

August 16, 2010

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

**EB-2010-0039 - Union Gas Limited - 2009 Earnings Sharing & Disposition of Deferral
Account and Other Balances – Draft Rate Order**

Dear Ms. Walli:

Attached is a draft Rate Order and supporting working papers for rates effective October 1, 2010, which reflects the August 10, 2010 Decision and Order of the Board.

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

Yours truly,

[Original signed by]

Chris Ripley
Manager, Regulatory Applications

cc Crawford Smith (Torys)
 EB-2010-0039 Intervenors

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

AND IN THE MATTER OF an Application by Union
Gas Limited for an order or orders amending or varying
the rate or rates charged to customers as of October 1,
20010;

BEFORE:

Paul Sommerville
Presiding Member

Marika Hare
Member

DRAFT DECISION AND ORDER
(for rates effective October 1, 2010)

Union Gas Limited (“Union”) filed an application dated April 22, 2010 to address the disposition of 2009 deferral account and Market Transformation incentive amounts, the 2009 earnings sharing amount and the allocation of costs between Union’s regulated and unregulated storage operations. The Board assigned docket number EB-2010-0039 to the application.

Union also proposed that the resulting impacts from the disposition be implemented on October 1, 2010 to align with other rate changes expected to result from the Quarterly Rate Adjustment Mechanism (“QRAM”).

On June 1, 2010, the Board issued Procedural Order #1 which directed a technical conference take place on July 9, 2010 followed by a settlement conference on July 26 and July 27.

On July 30, 2010 Union filed a settlement agreement (the “Settlement Agreement”). The Board issued its Decision approving the Settlement Agreement on August 10, 2010.

This Rate Order represents the implementation in rates of the amounts that were decided by the Board in its Decision.

The Board also ordered that interest shall accrue from January 1, 2010 to September 30, 2010. It further directed that the disposition shall be timed with the next QRAM for General Service M1, M2, Rate 01 and Rate 10 customers and as a one-time adjustment for infranchise distribution contract and exfranchise rate classes.

THE BOARD THEREFORE ORDERS THAT:

1. The rate changes set out in Appendix "A" and the rate schedules set out in Appendix "B" are approved effective October 1, 2010. Union shall implement these rates on the first billing cycle on or after October 1, 2010.
2. The deferral account balances as at December 31, 2009, totalling \$10.155 million payable to ratepayers as set out in Appendix "C", including interest up to October 1, 2010, are approved for disposition.
3. The earnings sharing amount as at December 31, 2009, totalling \$7.397 million payable to ratepayers as set out in Appendix "C", including interest up to October 1, 2010, is approved for disposition.
4. The 2009 Market Transformation Incentive amount of \$0.500 million recoverable from ratepayers including interest up to September 30, 2010, as set out in Appendix "C".
5. The 2009 Federal and Provincial Tax Change Amount of \$1.500 million payable to ratepayers as set out in Appendix "C", including interest up to October 1, 2010, is approved for disposition.
6. Union shall combine the 2009 Deferral account balances, the 2009 Market Transformation

Incentive amount, the Federal and Provincial Tax Change Amount and the earnings sharing amount for disposition. For General Service rate classes M1, M2, Rate 01 and Rate 10, Union shall dispose of the total balance prospectively for each of these rate classes through a temporary rate adjustment between October 1, 2010 and March 31, 2011 as set out in Appendix "D". For all other rate classes, Union shall apply the unit rates as a one-time adjustment as set out in Appendix "D".

7. Union shall recover the 2008 and 2009 capital costs related to the conversion to International Financial Reporting Standards through a revenue requirement calculation. The costs will be recovered over a 5 year period, 2010 to 2014, and recovered through the annual deferral disposition proceedings.
8. The Board will convene a hearing between November 29, 2010 and December 31, 2010 to address the balances in deferral accounts 179-121 and 179-122. In advance of that hearing, Union shall be entitled to file further written evidence to address any changes in circumstances subsequent to the date of the Settlement Agreement and parties will have an opportunity to ask interrogatories in respect of that evidence and file responding evidence. The procedure relating to the hearing may also be the subject of further Procedural Orders from the Board.
9. Until a determination by the Board with respect to the balances in Accounts No. 179-121 and 179-122, Union shall continue to track the ratepayer credit in deferral account 179-122 based on a sale date of March 1, 2010. Union will use the Board's methodology as outlined in the EB-2008-0411 Decision to calculate the ratepayer credit.
10. Union will commission an independent study ("the Study") of its cost allocation methodology for allocation of costs between its regulated and unregulated storage operations as described in the Settlement Agreement.
11. Union shall pay the Board's costs of, and incidental to, this proceeding immediately upon receipt of the Board's invoice.

DATED at Toronto _____, 2010.

ONTARIO ENERGY BOARD

Kirsten Walli
Board Secretary

EB-2010-0039
Index of Appendices

Appendix A	Summary of Changes to Sales Rates
Appendix B	General Service Rate Schedules
Appendix C	Deferral Account Balances, Market Transformation Incentive and Federal and Provincial Tax Changes Amounts for Disposition (Year Ended December 31, 2009 with interest accrued to September 30, 2010)
Appendix D	Unit Rates for Prospective Recovery/(Refund) & One-Time Adjustment, and Storage and Transportation Service (Ex-Franchise) Amounts for Disposition

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

Line No.	Particulars (cents/m ³)	EB-2010-0201 Approved July 1, 2010 Rate (a)	Rate Change (b)	EB-2010-0039 Approved October 1, 2010 Rate (c)
1	Monthly Charge - All Zones	\$19.00		\$19.00
	Monthly Delivery Charge - All Zones			
2	First 100 m ³	8.2835		8.2835
3	Next 200 m ³	7.7277		7.7277
4	Next 200 m ³	7.3327		7.3327
5	Next 500 m ³	6.9702		6.9702
6	Over 1,000 m ³	6.6708		6.6708
7	Delivery - Price Adjustment (All Volumes)	-	(0.7348)	(0.7348) (1)
	Gas Transportation Service			
8	Fort Frances	4.3232		4.3232
9	Western Zone	4.6375		4.6375
10	Northern Zone	5.6223		5.6223
11	Eastern Zone	6.4628		6.4628
12	Transportation - Price Adjustment (All Zones)	0.0534 (2)	(0.1681)	(0.1147) (3)
	Storage Service			
13	Fort Frances	1.8981		1.8981
14	Western Zone	1.8957		1.8957
15	Northern Zone	2.2838		2.2838
16	Eastern Zone	2.5971		2.5971
17	Storage - Price Adjustment (All Zones)	-		-
	Commodity Cost of Gas and Fuel			
18	Fort Frances	16.9153		16.9153
19	Western Zone	17.0042		17.0042
20	Northern Zone	17.1244		17.1244
21	Eastern Zone	17.2288		17.2288
22	Commodity and Fuel - Price Adjustment (All Zones)	(5.1586) (4)		(5.1586) (4)

Notes:

(1) Includes a temporary credit of (0.7348) cents/m³ for the period October 1, 2010 to March 31, 2011.

(2) Includes Prospective Recovery of (0.0493), 0.1502, 0.0100, and (0.0576) cents/m³.

(3) Includes Prospective Recovery of (0.0493), 0.1502, 0.0100, (0.0576), and a temporary credit of (0.1681) cents/m³ for the period October 1, 2010 to March 31, 2011.

(4) Includes Prospective Recovery of (2.2938), (1.8600), (0.2383), and (0.7665) cents/m³.

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

Line No.	Particulars (cents/m ³)	EB-2010-0201 Approved July 1, 2010 Rate (a)	Rate Change (b)	EB-2010-0039 Approved October 1, 2010 Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
2	First 1,000 m ³	7.1445		7.1445
3	Next 9,000 m ³	5.6588		5.6588
4	Next 20,000 m ³	4.8116		4.8116
5	Next 70,000 m ³	4.2692		4.2692
6	Over 100,000 m ³	2.2144		2.2144
7	Delivery - Price Adjustment (All Volumes)	-	(1.6053)	(1.6053) (1)
	Gas Transportation Service			
8	Fort Frances	3.9757		3.9757
9	Western Zone	4.2900		4.2900
10	Northern Zone	5.2749		5.2749
11	Eastern Zone	6.1154		6.1154
12	Transportation - Price Adjustment (All Zones)	0.0534 (2)	(0.1553)	(0.1019) (3)
	Storage Service			
13	Fort Frances	1.2141		1.2141
14	Western Zone	1.2118		1.2118
15	Northern Zone	1.6010		1.6010
16	Eastern Zone	1.9149		1.9149
17	Storage - Price Adjustment (All Zones)	-		-
	Commodity Cost of Gas and Fuel			
18	Fort Frances	16.9153		16.9153
19	Western Zone	17.0042		17.0042
20	Northern Zone	17.1244		17.1244
21	Eastern Zone	17.2288		17.2288
22	Commodity and Fuel - Price Adjustment (All Zones)	(5.1586) (4)		(5.1586) (4)

Notes:

(1) Includes a temporary credit of (1.6053) cents/m³ for the period October 1, 2010 to March 31, 2011.

(2) Includes Prospective Recovery of (0.0492), 0.1503, 0.0100, and (0.0576) cents/m³.

(3) Includes Prospective Recovery of (0.0492), 0.1503, 0.0100, (0.0576), and a temporary credit of (0.1553) cents/m³ for the period October 1, 2010 to March 31, 2011.

(4) Includes Prospective Recovery of (2.2938), (1.8600), (0.2383), and (0.7665) cents/m³.

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

Line No.	Particulars (cents/m ³)	EB-2010-0201 Approved July 1, 2010 Rate (a)	Rate Change (b)	EB-2010-0039 Approved October 1, 2010 Rate (c)
1	Monthly Charge	\$786.62		\$786.62
	Delivery Demand Charge			
2	First 70,000 m ³	20.3304		20.3304
3	All over 70,000 m ³	11.9553		11.9553
	Delivery Commodity Charge			
4	First 852,000 m ³	0.3390		0.3390
5	All over 852,000 m ³	0.2468		0.2468
	Monthly Gas Supply Demand Charge			
6	Fort Frances	34.7281		34.7281
7	Western Zone	40.4972		40.4972
8	Northern Zone	64.2825		64.2825
9	Eastern Zone	84.2670		84.2670
10	Gas Supply Demand - Price Adjustment (All Zones)	-		-
	Commodity Transportation 1			
11	Fort Frances	3.2962		3.2962
12	Western Zone	3.4210		3.4210
13	Northern Zone	3.9699		3.9699
14	Eastern Zone	4.4313		4.4313
15	Transportation 1 - Price Adjustment (All Zones)	0.0534 (1)		0.0534 (1)
	Commodity Transportation 2			
16	Fort Frances	0.1258		0.1258
17	Western Zone	0.1234		0.1234
18	Northern Zone	0.1930		0.1930
19	Eastern Zone	0.2528		0.2528
	Commodity Cost of Gas and Fuel			
20	Fort Frances	16.9857		16.9857
21	Western Zone	17.0750		17.0750
22	Northern Zone	17.1957		17.1957
23	Eastern Zone	17.3005		17.3005
24	Commodity and Fuel - Price Adjustment (All Zones)	(5.1586) (2)		(5.1586) (2)
	Bundled Storage Service (\$/GJ)			
25	Monthly Demand Charge	11.251		11.251
26	Commodity Charge	0.242		0.242
27	Storage Demand - Price Adjustment	-		-

Notes:

- (1) Includes Prospective Recovery of (0.0493), 0.1502, 0.0100, and (0.0576) cents/m³.
(2) Includes Prospective Recovery of (2.2938), (1.8600), (0.2383), and (0.7665) cents/m³.

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

Line No.	Particulars (cents/m ³)	EB-2010-0201 Approved July 1, 2010	Rate Change (b)	EB-2010-0039 Approved October 1, 2010
		Rate (a)		Rate (c)
1	Monthly Charge	\$786.62		\$786.62
2	Delivery Demand Charge All Zones	12.0286		12.0286
3	Delivery Commodity Charge All Zones	0.1993		0.1993
4	Monthly Gas Supply Demand Charge Fort Frances	63.7749		63.7749
5	Western Zone	70.5057		70.5057
6	Northern Zone	98.2553		98.2553
7	Eastern Zone	121.5703		121.5703
8	Commodity Transportation 1 Fort Frances	5.8480		5.8480
9	Western Zone	5.9416		5.9416
10	Northern Zone	6.3533		6.3533
11	Eastern Zone	6.6993		6.6993
12	Commodity Transportation 2 Fort Frances	0.1258		0.1258
13	Western Zone	0.1234		0.1234
14	Northern Zone	0.1930		0.1930
15	Eastern Zone	0.2528		0.2528
16	Commodity Cost of Gas and Fuel Fort Frances	16.9857		16.9857
17	Western Zone	17.0750		17.0750
18	Northern Zone	17.1957		17.1957
19	Eastern Zone	17.3005		17.3005
20	Commodity and Fuel - Price Adjustment (All Zones)	(5.1586) (1)		(5.1586) (1)
21	Bundled Storage Service (\$/GJ) Monthly Demand Charge	11.251		11.251
22	Commodity Charge	0.242		0.242
23	Storage Demand - Price Adjustment	-		-

Notes:

(1) Includes Prospective Recovery of (2.2938), (1.8600), (0.2383), and (0.7665) cents/m³.

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

Line No.	Particulars (cents/m ³)	EB-2010-0201 Approved July 1, 2010	Rate Change (b)	EB-2010-0039 Approved October 1, 2010
		Rate (a)		Rate (c)
	<u>Rate 25 - Large Volume Interruptible Service</u>			
1	Monthly Charge	\$191.61		\$191.61
	 Delivery Charge - All Zones *			
2	Maximum	4.4083		4.4083
	 Gas Supply Charges - All Zones			
3	Minimum	14.3135		14.3135
4	Maximum	140.5622		140.5622
	 <u>Rate 77 - Wholesale Transportation Service</u>			
5	Monthly Charge	\$146.23		\$146.23
6	Delivery Demand Charge - All Zones	28.7591		28.7591

* see Appendix C

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

Line No.	Particulars (cents/m ³)	EB-2010-0201 Approved July 1, 2010 Rate (a)	Rate Change (b)	EB-2010-0039 Approved October 1, 2010 Rate (c)
	<u>Utility Sales</u>			
1	Commodity and Fuel	17.2288		17.2288
2	Commodity and Fuel - Price Adjustment	(4.1373) (1)	0.0171	(4.1202) (2)
3	Transportation	4.7728		4.7728
4	Total Gas Supply Commodity Charge	17.8643	0.0171	17.8814
	<u>M4 Firm Commercial/Industrial</u>			
5	Minimum annual gas supply commodity charge	5.5400		5.5400
	<u>M5A Interruptible Commercial/Industrial</u>			
6	Minimum annual gas supply commodity charge	5.5400		5.5400
	<u>Storage and Transportation Supplemental Services - Rate T1 & T3</u>	<u>\$/GJ</u>		<u>\$/GJ</u>
	Monthly demand charges: (\$/GJ)			
7	Firm gas supply service	47.404		47.404
8	Firm backstop gas	2.351		2.351
	Commodity charges:			
9	Gas supply	4.550		4.550
10	Backstop gas	6.204		6.204
11	Reasonable Efforts Backstop Gas	7.217		7.217
12	Supplemental Inventory	Note (3)		Note (3)
13	Supplemental Gas Sales Service (cents/m ³)	25.1406		25.1406
14	Failure to Deliver	2.756		2.756
15	Discretionary Gas Supply Service (DGSS)	Note (4)		Note (4)

Notes:

(1) Includes Prospective Recovery of (2.0414), (1.4799), (0.4974), and (0.1186) cents/m³.

(2) Includes Prospective Recovery of (2.0414), (1.4799), (0.4974), (0.1186), and a temporary charge of 0.0171 cents/m³ for the period October 1, 2010 to March 31, 2011.

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

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

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

Line No.	Particulars (cents/m ³)	EB-2010-0201 Approved July 1, 2010 Rate (a)	Rate Change (b)	EB-2010-0039 Approved October 1, 2010 Rate (c)
	<u>M1 Small Volume General Service Rate</u>			
1	Monthly Charge	\$19.00		\$19.00
2	First 100 m ³	4.2349		4.2349
3	Next 150 m ³	4.0055		4.0055
4	All over 250 m ³	3.4627		3.4627
5	Delivery - Price Adjustment (All Volumes)	0.0001 (1)	0.0431	0.0432 (2)
6	Storage Service	0.9919		0.9919
7	Storage - Price Adjustment	-		-
	<u>M2 Large Volume General Service Rate</u>			
8	Monthly Charge	\$70.00		\$70.00
9	First 1 000 m ³	3.5861		3.5861
10	Next 6 000 m ³	3.5119		3.5119
11	Next 13 000 m ³	3.2908		3.2908
12	All over 20 000 m ³	3.0255		3.0255
13	Delivery - Price Adjustment (All Volumes)	0.0001 (1)	(0.4748)	(0.4747) (3)
14	Storage Service	0.7305		0.7305
15	Storage - Price Adjustment	-		-
	<u>M4 Firm comm/ind contract rate</u>			
	Monthly demand charge:			
16	First 8 450 m ³	45.7485		45.7485
17	Next 19 700 m ³	19.8487		19.8487
18	All over 28 150 m ³	16.4833		16.4833
	Monthly delivery commodity charge:			
19	First block	0.8376		0.8376
20	All remaining use	0.3741		0.3741
21	Delivery - Price Adjustment (All Volumes)	0.0001 (1)		0.0001 (1)
22	Minimum annual delivery commodity charge	1.1514		1.1514

Notes:

(1) Includes Prospective Recovery of (0.0000), 0.0000, 0.0000, and 0.0001 cents/m³.

(2) Includes Prospective Recovery of (0.0000), 0.0000, 0.0000, 0.0001, and a temporary charge of 0.0431 cents/m³ for the period October 1, 2010 to March 31, 2010.

(3) Includes Prospective Recovery of (0.0000), 0.0000, 0.0000, 0.0001, and a temporary credit of (0.4748) cents/m³ for the period October 1, 2010 to March 31, 2010.

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

Line No.	Particulars (cents/m ³)	EB-2010-0201 Approved July 1, 2010 Rate (a)	Rate Change (b)	EB-2010-0039 Approved October 1, 2010 Rate (c)
	<u>M5A interruptible comm/ind contract</u>			
	<u>Firm contracts *</u>			
1	Monthly demand charge	27.7229		27.7229
2	Monthly delivery commodity charge	1.7444		1.7444
3	Delivery - Price Adjustment (All Volumes)	0.0001 (1)		0.0001 (1)
	<u>Interruptible contracts *</u>			
4	Monthly Charge	\$504.24		\$504.24
	Daily delivery commodity charge:			
5	4 800 m ³ to 17 000 m ³	1.7999		1.7999
6	17 000 m ³ to 30 000 m ³	1.6700		1.6700
7	30 000 m ³ to 50 000 m ³	1.6017		1.6017
8	50 000 m ³ to 70 000 m ³	1.5538		1.5538
9	70 000 m ³ to 100 000 m ³	1.5195		1.5195
10	100 000 m ³ to 140 870 m ³	1.4858		1.4858
11	Delivery - Price Adjustment (All Volumes)	0.0001 (1)		0.0001 (1)
12	Annual minimum delivery commodity charge	2.1137		2.1137
	<u>M7 Special large volume contract</u>			
	<u>Firm</u>			
13	Monthly demand charge	25.5108		25.5108
14	Monthly delivery commodity charge	0.2242		0.2242
15	Delivery - Price Adjustment	0.0001 (1)		0.0001 (1)
	<u>Interruptible *</u>			
16	Monthly delivery commodity charge: Maximum	2.6205		2.6205
17	Delivery - Price Adjustment	0.0001 (1)		0.0001 (1)
	<u>Seasonal *</u>			
18	Monthly delivery commodity charge: Maximum	2.3764		2.3764
19	Delivery - Price Adjustment	0.0001 (1)		0.0001 (1)
	<u>M9 Large wholesale service</u>			
20	Monthly demand charge	17.0389		17.0389
21	Monthly delivery commodity charge	0.2965		0.2965
22	Delivery - Price Adjustment	0.0001 (1)		0.0001 (1)
	<u>M10 Small wholesale service</u>			
23	Monthly delivery commodity charge	2.5718		2.5718

Notes:

(1) Includes Prospective Recovery of (0.0000), 0.0000, 0.0000, and 0.0001 cents/m³.

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

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

Line No.	Particulars	EB-2010-0201 Approved July 1, 2010 Rate (a)	Rate Change (b)	EB-2010-0039 Approved October 1, 2010 Rate (c)
	<u>Contract Carriage Service</u>			
	<u>T1 Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.010		0.010
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.626		1.626
3	Customer provides deliverability inventory	1.038		1.038
4	Firm incremental injection	1.038		1.038
5	Interruptible withdrawal	1.038		1.038
	Commodity charges:			
6	Withdrawal	0.044		0.044
7	Customer provides compressor fuel	0.007		0.007
8	Injection	0.044		0.044
9	Customer provides compressor fuel	0.007		0.007
10	Storage fuel ratio - customer provides fuel	0.604%		0.604%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge first 140,870 m ³	19.1591		19.1591
12	Monthly demand charge all over 140,870 m ³	13.0919		13.0919
	Commodity charges:			
13	Firm- Union provides compressor fuel first 2,360,653 m ³	0.3072		0.3072
14	Union provides compressor fuel all over 2,360,653 m ³	0.2180		0.2180
15	Customer provides compressor fuel first 2,360,653 m ³	0.1776		0.1776
16	Customer provides compressor fuel all over 2,360,653 m ³	0.0884		0.0884
	Interruptible: *			
17	Maximum - Union provides compressor fuel	2.6205		2.6205
18	Maximum - customer provides compressor fuel	2.4909		2.4909
19	Transportation fuel ratio - customer provides fuel	0.561%		0.561%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
20	Injection / Withdrawals	0.124		0.124
21	Customer provides compressor fuel	0.060		0.060
22	Transportation commodity charge (cents/m ³)	0.9370		0.9370
23	Customer provides compressor fuel	0.8075		0.8075
24	<u>Monthly Charge</u>	\$1,815.28		\$1,815.28

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

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

Line No.	Particulars	EB-2010-0201 Approved July 1, 2010 Rate (a)	Rate Change (b)	EB-2010-0039 Approved October 1, 2010 Rate (c)
	<u>T3 Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.010		0.010
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.626		1.626
3	Customer provides deliverability inventory	1.038		1.038
4	Firm incremental injection	1.038		1.038
5	Interruptible withdrawal	1.038		1.038
	Commodity charges:			
6	Withdrawal	0.044		0.044
7	Customer provides compressor fuel	0.007		0.007
8	Injection	0.044		0.044
9	Customer provides compressor fuel	0.007		0.007
10	Storage fuel ratio- Cust. provides fuel	0.604%		0.604%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge	9.0665		9.0665
	Commodity charges			
12	Firm- Union supplies compressor fuel	0.2371		0.2371
13	Customer provides compressor fuel	0.0683		0.0683
14	Transportation fuel ratio- Cust. provides fuel	0.731%		0.731%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
15	Injection / Withdrawals	0.124		0.124
16	Customer provides compressor fuel	0.060		0.060
17	Transportation commodity charge (cents/m ³)	0.5352		0.5352
18	Customer provides compressor fuel (cents/m ³)	0.3664		0.3664
	<u>Monthly Charge</u>			
19	City of Kitchener	\$17,601.66		\$17,601.66
20	Natural Resource Gas	\$2,702.03		\$2,702.03
21	Six Nations	\$900.68		\$900.68

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

Line No.	Particulars	EB-2010-0201 Approved July 1, 2010 Rate (a)	Rate Change (b)	EB-2010-0039 Approved October 1, 2010 Rate (c)
	<u>U2 Unbundled Service</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Standard Storage Service (SSS) Combined Firm Space & Deliverability	0.021		0.021
2	Standard Peaking Service (SPS) Combined Firm Space & Deliverability	0.104		0.104
3	Incremental firm injection right	0.943		0.943
4	Incremental firm withdrawal right	0.943		0.943
	Commodity charges:			
5	Injection customer provides compressor fuel	0.015		0.015
6	Withdrawal customer provides compressor fuel	0.015		0.015
7	Storage fuel ratio - Customer provides fuel	0.604%		0.604%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
8	Injection customer provides compressor fuel	0.046		0.046
9	Withdrawal customer provides compressor fuel	0.046		0.046
	<u>U5 Unbundled Service</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
10	Combined Firm Space & Deliverability	0.021		0.021
11	Incremental firm injection right	0.943		0.943
12	Incremental firm withdrawal right	0.943		0.943
	Commodity charges:			
13	Injection customer provides compressor fuel	0.015		0.015
14	Withdrawal customer provides compressor fuel	0.015		0.015
15	Storage fuel ratio - Customer provides fuel	0.604%		0.604%
	<u>Delivery (cents / m³)</u>			
	<u>Firm contracts</u>			
16	Monthly demand charge	21.9579		21.9579
17	Monthly delivery commodity charge	1.6447		1.6447
18	Transportation fuel ratio - Customer provides fuel	0.561%		0.561%
	<u>Interruptible contracts</u>			
19	Monthly Charge	\$504.24		\$504.24
	Monthly delivery commodity charge:			
20	4 800 m ³ to 17 000 m ³	1.3617		1.3617
21	17 000 m ³ to 30 000 m ³	1.2318		1.2318
22	30 000 m ³ to 50 000 m ³	1.1635		1.1635
23	50 000 m ³ to 70 000 m ³	1.1156		1.1156
24	70 000 m ³ to 100 000 m ³	1.0813		1.0813
25	100 000 m ³ to 140 870 m ³	1.0476		1.0476
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
26	Injection customer provides compressor fuel	0.046		0.046
27	Withdrawal customer provides compressor fuel	0.046		0.046

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

Line No.	Particulars	EB-2010-0201 Approved July 1, 2010 Rate (a)	Rate Change (b)	EB-2010-0039 Approved October 1, 2010 Rate (c)
	<u>U7 Unbundled Service</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Combined Firm Space & Deliverability	0.021		0.021
2	Incremental firm injection right	0.943		0.943
3	Incremental firm withdrawal right	0.943		0.943
	Commodity charges:			
4	Injection customer provides compressor fuel	0.015		0.015
5	Withdrawal customer provides compressor fuel	0.015		0.015
6	Storage fuel ratio - Customer provides fuel	0.604%		0.604%
	<u>Delivery (cents / m³)</u>			
7	Monthly demand charge first 140,870 m ³	19.1591		19.1591
8	Monthly demand charge all over 140,870 m ³	13.0919		13.0919
	Commodity charges			
9	Firm Customer provides compressor fuel first 2,360,653 m ³	0.1776		0.1776
10	Firm Customer provides compressor fuel all over 2,360,653 m ³	0.0884		0.0884
	Interruptible:			
11	Maximum customer provides compressor fuel	2.4909		2.4909
12	Transportation fuel ratio - Customer provides fuel	0.561%		0.561%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
13	Injection customer provides compressor fuel	0.046		0.046
14	Withdrawal customer provides compressor fuel	0.046		0.046
15	Transportation commodity charge (cents/m ³)	0.8075		0.8075
	<u>Other Services & Charges</u>			
16	Monthly Charge	\$1,815.28		\$1,815.28
	<u>U9 Unbundled Service</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
17	Firm space	0.021		0.021
18	Incremental firm injection right	0.943		0.943
19	Incremental firm withdrawal right	0.943		0.943
	Commodity charges:			
20	Injection customer provides compressor fuel	0.015		0.015
21	Withdrawal customer provides compressor fuel	0.015		0.015
22	Storage fuel ratio - Customer provides fuel	0.604%		0.604%
	<u>Delivery (cents / m³)</u>			
23	Monthly demand charge	9.0665		9.0665
	Commodity charges			
24	Firm customer provides compressor fuel	0.0683		0.0683
25	Transportation fuel ratio - Customer provides fuel	0.731%		0.731%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
26	Injection customer provides compressor fuel	0.046		0.046
27	Withdrawal customer provides compressor fuel	0.046		0.046
28	Transportation commodity charge (cents/m ³)	0.3664		0.3664
	<u>Other Services & Charges</u>			
	Monthly Charge			
29	City of Kitchener	\$17,601.66		\$17,601.66
30	NRG	\$2,702.03		\$2,702.03
31	Six Nations	\$900.68		\$900.68

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2010-0201 Approved July 1, 2010 Rate (a)	Rate Change (b)	EB-2010-0039 Approved October 1, 2010 Rate (c)
<u>M12 Storage & Transportation Service</u>				
<u>Storage service</u>				
Monthly demand charges:				
1	Space- Shipper providing deliverability inventory	0.010		0.010
2	Firm deliverability	1.038		1.038
Commodity charges:				
3	Injection / Withdrawal - Shipper supplied fuel (includes UFG)	0.007	(2)	0.007 (2)
<u>Firm transportation</u>				
Monthly demand charges:				
4	Dawn to Kirkwall	2.014		2.014
5	Dawn to Oakville/Parkway	2.366		2.366
Commodity charges:				
6	Easterly	Note (1)		Note (1)
7	Westerly	Note (1)		Note (1)
<u>Limited Firm/Interruptible</u>				
Monthly demand charges:				
8	Maximum	5.678		5.678
Commodity charges :				
9	Others	Note (1)		Note (1)
<u>Authorized Overrun</u>				
Storage commodity charges:				
10	Injection / Withdrawal - Shipper supplied fuel (includes UFG)	0.041	(2)	0.041 (2)
Transportation commodity charges:				
Easterly:				
11	Dawn to Kirkwall - Union supplied fuel	Note (1)		Note (1)
12	Dawn to Oakville/Parkway - Union supplied fuel	Note (1)		Note (1)
13	Dawn to Kirkwall - Shipper supplied fuel	0.066	(1)	0.066 (1)
14	Dawn to Oakville/Parkway - Shipper supplied fuel	0.078	(1)	0.078 (1)
15	Westerly - Union supplied fuel	Note (1)		Note (1)
16	Westerly - Shipper supplied fuel	0.078	(1)	0.078 (1)
<u>Unauthorized Overrun</u>				
Overrun of Maximum Storage Balance				
17	August 1 to December 15	60.000		60.000
18	December 16 to July 31	6.000		6.000
Drafted Storage Balance				
19	February 1 to April 30	60.000		60.000
20	May 1 to January 31	6.000		6.000
<u>M13 Transportation of Locally Produced Gas</u>				
21	Monthly fixed charge per customer station	663.778		663.778
22	Transmission commodity charge to Dawn	0.025		0.025
23	Commodity charge - Union supplies fuel	0.020		0.020
24	Commodity charge - Shipper supplies fuel	Note (2)		Note (2)
25	Authorized Overrun - Union supplies fuel	0.078		0.078
26	Authorized Overrun - Shipper supplies fuel	0.058	(2)	0.058 (2)

Note: (1) Monthly fuel rates and ratios per Schedule "C".

Note: (2) Plus customer supplied fuel per rate schedule.

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2010-0201 Approved July 1, 2010 Rate (a)	Rate Change (b)	EB-2010-0039 Approved October 1, 2010 Rate (c)
	<u>M16 Storage Transportation Service</u>			
1	Monthly fixed charge per customer station	\$672.33		\$672.33
	Monthly demand charges:			
2	East of Dawn	0.736		0.736
3	West of Dawn	0.985		0.985
4	Transmission commodity charge to Dawn	0.025		0.025
	Transportation Fuel Charges to Dawn:			
5	East of Dawn - Union supplied fuel	0.020		0.020
6	West of Dawn - Union supplied fuel	0.020		0.020
7	East of Dawn - Shipper supplied fuel	Note (2)		Note (2)
8	West of Dawn - Shipper supplied fuel	Note (2)		Note (2)
	Transportation Fuel Charges to Pools:			
9	East of Dawn - Union supplied fuel	0.026		0.026
10	West of Dawn - Union supplied fuel	0.030		0.030
11	East of Dawn - Shipper supplied fuel	Note (2)		Note (2)
12	West of Dawn - Shipper supplied fuel	Note (2)		Note (2)
	<u>Authorized Overrun</u>			
	Transportation Fuel Charges to Dawn:			
13	East of Dawn - Union supplied fuel	0.070		0.070
14	West of Dawn - Union supplied fuel	0.078		0.078
15	East of Dawn - Shipper supplied fuel	0.050 (2)		0.050 (2)
16	West of Dawn - Shipper supplied fuel	0.058 (2)		0.058 (2)
	Transportation Fuel Charges to Pools:			
17	East of Dawn - Union supplied fuel	0.051		0.051
18	West of Dawn - Union supplied fuel	0.063		0.063
19	East of Dawn - Shipper supplied fuel	0.024 (2)		0.024 (2)
20	West of Dawn - Shipper supplied fuel	0.033 (2)		0.033 (2)
	<u>C1 Storage & Cross Franchise Transportation Service</u>			
	<u>Transportation service</u>			
	Monthly demand charges:			
21	St. Clair / Bluewater & Dawn	0.985		0.985
22	Ojibway & Dawn	0.985		0.985
23	Parkway to Dawn	0.551		0.551
24	Parkway to Kirkwall	0.551		0.551
25	Dawn to Kirkwall	2.014		2.014
26	Dawn to Parkway	2.366		2.366
27	Dawn to Dawn-Vector	0.043		0.043
	Short-term:			
28	Maximum	75.000		75.000
	Commodity charges:			
29	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.027		0.027
30	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.023		0.023
31	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.035		0.035
32	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.030		0.030
33	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.020		0.020
34	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.023		0.023
35	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.070		0.070
36	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.032		0.032
37	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.070		0.070
38	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.032		0.032

Note: (1) Monthly fuel rates and ratios per Schedule "C".

Note: (2) Plus customer supplied fuel per rate schedule.

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2010-0201 Approved July 1, 2010 Rate (a)	Rate Change (b)	EB-2010-0039 Approved October 1, 2010 Rate (c)
<u>C1 Storage & Cross Franchise Transportation Service</u>				
<u>Transportation service cont'd</u>				
1	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (2)		Note (2)
2	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (2)		Note (2)
3	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (2)		Note (2)
4	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (2)		Note (2)
5	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (2)		Note (2)
6	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (2)		Note (2)
7	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (2)		Note (2)
8	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (2)		Note (2)
9	Dawn to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (2)		Note (2)
10	Dawn to Parkway - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (2)		Note (2)
11	Dawn to Dawn-Vector - Shipper supplied fuel (Nov. 1 - Mar. 31)	n/a		n/a
12	Dawn to Dawn-Vector - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (2)		Note (2)
Interruptible commodity charges:				
13	Maximum	75.000		75.000
14	Dawn(Tecumseh), Dawn(Facilities or TCPL), Dawn (Vector) and Dawn (TSLE)	Note (2)		Note (2)
<u>Authorized Overrun</u>				
Firm transportation commodity charges:				
15	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.060		0.060
16	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.055		0.055
17	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.069		0.069
18	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.063		0.063
19	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.019		0.019
20	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.021		0.021
21	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.117		0.117
22	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.079		0.079
23	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.128		0.128
24	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct. 31)	0.090		0.090
25	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.033 (2)		0.033 (2)
26	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.033 (2)		0.033 (2)
27	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.033 (2)		0.033 (2)
28	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.033 (2)		0.033 (2)
29	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.018 (2)		0.018 (2)
30	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.018 (2)		0.018 (2)
31	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.066 (2)		0.066 (2)
32	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.066 (2)		0.066 (2)
33	Dawn to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.078 (2)		0.078 (2)
34	Dawn to Parkway - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.078 (2)		0.078 (2)
35	Dawn to Dawn-Vector - Shipper supplied fuel (Nov. 1 - Mar. 31)	n/a (2)		n/a (2)
36	Dawn to Dawn-Vector - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.001 (2)		0.001 (2)
Short Term Firm transportation commodity charges:				
37	Maximum	75.000		75.000

Note: (1) Monthly fuel rates and ratios per Schedule "C".

Note: (2) Plus customer supplied fuel per rate schedule.



RATE 01A – SMALL VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

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

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

MONTHLY RATES AND CHARGES

Zone Rate Schedule No.	<u>Fort Frances</u> 201	<u>Western</u> 101	<u>Northern</u> 301	<u>Eastern</u> 601
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$19.00	\$19.00	\$19.00	\$19.00
<u>DELIVERY CHARGE</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 100 m ³ per month @	8.2835	8.2835	8.2835	8.2835
Next 200 m ³ per month @	7.7277	7.7277	7.7277	7.7277
Next 200 m ³ per month @	7.3327	7.3327	7.3327	7.3327
Next 500 m ³ per month @	6.9702	6.9702	6.9702	6.9702
Over 1,000 m ³ per month @	6.6708	6.6708	6.6708	6.6708
Delivery- Price Adjustment (All Volumes)	(0.7348) (1)	(0.7348) (1)	(0.7348) (1)	(0.7348) (1)

Notes:

(1) The Delivery – Price Adjustment is composed of a temporary credit of (0.7348) cents/m³ for the period October 1, 2010 to March 31, 2011.

ADDITIONAL CHARGES FOR SALES SERVICE**GAS SUPPLY CHARGES****Gas Supply Charge (if applicable)**

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

MONTHLY BILL

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

MINIMUM MONTHLY BILL

The Minimum Monthly Bill shall be the Monthly Charge.

DELAYED PAYMENT

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

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

1. If multiple end-users are receiving service from a customer under this rate, for billing purposes, the Monthly Charge, the Delivery Charge and any other charge that is specific to the location of each end-user shall be used to develop a monthly bill for each end-user at each location. Upon request, possibly for a fee, Union will combine the individual bills on a single invoice or statement for administrative convenience. However, Union will not combine the quantities or demands of several end-use locations so that eligibility to a different rate class will result. Further, Union will not combine the monthly billing data of individual end-users to generate a single bill which is less than the sum of the monthly bills of the individual end-users involved at each location.
2. Customers must enter into a Service Agreement with Union prior to the commencement of service.
3. The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

Effective

October 1, 2010
O.E.B. ORDER # EB-2010-0039

Chatham, Ontario

Supersedes EB-2010-0201 Rate Schedule effective July 1, 2010.



RATE 10 – LARGE VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

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

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

MONTHLY RATES AND CHARGES

Zone Rate Schedule No.	<u>Fort Frances</u> 210	<u>Western</u> 110	<u>Northern</u> 310	<u>Eastern</u> 610
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$70.00	\$70.00	\$70.00	\$70.00
<u>DELIVERY CHARGE</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 1,000 m ³ per month @	7.1445	7.1445	7.1445	7.1445
Next 9,000 m ³ per month @	5.6588	5.6588	5.6588	5.6588
Next 20,000 m ³ per month @	4.8116	4.8116	4.8116	4.8116
Next 70,000 m ³ per month @	4.2692	4.2692	4.2692	4.2692
Over 100,000 m ³ per month @	2.2144	2.2144	2.2144	2.2144
Delivery-Price Adjustment (All Volumes)	(1.6053) (1)	(1.6053) (1)	(1.6053) (1)	(1.6053) (1)

Notes:

(1) The Delivery – Price Adjustment is composed of a temporary credit of (1.6053) cents/m³ for the period October 1, 2010 to March 31, 2011.

ADDITIONAL CHARGES FOR SALES SERVICE**GAS SUPPLY CHARGES****Gas Supply Charge (if applicable)**

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

MONTHLY BILL

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

MINIMUM MONTHLY BILL

The minimum monthly bill shall be the Monthly Charge.

DELAYED PAYMENT

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

SERVICE AGREEMENT

Customers providing their own gas supply in whole or in part, for transportation by Union and customers purchasing gas from Union with maximum daily requirements in excess of 3,000 m³ per day must enter into a Service Agreement with Union.

TERMS AND CONDITIONS OF SERVICE

1. Service shall be for a minimum term of one year.
2. If multiple end-users are receiving service from a customer under this rate, for billing purposes, the Monthly Charge, the Delivery Charge and any other charge that is specific to the location of each end-user shall be used to develop a monthly bill for each end-user at each location. Upon request, possibly for a fee, Union will combine the individual bills on a single invoice or statement for administrative convenience. However, Union will not combine the quantities or demands of several end-use locations so that eligibility to a different rate class will result. Further, Union will not combine the monthly billing data of individual end-users to generate a single bill which is less than the sum of the monthly bills of the individual end-users involved at each location.
3. Customers must enter into a Service Agreement with Union prior to the commencement of service.
4. For the purposes of qualifying for a rate class, the total quantities of gas consumed or expected to be consumed on the customer's contiguous property will be used, irrespective of the number of meters installed.
5. The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

Effective

October 1, 2010
O.E.B. ORDER # EB-2010-0039

Chatham, Ontario

Supersedes EB-2010-0201 Rate Schedule effective July 1, 2010.



uniongas

Effective
2010-10-01
Schedule "A"
Page 1 of 2

Union Gas Limited
Northern and Eastern Operations Area
Gas Supply Charges

(A) Availability

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

(B) Applicability:

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

(C) Rates

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 01A (cents / m³)</u>				
Storage	1.8981	1.8957	2.2838	2.5971
Storage - Price Adjustment	-	-	-	-
Commodity and Fuel (1)	16.9153	17.0042	17.1244	17.2288
Commodity and Fuel - Price Adjustment	(5.1586)	(5.1586)	(5.1586)	(5.1586)
Transportation	4.3232	4.6375	5.6223	6.4628
Transportation - Price Adjustment (2)	(0.1147)	(0.1147)	(0.1147)	(0.1147)
Total Gas Supply Charge	<u>17.8632</u>	<u>18.2640</u>	<u>19.7572</u>	<u>21.0154</u>

Rate 10 (cents / m³)

Storage	1.2141	1.2118	1.6010	1.9149
Storage - Price Adjustment	-	-	-	-
Commodity and Fuel (1)	16.9153	17.0042	17.1244	17.2288
Commodity and Fuel - Price Adjustment	(5.1586)	(5.1586)	(5.1586)	(5.1586)
Transportation	3.9757	4.2900	5.2749	6.1154
Transportation - Price Adjustment (3)	(0.1019)	(0.1019)	(0.1019)	(0.1019)
Total Gas Supply Charge	<u>16.8446</u>	<u>17.2455</u>	<u>18.7397</u>	<u>19.9986</u>

Notes:

(1) As laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.3138 cents/m³.

(2) Includes a temporary credit of (0.1681) cents/m³ for the period October 1, 2010 to March 31, 2011.

(3) Includes a temporary credit of (0.1553) cents/m³ for the period October 1, 2010 to March 31, 2011.



uniongas

Effective
2010-10-01
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 / m³)</u>				
Commodity and Fuel (1)	16.9857	17.0750	17.1957	17.3005
Commodity and Fuel - Price Adjustment	(5.1586)	(5.1586)	(5.1586)	(5.1586)
Commodity Transportation - Charge 1	3.2962	3.4210	3.9699	4.4313
Transportation 1 - Price Adjustment	0.0534	0.0534	0.0534	0.0534
Commodity Transportation - Charge 2	0.1258	0.1234	0.1930	0.2528
Monthly Gas Supply Demand	34.7281	40.4972	64.2825	84.2670
Gas Supply Demand - Price Adjustment	-	-	-	-
Commissioning and Decommissioning Rate	4.9883	5.4670	7.4840	9.1792
<u>Rate 100 (cents / m³)</u>				
Commodity and Fuel (1)	16.9857	17.0750	17.1957	17.3005
Commodity and Fuel - Price Adjustment	(5.1586)	(5.1586)	(5.1586)	(5.1586)
Commodity Transportation - Charge 1	5.8480	5.9416	6.3533	6.6993
Commodity Transportation - Charge 2	0.1258	0.1234	0.1930	0.2528
Monthly Gas Supply Demand	63.7749	70.5057	98.2553	121.5703
Commissioning and Decommissioning Rate	5.5735	5.9283	7.4478	8.7254
<u>Rate 25 (cents / m³)</u>				
Gas Supply Charge:				
Interruptible Service				
Minimum	14.3135	14.3135	14.3135	14.3135
Maximum	140.5622	140.5622	140.5622	140.5622

Notes:

(1) As laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.3138 cents/m³.

Effective: October 1, 2010
O.E.B. Order # EB-2010-0039

Chatham, Ontario

Supersedes EB-2010-0201 Rate Schedule effective July 1, 2010.

SMALL VOLUME GENERAL SERVICE RATE**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

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

(C) Rates

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

- | | | | |
|----|--|--------------------|-----------------------------|
| a) | Monthly Charge | | \$ 19.00 |
| b) | Delivery Charge | | |
| | First | 100 m ³ | 4.2349 ¢ per m ³ |
| | Next | 150 m ³ | 4.0055 ¢ per m ³ |
| | All Over | 250 m ³ | 3.4627 ¢ per m ³ |
| | Delivery – Price Adjustment (All Volumes) (1) | | 0.0432 ¢ per m ³ |
| c) | Storage Charge (if applicable) | | 0.9919 ¢ per m ³ |
| | Applicable to all bundled customers (sales and bundled transportation service). | | |
| d) | Gas Supply Charge (if applicable) | | |
| | The gas supply charge is comprised of charges for transportation and for commodity and fuel.
The applicable rates are provided in Schedule "A". | | |

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

Notes:

(1) The Delivery-Price Adjustment includes a temporary charge of 0.0431 cents/m³ for the period October 1, 2010 to March 31, 2011.

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

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

(E) Delayed Payment

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

**(F) Direct Purchase**

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

(G) Overrun Charge

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. The customer may pay 5.2268 ¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³.

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

- a. Customers who temporarily discontinue service during any twelve consecutive months without payment of the monthly fixed charge for the months in which the gas is temporarily disconnected shall pay for disconnection and reconnection.
- b. When gas is delivered at an absolute pressure in excess of 101.325 kilopascals, then for purposes of measurement, hereunder, such volume of gas shall be corrected to an absolute pressure of 101.325 kilopascals. Atmospheric pressure is assumed to be the levels shown below in kilopascals (absolute) regardless of the actual atmospheric pressure at which the gas is measured and delivered.

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

Effective October 1, 2010
O.E.B. ORDER # EB-2010-0039

Chatham, Ontario

Supersedes EB-2010-0201 Rate Schedule effective July 1, 2010.

LARGE VOLUME GENERAL SERVICE RATE**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To general service customers whose total consumption is greater than 50,000 m³ per year.

(C) Rates

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

a)	Monthly Charge		\$ 70.00
b)	Delivery Charge		
	First	1 000 m ³	3.5861 ¢ per m ³
	Next	6 000 m ³	3.5119 ¢ per m ³
	Next	13 000 m ³	3.2908 ¢ per m ³
	All Over	20 000 m ³	3.0255 ¢ per m ³
	Delivery – Price Adjustment (All Volumes) (1)		(0.4747) ¢ per m ³
c)	Storage Charge (if applicable)		0.7305 ¢ per m ³
	Applicable to all bundled customers (sales and bundled transportation service).		
d)	Gas Supply Charge (if applicable)		
	The gas supply charge is comprised of charges for transportation and for commodity and fuel.		
	The applicable rates are provided in Schedule "A".		

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

Notes:

(1) The Delivery – Price Adjustment includes a temporary credit of (0.4748) cents/m³ for the period October 1, 2010 to March 31, 2011.

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

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

(E) Delayed Payment

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

**(F) Direct Purchase**

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

(G) Overrun Charge

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. The customer may pay 4.3166 ¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³.

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

- a. Customers who temporarily discontinue service during any twelve consecutive months without payment of the monthly fixed charge for the months in which the gas is temporarily disconnected shall pay for disconnection and reconnection.
- b. When gas is delivered at an absolute pressure in excess of 101.325 kilopascals, then for purposes of measurement, hereunder, such volume of gas shall be corrected to an absolute pressure of 101.325 kilopascals. Atmospheric pressure is assumed to be the levels shown below in kilopascals (absolute) regardless of the actual atmospheric pressure at which the gas is measured and delivered.

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

Effective

October 1, 2010
O.E.B. ORDER # EB-2010-0039

Chatham, Ontario

Supersedes EB-2010-0201 Rate Schedule effective July 1, 2010.

**uniongas**Effective
2010-10-01
Schedule "A"**Gas Supply Charges****(A) Availability:**

Available to customers in Union's Southern Delivery Zone.

(B) Applicability:

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

(C) Rates:cents / m³Utility Sales

Commodity and Fuel	17.2288 (1)
Commodity and Fuel - Price Adjustment	(4.1202) (2)
Transportation	4.7728
Total Gas Supply Commodity Charge	<u>17.8814</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract 5.5400

Storage and Transportation Supplemental Services - Rate T1 & T3\$/GJ

Monthly demand charges:	
Firm gas supply service	47.404
Firm backstop gas	2.351
Commodity charges:	
Gas supply	4.550
Backstop gas	6.204
Reasonable Efforts Backstop Gas	7.217
Supplemental Inventory	Note (3)
Supplemental Gas Sales Service (cents / m ³)	25.1406
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.756
Discretionary Gas Supply Service (DGSS)	Note (4)

Notes:

- (1) The Commodity and Fuel line includes gas supply administration charge of 0.3138 cents/ m³.
- (2) Includes a temporary charge of 0.0171 cents/m³ for the period October 1, 2010 to March 31, 2011.
- (3) The charge for banked gas purchases shall be the higher of the daily spot gas cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.
- (4) Reflects the "back to back" price plus gas supply administration charge.

Effective: October 1, 2010
O.E.B. Order # EB-2010-0039

Chatham, Ontario

Supersedes EB-2010-0201 Rate Schedule effective July 1, 2010.

UNION GAS LIMITED
Deferral Account Balances, Market Transformation Incentive and Federal and Provincial Tax Changes
Year Ended December 31, 2009 with interest accrued to September 30, 2010

Line No.	Account Number	Account Name	Balance (\$000's)	(1)
<u>Gas Supply Accounts:</u>				
1	179-108	Unabsorbed Demand Costs Variance Account	(1,291)	(2)
<u>Storage Accounts:</u>				
2	179-70	Short-Term Storage and Other Balancing Services	(4,974)	
3	179-72	Long-Term Peak Storage Services	(14,861)	
4	Total Storage Accounts (Lines 2 + 3)		(19,834)	
<u>Other:</u>				
5	179-26	Deferred Customer Rebates/Charges	-	
6	179-75	Lost Revenue Adjustment Mechanism	2,406	
7	179-102	Intra-period WACOG Changes	(7,653)	
8	179-103	Unbundled Services Unauthorized Storage Overrun	-	
9	179-111	Demand Side Management Variance Account	1,475	
10	179-112	Gas Distribution Access Rule (GDAR) Costs	-	
11	179-113	Late Payment Penalty Litigation	5,679	
12	179-115	Shared Savings Mechanism	8,966	
13	179-117	Carbon Dioxide Offset Credits	-	
14	179-118	Average Use Per Customer	(2,155)	
15	179-120	IFRS Conversion Cost	2,202	
16	179-121	Cumulative Under-recovery – St. Clair Transmission Line	-	
17	Total Other Accounts (Lines 5 through 16)		10,920	
18	Total Deferral Account Balances (Lines 1 + 4 + 17)		(10,205)	
19	Market Transformation Incentive		502	
20	Federal and Provincial Tax Changes		(1,507)	
21	Total Deferral Account Balances, Market Transformation Incentive and Federal and Provincial Tax Changes (Lines 18 + 19 + 20)		(11,210)	
22	Earnings Sharing per Settlement Agreement		(7,434)	

Notes:

(1) Account balances include interest to September 30, 2010.

(2) With the exception of UDC (No. 179-108), all gas supply-related deferral account balances are disposed through the QRAM process.

UNION GAS LIMITED
General Service Unit Rates for Prospective Recovery/(Refund) - Delivery
2009 Deferral Account Disposition, Market Transformation, Federal & Provincial Tax Changes, and 2009 Earnings Sharing Mechanism

Line No.	Particulars	Rate Class	2009 Deferral Balances (\$000's) (a)	2009 Market Transformation Incentive (\$000's) (b)	2009 Federal & Provincial Tax Changes (\$000's) (c)	2009 Earnings Sharing Mechanism (\$000's) (d)	Balance for Disposition (\$000's) (e) = (a+b+c+d)	Forecast Volume (10 ³ m ³) (1) (f)	Unit Rate for Prospective Recovery/(Refund) (cents/m ³) (g) = (e/f)*100
1	Small Volume General Service	01	(3,775)	52	(251)	(1,276)	(5,251)	714,524	(0.7348)
2	Large Volume General Service	10	(3,701)	-	(46)	(236)	(3,983)	248,110	(1.6053)
3	Small Volume General Service	M1	4,107	451	(586)	(2,984)	989	2,293,373	0.0431
4	Large Volume General Service	M2	(3,310)	-	(89)	(454)	(3,852)	811,406	(0.4748)

Notes:

(1) Forecast volume for the period October 1, 2010 to March 31, 2011.

UNION GAS LIMITED
General Service Unit Rates for Prospective Recovery/(Refund) - Gas Supply Transportation
2009 Deferral Account Disposition, Market Transformation, Federal & Provincial Tax Changes, and 2009 Earnings Sharing Mechanism

Line No.	Particulars	Rate Class	2009 Deferral Balances (\$000's) (a)	2009 Market Transformation Incentive (\$000's) (b)	2009 Federal & Provincial Tax Changes (\$000's) (c)	2009 Earnings Sharing Mechanism (\$000's) (d)	Balance for Disposition (\$000's) (e) = (a+b+c+d)	Forecast Volume (10 ³ m ³) (1) (f)	Unit Rate for Prospective Recovery/(Refund) (cents/m ³) (g) = (e/f)*100
1	Small Volume General Service	01	(1,201)	-	-	-	(1,201)	714,524	(0.1681)
2	Large Volume General Service	10	(384)	-	-	-	(384)	247,586	(0.1553)

Notes:

(1) Forecast volume for the period October 1, 2010 to March 31, 2011.

UNION GAS LIMITED
Unit Rates for Prospective Recovery/(Refund) - Gas Supply Commodity
2009 Deferral Account Disposition, Market Transformation, Federal & Provincial Tax Changes, and 2009 Earnings Sharing Mechanism

Line No.	Particulars	2009 Deferral Balances (\$000's) (a)	2009 Market Transformation Incentive (\$000's) (b)	2009 Federal & Provincial Tax Changes (\$000's) (c)	2009 Earnings Sharing Mechanism (\$000's) (d)	Balance for Disposition (\$000's) (e) = (a+b+c+d)	Forecast Volume (10 ³ m ³) (1) (f)	Unit Rate for Prospective Recovery/(Refund) (cents/m ³) (g) = (e/f)*100
1	North Sales Service	-	-	-	-	-	599,020	-
2	South Sales Service	341	-	-	-	341	1,996,004	0.0171

Notes:

(1) Forecast volume for the period October 1, 2010 to March 31, 2011.

UNION GAS LIMITED
Contract Unit Rates for One-Time Adjustment - Delivery
2009 Deferral Account Disposition, Market Transformation, Federal & Provincial Tax Changes, and 2009 Earnings Sharing Mechanism

Line No.	Particulars	Rate Class	2009 Deferral Balances (\$000's) (a)	2009 Market Transformation Incentive (\$000's) (b)	2009 Federal & Provincial Tax Changes (\$000's) (c)	2009 Earnings Sharing (\$000's) (d)	Total Balance (\$000's) (e) = (a+b+c+d)	2009 Actual Volume (10 ³ m ³) (f)	Unit Rate (cents/m ³) (g) = (e/f)*100
<u>Northern and Eastern Operations Area:</u>									
1	Medium Volume Firm Service (1)	20	(10)	-	(6)	(29)	(44)	130,916	(0.0339)
2	Medium Volume Firm Service (2)	20T	(392)	-	(18)	(93)	(504)	426,362	(0.1182)
3	Large Volume High Load Factor (2)	100T	2,293	-	(32)	(162)	2,100	1,805,104	0.1163
4	Wholesale Service	77	0	-	(0)	(0)	-	-	-
5	Large Volume Interruptible	25	8	-	(11)	(55)	(57)	200,236	(0.0285)
<u>Southern Operations Area:</u>									
6	Firm Com/Ind Contract	M4	(2,484)	-	(24)	(121)	(2,629)	445,196	(0.5905)
7	Interruptible Com/Ind Contract	M5	982	-	(15)	(74)	894	477,249	0.1873
8	Special Large Volume Contract	M7	(1,386)	-	(15)	(75)	(1,475)	445,128	(0.3315)
9	Large Wholesale	M9	(86)	-	(1)	(6)	(93)	56,123	(0.1660)
10	Small Wholesale	M10	(3)	-	(0)	(0)	(3)	210	(1.4912)
11	Contract Carriage Service	T1	(242)	-	(72)	(368)	(682)	3,311,476	(0.0206)
12	Contract Carriage- Wholesale	T3	(659)	-	(9)	(44)	(712)	264,174	(0.2697)

Notes:

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

UNION GAS LIMITED
Contract Unit Rates for One-Time Adjustment - Gas Supply Transportation and Bundled Storage
2009 Deferral Account Disposition, Market Transformation, Federal & Provincial Tax Changes, and 2009 Earnings Sharing Mechanism

Line No.	Particulars	Rate Class	Billing Units	2009 Deferral Balances (\$000's) (a)	2009 Market Transformation Incentive (\$000's) (b)	2009 Federal & Provincial Tax Changes (\$000's) (c)	2009 Earnings Sharing (\$000's) (d)	Total Balance (\$000's) (e) = (a+b+c+d)	2009 Actual Volume/ Demand (f)	Unit Volumetric/ Demand Rate (g) = (e/f)*100
	<u>Gas Supply Transportation (cents/m³)</u>									
1	Medium Volume Firm Service	20	10 ³ m ³	(46)	-	-	-	(46)	7,030	(0.6596)
	<u>Bundled (T- Service) Storage (\$/GJ)</u>									
2	Medium Volume Firm Service	20T	GJ	(211)	-	-	-	(211)	99,288	(2.129)
3	Large Volume High Load Factor	100T	GJ	(137)	-	-	-	(137)	64,416	(2.129)

UNION GAS LIMITED
Storage and Transportation Service Amounts for Disposition
2009 Deferral Account Disposition, Market Transformation, Federal & Provincial Tax Changes, and 2009 Earnings Sharing Mechanism

Line No.	Particulars (\$000's) (1)	Rate Class	2009 Deferral Balances (\$000's) (a)	2009 Market Transformation Incentive (\$000's) (b)	2009 Federal & Provincial Tax Changes (\$000's) (c)	2009 Earnings Sharing (\$000's) (d)	Total Balance (\$000's) (e) = (a+b+c+d)
1	Storage and Transportation	M12	160	-	(288)	(1,449)	(1,577)
2	Local Production	M13	(66)	-	(0)	(1)	(67)
3	Short-Term Cross Franchise	C1	44	-	(45)	(5)	(6)
4	Storage Transportation Service	M16	(47)	-	(0)	(2)	(49)

Notes:

(1) Exfranchise M12, M13, M16 and C1 customer specific amounts determined using approved deferral account allocation methodologies.

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Working Paper Index

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Page 1	Allocation of 2009 Deferral Account Balances, Market Transformation Incentive, Federal & Provincial Tax Changes, and 2009 Earnings Sharing Amounts to Rate Classes
Page 2	Allocation of 2009 Earnings Sharing Amounts to Rate Classes
Schedule 2	General Service Bill Impacts

UNION GAS LIMITED
Allocation of 2009 Deferral Account Balances, Market Transformation Incentive, Federal & Provincial
Tax Changes, and 2009 Earnings Sharing Amounts to Rate Classes

Line No	Particulars	Acct No	Northern and Eastern Operations Area						Southern Operations Area												Total (1) (\$000's)	
			Rate 01 (\$000's)	Rate 10 (\$000's)	Rate 20 (\$000's)	Rate 77 (\$000's)	Rate 100 (\$000's)	Rate 25 (\$000's)	M1 (\$000's)	M2 (\$000's)	M4 (\$000's)	M5A (\$000's)	M7 (\$000's)	M9 (\$000's)	M10 (\$000's)	T1 (\$000's)	T3 (\$000's)	M12 (\$000's)	M13 (\$000's)	C1 (\$000's)		M16 (\$000's)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)
<u>Gas Supply Related Deferrals:</u>																						
1	Unabsorbed Demand Cost (UDC) Variance Account	179-108	(1,201)	(384)	(46)	-	-	-	280	58	2	0	-	-	0	-	-	-	-	-	(1,291)	
<u>Storage Related Deferrals:</u>																						
2	Short-Term Storage and Other Balancing Services	179-70	(649)	(208)	(25)	-	(34)	-	(1,771)	(579)	(200)	(14)	(141)	(14)	(1)	(1,170)	(169)	-	-	-	(4,974)	
3	Long-Term Peak Storage Services	179-72	(1,969)	(630)	(76)	-	(103)	-	(5,271)	(1,725)	(594)	(42)	(419)	(42)	(2)	(3,484)	(502)	-	-	-	(14,861)	
4	Total Gas Supply & Storage Related Deferrals		(3,819)	(1,222)	(147)	-	(137)	-	(6,762)	(2,246)	(792)	(56)	(560)	(56)	(3)	(4,655)	(670)	-	-	-	(21,125)	
<u>Delivery Related Deferrals:</u>																						
5	Deferred Customer Rebates/Charges	179-26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
6	Lost Revenue Adjustment Mechanism	179-75	395	359	12	-	47	-	959	392	77	133	2	-	-	29	-	-	-	-	2,406	
7	Intra-period WACOG Changes	179-102	(1,143)	(282)	(44)	-	(373)	-	(3,229)	(1,445)	(408)	(339)	(245)	(30)	(0)	-	-	-	(66)	-	(7,853)	
8	Unbundled Services Unauthorized Storage Overrun	179-103	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
9	Demand Side Management Variance Account	179-111	(345)	(141)	(784)	-	255	-	4,259	(2,006)	(1,764)	750	(721)	-	-	1,972	-	-	-	-	1,475	
10	Gas Distribution Access Rule (GDAR) Costs	179-112	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11	Late Payment Penalty Litigation	179-113	1,306	13	0	0	0	0	4,327	31	1	1	0	0	0	0	0	-	-	-	5,679	
12	Shared Savings Mechanism	179-115	274	478	277	-	2,326	-	1,341	1,036	355	471	116	-	-	2,283	-	-	-	-	8,966	
13	Carbon Dioxide Offset Credits	179-117	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
14	Average Use Per Customer	179-118	(2,034)	(3,332)	-	-	-	-	2,333	877	-	-	-	-	-	-	-	-	-	-	(2,155)	
15	IFRS Conversion Costs	179-120	390	42	26	0	39	8	1,159	110	49	22	22	1	0	118	11	160	0	44	2,202	
16	Cumulative Under-recovery - St. Clair Transmission Line	179-121	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
17	Total Delivery-Related Deferrals		(1,157)	(2,863)	(512)	0	2,293	8	11,149	(1,005)	(1,690)	1,038	(826)	(29)	(0)	4,413	11	180	(66)	44	(47)	10,920
18	Total 2009 Deferral Account Disposition (Line 4 + Line 17)		(4,976)	(4,085)	(660)	0	2,156	8	4,387	(3,251)	(2,482)	982	(1,386)	(86)	(3)	(242)	(659)	180	(66)	44	(47)	(10,205)
<u>Other Items:</u>																						
19	2009 Market Transformation Incentive	52	-	-	-	-	-	-	451	-	-	-	-	-	-	-	-	-	-	-	502	
20	2009 Federal & Provincial Tax Changes		(251)	(46)	(24)	(0)	(32)	(11)	(586)	(89)	(24)	(15)	(15)	(1)	(0)	(72)	(9)	(288)	(0)	(45)	(0)	(1,507)
21	Total 2009 Deferrals plus Other Items (Line 18 + Line 19 + Line 20)		(5,175)	(4,131)	(684)	(0)	2,124	(2)	4,252	(3,340)	(2,506)	968	(1,400)	(87)	(3)	(314)	(668)	(128)	(66)	(1)	(48)	(11,210)
22	2009 Earnings Sharing (2)		(1,276)	(236)	(122)	(0)	(162)	(55)	(2,984)	(454)	(121)	(74)	(75)	(6)	(0)	(368)	(44)	(1,448)	(1)	(5)	(2)	(7,434)
23	Grand Total (Line 21 + Line 22)		(6,452)	(4,367)	(806)	-	1,963	(57)	1,268	(3,794)	(2,627)	894	(1,475)	(93)	(3)	(682)	(712)	(1,577)	(67)	(6)	(49)	(18,643)

Notes:

(1) EB-2010-0039, Rate Order, Appendix C, Schedule 1

(2) EB-2010-0039, Rate Order, Working Papers, Schedule 1, Page 2

UNION GAS LIMITED
Allocation of 2009 Earnings Sharing Amounts to Rate Classes

Line No.	Particulars	Rate Class	C2007 Return on Equity Allocation (1) (\$000's) (a)	2009 Earnings Sharing (\$000's) (b)
<u>Northern & Eastern Operations Area</u>				
1	Small Volume General Firm Service	01	44,549	(1,276)
2	Large Volume General Firm Service	10	8,234	(236)
3	Medium Volume Firm Service	20	4,263	(122)
4	Large Volume High Load Factor Firm Service	100	5,641	(162)
5	Large Volume Interruptible Service	25	1,913	(55)
6	Wholesale Transportation Service	77	8	(0)
7	Total Northern & Eastern Operations Area		<u>64,608</u>	<u>(1,851)</u>
<u>Southern Operations Area</u>				
8	Small Volume General Service Rate	M1	104,130	(2,984)
9	Large Volume General Service Rate	M2	15,828	(454)
10	Firm Industrial and Commercial Contract Rate	M4	4,220	(121)
11	Interruptible Industrial & Commercial Contract Rate	M5A	2,587	(74)
12	Special Large Volume Industrial & Commercial Contract Rate	M7	2,617	(75)
13	Large Wholesale Service Rate	M9	219	(6)
14	Small Wholesale Service Rate	M10	10	(0)
15	S & T Rates for Contract Carriage Customers	T1	12,835	(368)
16	S & T Rates for Contract Carriage Customers	T3	1,546	(44)
<u>Storage and Transportation</u>				
17	Cross Franchise Transportation Rates	C1	186	(5)
18	Storage & Transportation Rates	M12	50,557	(1,449)
19	Transportation of Locally Produced Gas	M13	39	(1)
20	Storage & Transportation Services - Transportation Charges	M16	55	(2)
21	Total Southern Operations Area		<u>194,830</u>	<u>(5,583)</u>
22	Total		<u>259,438</u>	<u>(7,434)</u> (2)

Notes:

- (1) Allocated costs per 2007 Decision in EB-2005-0520.
(2) Earnings Sharing balance for Disposition as per Settlement Agreement.

UNION GAS LIMITED
General Service Bill Impacts

Line No.	Particulars	Rate Component	Unit Rate for Prospective Recovery/(Refund) (cents/m ³) (1) (a)	Volume (m ³) (2) (b)	Bill Impact (\$) (c) = (a x b) / 100
1	Rate 01	Delivery	(0.7348)	2,048	(15.05)
2		Commodity	-	2,048	-
3		Transportation	(0.1681)	2,048	(3.44)
4			(0.9029)		(18.49)
5	Rate 10	Delivery	(1.6053)	66,961	(1,074.92)
6		Commodity	-	66,961	-
7		Transportation	(0.1553)	66,961	(103.99)
8			(1.7606)		(1,178.91)
9	Rate M1	Delivery	0.0431	1,984	0.86
10		Commodity	0.0171	1,984	0.34
11			0.0602		1.20
12	Rate M2	Delivery	(0.4748)	55,772	(264.81)
13		Commodity	0.0171	55,772	9.54
14			(0.4577)		(255.27)

Notes:

(1) EB-2010-0039, Rate Order, Appendix D, Pages 1-3.

(2) Average consumption, per customer, for the period October 1, 2010 to March 31, 2011.