



September 30, 2010

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Union Gas Limited – C1 Kirkwall to Dawn and M12-X**

Please find attached Union Gas Limited's ("Union") application and evidence seeking approval of both a firm C1 transportation rate from Union's interconnect at Kirkwall to Dawn and a firm, bi-directional, M12-X transportation rate. This application is made pursuant to section 36 of the *Ontario Energy Board Act, 1998*.

Union is seeking approval to modify its approved C1 and M12 Rate Schedules effective September 1, 2011. Union respectfully requests that the Board initiate an expedited, written process to review Union's application for the above noted services, which would provide for a targeted approval date of November 30, 2010. This will allow for the timely ordering of long lead materials for the required Kirkwall station modifications.

Please contact me at (519) 436-5473 if you have any questions or wish to discuss this submission in more detail.

Yours truly,

*[Original signed by]*

Karen Hockin  
Manager, Regulatory Initiatives

c.c.: Emily Kirkpatrick, Torys  
Mark Kitchen, Union Gas  
Neil McKay, Board Staff

**ONTARIO ENERGY BOARD**

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

**AND IN THE MATTER OF** an Application by Union Gas Limited for an order or orders amending or varying its approved C1 and M12 rate schedules to accommodate new firm transportation services;

**APPLICATION**

1. Union Gas Limited (“Union”) is a business corporation, incorporated under the laws of Ontario, with its head office in the Municipality of Chatham-Kent.
2. Union conducts an integrated natural gas utility business that combines the operations of selling, distributing, transmitting and storing gas within the meaning of the *Ontario Energy Board Act, 1998* (the “Act”).
3. Union is proposing to modify its current approved C1 Rate Schedule to accommodate firm transportation service from Union’s interconnect at Kirkwall to Dawn. Union plans to offer this service beginning September 1, 2011.
4. Union is also proposing to modify its current approved M12 Rate Schedule to accommodate a firm, bi-directional, M12-X transportation service. Union plans to offer this service beginning September 1, 2011.
5. The new services are a direct response to the changing North American gas supply dynamics. The North American natural gas market continues to evolve. The continued decline in gas supplies from the Western Canadian Sedimentary Basin, concurrent with the rapid and significant growth in new sources of supply, including U.S. Rockies gas

and the Marcellus Shale in Pennsylvania and New York, are impacting the flows of natural gas, both into and out of Ontario. This proposal will require Union to make modifications to its existing facilities at Kirkwall. No Leave to Construct approval from the Board is required.

6. Union conducted a non-binding open season in February and March of 2010 to determine market interest in C1 transportation service from Kirkwall to Dawn and M12-X firm transportation service. As a result, Union executed 10 year firm M12-X transportation service contracts with TransCanada and Enbridge Gas Distribution Inc. to convert a total of approximately 328,000 GJ/d of existing M12 service to the new, flexible M12-X service beginning in September of 2011.
7. As a result of additional inquiries, Union recently re-opened the non-binding Open Season for each of the services above. As a result of this Open Season, Union received over 1,200,000 GJ/d of non-binding interest for transportation service commencing as early as July 2012.
8. Union hereby applies to the OEB pursuant to section 36 of the Act for an order or orders amending or varying the rate and other charges charged to customers served under the C1 and M12 rate schedule effective September 1, 2011.
9. Union also applies to the Board for such interim order or orders approving interim rates or other charges and accounting orders as may from time to time appear appropriate or necessary.
10. Union further applies to the Board for all necessary orders and directions concerning pre-hearing and hearing procedures for the determination of this application.

11. This application will be supported by written evidence. This evidence will be pre-filed and will be amended from time to time as required by the Board, or as circumstances may require.
12. The persons affected by this application are the customers resident or located in the municipalities, police villages and Indian reserves served by Union, together with those to whom Union sells gas, or on whose behalf Union distributes, transmits or stores gas. It is impractical to set out in this application the names and addresses of such persons because they are too numerous.
13. The address of service for Union is:

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

Attention: Karen Hockin  
Manager, Regulatory Initiatives  
Telephone: (519) 436-5473  
Fax: (519) 436-4641  
khockin@uniongas.com

- and -

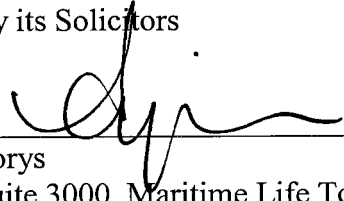
Torys LLP  
Suite 3000, Maritime Life Tower  
P.O. Box 270  
Toronto-Dominion Centre  
Toronto, Ontario  
M5K 1N2

Attention: Emily A. Kirkpatrick  
Telephone: (416) 865-7337  
Fax: (416) 865-7380  
email: ekirkpatrick@torys.com

DATED: September 30, 2010.

UNION GAS LIMITED

By its Solicitors

A handwritten signature in black ink, appearing to be 'A. Kirkpatrick', is written over a horizontal line.

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

Attention: Emily A. Kirkpatrick

Telephone: (416) 865-7337

Fax: (416) 865-7380

**UNION GAS LIMITED**

**C1 KIRKWALL to DAWN AND M12-X FIRM TRANSPORTATION RATES**

**PREFILED EVIDENCE**

The purpose of this evidence is to support the application of Union Gas Limited (“Union”) for approval of (i) a firm C1 transportation rate from the Kirkwall Custody Transfer Station (“Kirkwall”), Union’s interconnect with TransCanada PipeLines (“TCPL”), to the Dawn Compressor Station (“Dawn”); and (ii) a firm transportation rate for a bi-directional M12 transportation service (“M12-X”).

The evidence is organized as follows:

1. Introduction
2. Customer Need
3. Rate Design
4. Summary

**1. INTRODUCTION**

In response to market needs, Union is applying for approval of a firm C1 Kirkwall to Dawn transportation rate, and a flexible M12-X transportation rate, both effective September 1, 2011.

The new services are in direct response to the changing North American gas supply dynamics.

The continued decline in gas supplies from conventional sources such as the Western Canadian Sedimentary Basin, concurrent with the rapid and significant growth in new, unconventional

1 sources of supply, including U.S. Rockies gas and the Marcellus Shale<sup>1</sup> in Pennsylvania, West  
2 Virginia and New York, will have an impact on the flow of natural gas into and out of Ontario.  
3 Marcellus Shale will be able to access Ontario through interconnections with National Fuel Gas  
4 Supply Corporation (“NFG”), Tennessee Gas Pipeline (“TGP”) and Dominion Transmission at  
5 the TCPL point called Niagara and through the Empire State Pipeline (“Empire”) at the TCPL  
6 point called Chippawa. ICF International predicts that increasing Marcellus Shale production  
7 will create some flow of gas back into Ontario from Niagara, New York, particularly in the  
8 spring and fall when U.S. Northeast gas demand is low. This seasonal flow is expected to help  
9 fill storage at Dawn, which is critical to meeting Ontario’s peak winter demand.<sup>2</sup>

10  
11 Union held an initial non-binding open season in February and March of this year and then re-  
12 opened the non-binding open season in July and August. The purpose of these non-binding  
13 open seasons was to assess the level of customer interest in C1 transportation service from  
14 Kirkwall to Dawn and in the new, flexible M12-X transportation service. The open seasons,  
15 where possible, were aligned with open seasons on upstream pipelines including TCPL and  
16 three of the U.S. pipelines that connect to the Marcellus Shale basin.

17  
18 The new C1 Kirkwall to Dawn transportation service provides a path to Dawn for gas arriving  
19 at Kirkwall and will facilitate Ontario’s ability to access the emerging gas supply from the  
20 Marcellus Shale basin.

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1) ICF International, in its 2010 Natural Gas Market Review dated August 18, 2010 (pages 50 and 51) estimates economically recoverable reserves in the Marcellus Shale of up to 700 Tcf with production projected to surpass 6 Bcf/d by 2020.

2) ICF International, 2010 Natural Gas Market Review, August 18, 2010, p. 10.

1 Union's traditional M12 transportation service only allows parties to receive gas at Dawn and  
2 deliver that same volume to either Parkway or Kirkwall. The proposed M12-X service is a firm  
3 transportation service that allows a shipper to receive and deliver gas between any two M12  
4 points (Dawn, Parkway or Kirkwall) on any day and in any direction. For example, a shipper  
5 could move gas westerly in the summer to Dawn and from Dawn to Parkway in the winter, or  
6 change paths day to day. Subject to capacity constraints, this service will be available to  
7 existing shippers holding M12 transportation contracts that wish to convert to M12-X, and to  
8 new shippers who are interested in a firm transportation service between any of Dawn, Parkway  
9 and Kirkwall. Consistent with the long-term nature of the M12 service, the minimum term for  
10 M12-X is 10 years.

11  
12 To allow Union to receive volumes at Kirkwall, and accommodate the proposed transportation  
13 services, Union must make modifications to its existing facilities at Kirkwall to allow for the  
14 reversal (and bi-directional flow) of the station. The estimated capital cost of the facilities is  
15 \$4.7 million and construction is expected to occur in the summer of 2011 in order to meet  
16 contracted requirements. These facilities do not require Leave to Construct approval from the  
17 Board. Kirkwall will be included as both a receipt and delivery point on the Receipt and  
18 Delivery Points and Pressures schedules of the C1 and M12 tariffs, attached with the associated  
19 Rates Schedules (as provided at Attachments 4 and 6).



Union's C1 Kirkwall to Dawn rate proposal is provided in Table 1. Union's M12-X rate proposal is provided in Table 2.

Table 1  
Proposed Firm C1 Kirkwall to Dawn Transportation Rate

<u>Line No.</u>		<u>Proposed</u>
1	Monthly Demand Charge (\$/GJ applied to Daily Contract Demand)	\$1.176
2	Customer Supplied Fuel & UFG – April 1 to October 31	0.353%
3	Customer Supplied Fuel & UFG – November 1 to March 31	0.328%

Table 2  
Proposed Firm M12-X Transportation Rate

<u>Line No.</u>		<u>Proposed</u>
1	Monthly Demand Charge (\$/GJ applied to Daily Contract Demand)	\$2.877
2	Customer Supplied Fuel & UFG	In accordance with M12 Schedule "C"

Union seeks approval of the proposed rates by November 30, 2010 in order to provide rate certainty to the market in contracting for services in conjunction with upstream paths and to allow for the timely ordering of long lead materials for the Kirkwall modifications.

## **2. CUSTOMER NEED**

In the fall of 2009 and the winter of 2009/2010, Union worked with TCPL, Empire and NFG to determine the market interest in moving Marcellus gas to Dawn along the various pipeline

1 paths. This work included co-ordinating open seasons, where possible, to allow potential  
2 shippers the ability to link pipelines to form one path. This work was extended into the summer  
3 of 2010, when TCPL and Union held open seasons again to determine the level of market  
4 interest in moving Marcellus gas to Dawn. As a result of those joint efforts, shippers have  
5 contracted for transportation capacity north and west from the Marcellus Shale producing  
6 region in an effort to seek diverse, liquid trading points outside of Appalachia and the U.S.  
7 northeast.

8  
9 To date, Empire, NFG and TGP have combined commitments of approximately 865,000 GJ/d  
10 for long-term, firm transportation from the Marcellus Shale to interconnections between New  
11 York and Ontario pipeline systems, as shown in Table 3. Information with respect to the  
12 Empire, NFG and TGP open seasons is included in Attachment 1.

13  
14 Table 3  
15 Pipeline Capacity Awarded Between  
16 Marcellus Region and U.S./Canadian Border  
17

Pipeline	Quantity GJ/d (Approx.)	Receipt Point	Delivery Point	Service Commencement Date	Term Yrs
Empire State Pipeline	369,000	Marcellus Shale in Tioga County, PA	Chippawa	As early as Sept. 2011	10
National Fuel Gas Supply Corporation	338,000	Marcellus Shale, Leidy & Ellisburg, PA	Niagara	As early as July 2012	20
Tennessee Gas Pipeline	158,000	Marcellus Shale & Leidy	Niagara	November 2012	15

18  
19 Union conducted a non-binding open season in February and March of 2010 to determine  
20 market interest in C1 transportation service from Kirkwall to Dawn and M12-X firm

1 transportation service. As a result, Union received over 800,000 GJ/d of non-binding interest  
2 from producers, marketers and LDCs for service starting September 2011. A copy of the open  
3 season description is included in Attachment 2. Following the open season, Union executed 10  
4 year firm M12-X transportation service contracts with TCPL and Enbridge Gas Distribution  
5 Inc. to convert a total of approximately 328,000 GJ/d of existing M12 service to the new,  
6 flexible M12-X service. The details of the firm M12-X transportation service contracts are  
7 shown in Table 4 below.

8  
9 Table 4  
10 February/March 2010 Open Season Results  
11

Customer	Quantity GJ/d	Service Commencement Date	Initial Term Yrs
TCPL	128,316	September 2011	10
Enbridge Gas Distribution Inc.	200,000	September 2011	10

12  
13 After the close of the first open season, Union received additional inquiries regarding services  
14 and capacity on the path. Consequently, Union re-opened the non-binding open season in July  
15 2010 to further solicit interest in these services. Union received over 1,200,000 GJ/d of non-  
16 binding interest for transportation service commencing as early as July 2012. A description of  
17 the second open season is included in Attachment 3.

18  
19 Union does not anticipate that all expressed interest in the second open season for C1 Kirkwall  
20 to Dawn transportation service will result in contracted capacity. Union forecasts a contracted

1 demand level of 100,000 GJ/d for the C1 Kirkwall to Dawn transportation service.

2  
3 Union expects to see continued interest in Kirkwall as a receipt point given that the Marcellus  
4 Shale basin is early in its development and U.S. pipelines continue to develop projects to  
5 deliver gas to Niagara and Chippawa. In June 2010, Empire announced plans to construct  
6 additional infrastructure (Phase II expansion) to expand its pipeline system further into the gas  
7 producing regions of Tioga, Bradford, Lycoming and Sullivan Counties in Pennsylvania which  
8 could provide an additional 260,000 Dth/d of capacity delivered to Chippawa starting as early  
9 as November, 2013. This capacity is still under development.

10  
11 **3. RATE DESIGN**

12 Union is proposing to modify the current C1 and M12 Rate Schedules to accommodate two new  
13 services:

- 14 1. C1 Kirkwall to Dawn firm transportation service; and  
15 2. M12-X firm transportation service.

16  
17 In its design of the transportation demand charges, Union considered;

- 18 • The forecasted physical flow of gas on the Dawn-Trafalgar system;  
19 • The rate design principles underpinning Union's existing approved rates; and  
20 • Recovery of costs directly attributable to the Kirkwall to Dawn transportation service.

1 1 . C1 Kirkwall to Dawn Firm Transportation Service

2 Union is proposing to modify the current approved C1 Rate Schedule to accommodate firm  
3 transportation service from Kirkwall to Dawn.

4  
5 Union's proposed rate design consists of the following components:

6  
7 a) A firm monthly transportation demand charge of \$1.176/GJ applied to daily contracted  
8 demand. This component of the rate provides for a reasonable recovery of the fixed costs  
9 associated with the assets used to provide the transportation service and to recover the costs  
10 associated with the new facilities necessary to provide the firm transportation service. The  
11 details on the additional facilities required to receive gas at Kirkwall are discussed below.

12  
13 b) A seasonal fuel ratio of 0.353% for the period April to October and 0.328% for the period  
14 November to March to recover compressor fuel and unaccounted for gas ("UFG")  
15 associated with providing the Kirkwall to Dawn transportation service, in accordance with  
16 the C1 Rate Schedule.

17  
18 Each component of the proposed rate is discussed in more detail below. A copy of the C1 Rate  
19 Schedule with the proposed firm Kirkwall to Dawn rates is provided at Attachment 4.

1 a) Firm Monthly Transportation Demand Charge

2  
3 To physically transport gas from Kirkwall to Dawn, Union will require custody transfer  
4 metering at the Kirkwall interconnect. The capital costs associated with the station and metering  
5 modifications is \$4.7 million.

6  
7 Union proposes that a single demand charge be used to recover the use of existing transmission  
8 assets and the additional meter and station-related capital requirements.

9  
10 The first part of the firm monthly demand charge is calculated using the proposed 2011 M12  
11 Dawn to Kirkwall firm transportation demand charge excluding Dawn compression, and  
12 adjusted for the number of days the Kirkwall to Dawn service is required. Consistent with ICF  
13 International's views, Union expects gas will flow from Kirkwall to Dawn, particularly in the  
14 spring and fall, when U.S. northeast gas demand is low. Union forecasts that the Kirkwall to  
15 Dawn service will be used 214 days per year from April 1 to October 31. This component of  
16 Union's proposed rate design provides for a reasonable contribution to the recovery of fixed  
17 costs associated with the assets used to provide the transportation service.

18  
19 The second part of the firm monthly demand charge recovers the costs associated with the  
20 capital investment of approximately \$4.7 million required to provide the firm transportation  
21 service. The annual revenue requirement associated with the capital investment is \$0.266  
22 million.

1 Union's approach to designing the demand charge for the Kirkwall to Dawn firm transportation  
2 service is consistent with the rate design approved by the Board (EB-2005-0520) for the design  
3 of the C1 Parkway to Kirkwall/Dawn firm transportation demand charge.

4  
5 The derivation of the C1 Kirkwall to Dawn firm transportation rate can be found at Attachment  
6 5.

7  
8 b) Seasonal Fuel Ratios

9  
10 Union is proposing to set the transportation fuel ratios to recover compressor fuel and UFG in  
11 accordance with the C1 Rate Schedule. The proposed summer fuel ratio for the firm Kirkwall to  
12 Dawn transportation service is 0.353%. The proposed winter fuel ratio for the firm Kirkwall to  
13 Dawn transportation service is 0.328%. The C1 Rate Schedule and associated fuel ratios are  
14 found at Attachment 4.

15  
16 2. M12-X Firm Transportation Service

17  
18 Union's proposed rate design for the M12-X transportation service consists of the following  
19 components:

20  
21 a) A firm monthly transportation demand charge of \$2.877/GJ applied to daily contracted  
22 demand; and

1 b) Monthly fuel ratios in accordance with Union's proposed 2011 M12 and C1 Rate Schedules.

2  
3 Each component of the proposed rate is discussed in more detail below. A copy of the M12  
4 Rate Schedule with the proposed M12-X rates is provided at Attachment 6.

5  
6 a) Firm Monthly Transportation Demand Charge

7  
8 The firm monthly M12-X transportation demand charge will combine Union's proposed 2011  
9 monthly M12 transportation demand charge from Dawn to Parkway of \$2.332/GJ and monthly  
10 C1 transportation demand charge from Parkway to Dawn of \$0.545/GJ. This approach to  
11 calculating the firm monthly M12-X transportation demand charge ensures that M12-X shippers  
12 pay the same demand charge as existing shippers utilizing both M12 and C1 transportation  
13 services between Dawn and Parkway.

14  
15 b) Monthly Fuel Ratios

16  
17 Union is proposing to set the transportation fuel ratios to recover compressor fuel and UFG in  
18 accordance with the C1 and M12 Rate Schedules.

19  
20 The fuel ratios for easterly transportation service from Dawn to Parkway and Kirkwall are the  
21 proposed 2011 VT1 Easterly fuel ratios per M12 Schedule "C", and are provided at Attachment  
22 7.



1 The fuel ratio for easterly transportation service from Kirkwall to Lisgar, Parkway (Consumers)  
2 is 0.328%, which recovers UFG only.

3  
4 The monthly fuel ratios for easterly transportation service from Kirkwall to Parkway (TCPL)  
5 recover Parkway compressor fuel and UFG. The compressor fuel component is the difference  
6 between Union's proposed monthly VT1 Easterly fuel ratios from Dawn to Parkway (TCPL)  
7 and Dawn to Parkway (Consumers) per M12 Schedule "C".

8  
9 The fuel ratios for all westerly M12-X transportation service are the same as the proposed 2011  
10 C1 Rate Schedule fuel ratios for Parkway to Kirkwall/Dawn transportation.

11  
12 This approach to setting fuel ratios ensures that M12-X shippers provide the same fuel as  
13 existing shippers utilizing both M12 and C1 transportation services between Dawn and  
14 Parkway.

15  
16 The monthly fuel ratios for the new M12-X service are provided at Attachment 7.

17  
18 **SUMMARY**

19  
20 Union is proposing to modify its current approved C1 and M12 Rate Schedules to accommodate  
21 C1 Kirkwall to Dawn and M12-X firm transportation services.

1 1. Union proposes to modify its C1 Rate Schedule to accommodate a firm Kirkwall to Dawn  
2 transportation service. The proposed rate design consists of two components:

3  
4 a) A firm monthly transportation demand charge of \$1.176/GJ applied to daily contracted  
5 demand. This component of the rate is intended to make a contribution towards the  
6 recovery of the fixed costs associated with the assets used to provide the transportation  
7 service as well as recover the annual revenue requirement associated with Union's  
8 capital investment; and

9  
10 b) A seasonal fuel ratio of 0.353% for the period April to October and a seasonal fuel ratio  
11 of 0.328% for the period November to March to recover compressor fuel and UFG  
12 associated with providing the transportation service in accordance with the C1 Rate  
13 Schedule.

14  
15 2. Union proposes to modify its M12 Rate Schedule to accommodate an M12-X Firm  
16 transportation service. The proposed rate design consists of two components:

17  
18 a) A firm monthly transportation demand charge of \$2.877/GJ applied to daily contracted  
19 demand. This component of the rate combines Union's proposed 2011 M12  
20 transportation rate from Dawn to Parkway and C1 transportation rate from Parkway to  
21 Dawn; and

- 1           b) Monthly fuel ratios in accordance with the proposed 2011 M12 and C1 Rate Schedules.
- 2
- 3           Union seeks approval of the proposed rates by November 30, 2010 to be effective September 1,
- 4           2011.



6363 MAIN STREET/WILLIAMSVILLE, NY 14221/TEL 800-634-5440  
[www.nationalfuelgas.com](http://www.nationalfuelgas.com)

MEMBERS OF THE MEDIA. FOR ADDITIONAL INFORMATION

Donna DeCarolus (716) 857-7872

### **National Fuel Reaches Key Milestones on Two Pipeline Expansions**

(April 28, 2010) Williamsville, New York: National Fuel Gas Supply Corporation (“Supply”) and Empire Pipeline, Inc. (“Empire”), the companies that comprise the Pipeline and Storage segment of National Fuel Gas Company (NYSE: NFG) (“National Fuel”), have reached major milestones on two pipeline expansion projects that are the first in the industry designed to receive natural gas produced from the Marcellus Shale and transport it to key markets of Canada and the Northeast U.S. Supply has entered into a binding precedent agreement with Statoil Natural Gas LLC (“Statoil”) for 100 percent of the capacity on Supply’s “Northern Access” expansion project. Empire also has a binding precedent agreement in place with anchor shipper East Resources, Inc. (“East”) for Empire’s “Tioga County Extension” project, and is concluding negotiations for additional capacity with a second shipper. The precedent agreements provide for Statoil and East to sign, after satisfaction of conditions, firm transportation service agreements under which Supply and Empire will transport natural gas for Statoil and East.

“The market dynamics generated by the Marcellus Shale development have created a unique opportunity to move gas away from the increasingly competitive Appalachian Basin and into the newly expanding markets of Canada and the Northeast,” said David F. Smith, Chairman, President and Chief Executive Officer of National Fuel. “We are excited to provide the pathway to new markets for Appalachian gas production and we look forward to executing our plans while continuing to identify new opportunities to alleviate regional infrastructure constraints. In addition to these projects, we continue to implement the first phases of other Appalachian infrastructure projects designed to transport 190,000 dekatherms per day for a number of Marcellus producers, including Range Resources Corporation, Seneca Resources Corporation and EOG Resources, Inc.”

Supply’s Northern Access expansion project is designed to transport 320,000 dekatherms per day of Marcellus Shale production utilizing Supply’s existing pipelines to an existing interconnection between Supply and TransCanada Pipeline (“TCPL”) at the Niagara River near Lewiston, New York (“Niagara”), for delivery to the diverse markets accessible on the TCPL system. The required project facilities include bi-directional metering at Niagara and at Supply’s interconnects with Tennessee Gas Pipeline (“TGP”) at East Aurora, New York, along with incremental compression at Supply’s interconnect with TGP at Ellisburg Station and at East Aurora. Initial estimates place project costs at approximately \$60 million, with an expected in-service date of June 1, 2012. The Open Season for firm transportation capacity that concluded on February 17, 2010, received requests for transportation of more than 1.6 million dekatherms per day.

-more-

**Page 2.**  
**National Fuel**  
**April 28, 2010**

The Statoil agreement, which was executed today, includes a 20-year firm transportation commitment for all of the available 320,000 dekatherms per day of natural gas transportation service from Ellisburg for delivery to Niagara. Statoil is currently a partner in a joint venture with Chesapeake Energy Corporation for the development of natural gas from the Marcellus Shale.

Empire's Tioga County Extension project will stretch approximately 16 miles south from its existing interconnection with Millennium Pipeline at Corning, New York, into Tioga County, Pennsylvania. The project will require the construction of 16 miles of new 24-inch diameter pipeline. Additionally, Empire will replace 1.3 miles of pipeline near Victor, New York, and construct a new interconnection with TGP's Line 200 in Ontario County, New York. Project costs are estimated to be approximately \$45 million and the facilities are expected to be operational by September 1, 2011. The Open Season for the project offered pipeline capacity of at least 300,000 dekatherms per day and concluded on November 25, 2009.

Earlier this year, East executed a precedent agreement that contains a 10-year firm transportation service commitment with Empire for 200,000 dekatherms per day. East's contracted capacity allows for gas produced in both the Marcellus Shale and Trenton-Black River formations to be delivered to an interconnect with TCPL at the Canadian border between Grand Island, New York, and Chippawa, Ontario, Canada. Based on this anchor shipper support, on January 28, 2010, Empire began the FERC National Environmental Policy Act pre-filing process. Additionally, Empire expects to conclude negotiations with another shipper for an additional 150,000 dekatherms per day.

"These two projects are the most recent examples of our continued progress in executing on our Appalachian development strategy across multiple subsidiaries of our Company," said Smith. "From Seneca Resources Corporation's accelerating Marcellus Shale drilling program, to our ongoing investment in National Fuel Gas Midstream Corporation's gathering assets, to market broadening projects like these from Supply and Empire, our Company is positioned to be a key player in the increasingly important Appalachian market."

National Fuel is an integrated energy company with \$4.8 billion in assets comprised of the following four operating segments: Exploration and Production, Pipeline and Storage, Utility, and Energy Marketing. Additional information about National Fuel is available at <http://www.nationalfuelgas.com> or through its investor information service at 1-800-334-2188.

**Page 3.**  
**National Fuel**  
**April 28, 2010**

Certain statements contained herein, including those that are identified by the use of the words “anticipates,” “estimates,” “expects,” “forecasts,” “intends,” “plans,” “predicts,” “projects,” “believes,” “seeks,” “will,” “may” and similar expressions, are “forward-looking statements” as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. The Company’s expectations, beliefs and projections contained herein are expressed in good faith and are believed to have a reasonable basis, but there can be no assurance that such expectations, beliefs or projections will result or be achieved or accomplished. In addition to other factors, the following are important factors that could cause actual results to differ materially from those discussed in the forward-looking statements: financial and economic conditions, including the availability of credit, and their effect on the Company’s ability to obtain financing on acceptable terms for working capital, capital expenditures and other investments; occurrences affecting the Company’s ability to obtain financing under credit lines or other credit facilities or through the issuance of commercial paper, other short-term notes or debt or equity securities, including any downgrades in the Company’s credit ratings and changes in interest rates and other capital market conditions; changes in economic conditions, including global, national or regional recessions, and their effect on the demand for, and customers’ ability to pay for, the Company’s products and services; the creditworthiness or performance of the Company’s key suppliers, customers and counterparties; economic disruptions or uninsured losses resulting from terrorist activities, acts of war, major accidents, fires, hurricanes, other severe weather, or other natural disasters; changes in the availability and/or price of natural gas, and the effect of such changes on natural gas production levels; significant differences between projected and actual natural gas production levels; uncertainty of natural gas reserve estimates; inability to obtain or retain sufficient customers or commitments for planned projects; factors affecting the Company’s ability to complete expansion projects as planned, including among others geography, weather conditions, shortages or unavailability of equipment and services required in construction operations, unanticipated project delays or changes in project costs or plans, and the need to obtain governmental approvals and permits and comply with environmental laws and regulations; changes in laws and regulations to which the Company is subject, including energy, environmental, tax, safety and employment laws and regulations; governmental/regulatory actions, initiatives and proceedings, including those involving expansion projects, financings, rate cases, affiliate relationships, industry structure, and environmental/safety requirements; significant changes in the Company’s relationship with its employees or contractors and the potential adverse effects if labor disputes, grievances or shortages were to occur; or the cost and effects of legal and administrative claims against the Company. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof.

**Media Contact: Donna L. DeCarolis (716) 857-7872**

**Analyst Contact: Timothy J. Silverstein (716) 857-6987**

Filed: 2010-09-30  
EB-2010-0296  
Exhibit A  
Attachment 1  
Page 4 of 5

**El Paso Corporation Announces Northeast Supply Diversification Project**

HOUSTON, TX, Jul 28, 2010 (MARKETWIRE via COMTEX) --

El Paso Corporation (NYSE: EP) announced today that its wholly owned subsidiary, Tennessee Gas Pipeline Company (TGP), has executed binding, 15-year term agreements with Cabot Oil & Gas Corporation, Anadarko Energy Services Company and Seneca Resources Corporation for up to 250,000 dekatherms per day of incremental firm transportation capacity from the Marcellus Shale region to existing markets in New England and Niagara via its Northeast Supply Diversification Project (NSD Project).

"The NSD Project is TGP's third expansion in as many years out of the Appalachian / Marcellus supply basins," said Bryan Neskora, senior vice president and chief commercial officer of Tennessee Gas Pipeline. "In addition to strengthening TGP's position as the premier pipeline in the Northeast, the NSD Project provides TGP's customers with additional diversity by increasing transportation capacity between growing Marcellus supplies and markets in New England and Niagara."

To accommodate shippers' requested transportation paths from Marcellus receipt points to markets in New England and at Niagara, the NSD Project combines TGP's original NSD Project, which provided transportation to New England, with TGP's Marcellus to Leidy and Niagara Project (MLN Project), which provided transportation service to Niagara. The combined projects are now called the NSD Project.

TGP will expand capacity through a combination of pipeline looping, compressor station modifications, and use of existing capacity. Specifically, the NSD Project involves the installation of approximately seven miles of 30-inch diameter pipeline along TGP's existing right-of-way, compressor modifications on the Niagara Spur, and the utilization of existing and off-system capacity.

Capital for the NSD project is expected to be less than \$100 million. TGP anticipates filing a certificate application with the Federal Energy Regulatory Commission in late 2010. Pending regulatory approvals, construction would begin in the first half of 2012, with a November 1, 2012 in-service date.

El Paso Corporation provides natural gas and related energy products in a safe, efficient, and dependable manner. The company owns North America's largest interstate natural gas pipeline system and one of North America's largest independent natural gas producers. For more information, visit [www.elpaso.com](http://www.elpaso.com).

**El Paso Corporation Cautionary Statement Regarding Forward-Looking Statements**

This release includes forward-looking statements and projections, made in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The company has made every reasonable effort to ensure that the information and assumptions on which these statements and projections are based are current, reasonable, and complete. However, a variety of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this release, including, without limitation, our ability to obtain all necessary federal, state and local regulatory approvals; our ability to successfully construct and operate the proposed facilities described in this release on time and within budget; creditworthiness of our shippers; general economic conditions in geographic regions or markets served by El Paso Corporation and its affiliates, or where operations of the company and its affiliates are located, and other factors described in the company's (and its affiliates') Securities and Exchange Commission filings. While the company makes these statements and projections in good faith, neither the company nor its management can guarantee that anticipated future results will be achieved. Reference must be made to those filings for additional important factors that may affect actual results. The company assumes no obligation to publicly update or revise any forward-looking statements made herein or any other forward-looking statements made by the company, whether as a result of new information, future events, or otherwise.

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SOURCE: El Paso Corporation



***empire pipeline***  
*A National Fuel Gas Company*

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June 4, 2010

Empire recently announced that Open Season 006 has successfully concluded with the award of 350,000 Dth/day of long-term firm transportation capacity from the Marcellus shale gas production area of Tioga County, Pennsylvania (near Jackson Township) to an interconnection with TransCanada Pipeline at Chippawa.

It is expected that the continued regional Marcellus shale gas production activity will require additional pipeline infrastructure to be built, and Empire feels that the production may support continued expansion of its system. Empire is considering additional projects that could include the expansion of its pipeline and related facilities further into the Marcellus shale gas producing regions of Tioga, Bradford, Lycoming and Sullivan Counties in Pennsylvania. These additional projects could include multiple interconnections with gas production gathering systems in the area and could also include significant interconnections with other major interstate pipelines in the region such as Tennessee Gas Pipeline's "300 line" and Transco's Leidy line.

We invite you to contact us for more information on specific project locations where facilities may be extended and to discuss potential projects that may impact your business. Please contact Empire's Marketing Department at (716) 857-7440.



February 11, 2010

**Re: Union Gas Limited 2011 Non-Binding Service Open Season**

Dear Shipper:

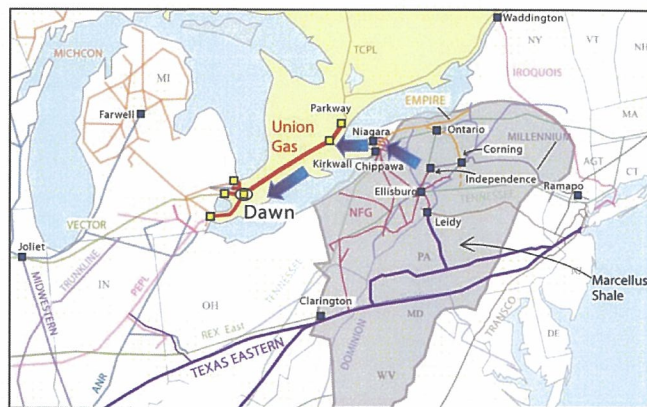
In response to customer interest in Kirkwall as a Receipt Point, Union Gas Limited ("Union") is pleased to announce a non-binding open season for service commencing September 1, 2011 (the "**2011 Open Season**").

Based on requests from Shippers for additional optionality and flexibility between interconnects, Union Gas is proposing to offer two new services:

- 1) up to 800,000 GJ/day of firm westerly transportation capacity from Kirkwall to Dawn; and
- 2) conversion of existing M12 service of up to 700,000 GJ/day to M12-X service which offers the flexibility to transport gas between any two M12 points (Dawn, Parkway and Kirkwall), easterly or westerly, all on a firm basis.

These services offer Shippers flexible and reliable transportation from supply basins in both eastern and western North America. For Shippers with Marcellus Shale gas supplies in the eastern U.S., these services offer access to Dawn. Shippers at Dawn enjoy access to a premium storage facility with a diverse portfolio of storage services and a liquid and diverse hub. For Shippers who have end-use needs or market demands in Ontario, eastern Canada or U.S. northeast, these services provide flexible and firm transportation options to source gas supplies at Dawn, western basins or the new, growing Marcellus Shale.

This non-binding open season is being offered in order to allow Union the opportunity to better understand market interest and requirements for services which accommodate westerly flow on Union's main transportation system. Following the close of this non-binding open season, and based on Shipper interest, Union will contact all responding parties to transition to binding agreements using the standard forms of agreement.



The term of these services shall be a minimum of ten (10) years, with an end date of October 31. The minimum term aligns with the terms offered in recent open seasons for other upstream pipelines (Empire State Pipeline, National Fuel Gas Supply and TransCanada PipeLines). The rates for services included in this non-binding open season are subject to Ontario Energy Board (OEB) approval. Union will file the appropriate applications with the OEB and approvals are expected during the 3<sup>rd</sup> quarter of 2010.

This open season closes at 12:00 noon Eastern Time on March 9, 2010.

**1. Westerly Firm Transportation Service**

Union invites your company to submit non-binding bids (expressions of interest) for long term firm transportation from Kirkwall to Dawn for service commencing as early as September 1, 2011. Service is proposed to be in accordance with Union's C1 Rate Schedule.

### **Westerly Firm Transportation Service Parameters**

- Transportation service commencement date is flexible in order to align with upstream offerings, ranging from as early as September 1, 2011, to as late as November 1, 2012 as requested by Shipper.
- Receipt Point is Kirkwall.
- Delivery Point is Dawn.
- Term of the bid will be a minimum term of 10 years.
- The expected demand charge rate for this service is between \$0.035 - \$0.045 Cdn/GJ/d, subject to OEB approval.
- The expected fuel requirement for this service is 0.357% April-October and 0.332% November-March in accordance with the C1 Rate Schedule, subject to OEB approval.

The [Kirkwall to Dawn Transportation Service Bid Form](#) is available online.

The current C1 Rate Schedule (which includes General Terms and Conditions) is available at [www.uniongas.com/storagetransportation/infopostings/tariffs](http://www.uniongas.com/storagetransportation/infopostings/tariffs) and is subject to revision from time to time. The agreement for the Kirkwall to Dawn transportation service is available at [http://www.uniongas.com/storagetransportation/communications/pdf/openseason/2010/Feb2010/Kirkwall\\_Dawn\\_Contract\\_Feb2010.pdf](http://www.uniongas.com/storagetransportation/communications/pdf/openseason/2010/Feb2010/Kirkwall_Dawn_Contract_Feb2010.pdf)

### **2. M12-X Firm Transportation Service**

Union invites your company to submit non-binding bids for flexible long term firm transportation between Dawn, Parkway and Kirkwall – the M12-X service. This service allows a Shipper to transport gas between any of Dawn, Parkway and Kirkwall, in any direction and on a firm basis. On any day, Shipper may receive gas at any of Dawn, Parkway or Kirkwall and deliver gas to any of Dawn, Parkway or Kirkwall. The M12-X service commences as early as September 1, 2011 and is proposed to be in accordance with Union's M12 Rate Schedule.

The M12-X transportation service is available to existing customers holding M12 transportation service and to new customers who are interested in the flexibility to transport on a firm basis between Dawn, Parkway or Kirkwall on any day.

In this non-binding open season, existing Shippers can elect to convert their existing M12 Dawn to Parkway transportation service to the M12-X transportation service on a one-for-one GJ/d of capacity basis. Any portion or all of the Shipper's existing M12 contracted capacity can be converted. The minimum term for this service is 10 years. New or existing customers who are seeking incremental Dawn to Parkway/Kirkwall capacity are encouraged to submit requests for the new M12-X transportation service. Any incremental M12-X capacity is subject to availability. Union's capability to satisfy requirements for new M12-X capacity is limited, but Union will endeavour to work with interested parties.

### **M12-X Service Parameters**

- Transportation service commencement date is flexible in order to align with upstream offerings, ranging from as early as September 1, 2011, to as late as November 1, 2012 as requested by Shipper.



- Receipt and Delivery Points are Dawn, Parkway and Kirkwall.
- Term of the bid will be a minimum term of 10 years.
- The expected rate for the service is approximately \$0.095 - \$0.11 Cdn/GJ/d, subject to OEB approval.
- The fuel rates for this service will be in accordance with the M12 Rate Schedule and incurred based on the nominated path, subject to OEB approval

The [M12-X Bid Form](#) is available online.

The current M12 Rate Schedule (which includes General Terms and Conditions) is available at [www.uniongas.com/storagetransportation/infopostings/tariffs](http://www.uniongas.com/storagetransportation/infopostings/tariffs) and is subject to revision from time to time. The standard M12-X agreement is available at [www.uniongas.com/storagetransportation/communications/pdf/openseason/2010/Feb2010/M12-X\\_Contract\\_Feb2010.pdf](http://www.uniongas.com/storagetransportation/communications/pdf/openseason/2010/Feb2010/M12-X_Contract_Feb2010.pdf)

### **3. Submitting a Non-Binding Bid for Service**

If you wish to participate in the 2011 Open Season, please complete, sign and return either of the Westerly Firm Transportation Services Bid Form or the M12-X Transportation Services Bid Form, available online [www.uniongas.com/openseason](http://www.uniongas.com/openseason), via email or fax to:

ATTN: Tina Hodgson  
Email: [thodgson@uniongas.com](mailto:thodgson@uniongas.com)  
Fax: (519) 436-4643

#### **Completed forms must be returned on or before 12:00 noon Eastern Time on March 9, 2010.**

Union will acknowledge Shipper's bid in writing on or before 2:30 p.m. Eastern Time March 10, 2010. All complete bids will be considered valid, indicative and non-binding until a binding agreement is reached between the parties. Only those Shippers and customers who submit non-binding bids for the Westerly Firm Transportation Service or the M12-X Transportation Service will be contacted. Union will first contact all responding parties who meet the requirements of the open season. Union in its sole discretion reserves the right to reject any and all proposals received. Bids for their respective service will be evaluated based on term and available service capacity. If two or more bids have the same term, and insufficient capacity exists to satisfy all such bids, capacity for the respective services will be awarded on a pro-rata basis. Union expects successful bidders to transition to binding agreements and will award capacity and execute contracts by no later than April 30, 2010.

If you have any questions about the 2011 Open Season, please feel free to contact your account manager [www.uniongas.com/storagetransportation/contactus/index.asp#LongTermBusiness](http://www.uniongas.com/storagetransportation/contactus/index.asp#LongTermBusiness).

Yours truly,  
UNION GAS LIMITED

Tina Hodgson  
Business Development Manager

Phone: (519) 436-4606  
Email: [thodgson@uniongas.com](mailto:thodgson@uniongas.com)



Updated August 12, 2010  
July 19, 2010

**Re: Union Gas Limited 2011-2013 Non-Binding Service Open Season**

In response to continued interest in Marcellus gas supplies coming to Ontario through Kirkwall as well as deliveries of gas from Dawn to Parkway, Union Gas Limited is pleased to announce its non-binding open season for service commencing as early as November 1, 2011 (the "**2011-2013 Open Season**").

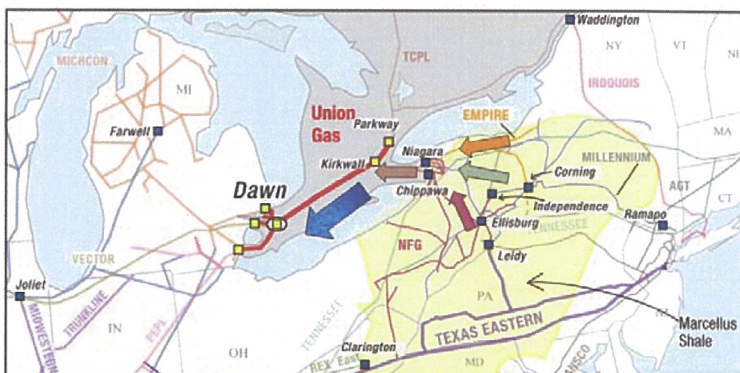
Based on requests from Shippers for additional optionality and flexibility between interconnects, Union is proposing to offer the following services:

- 1) new firm westerly C1 transportation service from Kirkwall to Dawn;
- 2) new firm M12-X transportation service;
- 3) conversion of existing firm Dawn to Parkway and Dawn to Kirkwall M12 transportation service to new firm M12-X transportation service; and
- 4) firm M12 Dawn to Parkway or Dawn to Kirkwall transportation service.

This open season has been extended and now closes at **12:00 noon Eastern Daylight Time on August 31, 2010.**

These services offer Shippers flexible and reliable transportation from supply basins in both eastern and western North America. The new M12-X transportation service offers the flexibility to transport gas between any two M12 points (Dawn, Parkway and Kirkwall), easterly or westerly, all on a firm basis. For Shippers with Marcellus Shale gas supplies in the eastern U.S., these services offer access to Dawn. Shippers at Dawn enjoy access to a premium storage facility with a diverse portfolio of storage services and a liquid and diverse hub. For Shippers who have end-use needs or market demands in Ontario, eastern Canada or U.S. northeast, these services provide flexible and firm transportation options to source gas supplies at Dawn, western basins or the new, growing Marcellus Shale.

This non-binding open season is being offered in order to allow Union Gas the opportunity to better understand market interest and requirements for services which accommodate easterly and westerly flow on the Union Gas transportation system. Following the close of this non-binding open season, and based on Shipper interest, Union Gas will contact successful responding parties to transition to binding agreements using the standard forms of agreement. If the transition to binding agreements results in the need for a system expansion, such capacity may be available either November 1, 2012 or November 1, 2013, and will be subject to both internal and Ontario Energy Board (OEB) approvals.



The term of all services offered in this open season shall be a minimum of ten (10) years, with an end date of October 31. The minimum term aligns with the terms offered in recent open seasons for other upstream pipelines (Empire State Pipeline, National Fuel Gas Supply and TransCanada Pipelines). The rates for services included in this non-binding open season are subject to Ontario Energy Board (OEB) approval. Union Gas will file the appropriate applications for the new services with the OEB and approvals are expected during the 4<sup>th</sup> quarter of 2010.





## **1. Westerly Firm Transportation Service**

Union Gas invites your company to submit non-binding bids (expressions of interest) for long-term firm transportation from Kirkwall to Dawn for service commencing as early as November 1, 2011. Service is proposed to be in accordance with the Union Gas C1 Rate Schedule. Union Gas is offering 800,000 GJ/day of new firm westerly C1 transportation service from Kirkwall to Dawn.

### **Westerly Firm Transportation Service Parameters**

- Transportation service commencement date is flexible in order to align with upstream offerings, ranging from as early as November 1, 2011, to as late as November 1, 2013, as requested by Shipper.
- Receipt Point is Kirkwall.
- Delivery Point is Dawn (Facilities).
- Term of the bid will be a minimum term of 10 years.
- The expected demand charge rate for this service is between \$0.035 - \$0.045 Cdn/GJ/day, subject to OEB approval.
- The expected fuel requirement for this service is approximately 0.357% April-October and 0.332% November-March in accordance with the C1 Rate Schedule, subject to OEB approval.

View the [Westerly Firm Transportation Service Bid Form](#).

View the [Rate Schedule, General Terms and Conditions and Standard Contract](#).

## **2. M12-X Firm Transportation Service**

Union Gas invites your company to submit non-binding bids (expressions of interest) for flexible long-term firm transportation between Dawn, Parkway and Kirkwall – the M12-X service. This new service allows a Shipper to transport gas between any of Dawn, Parkway and Kirkwall, in any direction and on a firm basis. On any day, Shipper may receive gas at any of Dawn, Parkway or Kirkwall and deliver gas to any of Dawn, Parkway or Kirkwall. The M12-X transportation service commences as early as November 1, 2011 and is proposed to be in accordance with the Union Gas M12 Rate Schedule.

The M12-X transportation service is available to existing customers holding M12 transportation service who are interested in the flexibility to transport on a firm basis between Dawn, Parkway or Kirkwall on any day. In this non-binding open season, existing Shippers can elect to convert their existing M12 Dawn to Parkway and/or Dawn to Kirkwall transportation service to the M12-X transportation service on a one-for-one GJ/day of capacity basis. A portion or all of the Shipper's existing M12 contracted capacity can be converted.

The M12-X transportation service is also available to new customers and existing customers who are seeking incremental firm, flexible capacity between Dawn, Kirkwall and Parkway.

Union Gas is offering 400,000 GJ/day of firm M12-X transportation service converted from existing firm Dawn to Parkway M12 transportation service. In addition, Union Gas is offering 340,000 GJ/day (subject to capacity turn back and may require system expansion which is subject to internal and OEB approvals) of new firm M12-X transportation service, firm M12-X transportation service converted from existing firm Dawn to Kirkwall M12 transportation service and firm M12 Dawn to Parkway or Dawn to Kirkwall transportation service.



**uniongas**

A Spectra Energy Company



### **M12-X Firm Transportation Service Parameters**

- Transportation service commencement date is flexible in order to align with upstream offerings, ranging from as early as November 1, 2011, to as late as November 1, 2013, as requested by Shipper.
- Receipt Points are Dawn, Parkway and Kirkwall.
- Delivery Points are Dawn (Facilities), Parkway and Kirkwall.
- Term of the bid will be a minimum term of 10 years.
- The expected rate for the service is approximately \$0.095 - \$0.11 Cdn/GJ/day, subject to OEB approval.
- The fuel rates for this service will be in accordance with the M12 Rate Schedule and incurred based on the nominated path, subject to OEB approval.

View the [M12-X Firm Transportation Service Bid Form](#).

View the [Rate Schedule, General Terms and Conditions and Standard Contract](#).

### **3. M12 Firm Transportation Service**

Union Gas invites your company to submit non-binding bids (expressions of interest) for point to point long term firm transportation from Dawn to Parkway or from Dawn to Kirkwall using the M12 transportation service. This firm service allows a Shipper to transport gas between two points on the Union Gas system. The M12 transportation service commences as early as November 1, 2011 and will be in accordance with the Union Gas M12 Rate Schedule.

The M12 transportation service is available to existing and new customers looking for firm point-to-point transportation service. Union Gas is offering 340,000 GJ/day (subject to capacity turn back and may require system expansion which is subject to internal and OEB approvals) of firm M12 Dawn to Parkway or Dawn to Kirkwall transportation service, new firm M12-X transportation service and firm M12-X transportation service converted from existing firm Dawn to Kirkwall M12 transportation service.

### **M12 Firm Transportation Service Parameters**

- Transportation service commencement date is flexible in order to align with upstream offerings, ranging from as early as November 1, 2011, to as late as November 1, 2013, as requested by Shipper.
- Path Options are Dawn to Parkway or Dawn to Kirkwall.
- Term of the bid will be a minimum term of 10 years.
- The rate for this service will be in accordance with the M12 Rate Schedule as per the contracted path.
- The fuel rates for this service will be in accordance with the M12 Rate Schedule.

View the [M12 Firm Transportation Service Bid Form](#).

View the [Rate Schedule, General Terms and Conditions and Standard Contract](#).



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#### **4. Submitting a Non-Binding Bid for Service**

If you wish to participate in the 2011-2013 Open Season, please complete, sign and return either the attached Westerly Firm Transportation Service Bid Form, the M12-X Firm Transportation Service Bid Form and/or the M12 Firm Transportation Service Bid Form via email or fax to:

ATTN: Tina Hodgson

Email: [thodgson@uniongas.com](mailto:thodgson@uniongas.com)

Fax: (519) 436-4643

**Completed forms must be returned on or before 12:00 noon Eastern Daylight Time on August 31, 2010.** Union Gas will acknowledge Shipper's bid in writing on or before 2:30 p.m. Eastern Daylight Time September 1, 2010. All complete bids will be considered valid, indicative and non-binding until a binding agreement is reached between the parties. Only those Shippers and customers who submit non-binding bids for the Westerly Firm Transportation Service, the M12-X Firm Transportation Service or the M12 Firm Transportation Service will be contacted. Union Gas will first contact all responding parties who meet the requirements of the open season. Union Gas in its sole discretion reserves the right to reject any and all proposals received. Capacity requests that meet the respective service parameters during this open season will be awarded starting with those bids with the highest economic value. If the economic values of two or more independent bids are equal, then service shall be allocated on a pro-rata basis. The economic value shall be based on the net present value which shall be calculated based on the proposed per unit rate and the proposed term of the contract and without regard to the proposed Contract Demand ("NPV"). Union Gas expects successful bidders to transition to binding agreements and will award capacity and execute contracts by no later than December 1, 2010.

If you have any questions about the 2011-2013 Open Season, please feel free to contact your [Account Manager](#).

Yours truly,

UNION GAS LIMITED

Tina Hodgson  
Business Development Manager  
Phone: (519) 436-4606  
Email: [thodgson@uniongas.com](mailto:thodgson@uniongas.com)









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**Page 1 of 1**

Filed: 2010-09-30  
EB-2010-0296  
Exhibit A  
Attachment 3  
Page 6 of 7

**M12-X FIRM TRANSPORTATION SERVICE BID FORM**

If you wish to participate in the 2011-2013 Open Season, please complete, sign and return this M12-X Firm Transportation Service Bid Form on or before 12:00 noon Eastern Daylight Time on **August 31, 2010** via email or fax to:

**ATTN:** Tina Hodgson      **Email:** [thodgson@uniongas.com](mailto:thodgson@uniongas.com)      **Fax:** (519) 436-4643

**This is a non-binding bid.** The purpose of the open season is for Union Gas to address market interest in this proposed service. Based on the results of this open season, Union Gas will determine whether or not to proceed with offering this service as defined in this open season. By signing and returning this M12-X Firm Transportation Service Bid Form, Shippers submitting successful bids will be contacted by Union Gas to enter into discussions to transition to a binding agreement for this service. The Firm Transportation Service Agreement with Union Gas can be found at [uniongas.com/openseason](http://uniongas.com/openseason).

Please indicate your requirements as shown below:

**M12-X Firm Transportation Service Non-Binding Bid:**

Receipt Points include **Dawn, Kirkwall and Parkway**

Delivery Points include **Dawn (Facilities), Kirkwall and Parkway**

Start Date (must be no earlier than **November 1, 2011**  
and no later than **November 1, 2013**) \_\_\_\_\_

NEW Quantity \_\_\_\_\_ Maximum \_\_\_\_\_ (GJ/d)

CONVERSION Quantity (from existing M12 capacity) Maximum \_\_\_\_\_ (GJ/d)

Contract Reference (e.g. M12000): \_\_\_\_\_

TOTAL Quantity (sum of New + Conversion) Maximum \_\_\_\_\_ (GJ/d)

Term (years) \_\_\_\_\_ (10 year minimum ending October 31)

Would there be Conditions Precedent to taking this service?(circle one) **Yes\***      **No**

\*If yes, please articulate those conditions in an attachment

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2010

**SHIPPER LEGAL NAME** \_\_\_\_\_

By: \_\_\_\_\_

Signature: \_\_\_\_\_

E-mail: \_\_\_\_\_

Name: \_\_\_\_\_

Phone: \_\_\_\_\_



**uniongas**

A Spectra Energy Company



**Page 1 of 1**

Filed: 2010-09-30  
EB-2010-0296  
Exhibit A  
Attachment 3  
Page 7 of 7

**M12 FIRM TRANSPORTATION SERVICE BID FORM**

If you wish to participate in the 2011-2013 Open Season, please complete, sign and return this M12 Firm Transportation Service Bid Form on or before 12:00 noon Eastern Daylight Time on **August 31, 2010** via email or fax to:

**ATTN:** Tina Hodgson

**Email:** [thodgson@uniongas.com](mailto:thodgson@uniongas.com)

**Fax:** (519) 436-4643

**This is a non-binding bid.** The purpose of the open season is for Union Gas to address market interest in this service. Based on the results of this open season, Union Gas will determine whether or not to proceed with offering this service as defined in this open season. By signing and returning this M12 Firm Transportation Service Bid Form, Shippers submitting successful bids will be contacted directly to enter into discussions to transition to a binding agreement for this service. The Firm Transportation Service Agreement with Union Gas can be found at [uniongas.com/openseason](http://uniongas.com/openseason).

Please indicate your requirements as shown below:

**M12 Firm Transportation Service Non-Binding Bid:**

Transportation Path: Please indicate by circling either 1) or 2) below

- 1) Receipt Point: **Dawn** and Delivery Point: **Parkway**
- 2) Receipt Point: **Dawn** and Delivery Point: **Kirkwall**

Start Date (must be no earlier than **November 1, 2011**  
and no later than **November 1, 2013**) \_\_\_\_\_

Quantity \_\_\_\_\_ Maximum \_\_\_\_\_ (GJ/d)

Term (years) \_\_\_\_\_ (10 year minimum ending October 31)

Would there be Conditions Precedent to taking this service? (circle one) **Yes\*** **No**

\*If yes, please articulate those conditions in an attachment

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2010

**SHIPPER LEGAL NAME** \_\_\_\_\_

By:

Signature: \_\_\_\_\_

E-mail: \_\_\_\_\_

Name: \_\_\_\_\_

Phone: \_\_\_\_\_



## CROSS FRANCHISE TRANSPORTATION RATES

### (A) Applicability

To a Shipper who enters into a Contract with Union for delivery by Shipper of gas to Union at one of Union's points listed below for redelivery by Union to Shipper at one of Union's points.

<u>Applicable Points</u>	(1)	(2)
	Ojibway	WDA
	St. Clair	NDA
	Dawn*	SSMDA
	Parkway	SWDA
	Kirkwall	CDA
	Bluewater	EDA

\*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)

### (B) Services

Transportation Service under this rate schedule is transportation on Union's pipeline facilities between any two Points as specified in Section (A), column 1.

### (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.

#### Transportation Service:

	Monthly Demand Charge (applied to daily contract demand) <u>Rate/GJ</u>	Commodity Charges			
		If Union supplies fuel Commodity Charge		If Shipper supplies fuel Fuel Ratio	
		Apr.1-Oct.31 <u>Rate/GJ</u>	Nov.1-Mar.31 <u>Rate/GJ</u>	Apr.1-Oct.31 <u>%</u>	Nov.1-Mar.31 <u>%</u>
a) Firm Transportation					
Between:					
St.Clair & Dawn	\$0.971	\$0.021	\$0.025	0.352%	0.431%
Ojibway & Dawn	\$0.971	\$0.027	\$0.031	0.496%	0.566%
Bluewater & Dawn	\$0.971	\$0.021	\$0.025	0.352%	0.431%
From:					
Parkway to Kirkwall	\$0.545	\$0.021	\$0.019	0.353%	0.328%
Parkway to Dawn	\$0.545	\$0.021	\$0.019	0.353%	0.328%
Kirkwall to Dawn	\$1.176	\$0.021	\$0.019	0.353%	0.328%
Dawn to Kirkwall	\$1.985	\$0.030	\$0.065	0.517%	1.136%
Dawn to Parkway	\$2.332	\$0.030	\$0.065	0.517%	1.136%
b) Interruptible and Short Term (1 year or less) Firm Transportation:					
Maximum		\$75.00	\$75.00		
c) Firm Transportation between two points within Dawn					
Dawn to Dawn-Vector	\$0.042	n/a	n/a	0.205%	n/a
Dawn to Dawn-TCPL	\$0.220	n/a	n/a	0.328%	0.638%
d) Interruptible Transportation between two points within Dawn*					

\*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)

0.328% 0.328%



## (C) Rates (Cont'd)

### Authorized Overrun:

The following Overrun rates are applied to any quantities transported in excess of the Contract parameters. Overrun will be authorized at Union's sole discretion.

	If Union supplies fuel Commodity Charge		Commodity Charges If Shipper supplies fuel Fuel Ratio		Commodity Charge Rate/GJ
	Apr.1-Oct.31 Rate/GJ	Nov.1-Mar.31 Rate/GJ	Apr.1-Oct.31 %	Nov.1-Mar.31 %	
a) Firm Transportation					
Between:					
St.Clair & Dawn	\$0.052	\$0.058	0.352%	0.431%	\$0.032
Ojibway & Dawn	\$0.060	\$0.065	0.496%	0.566%	\$0.032
Bluewater & Dawn	\$0.052	\$0.058	0.352%	0.431%	\$0.032
From:					
Parkway to Kirkwall	\$0.017	\$0.015	0.947%	0.923%	\$0.018
Parkway to Dawn	\$0.017	\$0.015	0.947%	0.923%	\$0.018
Kirkwall to Dawn	\$0.017	\$0.015	0.947%	0.923%	\$0.039
Dawn to Kirkwall	\$0.073	\$0.108	1.112%	1.731%	\$0.065
Dawn to Parkway	\$0.084	\$0.118	1.112%	1.731%	\$0.077
b) Firm Transportation within Dawn					
Dawn to Dawn-Vector	n/a	n/a	0.438%	n/a	\$0.001
Dawn to Dawn-TCPL	n/a	n/a	0.328%	0.638%	\$0.007

Authorized overrun for short-term firm transportation is available at negotiated rates.

### Unauthorized Overrun:

The Unauthorized Overrun rate shall be the higher of the reported daily spot price of gas at either, Dawn, Parkway, Niagara, Iroquois or Chicago in the month of or the month following the month in which the overrun occurred plus 25% for all usage on any day in excess of 102% of Union's contractual obligation.

## (D) Terms of Service

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A" for contracts in effect before October 1, 2010. The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A 2010" for contracts in effect on or after October 1, 2010.

## (E) Nominations

Nominations under this rate schedule shall be in accordance with the attached Schedule "B" for contracts in effect before October 1, 2010. Nominations under this rate schedule shall be in accordance with the attached Schedule "B 2010" for contracts in effect on or after October 1, 2010.

## (F) Receipt and Delivery Points and Pressures

Receipt and Delivery Points and Pressures under this rate schedule shall be in accordance with Schedule "C 2010" for contracts in effect on or after October 1, 2010.

Effective September 1, 2011  
O.E.B. ORDER # EB-2010-xxxx

Chatham, Ontario

Supersedes EB-2010-0148 Rate Schedule effective January 1, 2011.

**RATE C1**  
**RECEIPT AND DELIVERY POINTS AND PRESSURES**

**SCHEDULE "C 2010"**

1. Receipt and Delivery Points:

The following defines each Receipt Point and/or Delivery Point, as indicated (R= Receipt Point; D= Delivery Point)

R, D	<b><u>DAWN (FACILITIES):</u></b>	Union's Compressor Station site situated in the northwest corner of Lot Twenty-Five (25), Concession II, in the Township of Dawn-Euphemia, in the County of Lambton. This point is applicable for quantities of gas that have been previously transported or stored under other contracts that Shipper may have in place with Union.
R, D	<b><u>DAWN (TCPL):</u></b>	At the junction of Union's and TCPL's facilities, at or adjacent to Dawn (Facilities).
R, D	<b><u>DAWN (TECUMSEH):</u></b>	At the junction of Union's and Enbridge Gas Distribution Inc.'s (Enbridge) Tecumseh Gas Storage's facilities, at or adjacent to Dawn (Facilities).
R, D	<b><u>DAWN (TSLE):</u></b>	At the junction of Union's and Enbridge Gas Distribution Inc.'s (" <b>Enbridge</b> ") NPS 16 Tecumseh Sombra Line Extension facilities; at or adjacent to Dawn (Facilities)
R, D	<b><u>DAWN (VECTOR):</u></b>	At the junction of Union's and Vector Pipeline Limited Partnership (" <b>Vector</b> ") facilities, at or adjacent to Dawn (Facilities).
R, D	<b><u>PARKWAY (TCPL):</u></b>	At the junction of Union's and TCPL's facilities, at or adjacent to Union's facilities situated in the Part Lot 9 and Part Lot 10, Concession IX, New Survey, Town of Milton, Regional Municipality of Halton (now part of City of Mississauga)
R, D	<b><u>KIRKWALL:</u></b>	At the junction of Union's and TCPL's facilities at or adjacent to Union's facilities situated in Part Lot Twenty-Five (25), Concession 7, Town of Flamborough.
D	<b><u>PARKWAY (CONSUMERS):</u></b>	At the junction of Union's and Enbridge's facilities, at or adjacent to Union's facilities situated in Part Lot 9 and Part Lot 10, Concession IX, New Survey, Town of Milton, Regional Municipality of Halton (now part of City of Mississauga)
D	<b><u>LISGAR:</u></b>	At the junction of the facilities of Union and Enbridge situated at 6620 Winston Churchill Boulevard, City of Mississauga.
R, D	<b><u>OJIBWAY:</u></b>	At the junction of Union's and Panhandle Eastern Pipe Line Company, LP's (" <b>Panhandle</b> ") facilities, located at the International Border between Canada and the United States in the St. Clair River.
R, D	<b><u>ST.CLAIR (MICHCON):</u></b>	At the junction of Michigan Consolidated Gas Company's (" <b>MichCon</b> ") and St. Clair Pipelines L.P.'s facilities, located at the International Border between Canada and the United States in the St. Clair River.

R, D BLUEWATER:

At the junction of Bluewater Gas Storage, LLC ("**Bluewater**") and St. Clair Pipelines L.P.'s facilities, located at the International Border between Canada and the United States in the St. Clair River.

2. Receipt and Delivery Pressures:

(a) All Gas tendered by or on behalf of Shipper to Union shall be tendered at the Receipt Point(s) at Union's prevailing pressure at that Receipt Point, or at such pressure as per operating agreements between Union and the applicable Interconnecting Pipeline as amended or restated from time to time.

(b) All Gas tendered by or on behalf of Union to Shipper shall be tendered at the Delivery Point(s) at Union's prevailing pressure at that Delivery Point or at such pressure as per agreements between Union and the applicable Interconnecting Pipeline as amended or restated from time to time.

(c) Under no circumstances shall Union be obligated to receive or deliver gas hereunder at pressures exceeding the maximum allowable operating pressures prescribed under any applicable governmental regulations; nor shall Union be required to make any physical deliveries or to accept any physical receipts which its existing facilities cannot accommodate.

UNION GAS LIMITED  
 Derivation of C1 - Kirkwall to Dawn Transportation Rate  
Effective September 1, 2011

Line No.	Particulars	
	<u>Kirkwall to Dawn - Monthly Firm Demand Rate (\$/GJ)</u>	
	Kirkwall to Dawn (no additional capital and no compression)	
1	Dawn to Kirkwall with Compression - 2011 Proposed	1.985
2	Deduct: Dawn Compression Charge	<u>0.358</u>
3	Dawn to Kirkwall without Compression (line 1 - line 2)	1.627
4	Kirkwall to Dawn (line 3 * 214/365)	0.954
	Capital: Measuring and Regulating - Kirkwall to Dawn	
5	Incremental Capital Costs - Measurement (\$000's)	4,702
6	Annual Revenue Requirement (\$000's)	266
7	Maximum Day Demand (GJs)	100,000
8	Monthly Demand per Unit (\$/GJ) (line 6 *1000 / line 7 / 12)	0.222
9	Kirkwall to Dawn Demand Rate - 214 Day Service (\$/GJ) (line 4 + line 8)	<u>1.176</u>
10	Kirkwall to Dawn Demand Rate Commoditized (\$/GJ) (line 9 *12 / 365)	0.039

UNION GAS LIMITED  
Derivation of M12-X Transportation Rate  
Effective September 1, 2011

Line No.	Particulars	
	<u>M12-X - Monthly Firm Demand Rate (\$/GJ)</u>	
1	M12 Dawn to Parkway Firm Demand Rate - 2011 Proposed	2.332
2	C1 Parkway to Dawn Firm Demand Rate - 2011 Proposed	<u>0.545</u>
3	M12-X Demand Rate (line 1 + 2)	2.877
4	M12-X Demand Rate Commoditized (line 3 * 12 / 365)	0.095





## TRANSPORTATION RATES

### (A) Applicability

The charges under this schedule shall be applicable to a Shipper who enters into a Transportation Service Contract with Union.

### (B) Services

Transportation Service under this rate schedule shall be for transportation on Union's Dawn – Oakville facilities.

### (C) Rates

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

	Monthly Demand Charge (applied to daily contract demand) <u>Rate/GJ</u>	Commodity and Fuel Changes	
		Fuel Ratio <u>%</u>	<u>AND</u>  Commodity Charge <u>Rate/GJ</u>
<u>Firm Transportation (1)</u>			
Dawn to Oakville/Parkway	\$2.332	Monthly fuel rates and ratios shall be in accordance with schedule "C".	
Dawn to Kirkwall	\$1.985		
Parkway to Dawn	n/a		
<u>M12-X Firm Transportation</u>			
Between Dawn, Kirkwall and Parkway	\$2.877	Monthly fuel rates and ratios shall be in accordance with schedule "C".	
<u>Limited Firm/Interruptible Transportation (1)</u>			
Dawn to Parkway – Maximum	\$5.597	Monthly fuel rates and ratios shall be in accordance with schedule "C".	
Dawn to Kirkwall - Maximum	\$5.597		
Parkway (TCPL) to Parkway (Cons) (2)		0.328%	

### Authorized Overrun (3)

Authorized overrun rates will be payable on all quantities in excess of Union's obligation on any day. The overrun charges payable will be calculated at the following rates. Overrun will be authorized at Union's sole discretion.

	If Union supplies fuel Commodity Charge <u>Rate/GJ</u>	Commodity and Fuel Changes		Commodity Charge <u>Rate/GJ</u>
		Fuel Ratio <u>%</u>	<u>AND</u>	
Transportation Overrun				
Dawn to Parkway		Monthly fuel rates and ratios shall		\$0.077
Dawn to Kirkwall		be in accordance with schedule "C".		\$0.065
Parkway to Dawn				\$0.077
Parkway (TCPL) Overrun (4)	n/a	0.54%		n/a
M12-X Firm Transportation				
Between Dawn, Kirkwall and Parkway		Monthly fuel rates and ratios shall be in accordance with schedule "C".		\$0.095



(C) Rates (Cont'd)

Unauthorized Overrun

Authorized Overrun rates will be payable on all quantities up to 2% in excess of Union's contractual obligation.

The Unauthorized Overrun shall be the higher of the reported daily spot price of gas at either Dawn, Parkway, Niagara or Iroquois in the month of or the month following the month in which the overrun occurred plus 25% for all usage on any day in excess of 102% of Union's contractual obligation.

Nomination Variances

Where Union and the shipper have entered into a Limited Balancing Agreement ("LBA"), the rate for unauthorized parking or drafting which results from nomination variances shall equal the "Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff.

Notes for Section (C) Rates:

- (1) The annual transportation commodity charge is calculated by application of the YCRR Formula, as per Section (D). The annual transportation fuel required is calculated by application of the YCR Formula, as per Section (D).
- (2) This rate is for westerly transportation within the Parkway yard, from Parkway (TCPL) to Parkway (Cons) or Lisgar.
- (3) For purposes of applying the YCRR Formula or YCR Formula (Section (D)) to transportation overrun quantities, the transportation commodity revenue will be deemed to be equal to the commodity charge of the applicable service as detailed in Section (B).
- (4) This ratio will be applied to all gas quantities for which Union is obligated to deliver to Parkway (Cons) or Lisgar and has agreed to deliver to Parkway (TCPL) on an interruptible basis. This will be in addition to any rate or ratio paid for transportation easterly to Parkway (Cons) or Lisgar.
- (5) A demand charge of \$0.690/GJ/day/month will be applicable for customers contracting for firm all day transportation service in addition to the demand charges appearing on this schedule for firm transportation service to either Kirkwall or Parkway

(D) Transportation Commodity

The annual fuel charge in kind or in dollars for transportation service in any contract year shall be equal to the sum of the application of the following equation applied monthly for the 12 months April through March (The "YCRR" or "YCR" Formula). An appropriate adjustment in the fuel charges will be made in May for the previous 12 months ending March 31<sup>st</sup> to obtain the annual fuel charges as calculated using the applicable "YCRR" or "YCR" Formula. At Union's sole discretion Union may make more frequent adjustments than once per year. The YCRR and YCR adjustments must be paid/remitted to/from Shippers at Dawn within one billing cycle after invoicing.



(D) Transportation Commodity (Cont'd)

$$YCR = \sum_{1}^{4} [(0.003280 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [(0.003280 \times (QT1 + Q3)) + (DWFxQT1) + F_{WT}] \text{ For Oct. 1 to May 31}$$

$$YCRR = \sum_{1}^{4} [(0.003280 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \times R \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [(0.003280 \times (QT1 + Q3)) + (DWFxQT1) + F_{WT}] \times R \text{ For Oct. 1 to May 31}$$

where: DSF = 0.00000 for Dawn summer fuel requirements  
DWF = 0.0020 for Dawn winter fuel requirements

in which:

YCR Yearly Commodity Required

The sum of 12 separate monthly calculations of Commodity Quantities required for the period from April through March.

YCRR Yearly Commodity Revenue Required

The sum of 12 separate monthly calculations of Commodity Revenue required for the period April through March.

QT1 Monthly quantities in GJ transported easterly hereunder received at Dawn at not less than 4 850 kPa but less than 5 860 kPa (compression required at Dawn).

QT3 Monthly quantities in GJ transported westerly hereunder received at the Parkway (Oakville) Delivery Point.

F<sub>WT</sub> The individual Shipper's monthly share of compressor fuel used in GJ which was required at Union's Lobo, Bright, Trafalgar and Parkway Compressor Stations ("Lobo", "Bright", "Trafalgar" and "Parkway") to transport the same Shipper's QT1 monthly quantities easterly.

Lobo, Bright, Trafalgar and Parkway compressor fuel required by each Shipper will be calculated each month.

The monthly Lobo and Bright compressor fuel will be allocated to each Shipper in the same proportion as the Shipper's monthly quantities transported is to the monthly transported quantity for all users including Union.

The monthly Parkway and Trafalgar compressor fuel used will be allocated to each Shipper in the same proportion as the



**(D) Transportation Commodity (Cont'd)**

monthly quantity transported to Parkway (TCPL) for each user is to the total monthly quantity transported for all users including Union.

F<sub>ST</sub> The individual Shipper's monthly share of compressor fuel used in GJ which was required at Union's Lobo, Bright, Trafalgar and Parkway compressor stations to transport the same Shipper's quantity on the Trafalgar system.

Lobo, Bright, Trafalgar and Parkway compressor fuel required by each Shipper will be calculated each month.

R Union's weighted average cost of gas in \$/GJ.

**Notes**

- (i) In the case of Easterly flow, direct deliveries by TCPL at Parkway to Union or on behalf of Union to Union's Transportation Shippers will be allocated to supply Union's markets on the Dawn-Oakville/Parkway facilities starting at Parkway and proceeding westerly to successive laterals until exhausted.

**(E) Provision for Compressor Fuel**

For a Shipper that has elected to provide its own compressor fuel.

**Transportation Fuel**

On a daily basis, the Shipper will provide Union at the delivery point and delivery pressure as specified in the contract, a quantity (the "Transportation Fuel Quantity") representing the Shipper's share of compressor fuel and unaccounted for gas for transportation service on Union's system.

The Transportation Fuel Quantity will be determined on a daily basis, as follows:

Transportation Fuel Quantity = Transportation Quantity x Transportation Fuel Ratio.

In the event that the actual quantity of fuel supplied by the Shipper was different from the actual fuel quantity as calculated using the YCR formula, an adjustment will be made in May for the previous 12 months ending March 31<sup>st</sup>.

**Nominations**

The Shipper will be required to nominate its Transportation Fuel Quantity in addition to its normal nominations for transportation services.

**(F) Terms of Service**

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A" for contracts in effect before October 1, 2010. The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A 2010" for contracts in effect on or after October 1, 2010.



**uniongas**

Effective 2011-01-01  
Rate M12  
Page 5 of 5

Filed: 2010-09-30  
EB-2010-0296  
Exhibit A  
Attachment 6  
Page 5 of 7

**(G) Nominations**

Nominations under this rate schedule shall be in accordance with the attached Schedule "B" for contracts in effect before October 1, 2010. Nominations under this rate schedule shall be in accordance with the attached Schedule "B 2010" for contracts in effect on or after October 1, 2010.

**(H) Monthly Fuel Rates and Ratios**

Monthly fuel rates and ratios under this rate schedule shall be in accordance with Schedule "C".

**(I) Receipt and Delivery Points and Pressures**

Receipt and Delivery Points and Pressures under this rate schedule shall be in accordance with Schedule "D 2010" for contracts in effect on or after October 1, 2010.

Effective September 1, 2011  
O.E.B. ORDER # EB-2010-XXXX

Chatham, Ontario

Supersedes EB-2010-0148 Rate Schedule effective January 1, 2011

**RATE M12**  
**RECEIPT AND DELIVERY POINTS AND PRESSURES**

**SCHEDULE "D 2010"**

1. Receipt and Delivery Points:

The following defines each Receipt Point and/or Delivery Point, as indicated (R= Receipt Point; D= Delivery Point)

R, D	<b><u>DAWN (FACILITIES):</u></b>	Union's Compressor Station site situated in the northwest corner of Lot Twenty-Five (25), Concession II, in the Township of Dawn-Euphemia, in the County of Lambton. This point is applicable for quantities of gas that have been previously transported or stored under other contracts that Shipper may have in place with Union.
R	<b><u>DAWN (TCPL):</u></b>	At the junction of Union's and TCPL's facilities, at or adjacent to Dawn (Facilities).
R	<b><u>DAWN (TECUMSEH):</u></b>	At the junction of Union's and Enbridge Gas Distribution Inc.'s (Enbridge) Tecumseh Gas Storage's facilities, at or adjacent to Dawn (Facilities).
R	<b><u>DAWN (TSLE):</u></b>	At the junction of Union's and Enbridge Gas Distribution Inc.'s ("Enbridge") NPS 16 Tecumseh Sombra Line Extension facilities; at or adjacent to Dawn (Facilities)
R	<b><u>DAWN (VECTOR):</u></b>	At the junction of Union's and Vector Pipeline Limited Partnership ("Vector") facilities, at or adjacent to Dawn (Facilities).
R, D	<b><u>PARKWAY (TCPL):</u></b>	At the junction of Union's and TCPL's facilities, at or adjacent to Union's facilities situated in the Part Lot 9 and Part Lot 10, Concession IX, New Survey, Town of Milton, Regional Municipality of Halton (now part of City of Mississauga)
R, D	<b><u>KIRKWALL:</u></b>	At the junction of Union's and TCPL's facilities at or adjacent to Union's facilities situated in Part Lot Twenty-Five (25), Concession 7, Town of Flamorough.
D	<b><u>PARKWAY (CONSUMERS):</u></b>	At the junction of Union's and Enbridge's facilities, at or adjacent to Union's facilities situated in Part Lot 9 and Part Lot 10, Concession IX, New Survey, Town of Milton, Regional Municipality of Halton (now part of City of Mississauga)
D	<b><u>LISGAR:</u></b>	At the junction of the facilities of Union and Enbridge situated at 6620 Winston Churchill Boulevard, City of Mississauga.

2. Receipt and Delivery Pressures:

(a) All Gas tendered by or on behalf of Shipper to Union shall be tendered at the Receipt Point(s) at Union's prevailing pressure at that Receipt Point, or at such pressure as per operating agreements between Union and the applicable Interconnecting Pipeline as amended or restated from time to time.

(b) All Gas tendered by or on behalf of Union to Shipper shall be tendered at the Delivery Point(s) at Union's prevailing pressure at that Delivery Point or at such pressure as per agreements between Union and the applicable Interconnecting Pipeline as amended or restated from time to time.

(c) Under no circumstances shall Union be obligated to receive or deliver gas hereunder at pressures exceeding the maximum allowable operating pressures prescribed under any applicable governmental regulations; nor shall Union be required to make any physical deliveries or to accept any physical receipts which its existing facilities cannot accommodate.

**UNION GAS LIMITED**  
**M12 Monthly Transportation Fuel Ratios and Rates**  
Firm or Interruptible Transportation Commodity  
Effective September 1, 2011

Month	VT1 Easterly to Parkway (TCPL) With Dawn Compression		VT1 Easterly to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression		VT3 Westerly to Kirkwall, Dawn	
	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	0.763	0.043	0.763	0.043	0.328	0.019
May	0.624	0.036	0.624	0.036	0.328	0.019
June	0.416	0.024	0.328	0.019	0.416	0.024
July	0.357	0.019	0.328	0.019	0.357	0.019
August	0.350	0.020	0.328	0.019	0.350	0.020
September	0.368	0.020	0.348	0.020	0.368	0.020
October	0.745	0.042	0.697	0.040	0.328	0.019
November	0.948	0.054	0.765	0.044	0.328	0.019
December	1.174	0.066	0.950	0.055	0.328	0.019
January	1.306	0.075	1.076	0.061	0.328	0.019
February	1.207	0.068	0.991	0.056	0.328	0.019
March	1.046	0.060	0.854	0.049	0.328	0.019

Month	M12-X Easterly Kirkwall to Parkway (TCPL)		M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)		M12-X Westerly to Kirkwall, Dawn	
	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	0.328	0.019	0.328	0.019	0.353	0.021
May	0.328	0.019	0.328	0.019	0.353	0.021
June	0.416	0.024	0.328	0.019	0.353	0.021
July	0.357	0.020	0.328	0.019	0.353	0.021
August	0.350	0.020	0.328	0.019	0.353	0.021
September	0.348	0.020	0.328	0.019	0.353	0.021
October	0.376	0.021	0.328	0.019	0.353	0.021
November	0.511	0.029	0.328	0.019	0.328	0.019
December	0.551	0.031	0.328	0.019	0.328	0.019
January	0.558	0.032	0.328	0.019	0.328	0.019
February	0.544	0.031	0.328	0.019	0.328	0.019
March	0.520	0.030	0.328	0.019	0.328	0.019



**UNION GAS LIMITED**  
**M12 Monthly Transportation Authorized Overrun Fuel Ratios and Rates**  
 Firm or Interruptible Transportation Commodity  
Effective September 1, 2011

Month	VT1 Easterly to Parkway (TCPL) With Dawn Compression		VT1 Easterly to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression		VT3 Westerly to Kirkwall, Dawn	
	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	1.368	0.155	1.368	0.144	0.933	0.130
May	1.228	0.147	1.228	0.135	0.933	0.130
June	1.021	0.134	0.933	0.119	1.021	0.134
July	0.962	0.134	0.933	0.119	0.962	0.134
August	0.955	0.132	0.933	0.119	0.955	0.132
September	0.972	0.132	0.952	0.121	0.972	0.132
October	1.350	0.154	1.302	0.140	0.933	0.130
November	1.553	0.166	1.370	0.145	0.933	0.130
December	1.779	0.178	1.555	0.155	0.933	0.130
January	1.911	0.186	1.681	0.161	0.933	0.130
February	1.812	0.180	1.596	0.156	0.933	0.130
March	1.651	0.171	1.458	0.149	0.933	0.130

Month	M12-X Easterly Kirkwall to Parkway (TCPL)		M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)		M12-X Westerly to Kirkwall, Dawn	
	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	0.933	0.130	0.933	0.130	0.958	0.131
May	0.933	0.130	0.933	0.130	0.958	0.131
June	1.021	0.135	0.933	0.130	0.958	0.131
July	0.962	0.131	0.933	0.130	0.958	0.131
August	0.955	0.131	0.933	0.130	0.958	0.131
September	0.953	0.131	0.933	0.130	0.958	0.131
October	0.981	0.132	0.933	0.130	0.958	0.131
November	1.115	0.140	0.933	0.130	0.933	0.130
December	1.156	0.142	0.933	0.130	0.933	0.130
January	1.163	0.143	0.933	0.130	0.933	0.130
February	1.149	0.142	0.933	0.130	0.933	0.130
March	1.125	0.140	0.933	0.130	0.933	0.130