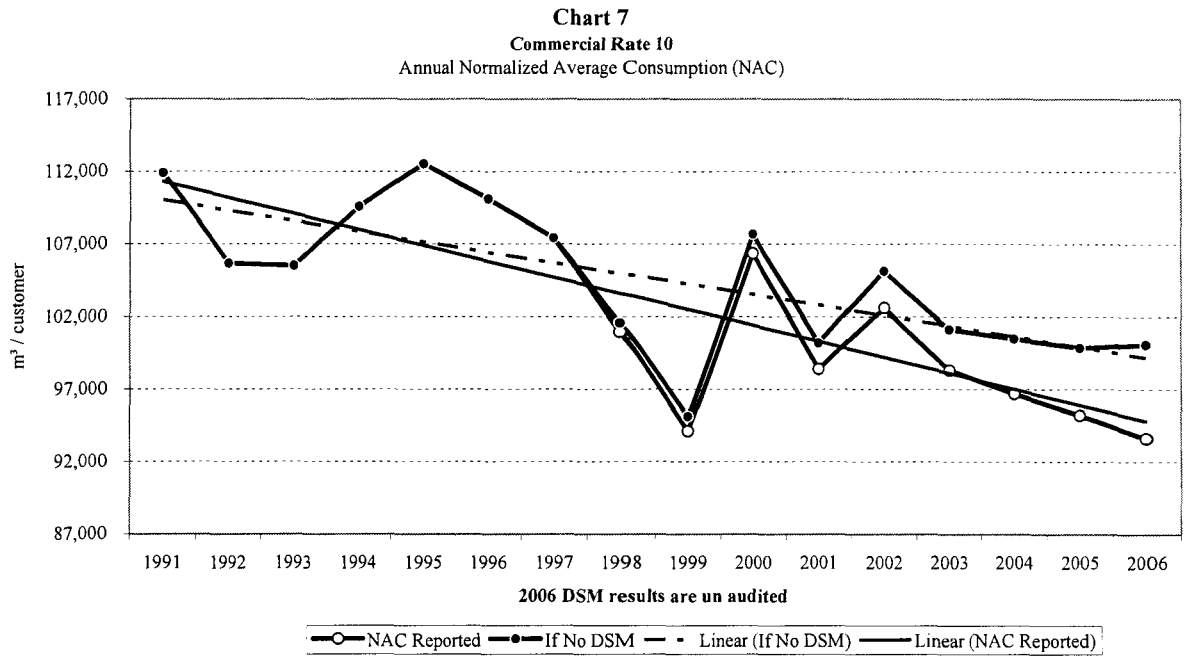
**Chart 5**  
**Commercial Rate M2**  
Annual Normalized Average Consumption (NAC)



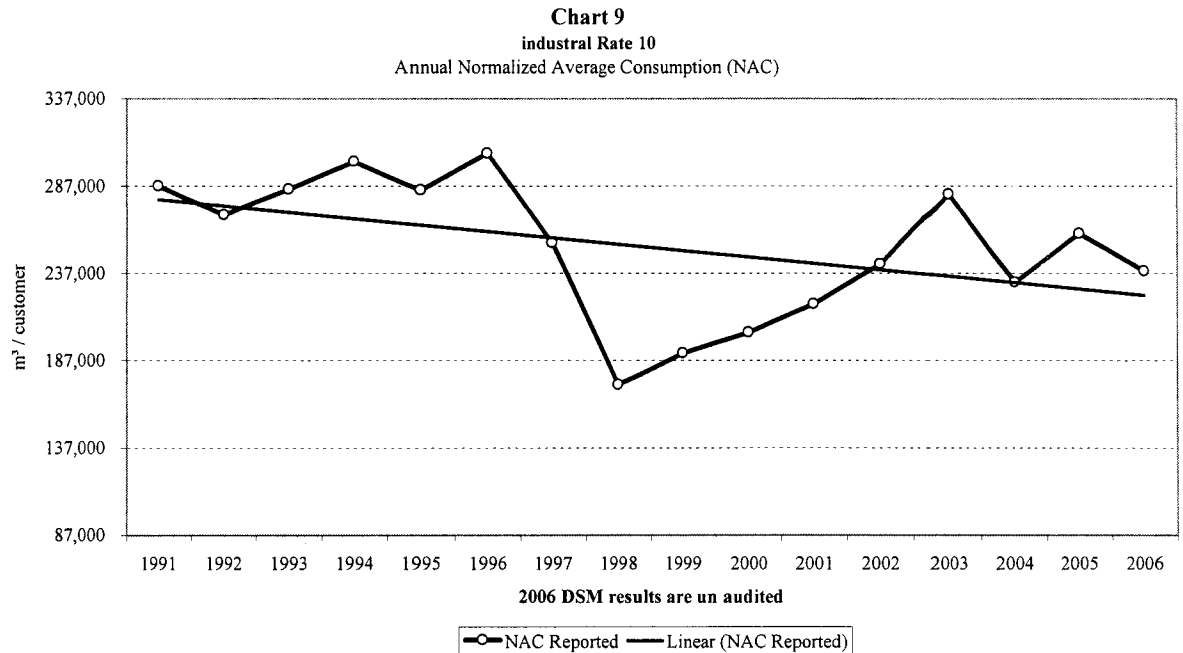
**Chart 6**  
**Commercial Rate 01**  
Annual Normalized Average Consumption (NAC)



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- b) The NACs presented below is the NAC data presented in charts 3 through 9. These NAC estimates span the 1991 to 2006 period. The actual usage was normalized according to the 2006 weather normal which was the blended 70:30 normal. Changing the normal to the 55:45 would simply scale the estimate down slightly but maintain the same relationship between the reported NAC and the NAC estimate if no DSM was present.

Normalized Avg. Consumption: m<sup>3</sup> / customer

Res M2 Year	NAC Reported	Yr. / Yr. % Ch.	Trend	Yr. / Yr. % Ch.	If No DSM	Yr. / Yr. % Ch.	Trend	Yr. / Yr. % Ch.
1991	3,042		3,070		3,042		3,051	
1992	3,040	-0.1%	3,037	-1.1%	3,040	-0.1%	3,024	-0.9%
1993	2,986	-1.8%	3,004	-1.1%	2,986	-1.8%	2,998	-0.9%
1994	2,940	-1.5%	2,971	-1.1%	2,940	-1.5%	2,971	-0.9%
1995	2,943	0.1%	2,937	-1.1%	2,943	0.1%	2,944	-0.9%
1996	2,988	1.6%	2,904	-1.1%	2,988	1.6%	2,918	-0.9%
1997	2,933	-1.8%	2,871	-1.1%	2,933	-1.8%	2,891	-0.9%
1998	2,793	-4.8%	2,838	-1.2%	2,807	-4.3%	2,864	-0.9%
1999	2,777	-0.6%	2,805	-1.2%	2,799	-0.3%	2,838	-0.9%
2000	2,771	-0.2%	2,771	-1.2%	2,804	0.2%	2,811	-0.9%
2001	2,714	-2.1%	2,738	-1.2%	2,763	-1.5%	2,784	-0.9%
2002	2,744	1.1%	2,705	-1.2%	2,801	1.4%	2,758	-1.0%
2003	2,706	-1.4%	2,672	-1.2%	2,771	-1.1%	2,731	-1.0%
2004	2,629	-2.9%	2,638	-1.2%	2,699	-2.6%	2,704	-1.0%
2005	2,580	-1.9%	2,605	-1.3%	2,653	-1.7%	2,678	-1.0%
2006	2,554	-1.0%	2,572	-1.3%	2,647	-0.2%	2,651	-1.0%

Normalized Avg. Consumption: m<sup>3</sup> / customer

Res 01 Year	NAC Reported	Yr. / Yr. % Ch.	Trend	Yr. / Yr. % Ch.	If No DSM	Yr. / Yr. % Ch.	Trend	Yr. / Yr. % Ch.
1991	3,273		3,250		3,273		3,230	
1992	3,262	-0.3%	3,207	-1.3%	3,262	-0.3%	3,194	-1.1%
1993	3,183	-2.4%	3,163	-1.3%	3,183	-2.4%	3,157	-1.1%
1994	3,119	-2.0%	3,120	-1.4%	3,119	-2.0%	3,121	-1.2%
1995	3,063	-1.8%	3,077	-1.4%	3,063	-1.8%	3,084	-1.2%
1996	2,999	-2.1%	3,034	-1.4%	2,999	-2.1%	3,048	-1.2%
1997	2,983	-0.5%	2,990	-1.4%	2,983	-0.5%	3,011	-1.2%
1998	2,814	-5.6%	2,947	-1.4%	2,828	-5.2%	2,975	-1.2%
1999	2,843	1.0%	2,904	-1.5%	2,866	1.3%	2,938	-1.2%
2000	2,950	3.8%	2,861	-1.5%	2,986	4.2%	2,902	-1.2%
2001	2,789	-5.4%	2,818	-1.5%	2,840	-4.9%	2,865	-1.3%
2002	2,793	0.1%	2,774	-1.5%	2,851	0.4%	2,829	-1.3%
2003	2,814	0.8%	2,731	-1.6%	2,881	1.0%	2,792	-1.3%
2004	2,682	-4.7%	2,688	-1.6%	2,754	-4.4%	2,756	-1.3%
2005	2,638	-1.7%	2,645	-1.6%	2,712	-1.5%	2,719	-1.3%
2006	2,605	-1.2%	2,602	-1.6%	2,701	-0.4%	2,683	-1.3%

Normalized Avg. Consumption: m<sup>3</sup> / customer

Comm M2 Year	NAC Reported	Yr. / Yr. % Ch.	Trend	Yr. / Yr. % Ch.	If No DSM	Yr. / Yr. % Ch.	Trend	Yr. / Yr. % Ch.
1991	19,444		19,563		19,444		19,333	
1992	19,875	2.2%	19,402	-0.8%	19,875	2.2%	19,240	-0.5%
1993	19,313	-2.8%	19,242	-0.8%	19,313	-2.8%	19,148	-0.5%
1994	18,521	-4.1%	19,081	-0.8%	18,521	-4.1%	19,056	-0.5%
1995	18,641	0.6%	18,920	-0.8%	18,641	0.6%	18,963	-0.5%
1996	19,373	3.9%	18,759	-0.8%	19,373	3.9%	18,871	-0.5%
1997	19,089	-1.5%	18,599	-0.9%	19,089	-1.5%	18,779	-0.5%
1998	18,090	-5.2%	18,438	-0.9%	18,198	-4.7%	18,687	-0.5%
1999	18,115	0.1%	18,277	-0.9%	18,308	0.6%	18,594	-0.5%
2000	17,658	-2.5%	18,117	-0.9%	17,878	-2.3%	18,502	-0.5%
2001	17,788	0.7%	17,956	-0.9%	18,112	1.3%	18,410	-0.5%
2002	17,935	0.8%	17,795	-0.9%	18,376	1.5%	18,317	-0.5%
2003	17,892	-0.2%	17,634	-0.9%	18,407	0.2%	18,225	-0.5%
2004	17,459	-2.4%	17,474	-0.9%	18,141	-1.4%	18,133	-0.5%
2005	17,020	-2.5%	17,313	-0.9%	17,852	-1.6%	18,040	-0.5%
2006	17,510	2.9%	17,152	-0.9%	18,719	4.9%	17,948	-0.5%

Normalized Avg. Consumption: m<sup>3</sup> / customer

Comm 01 Year	NAC Reported	Yr. / Yr. % Ch.	Trend	Yr. / Yr. % Ch.	If No DSM	Yr. / Yr. % Ch.	Trend	Yr. / Yr. % Ch.
1991	11,224		10,947		11,224		10,832	
1992	10,985	-2.1%	10,777	-1.6%	10,985	-2.1%	10,696	-1.3%
1993	10,762	-2.0%	10,607	-1.6%	10,762	-2.0%	10,561	-1.3%
1994	10,460	-2.8%	10,437	-1.6%	10,460	-2.8%	10,425	-1.3%
1995	10,255	-2.0%	10,267	-1.6%	10,255	-2.0%	10,290	-1.3%
1996	10,185	-0.7%	10,098	-1.7%	10,185	-0.7%	10,154	-1.3%
1997	10,136	-0.5%	9,928	-1.7%	10,136	-0.5%	10,019	-1.3%
1998	8,866	-12.5%	9,758	-1.7%	8,919	-12.0%	9,883	-1.4%
1999	8,603	-3.0%	9,588	-1.7%	8,695	-2.5%	9,748	-1.4%
2000	9,664	12.3%	9,418	-1.8%	9,785	12.5%	9,612	-1.4%
2001	8,795	-9.0%	9,248	-1.8%	8,956	-8.5%	9,477	-1.4%
2002	9,283	5.5%	9,078	-1.8%	9,511	6.2%	9,341	-1.4%

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- c) The requested tables and charts can not be prepared as the historical data is not available for the new M1 and M2 rate classes.

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 32*

*Issue: 3.2 - What are the appropriate components of an X factor?*

***Question:***

*Union does not believe there should a stretch factor component of the X factor.*

- a) In the absence of a stretch factor and an earnings sharing mechanism, please explain how customers will share in the benefit of productivity improvements over the term of an IR plan.*
- b) In the NGF Report, the Board determined that a gas rate regulation framework would have to meet the criterion that it establishes incentives for sustainable efficiency improvements that benefit both customers and shareholders. Please explain how Union's proposal of no earnings sharing combined with no stretch factor achieves this for customers during the term of the IR plan.*

---

***Response:***

- a) and b) Please see interrogatory response provided at Exhibit C1.4.*

Question: August 20, 2007

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 2*

*Issue: 1.1 - What are the implications associated with a revenue cap, a price cap and other alternative multi-year incentive ratemaking frameworks?*

***Question:***

*Union's proposal will result in annual increases in rates at about the rate of inflation. Please explain how this is consistent with the NGF Report at page 22 which states that:*

*"A properly designed plan will ensure downward pressure on rates be encouraging new levels of efficiency in Ontario's gas utilities".*

*Please explain how rate increases at the rate of inflation can be considered downward pressure on rates?*

---

***Response:***

Please see interrogatory response provided at Exhibit C1.4.

Question: August 20, 2007

Answer: September 4, 2007

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 32*

*Issue 3.2 - What are the appropriate components of an X factor?*

***Question:***

*The NGF Report indicates that a properly designed plan should encourage new levels of efficiency in the utilities. Union's evidence talks about past efficiency gains as a rationale for not having a stretch factor on a going forward basis.*

- a) If Union were able to achieve productivity improvements in excess of those implied by the PD factor, would Union be open to adjusting the X factor during the IR term to reflect its actual improvements? If not, why not?*
- b) Could the stretch factor component of the X factor be adjusted on an annual basis to reflect recent actual operating results, much in the same way that the inflation factor will be adjusted to reflect recent actual changes? If not, why not?*
- c) Does Union have any information related to price cap mechanisms that have been approved in other jurisdictions? If yes, please provide a summary of the number of plans on which it has detailed information on the calculation of the X factor and the number of those plans that do not include any stretch factor, directly or indirectly.*

---

***Response:***

- a) and b) Please see interrogatory response provided at Exhibit C23.36.*
- c) Union has not researched the detailed calculation of X factors in other jurisdictions.*

Question: August 20, 2007  
Answer: September 4, 2007  
Docket: EB-2007-0606

UNION GAS LIMITED

Answer to Interrogatory from  
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The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 32 - 34*

*Issue 3.3 - What are the expected cost and revenue changes during the IR plan that should be taken into account in determining an appropriate X factor?*

**Question:**

*Union lists a number of cost pressures that it indicates it will have to address under a price cap over the term of the plan.*

- a) Please provide all information supporting these claims over the entire 2008 through 2012 period, such as, but not limited to exchange rate forecasts, pension and benefit cost forecasts, workforce development cost forecasts, average wage and salary forecasts that reflect the replacement of aging workers with younger workers, and bonus plan payment forecasts.*
- b) Has Union considered the potential benefits to natural gas use of time of use pricing for electricity and its potential impact to shift demand from electricity to natural gas for such uses as water heating, clothes drying and cooking? If not, why not?*
- c) Has Union considered the potential impact on throughput volumes related to natural gas fired generation for both in-franchise and ex-franchise customers? If not, why not?*
- d) Has Union considered the potential for additional natural gas use related to the increase in ethanol production in Ontario as the result of the various government mandates to increase the use of ethanol as a transportation fuel? If not, why not?*

---

**Response:**

- a) Please see interrogatory response provided at Exhibit C1.6.
- b) Union is following the issue of time of use pricing in the Ontario electric energy market. The magnitude of the impact on gas demand has not been estimated.

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- c) and d) Union has considered the potential impact on throughput volumes related to new natural gas fired generation and additional natural gas use related to an increase in ethanol production. The associated revenue and cost impacts have been incorporated into the forecast provided at Exhibit C23.52.

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 36 – 37*

*Issue 4.2 - How should the impact of changes in average use be calculated?*

*Question:*

*The PEG proposal distinguishes residential customers from non-residential customers, while the Union proposal appears to distinguish general service customers from non-general service customers.*

- a) Please provide the Adjusted AU Factor and the corresponding revenue share used in its calculation if only residential customers were adjusted by this factor instead of all general service customers.*
- b) Please provide the Adjusted AU Factor and the corresponding revenue share used in its calculation if only customers served under Rate 1 and the new rate M1 were adjusted by this factor instead of all general service customers.*
- c) Please provide the derivation of the 0.644 figure as the general service 2005 revenue share. Does this share include fixed and variable revenues? Is it based on normalized revenues? Is it based on actual or Board Approved revenues?*
- d) Please provide the general service 2007 revenue share and calculate what the Adjusted AU Factor would be if this was used in place of the 2005 share.*
- e) Please provide the residential general service revenue share and calculate what the Adjusted AU Factor would be if this was used in place of the 2005 share.*
- f) Please provide the 2007 revenue share combining Rate 1 and Rate M1 and calculate what the Adjusted AU Factor would be if this was used in place of the 2005 share.*
- g) If Union increases the fixed charge component at a rate different than that of the variable rate component, as proposed, please explain how this would change the calculation of the Adjusted AU Factor. Would the revenue share used also be updated to reflect the most recent year of actuals or normalized actuals? Would the COS AU Factor of -0.72 as calculated by PEG be updated based on the most recent fixed/variable split or the proposed fixed/variable split going forward. Please explain.*

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*h) Why is Union recommending that there not be an average use factor adjustment for rate classes other than the general service rate classes?*

---

**Response:**

- a) Based on the method which underpins Union's proposal, the adjusted AU factor would be -1.52 for residential customers only. The corresponding revenue share would be 0.474. Although Union has provided the AU Factor for residential customers, Union can only apply a price change to a rate class, not to a sub-category within a class.
- b) This request cannot be answered since the historical data for the M1/M2 split of revenues is not available.
- c) Please see interrogatory response provided at Exhibit C32.17 f).
- d) The 2007 Board approved general service revenue share is 0.651. If this share was used in place of the 2005 share, the adjusted AU factor would be -1.11.
- e) The 2007 Board approved residential general service revenue share is 0.489. The adjusted AU is -1.47.
- f) The 2007 Board approved Rate 1 and Rate M1 revenue share is 0.567. The adjusted AU would be -1.27.
- g) Please see interrogatory response provided at Exhibit C1.21 e).
- h) General Service customers' rates are mostly volumetric whereas the majority of the fixed costs for contract and wholesale customers are picked up in the demand charge. Fluctuations in demand for contract customers are driven by plant closures, changes in production, etc.



UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 36 – 37*

*Issue 4.2 - How should the impact of changes in average use be calculated?*

***Question:***

*Union's proposal appears to assume that the overall decline in use at the utility is driven by the general service rate classes and that there is no overall change in all other rate classes. The proposal also appears to assume that the reduction in the general service rate classes is the same in each one. However, there is no evidence to support either of these implicit assumptions.*

- a) Why should the same Adjusted AU Factor be applied to each of Rate 1, Rate 10, Rate M1 and Rate M2 (reclassified)? Please calculate the Adjusted AU Factor for each general service rate class based on its individual revenue share from 2005 and the 2007 Board approved revenue requirement.*
- b) Please provide the normalized average use for each rate class that Union has for the period 1995 through 2006.*
- c) If a rate class has an increasing average use, why is Union not proposing a positive Adjusted AU Factor for that class of customers?*
- d) If some rate classes have a change in use that is significantly different than the change in other rate classes, does Union's proposal result in a cross subsidization between these different rate classes? Please explain fully.*

---

***Response:***

- a) Please see interrogatory response provided at Exhibit C4.8.

Union does not have sufficient information to recreate the AU Factor for 2007 using PEG's formula.

- b) Please see interrogatory response provided at Exhibit C32.13 a).

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- c) As shown in Table 11b of PEG's study, all general service rate classes are experiencing an average use decline. For contract and wholesale customers, please see interrogatory response provided at Exhibit C3/C16/C33.17 h).
- d) Please see interrogatory response provided at Exhibit C4.8.

UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 37 – 38*

*Issue 5.1 - What are the Y factors that should be included in the IR plan?*

***Question:***

- a) Are any of the cost of gas supply, upstream transportation costs or gas supply related balancing costs recovered from customers through the regulated delivery and/or storage charges?*
- b) Through the QRAM process do the delivery and/or storage rates adjusted to reflect changes in the cost of gas or in the volume of gas needed for company purposes? Please explain.*

---

**Response:**

- a) In Union's Southern operations area, regulated delivery and storage rates do not include the cost of gas supply, upstream transportation costs, or gas supply balancing costs.

In Union's Northern operations area, there are no cost of gas supply or gas supply balancing costs included in regulated delivery rates. Storage and upstream transportation costs are recovered in the gas supply transportation rate.

- b) Union does not adjust delivery rates or storage rates to reflect changes in the cost or volume of delivery-related cost of gas items through the QRAM process. Price variances on delivery related cost of gas items are captured in the Intra Period WACOG Deferral Account and are disposed of annually. Union is at risk for volume variances.

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 38*

*Issue 5.2 - What are the criteria for disposition?*

***Question:***

- a) Is Union seeking any approval as part of this proceeding as to how it will allocate and recover the DSM budget and DSM-related deferral account balances?*
  - b) If yes, please fully describe the allocation of the increase in the DSM budget among rate classes of \$1.7 million in 2008 and the additional \$1.9 million in 2009.*
  - c) If no, please explain the timing and process for this allocation and inclusion in 2008 and 2009 rates.*
- 

**Response:**

- a) The allocation and recovery of the DSM budget will form part of Union's 2008 rates package that will be filed in September 2007.

Union is not seeking approval of the allocation and recovery the DSM deferral account balances in this proceeding.

- b) and c) Union is proposing to allocate the increase in the 2008 and 2009 DSM budgets in proportion to how the 2007 DSM budget was included into rates. Consistent with the Board's EB-2007-0598 Decision, Union will true up for differences between the amount included in rates and the actual amount spent on DSM programs on a rate class basis as part of the disposition of the DSMVA.

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 39*

*Issue 5.2 - What are the criteria for disposition?*

***Question:***

*How does Union propose to allocate the reduction in the long term storage transaction margins over the 2008 through 2012 period? Please provide all the information in support of such an allocation.*

---

**Response:**

For 2008, Union will remove the long term storage premium from in-franchise delivery rates as approved by the Board in the EB-2005-0551 proceeding using storage premium adjustment factor. The storage premium adjustment factor will be calculated by taking the total annual impact of the NGEIR decision divided by total in-franchise delivery revenue less storage and upstream transportation, fuel and UFG. The resulting adjustment factor will be applied to each rate class. The 2008 adjustment factor will also include the impacts associated with including 100% of the Board approved 2001 forecast of margin from Transportation & Exchange Services, Other S&T Services and Other Direct Purchase Services as well as implementing the short term storage margin sharing mechanism approved by the Board in the EB-2005-0551 proceeding beginning January 1, 2008. For 2009 to 2012, the storage premium adjustment factor associated with implementing the NGEIR decision will include only the reduction in long term storage premium.

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 39*

*Issue: 5.1 - What are the Y factors that should be included in the IR plan?*

***Question:***

*Please provide a list of all the deferral and variance accounts that currently exist. For each account, please indicate whether the account will be closed or continued as a Y factor adjustment. Please also provide a brief description of and need for the account if it is proposed to be continued as a Y factor.*

---

**Response:**

Please see interrogatory response provided at Exhibit C1.10.

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 40*

*Issue 6.1 - What are the criteria for establishing Z factors that should be included in the IR plan?*

***Question:***

*Please confirm that the Z factor related to the return on equity formula only applies to a change in the formula and not to a change in the result of the existing formula from updating the inputs to the formula. If this cannot be confirmed, please explain the precise meaning of this proposed Z factor.*

---

**Response:**

Union confirms that the Z factor related to the return on equity formula only applies to a change in the formula and not to a change in the result of the existing formula which would result from updating the inputs to the formula.

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 41*

*Issue 6.1 - What are the criteria for establishing Z factors that should be included in the IR plan?*

***Question:***

*Please provide a copy of the Regulation referred to related to permit fees.*

---

**Response:**

A copy of Ontario Regulation 584-06 (section 10) is attached. This Government of Ontario regulation provides municipalities with the power to impose a fee or charge for issuing municipal permits any time a natural gas utility is required to perform maintenance, repair or improve natural gas pipelines.

Question: August 20, 2007  
Answer: September 4, 2007  
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## Municipal Act, 2001

### ONTARIO REGULATION 584/06

*No Amendments*

### FEES AND CHARGES

**Notice of Currency:**\* This document is up to date.

\*This notice is usually current to within two business days of accessing this document. For more current amendment information, see the Table of Regulations – Legislative History Overview.

***This is the English version of a bilingual regulation.***

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#### **Limitation re Crown**

1. A municipality and a local board do not have power under the Act to impose fees or charges,
  - (a) on a class of person that is comprised solely of the Crown; or
  - (b) on the Crown,
    - (i) for ensuring court security under section 137 of the *Police Services Act* or otherwise, or
    - (ii) for escorting and conveying persons in custody. O. Reg. 584/06, s. 1.

#### **Capital costs**

2. (1) A municipality and a local board do not have power under the Act to impose fees or charges to obtain revenue to pay capital costs, if as a result of development charges by-laws or front-ending agreements under the *Development Charges Act, 1997* or a predecessor of that Act that was passed or entered into before the imposition of the fees or charges, payments have been, will be or could be made to the municipality or local board to pay those costs. O. Reg. 584/06, s. 2 (1).

(2) For the purpose of subsection (1),

“capital costs” has the same meaning as it has in the *Development Charges Act, 1997*; (“dépenses en immobilisations”)

“payments” do not include amounts the municipality or local board has refunded or is required to refund under the *Development Charges Act, 1997*. (“paiements”) O. Reg. 584/06, s. 2 (2).

#### **Planning applications**

3. A municipality and a local board do not have power under the Act to impose fees or charges for the processing of applications made in respect of planning matters under the *Planning Act*. O. Reg. 584/06, s. 3.

#### **Elections**

4. (1) A municipality and a local board do not have power to impose fees or charges on another municipality or local board under the Act that relate to the conduct of an election under the *Municipal Elections Act, 1996*. O. Reg. 584/06, s. 4 (1).

(2) Subsection (1) does not apply to the power of a municipality or local board to impose fees or charges on another municipality or local board that relate to the conduct of an election under the *Municipal Elections Act, 1996* to obtain the

opinion of the electors on a question the other municipality or local board requires to be submitted under subsection 8 (1) or (2) of that Act. O. Reg. 584/06, s. 4 (2).

**Taxes for school purposes**

5. A municipality and a local board do not have power to impose fees or charges on the Crown or on a school board under the Act that relate to the collection of real property taxes for school purposes. O. Reg. 584/06, s. 5.

**Taxes for upper-tier purposes**

6. A municipality and a local board do not have power to impose fees or charges on an upper-tier municipality under the Act that relate to the collection of real property taxes for the purposes of the upper-tier municipality. O. Reg. 584/06, s. 6.

**Board of management**

7. A board of management established by a municipality for an improvement area under section 204 of the Act may impose fees or charges under the Act only on the following classes of persons:

1. Owners of rateable property in the improvement area for which the board of management was established, if the property is in a prescribed business property class for the purposes of sections 204 to 214 of the Act.
2. Tenants of property described in paragraph 1. O. Reg. 584/06, s. 7.

**Telecommunications services and activities**

8. (1) A municipality and a local board do not have power under the Act to impose a fee or charge on a person who owns or operates a telecommunications business carrying on business in Ontario for services or activities, costs payable or the use of property with respect to wires, cables, poles, conduits, equipment, machinery or other works that,

- (a) are or will be located on a municipal highway; and
  - (b) are or will be used as part of the telecommunications business. O. Reg. 584/06, s. 8 (1).
- (2) For the purpose of subsection (1),

“telecommunications” has the same meaning as in subsection 2 (1) of the *Telecommunications Act* (Canada). O. Reg. 584/06, s. 8 (2).

**Electricity and gas services and activities**

9. A municipality and a local board do not have power under the Act to impose a fee or charge on a generator, transmitter, distributor or retailer, as these terms are defined in section 2 of the *Electricity Act, 1998*, or on a producer, gas distributor, gas transmitter or storage company, as these terms are defined in section 3 of the *Ontario Energy Board Act, 1998*, for services or activities, costs payable or the use of property with respect to wires, cables, poles, conduits, pipes, equipment, machinery or other works that,

- (a) are or will be located on a municipal highway; and
- (b) are or will be used as part of the business of the generator, transmitter, distributor, retailer, producer, gas distributor, gas transmitter or storage company, as the case may be. O. Reg. 584/06, s. 9.

**Fees or charges, permits for works described in ss. 8 and 9**

10. Nothing in subsection 8 (1) or section 9 prevents the imposition of fees or charges to recover the municipality’s or local board’s reasonable costs for issuing permits with respect to the works described in those provisions,

- (a) to place the works on a municipal highway; and
- (b) to cut the pavement of or otherwise dig up a municipal highway for the works. O. Reg. 584/06, s. 10.

11. OMITTED (REVOKES OTHER REGULATIONS). O. Reg. 584/06, s. 11.

12. OMITTED (PROVIDES FOR COMING INTO FORCE OF PROVISIONS OF THIS REGULATION). O. Reg. 584/06, s. 12.

UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 40*

*Issue 6.2 - Should there be materiality tests, and if so, what should they be?*

***Question:***

- a) Please confirm that the materiality threshold proposed by Union of \$1.5 million is pre-tax and not after-tax.*
  - b) Is the materiality threshold a cumulative test or a year to year test? For example, assume that permit fees are an appropriate Z factor and that Union pays \$1 million in fees in 2008 and \$2 million in 2009. Under one possible interpretation, in 2008, the \$1 million expense would not reach the materiality threshold of \$1.5 million. The increase in 2009 is a further \$1 million from 2008, which again, would not meet the materiality threshold. However under another possible interpretation, the increase in 2009 as compared to base rates is an increase of \$2 million, which would pass the materiality test. Which of these two interpretations does Union's materiality test proposal envision?*
  - c) In the above scenario, if a deferral account had been set up for 2008 and at the end of 2008, it had the \$1 million expense recorded in it and the amount failed the materiality test, would the balance be set to \$0 at the beginning of 2009 or would Union propose to carry forward this balance into 2009 and ultimately seek recovery of the 2008 amount if and when the balance in the account exceeded the materiality threshold?*
  - d) Please define a Z factor event in the context it is used in the materiality section of Table 4.*
  - e) If the provincial corporate tax rate decreased, resulting in a reduction to Union Gas of \$1 million and the provincial capital tax was reduced by a further \$1 million both the result of tax legislation, would each of these items be considered separate Z factor events, or would they be considered jointly as one Z factor event? Please explain.*
- 

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**Response:**

- a) The materiality threshold proposed by Union of \$1.5 million is pre-tax and not after-tax.
- b) The materiality threshold is an annual per event threshold. With respect to permit fees, Union will not seek a Z factor adjustment to rates until the \$1.5 million threshold is exceeded annually. No permit fee costs are included in 2007 base rates. Once rates are adjusted to include a base level of permit fees, the determination of whether a subsequent Z factor adjustment to rates is warranted will depend on what the cost of permit fees is relative to what has previously been included in rates.
- c) The determination whether an item exceeds the \$1.5 million threshold would be based on annual costs relative to what has been included in rates. If the \$1.5 million threshold was not achieved in a particular year, no collection from customers would occur. In this example, the balance would not be carried forward into the next year.
- d) A Z factor event as used in the Materiality section of Table 4 would be the same type of event described in the Inability of Management to Control section of Table 4.
- e) These would be two separate Z factors events that would not meet the \$1.5 threshold.

UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 40*

*Issue 6.1 - What are the criteria for establishing Z factors that should be included in the IR plan?*

*Question:*

*In the Inability of Management to Control section of Table 4 Union indicates that the criteria would exclude changes in federal tax laws as these would eventually be captured in the inflation factor, albeit on a delayed basis. The evidence further indicates that the criteria would include changes to provincial and municipal tax laws.*

- a) Assuming a change in the capital cost allowance ("CCA") rates and/or rules at the federal level, please confirm that there would be no Z factor adjustment for this.*
  - b) Assuming the changes noted in part (a) above were adopted by the provincial government for the calculation of provincial corporate taxes, please confirm that there would be a Z factor adjustment, subject to the materiality threshold. If not, please explain why not.*
  - c) If the federal tax rate were to decline from 22.12% for 2007 to 20.50% for 2008, when would this reduction be partially and fully reflected in the inflation factor under Union's proposal?*
  - d) Given the delay in the partial and full reflection in the inflation factor, does Union believe it is appropriate that it retain the temporary reduction in costs?*
  - e) Why should this temporary reduction in costs not be treated as a Y factor pass through adjustment?*
  - f) Given the reduction in the federal tax rate in part (c) above, what would be the change revenue requirement as approved for 2007? Please show all calculations and assumptions.*
- 

Question: August 20, 2007

Answer: September 4, 2007

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**Response:**

- a) There would be no Z factor adjustment for this.
- b) There would be a Z factor for this subject to the materiality threshold.
- c) Since the GDP IPI FDD adjustment is based on a simple average of the actual annualized changes of the last four quarters, the impact would be partially reflected in 2009 and fully reflected in 2010.
- d) Union will need to manage either a decrease or increase in costs related to the inflation factor change as noted above in c).
- e) Y factors relate to items that are outside of the incentive regulation framework (e.g. upstream costs or DSM) where there is a different Board established regulatory framework.

Taxes are costs that will be included in the base that the price cap index applies to.

- f) Please see attached schedule.

UNION GAS LIMITED  
Calculation of Revenue Deficiency/(Sufficiency)  
Calendar Year Ending December 31, 2007

Line No.	Particulars (\$000's)	EB-2005-0520 Rate Order 2007	C3/C16/C33.26 part (f) 2007
1	Utility income before taxes	\$ 265,764	\$ 265,764
2	Income taxes	12,613	11,305
3	Total utility income	253,151	254,459
4	Requested return	267,920	267,920
5	Revenue deficiency/(sufficiency) after tax	14,769	13,461
6	Provision for income taxes on deficiency/(sufficiency)	8,351	7,090
7	Total revenue deficiency/(sufficiency)	23,120	20,551
8	90/10 Sharing Base Transactional S&T Margin	4,067	4,067
9	Total revenue deficiency/(sufficiency)	\$ 27,187	\$ 24,618

UNION GAS LIMITED  
Calculation of Utility Income Taxes  
Year Ended December 31, 2007

Line No.	Particulars (\$000's)	2007	2007
1	Taxable income	\$ 80,782	\$ 80,782
<u>Calculation of Utility Income Taxes</u>			
2	Income taxes (line 10 * line 17)	29,178	27,870
3	Large corporation tax (page 2)	0	0
4	Deferred tax drawdown	(16,565)	(16,565)
5	Total taxes	\$ 12,613	\$ 11,305
<u>Tax Rates</u>			
6	Federal tax	22.12%	20.50%
7	Provincial tax	14.00%	14.00%
8	Total tax rate	36.12%	34.50%

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 10*

*Issue 14.1 - Are there adjustments that should be made to base year revenue requirements and/or rates?*

***Question:***

*Union does not appear to be adjusting base rates for the deferred tax drawdown.*

- a) In Union's Trial PBR plan, did Union propose and/or the Board approve adjustments to base rates to reflect the difference in the deferred taxes in the base rates and the average of the deferred tax drawdown over the PBR plan period? If yes, please provide a copy of Union's proposal related to this in RP-1999-0017 and a copy of the Board's Decision related to the proposal.*
- b) Please provide an updated schedule similar to Exhibit D1, Tab 4, Appendix A in EB-2005-0520 that shows the derivation of the tax amount in each year for 2005 through to the elimination of the deferred tax amount. Please reconcile these figures with those in Exhibit D1, Tab 4, Appendix A to reflect any impact, for example, of the NGEIR decision on deferred taxes on storage.*
- c) If deferred taxes were treated in the same manner as in Union's Trial PBR, please show the impact on base rates.*

---

***Response:***

- a) Yes. Please find attached (Attachment 1) Union's proposal and the corresponding decision from the Board.*
- b) The schedule (Attachment 2) has not changed as the drawdown is specific to the assets at the time the drawdown was put in place. The drawdown will be allocated between the rate classes and unregulated operations subject to the Board approved methodology as applied during future test years. For example, for 2007 base rates the amount of the deferred tax drawdown was \$16.565 million of which \$1.065 was allocated to Union's unregulated operations.*

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- c) The adjustment would be calculated similar to the method used as proposed in RP-1999-0017. Please see the table below.

UNION GAS LIMITED  
Amortization of Accumulated Deferred Tax Balance

Line No.	Particulars (\$000)	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
1	Drawdown amounts (1)	16,565	17,523	18,439	19,002	17,606	16,542
2	Difference from 2007		958	1,874	2,437	1,041	(23)
3	Tax rate		34.5%	34.0%	33.0%	33.0%	33.0%
4	Pre-tax revenue requirement impact (2)		1,463	2,839	3,637	1,554	(34)
5	Average		1,892				

Notes:

(1) Deferred tax drawdown amounts from Attachment 2

(2) Line 2 / (1 - line 3)

Question: August 20, 2007

Answer: September 4, 2007

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1 expected benefits). This will increase the volatility of reported pension expense.

2

- 3 • Under the old rules, actuarial gains and losses were amortized over the expected  
4 remaining service life of employees. Under the new rules, amortization is required only if  
5 the amount to be amortized exceeds 10% of the greater of the pension liability or the  
6 value of plan assets.

7

8 Union is proposing that base rates be adjusted for the impact of this change in GAAP as  
9 summarized on Schedule 3.

10

11 Deferred tax amortization

12 During E.B.R.O. 499, all parties accepted the drawdown of the accumulated deferred tax balance  
13 proposed by Union (Exhibit D1, Tab 4, Appendix A, and EBRO 499 Decision with Reasons,  
14 Appendix B, page 58; copies of these are attached at Appendix B of this evidence). That  
15 drawdown approach resulted in \$9.412 million being used to reduce Union's 1999 cost of service  
16 and is therefore currently reflected in rates. The approach also creates higher levels of  
17 drawdown during the price cap period, compared to the drawdown level currently in rates.  
18 Accordingly, Union is proposing an initial reduction to rates of \$10.263 million to account for  
19 the higher drawdown amounts, and to levelize the drawdown amount during the price cap period  
20 to eliminate any associated rate volatility. The calculation of the drawdown impact is found at  
21 Schedule 4.

22

RP-1999-0017  
Exhibit B  
Tab 2  
Schedule 4

UNION GAS LIMITED  
Amortization of Accumulated Deferred Tax Balance

Line No.	Particulars (\$000)	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
1	Drawdown amount (1)	9,412	13,802	12,929	14,323	16,592	18,406
2	Difference from 1999		4,390	3,517	4,911	7,180	8,994
3	Tax rate		43.50%	43.50%	43.50%	43.50%	43.50%
4	Pre-tax revenue requirement impact (2)		<u>7,770</u>	<u>6,225</u>	<u>8,692</u>	<u>12,708</u>	<u>15,919</u>
5	Average		<u>10,263</u>				

Notes:

(1) Deferred tax drawdown amounts from E.B.R.O. 499, Exhibit D1, Tab 4, Appendix A

(2) Line 2 / (1 - line 3)

---

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and the new CICA Handbook rules in respect of post retirement benefits is an appropriate principle which utilities should now follow.”

***Board Findings - Accounting for Pension and Post Retirement Benefits***

- 2.201 The Board recognizes that Union’s proposal to change from a cash basis to an accrual basis for accounting for pensions and post-retirement benefits reflects a change in GAAP that has been adopted by the CICA and accomplishes the objective of matching the costs to the period in which the obligations arose. There was limited opposition to this change and further, in the Board’s view, this may remove some potential variation in this expense. The Board accepts this changed practice for rate-making purposes.
- 2.202 The Board notes that the EBRO 499 revenue requirement was based on a provision for this expense of \$6.3 million. Since the Board has accepted the EBRO 499 revenue requirement as the base from which to make adjustments, the Board finds an increase of \$1.6 million to base rates for 2000 is appropriate since it represents the increase between the EBRO 499 Board-approved amount and the amount Union calculated under the new GAAP.
- 2.203 The Board notes that this expense will be subject to escalation under the price cap in years subsequent to 2000.

**2.4.4 Deferred Tax Amortization**

- 2.204 Due to the method of tax accounting adopted by the Board for rate-making purposes for Union prior to EBRO 494, the Company has an accumulated deferred tax balance which, in the EBRO 499 settlement agreement, all parties agreed should be drawn down to reduce the cost of service. The agreed approach was to draw down different amounts for different years. Union’s approach results in a higher level of drawdown, over the period of its price cap plan, than the amount currently reflected in 1999 rates. Union has proposed to levelize the drawdown over the five-year term of the PBR plan, thus reducing the 2000 base rates by \$10.263 million, an amount that reflects

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the higher level of drawdown proposed by Union and determined by averaging the subject drawdown in equal amounts over five years.

***Positions of the Intervenors - Deferred Tax Amortization***

2.205 IGUA, NOVA, Schools, AMO, CENGAS, Kitchener, LPMA, MECAP, VECC, WPSPG and CAC accepted Union's proposal.

2.206 Alliance, COMSATEC, ECG, CEED, Energy Probe, Enron, Fullerton, GEC, HVAC, and TCPL took no position on this issue.

***Union's Reply - Deferred Tax Amortization***

2.207 Union observed that no parties opposed this proposal.

***Board Findings - Deferred Tax Amortization***

2.208 The Board finds it appropriate to reflect the drawdown of the deferred tax balance in rates. However, since the amount calculated by Union was based on a PBR plan with a five-year term, the Board finds the amount should be adjusted to reflect the shorter three-year period that the Board has approved. The Board accepts the amount of \$7.8 million for 2000, and \$9.2 million for each year of the next three years representing and average of the amounts presented by Union in evidence for those three years.

2.209 The Board also directs Union to maintain an accounting of the deferred tax drawdown so that a determination of the outstanding balance can be made at the end of the term of the trial PBR plan.

**UNION GAS LIMITED**  
**Comparison of Accounting Expenses To Deductions for Tax**  
**2004-2018**

Fiscal Year	Accounting Depreciation	LTD Issue Cost Amortized	Total Accounting	CCA	CEC	EXP & DEV	Total Tax	Difference	Tax Amount	Drawdown Utilized	Deferred Tax
2003											(250,989)
2004	(83,490)	(681)	(84,171)	44,357	372	95	44,824	(39,347)	(18,406)	(18,406)	(232,583)
2005	(81,067)	(511)	(81,578)	40,836	346	84	41,266	(40,312)	(18,857)	(18,857)	(213,726)
2006	(79,748)	(507)	(80,255)	37,816	322	75	38,213	(42,042)	(19,667)	(19,667)	(194,059)
2007	(70,498)	(472)	(70,970)	35,193	299	67	35,559	(35,411)	(16,565)	(16,565)	(177,494)
2008	(70,311)	(372)	(70,683)	32,886	278	60	33,224	(37,459)	(17,523)	(17,523)	(159,971)
2009	(70,198)	(370)	(70,568)	30,838	259	53	31,150	(39,418)	(18,439)	(18,439)	(141,532)
2010	(69,543)	(370)	(69,913)	29,004	241	48	29,293	(40,620)	(19,002)	(19,002)	(122,530)
2011	(65,209)	(41)	(65,250)	27,347	224	43	27,614	(37,636)	(17,606)	(17,606)	(104,924)
2012	(61,446)	-	(61,446)	25,838	208	39	26,085	(35,361)	(16,542)	(16,542)	(88,382)
2013	(60,841)	-	(60,841)	24,455	194	35	24,684	(36,157)	(16,914)	(16,914)	(71,468)
2014	(55,485)	-	(55,485)	23,180	180	31	23,391	(32,094)	(15,014)	(15,014)	(56,454)
2015	(54,505)	-	(54,505)	21,998	168	28	22,194	(32,311)	(15,115)	(15,115)	(41,339)
2016	(52,306)	-	(52,306)	20,899	156	25	21,080	(31,226)	(14,608)	(14,608)	(26,731)
2017	(51,363)	-	(51,363)	19,872	145	23	20,040	(31,323)	(14,653)	(14,653)	(12,078)
2018	(47,954)	-	(47,954)	18,910	135	20	19,065	(28,889)	(13,514)	(12,078)	-

**Notes:**

1. LTD = Long Term Debt issue costs that are amortized over term of debt for accounting purposes and over 5 years for tax purposes.
2. CCA = Capital Cost Allowance and represents the amount of "depreciation" allowed for tax purposes.
3. CEC = Cumulative Eligible Capital and represents "depreciation" of intangible assets allowed for tax purposes.
4. EXP & DEV represents cost of exploration and development "depreciated" for tax purposes.
5. Difference column represents total accounting expenses less total deductions allowed for tax purposes.
6. Tax Amount is the difference column times the average tax rate (46.78%) in the years of accumulating deferred taxes.

UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 10*

*Issue 14.1 - Are there adjustments that should be made to base year revenue requirements and/or rates?*

***Question:***

*If the March, 2007 federal budget a number of significant changes were proposed to capital cost allowance ("CCA") rates including an increase from 45% to 55% for computer equipment, and increase from 4% to 6% for non-residential buildings, and an increase from 4% to 6% for natural gas distribution lines, all for assets acquired on or after March 19, 2007.*

- a) Please confirm that these changes to the CCA rates have been implemented.*
  - b) Were there any other impacts on federal taxes as a result of the March, 2007 budget? If so, please provide details.*
  - c) What is the annualized impact on the 2007 revenue requirement if the CCA rates noted in (a) above and any additional impacts noted from (b) above were included in the calculation of taxes?*
  - d) Why should the impact of these changes not be reflected as an adjustment to base rates?*
- 

***Response:***

- a) The regulations changing the CCA rates have not yet been implemented by the federal government.*
- b) There were no other impacts arising from the March, 2007 budget that would affect Union's base year revenue requirements and/or rates.*
- c) The impact on Union's revenue requirements for the above noted items would be as follows:*

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Federal Tax Change	Additions in 2007	Original CCA rate	Proposed CCA rate	Additional CCA claim	Half year rule	Incremental CCA Claim	Tax rate	Decrease in tax expense	Gross up factor	Decrease in revenue requirement
Computer Equipment	8,741,000	45%	55%	10%	5%	437,050	36.12%	157,862	1.5654	247,123
Non residential buildings	12,515,500	4%	6%	2%	1%	125,155	36.12%	45,206	1.5654	70,767
Distribution lines	120,711,600	4%	6%	2%	1%	1,207,116	36.12%	436,010	1.5654	682,546
Total						1,769,321		639,079		1,000,436

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- d) Changes in federal CCA rates in 2007 should be treated no differently than they would be during the incentive regulation term. The effects of federal tax law changes will eventually be captured in the inflation factor used in the price cap index formula.

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 41*

*Issue 12.4.2 - If not, what should be the criteria for adjusting these charges?*

***Question:***

*Union indicates that if it proposes any changes to the miscellaneous non-energy service charges it would provide the Board with evidence that supports the change.*

*Please explain the process and timing that Union is proposing should such a change be requested. Would, for example, it be done as part of the rate application to adjust rates by the price cap or would it be done through a separate application?*

---

**Response:**

Please see interrogatory response provided at Exhibit C4.21.

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 43*

*Issue: 11.1 - What information should the Board consider and stakeholders be provided with during the IR plan?*

***Question:***

- a) Is the level of detail associated with the annual RRR filings sufficient to effectively provide stakeholders with the same level of detail as found in the Summary Schedules filed in Union's last rate case, EB-2005-0520?*
  - b) Is the level of detail associated with the annual RRR filings sufficient to effectively provide stakeholders with the same level of detail as found in Schedules 1, 2, 3 and 4 in Appendix E to the EB-2005-0520 Settlement Agreement?*
- 

**Response:**

- a) No.
- b) The information provided to the Board under Section 2.1.4 of the RRR is similar to the information provided in the schedules that formed Appendix E of the EB-2005-0520 Settlement Agreement. Blank copies of the forms are available on the Board's website [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca).

UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 1, page 43*

*Issue: 13.1 - What information should the Board consider and stakeholders be provided with at the time of rebasing?*

***Question:***

*Union proposes that the only cost of service information provided to the Board and other stakeholders at the time of rebasing be the historical year (2011), the bridge year (2012) and the test year (2013). In order to evaluate the trends, efficiencies, failures and successes associated with the IR plan, stakeholders may need to see historical data at the same level of detail as currently required under the Board's Minimum Filing Requirements for 2007 through 2011.*

- a) Is there any reason why this information could not be assembled each year when the results for the previous year are available and made available to parties?*
- b) Would this not ensure to the Board and to all stakeholders that this information would be available to them at the time of rebasing?*
- c) Would this not have the potential to substantially reduce the number of interrogatories requesting historical information and trends over the IR plan term?*

---

***Response:***

- a) to c) The historical schedules for years 2007 to 2010 will be prepared annually and could be filed at the time of rebasing in summary form to provide historical trend information if the Board determined that this would be useful information to have available.*

*As identified at Exhibit B, Tab 1, p.45 of Union's evidence, Union would be assisted by knowing what information will be required at the time of rebasing in advance.*

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 2, page 3*

*Issue 14.2 - If so, how should these adjustments be made?*

***Question:***

*Please confirm that the Enbridge recommended approach referred to that was approved by the Board was not the recommended approach as part of the application, but became the recommended approach following cross-examination on the issue.*

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**Response:**

It is Union's understanding that Enbridge modified its proposal during the proceeding.

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 2, page 3*

*Issue 14.2 - If so, how should these adjustments be made?*

***Question:***

*In RP-2005-0063 (Exhibit C1, Tab 1, Appendix A, page 2), Union indicated that twelve weather stations across Ontario provide the weather data used to establish the actual and normal weather information and that the annual forecast for heating degree days is developed by taking a volume-weighted average of the 12 stations.*

- a) Is this volume weighting done separately, with separate weather stations for the North and the South?*
- b) Are the volume weights used to calculate the actual degree days based on the actual volumes for each of those years?*
- c) Please provide the data used and the equations estimated to forecast the 2007 degree days upon which the \$7 million adjustment is based.*
- d) Does Union recalculate the historical data used in the 20 year trend equation to reflect the most recent year volume weights? If not, please recalculate the data used in the regression analysis using the most recent year volume weights.*
- e) Please provide the weather data from 1990 through 2006 of each of the twelve weather stations. Please also provide a graph of the data from 1990 through 2006 for each of the weather stations and include a simple trend line on the graphs. Please display the estimated coefficients of the trend line on the chart.*
- f) Please confirm that a 20 year trend can have significantly different trend coefficient estimates from one weather station to another.*
- g) Please provides the weights used for the calculation of the North and South degree days for each year from 1990 through 2006.*

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**Response:**

- a) Yes.
- b) No, the volume weights used to calculate the southern and northern operating area actual degree-days are not based on the actual volume weights for each year. The weights used are shown in the two tables contained in the response to part g) of this question.

The volume weights change ever so slightly from year to year. Union decided not to update the volume weights each year as updating had no material effect on the weather data and updating created issues for reporting of the actual year weather data. Some annual updating occurred in the northern & eastern operating area due to some software database programme errors that occurred.

There is also an administrative issue associated with annual updating. Since the volume weights are not known until the next year, to report weather data during the current year requires the application of the previous year's weights and then restating when the year is complete. This can cause confusion in financial & statistical reporting of what the actual weather was for the year in question.

Union examined what the impact would be if the weather was restated using the actual volume weights available for each year. Union found that the differences between the official weather data and the restated data to be minor. The correlations with Toronto Pearson for the 1977 to 2006 period changed by 0.4 and 0.2 percent for the northern & eastern and southern operating areas respectively, e.g. for the southern operating area the correlation changed from 98.0% to 97.8%.

Union also tested what the impact would be on the comparative analysis of three weather normal methods: 20 year trend, 50:50 and Energy Probe. The estimation rankings did not change; the 20 year trend method as indicated on the table in the interrogatory response provided at Exhibit C23.12 is the better method.

- c) Please see interrogatory response provided at Exhibit C3/C16/C33.3 a).
- d) No, as discussed above in part b) the historical weather data is not recalculated. The table below presents the 20 year weather data based upon the most current 2006 volume weights.

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**Actual Htg. Deg.-Days**  
based on 2006 volume weights

<b>Year</b>	<b>Union South</b>	<b>Union North</b>
1985	3,948	5,315
1986	3,903	5,071
1987	3,706	4,658
1988	4,007	5,213
1989	4,176	5,551
1990	3,593	4,896
1991	3,650	4,929
1992	4,052	5,394
1993	4,127	5,362
1994	4,076	5,200
1995	4,003	5,248
1996	4,170	5,409
1997	4,023	5,272
1998	3,244	4,416
1999	3,657	4,706
2000	3,894	5,110
2001	3,480	4,529
2002	3,670	4,898
2003	3,979	5,085
2004	3,808	5,106

- e) The charts are presented below for the 12 weather stations. Please note that the total number of customer surrounding Ft. Frances, Kapuskasing, Timmins, and Muskoka in the north is small relative to the number of customers located in the other regions near the other northern stations, Thunder Bay, North Bay, Sudbury and Trenton.

Table and charts for Southern weather stations:

**Actual HDD Southern weather stations**

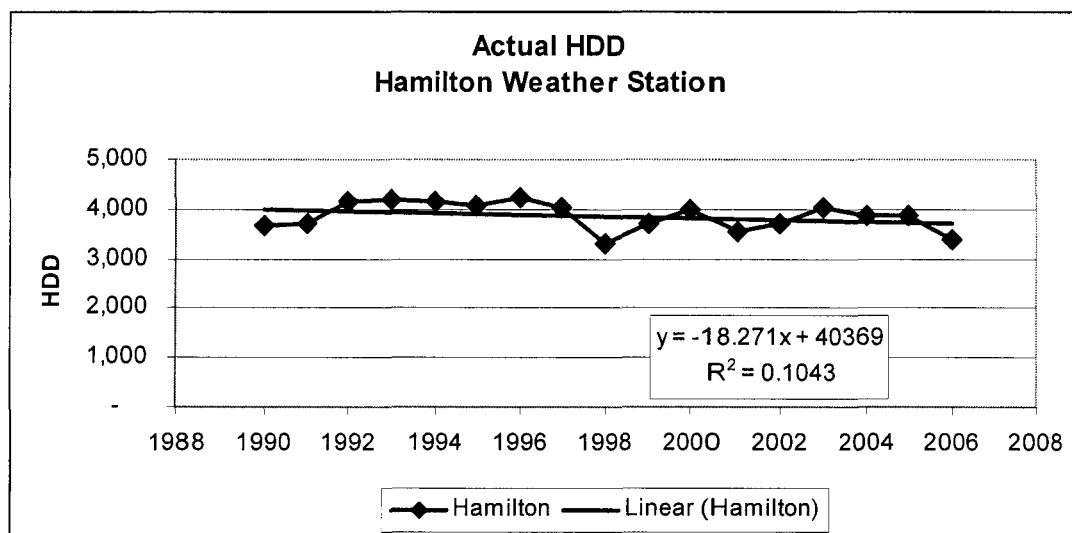
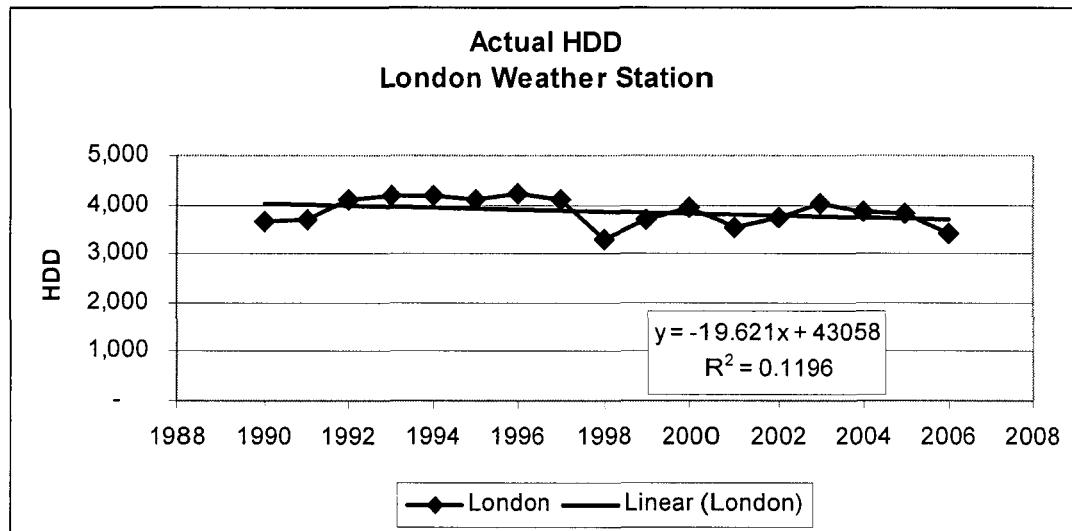
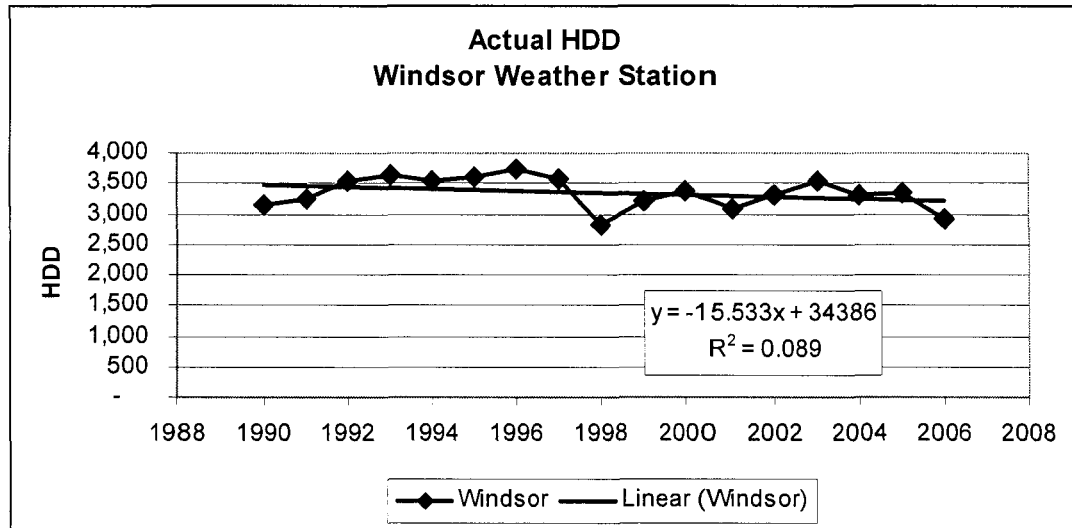
<b>Year</b>	<b>Windsor</b>	<b>London</b>	<b>Hamilton</b>
1990	3,134	3,648	3,650
1991	3,238	3,706	3,704
1992	3,557	4,114	4,154
1993	3,647	4,192	4,192
1994	3,531	4,177	4,173
1995	3,605	4,100	4,054
1996	3,744	4,229	4,249
1997	3,588	4,112	4,051
1998	2,804	3,283	3,302
1999	3,211	3,704	3,718
2000	3,390	3,923	3,994
2001	3,085	3,527	3,547
2002	3,319	3,738	3,704
2003	3,539	4,009	4,046
2004	3,322	3,846	3,877
2005	3,349	3,836	3,872
2006	2,925	3,411	3,401

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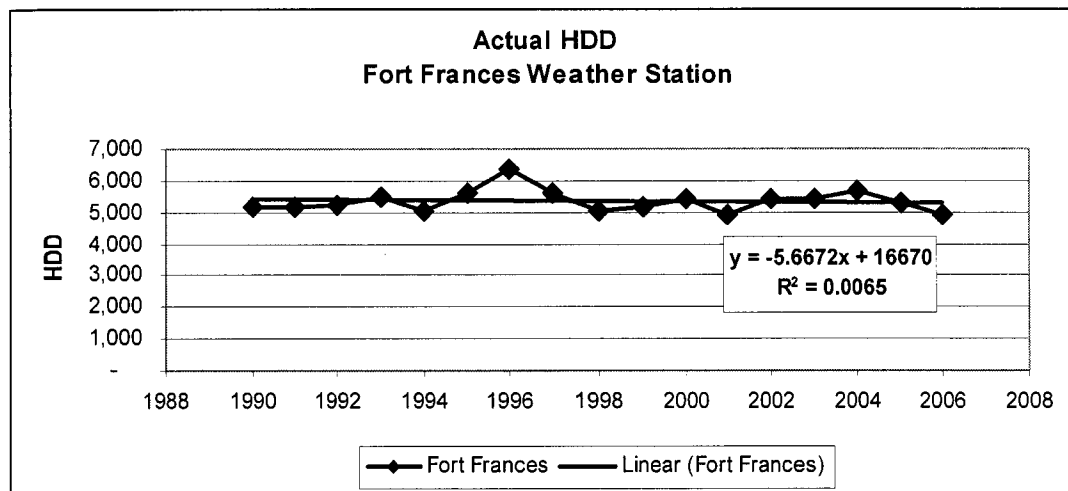
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Table and charts for Northern weather stations:

**Actual HDD Northern Weather Stations**

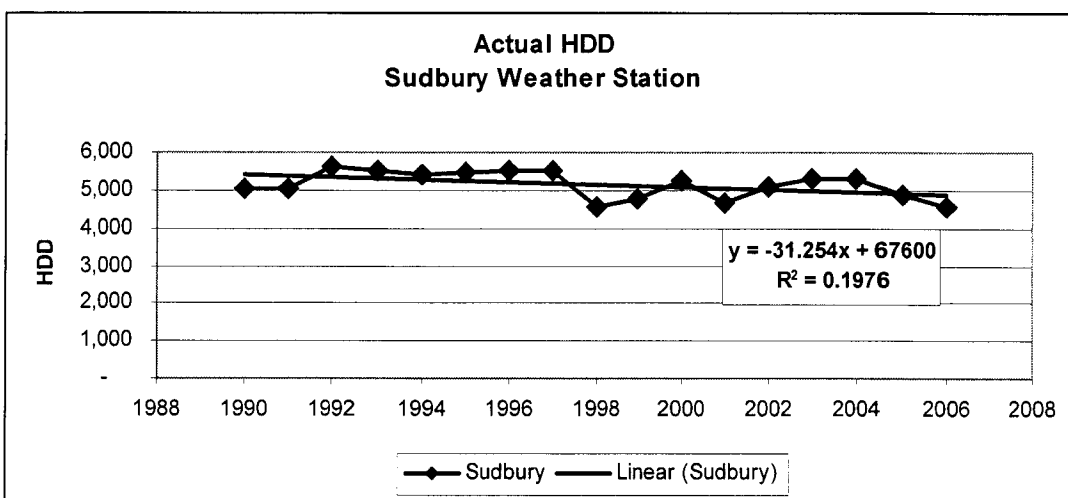
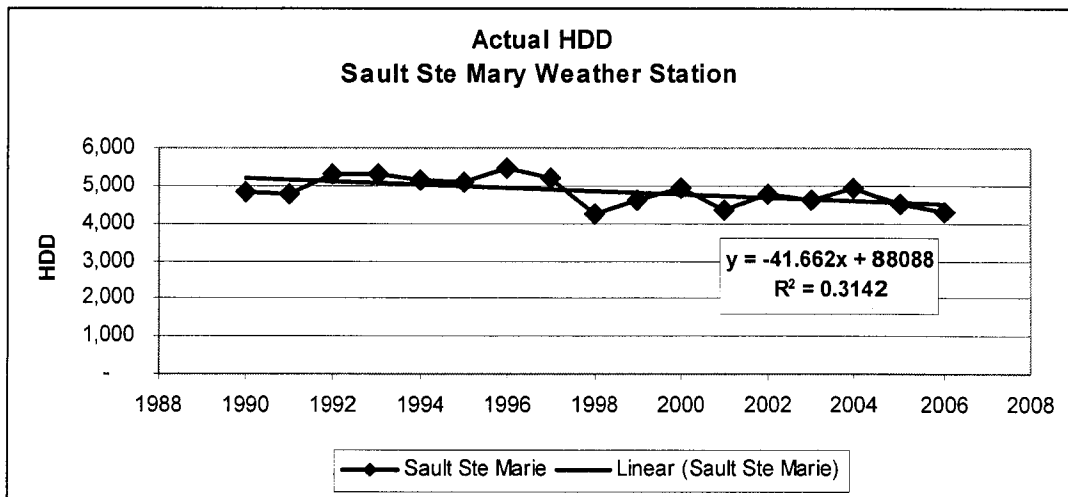
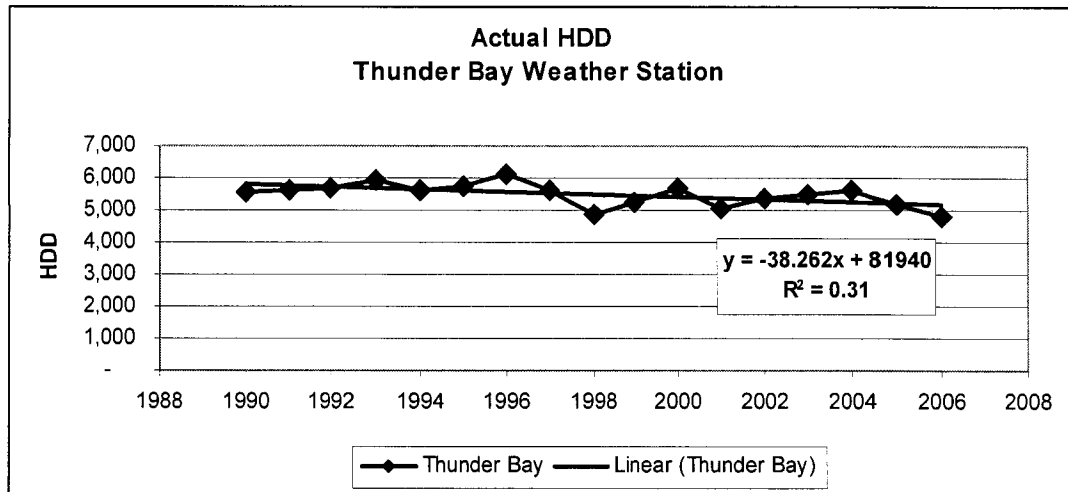
Year	Fort Frances	Thunder Bay	Sault Ste Marie	Sudbury	North Bay	Timmins	Kapuskasing	Muskoka	Trenton
1990	5,172	5,550	4,811	5,032	4,965	5,831	6,140	4,511	3,879
1991	5,159	5,645	4,786	5,041	4,967	5,832	6,149	4,506	3,932
1992	5,240	5,712	5,314	5,625	5,621	6,432	6,651	5,154	4,456
1993	5,485	5,916	5,286	5,546	5,387	6,291	6,520	4,970	4,440
1994	5,061	5,614	5,175	5,424	5,305	6,034	6,164	4,973	4,368
1995	5,610	5,749	5,092	5,464	5,372	6,290	6,468	4,911	4,258
1996	6,383	6,125	5,447	5,513	5,414	6,386	6,616	5,013	4,309
1997	5,615	5,605	5,214	5,531	5,475	6,334	6,463	5,050	4,303
1998	5,059	4,890	4,224	4,583	4,437	5,395	5,592	4,056	3,533
1999	5,144	5,257	4,601	4,779	4,724	5,547	5,734	4,451	3,843
2000	5,401	5,691	4,913	5,233	5,207	5,943	6,123	4,848	4,226
2001	4,924	5,066	4,356	4,658	4,625	5,301	5,566	4,190	3,700
2002	5,393	5,389	4,791	5,105	5,051	5,953	6,208	4,478	3,892
2003	5,398	5,515	4,646	5,304	5,231	5,968	6,144	4,759	4,319
2004	5,678	5,612	4,938	5,321	5,264	6,083	6,270	4,680	4,171
2005	5,282	5,192	4,526	4,886	4,854	5,572	5,741	4,510	4,010
2006	4,898	4,842	4,275	4,578	4,565	5,179	5,362	4,145	3,553



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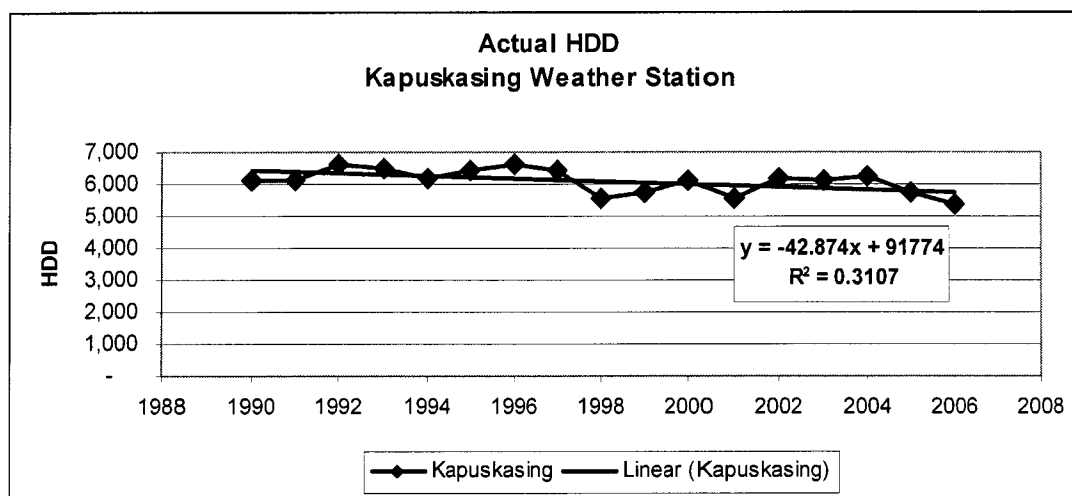
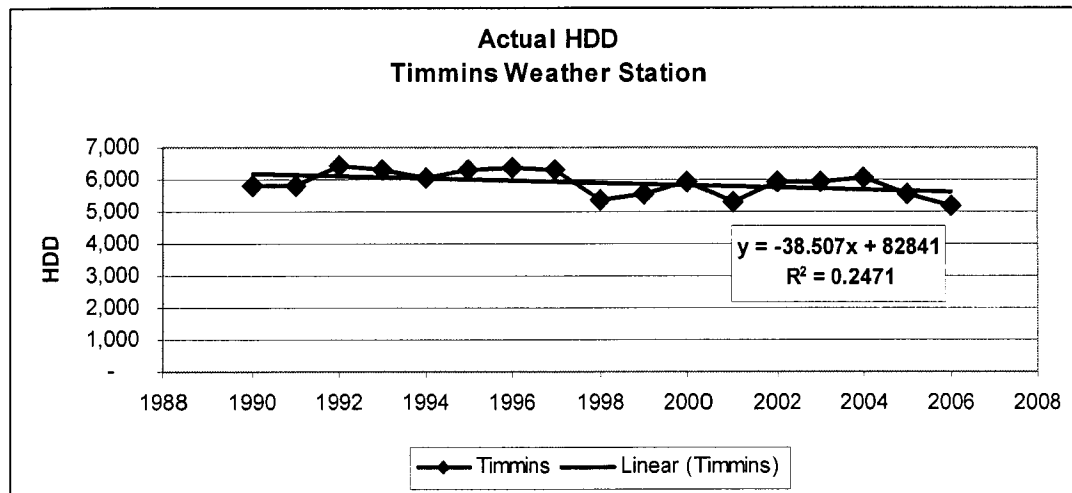
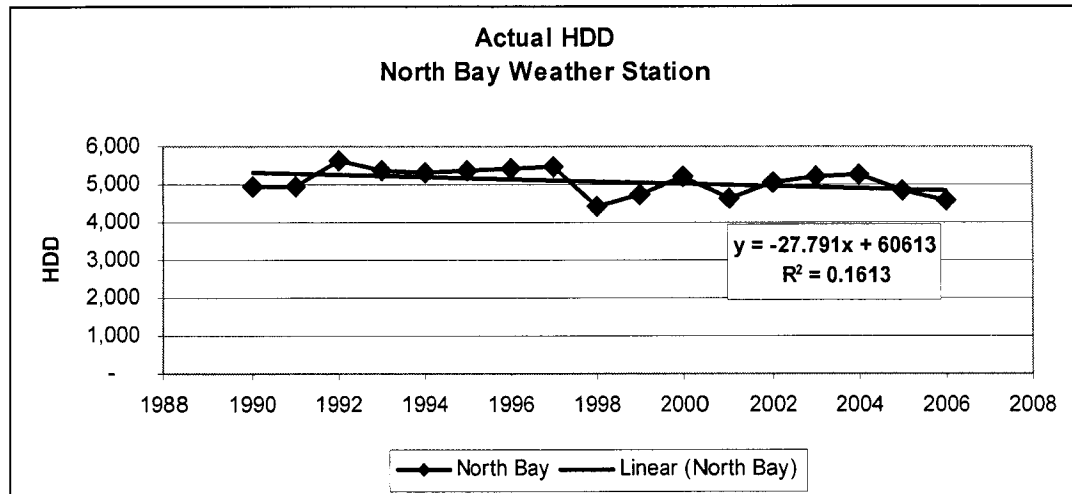
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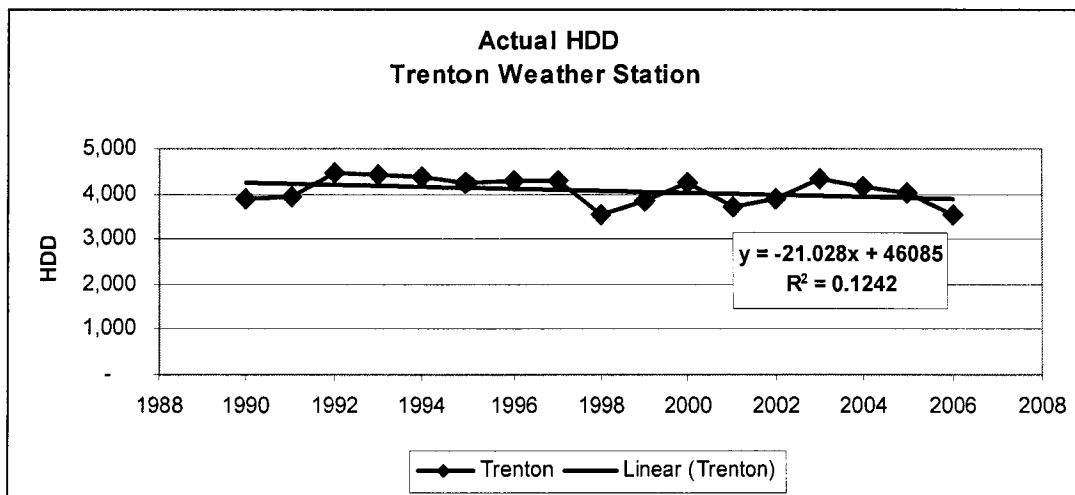
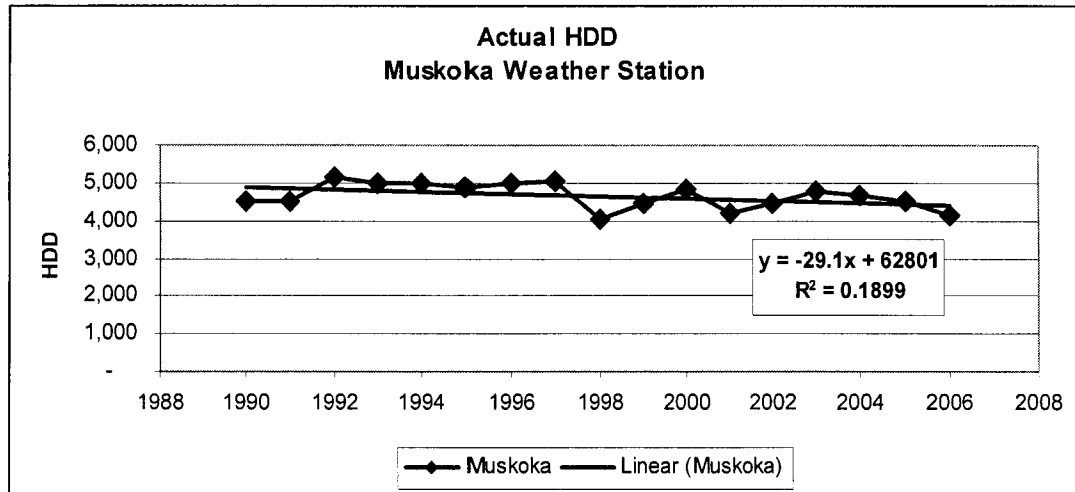
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- f) The individual weather station weather coefficients presented in the charts above do vary, but they are not significantly different. The following 2 charts show that the trend coefficient for 11 of the 12 weather stations fall within 1 standard deviation of the aggregate trend coefficient obtained for the southern and northern & eastern operating areas. The aggregate trend coefficients were established using the volume weighted weather data.

The exception is Ft. Frances – International Falls. This small north western community represents a declining share of the total throughput in the northern & eastern operating area falling from 2 percent in 2001 to 1 percent in 2006.

The two charts also show that the simple average of the individual station trend coefficients compared to the aggregate trend is almost identical in both operating

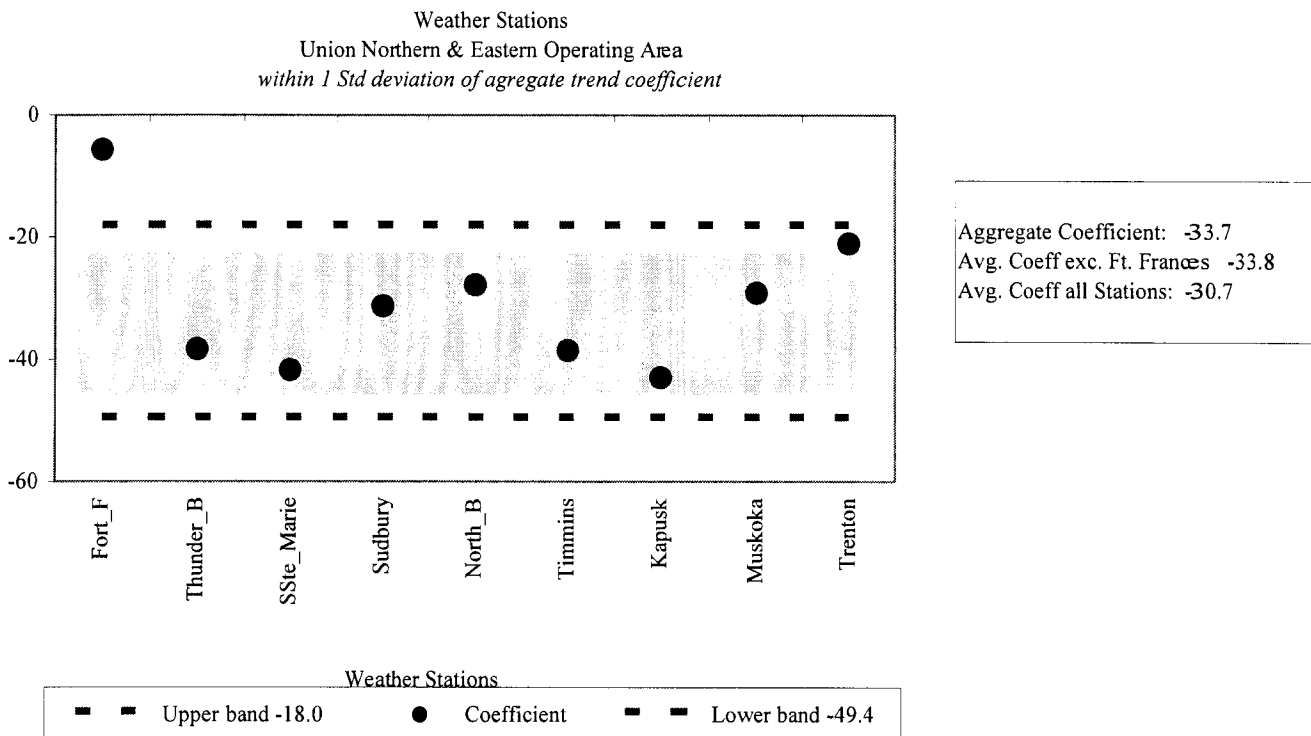
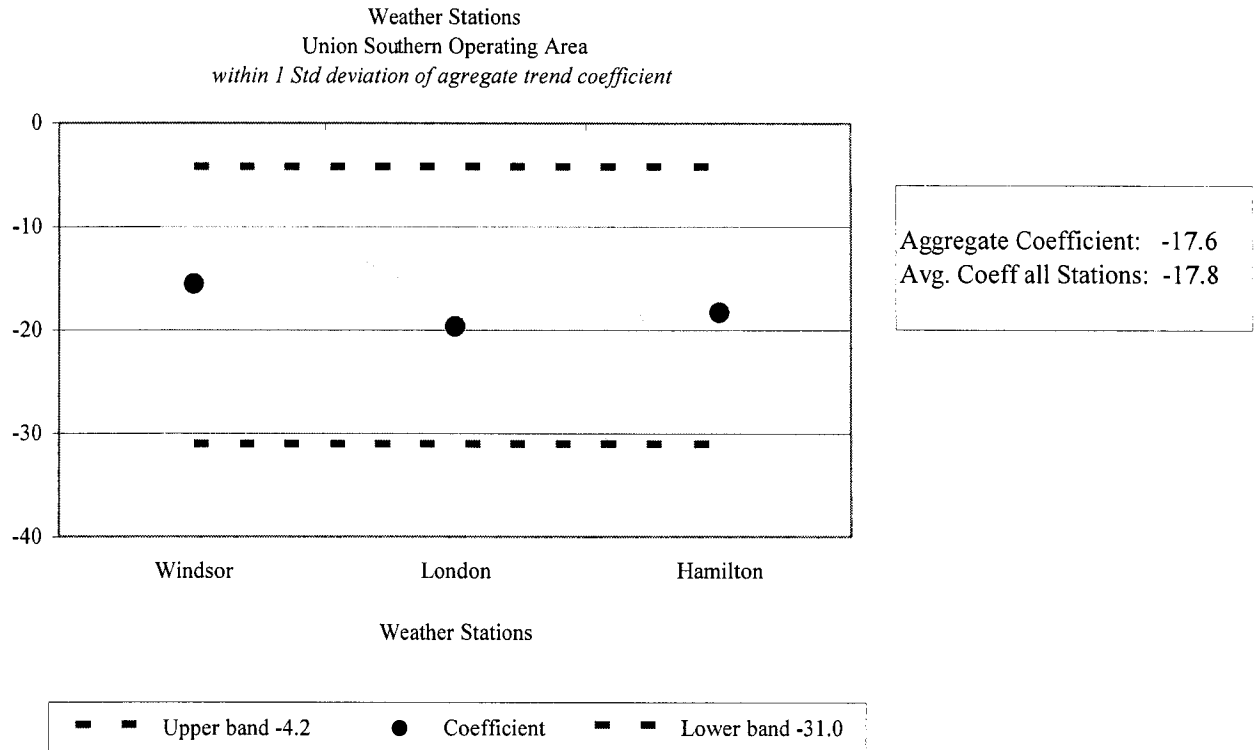
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areas, negative 17.8 versus negative 17.6 in the southern operating area, and negative 33.8 versus negative 33.7 in the northern & eastern operating area excluding Ft. Frances.

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Union uses the weighted average method to establish the weather normals for its two operating areas. Union rate schedules approved by the Board are established on the basis of the operating area weather data.

The weighted average approach enables the preparation of demand forecast equations for each service and rate class in each of the two operating areas. These equations contain the key drivers for demand as indicated by energy economic literature: weather, energy efficiency, energy price, and economic indicators such as the exchange rate and alternate fuel prices. Analysis of demand at the sub regional level does not always yield demand equations that have all these drivers; consequently less insight and accurate demand forecasting.

g) The volume weights are tabled below.

**Weather Station Weightings - Union Southern Operating Area**

Period		Windsor	London	Hamilton
From	To			
1990	1996	0.196	0.339	0.466
1997	1997	0.195	0.340	0.465
1998	1998	0.195	0.340	0.465
1999	2000	0.195	0.330	0.475
2001	2007	0.196	0.339	0.466

The southern weather stations display stable weightings.

**Weather Station Volume Weights - Union Northern & Eastern Operating Area**

Period		Fort	Thunder	Sault Ste.	Sudbury	North Bay	Timmins	Kapus-	Muskoka	Trenton
From	To	Frances	Bay	Marie				kasing		
1990	1995	Volume weights were not used by the former Centra Gas Company								
1996	1997	0.020	0.220	0.090	0.090	0.090	0.090	0.090	0.070	0.240
1998	1998	0.013	0.196	0.084	0.092	0.092	0.092	0.092	0.075	0.264
1999	2000	0.014	0.196	0.085	0.094	0.094	0.094	0.094	0.072	0.258
2001	2002	0.050	0.150	0.200	0.110	0.090	0.165	0.015	0.040	0.180
2003	2003	0.013	0.200	0.083	0.089	0.089	0.089	0.089	0.079	0.268
2004	2005	0.050	0.150	0.200	0.110	0.090	0.165	0.015	0.040	0.180
2006	2007	0.013	0.200	0.083	0.089	0.089	0.089	0.089	0.079	0.268

In 1996 with shared services with Union Gas the weights became volume based weights. Union did not change the pre 1996 weather history because these were built

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into prior and then current rate schedules. A software programme error was discovered in early January 2006. The weights for 2001, 2002 and 2004 became the weights shown on the table.

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UNION GAS LIMITED

Answer to Interrogatory from  
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")  
The London Property Management Association ("LPMA")  
The Wholesale Gas Service Purchasers Group ("WGSPG")

*Reference: Ex. B, Tab 2, page 10-11*

*Issue 14.2 - If so, how should these adjustments be made?*

***Question:***

- a) Please expand Table 1 and Table 2 to include the remaining forecast methodologies investigated by Enbridge in EB-2006-0034: naïve, 10-yr MA, 20-yr MA, 30-yr MA, de Bever, de Bever with Trend. Please add the Root Mean Squared Error ("RMSPE") and the Mean Percent Error ("MPE") performance measures that were also used by Enbridge.*
  - b) Please provide a table showing the rankings calculated using the same methodology as used by Enbridge in EB-2006-0034.*
  - c) Please provide the actual HDD for the southern operations area and the northern operations area from 1960 to 1989.*
- 

**Response:**

- a) and b) Please see interrogatory response provided at Exhibit C23.12.
- c) The heating degree-day data that was analyzed for the southern and northern & eastern area operations for the period 1960 to 1989 are tabled in the attachment being Page 2 of 2.

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**Act. Heating Degree Days**

<u>Year</u>	<u>South</u>	<u>North</u>	<u>Year</u>	<u>South</u>	<u>North</u>
1960	3,889	5,199	1976	4,256	5,643
1961	3,810	5,099	1977	4,014	5,188
1962	3,940	5,264	1978	4,370	5,640
1963	3,976	5,310	1979	4,143	5,458
1964	3,798	5,328	1980	4,265	5,559
1965	3,978	5,474	1981	3,998	5,092
1966	4,017	5,438	1982	4,011	5,430
1967	4,035	5,482	1983	3,908	5,195
1968	3,989	5,454	1984	3,997	5,175
1969	3,965	5,121	1985	3,926	5,438
1970	3,942	5,414	1986	3,882	5,175
1971	3,884	5,274	1987	3,684	4,722
1972	4,282	5,742	1988	3,986	5,317
1973	3,738	4,941	1989	4,154	5,654
1974	4,036	5,446			
1975	3,821	5,134			

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