EXHIBIT LIST

A – ADMINISTRATIVE

Exhibit	Tab	Schedule	Contents	Witness(es)
A1	1	1	Exhibit List	R. Bourke
	2	1	Application	R. Bourke
	3	1	List of Specific Approvals Requested	R. Bourke
	4	1	Draft Issues List	R. Bourke
	5	1	Procedural Orders / Motions / Correspondence	
	6	1	Accounting Orders	K. Culbert
		2	Accounting for Rate Regulated Operations – Current and Future Changes	K. Culbert J. Jozsa B. Yuzwa
	7	1	List of Non-Compliance with Uniform System of Accounts and Reference to Accounting Orders	K. Culbert
	8	1	Map of Distribution System	R. Bourke
	9	1	List of Affiliate Transactions for the 2013 Test Year, 2012 Bridge Year and 2011 Historic Year	J. Jozsa B. Yuzwa
	10	1	Utility Organization Charts	R. Bourke S. Trozzi
	11	1	Corporate Organization Charts	R. Bourke J. Jozsa

EXHIBIT LIST

A – ADMINISTRATIVE

Exhibit	Tab	Schedule	Contents	Witness(es)	
A1	12	1	Planned Changes in Corporate or Operational Structure	J. Jozsa B. Yuzwa	
	13	1	Status of Board Directives from Previous Board Decisions and / or Orders	R. Bourke	
	14	1	Conditions of Service	T. Ferguson S. McGill	
		2	Changes to the Schedule of Service Charges - Rider G	S. McGill M. Torriano	
	15	1	Curriculum Vitae of Company Witnesses	R. Bourke	
		2	Curriculum Vitae of Manuel Monteiro	R. Bourke	
		3	Curriculum Vitae of Company Witnesses	R. Bourke	
		4	Curriculum Vitae of Dr. Rebecca Honeyfield	R. Bourke	
		5	Curriculum Vitae of Steven A. Fenrick and Lullit Getachew	R. Bourke	/u

A2 - Overview

Exhibit	Tab	Schedule	Contents	Witness(es)
A2	1	1	Summary of Application	R. Bourke
		2	Concentric Study - Benchmarking Study	J. Coyne J. Lieberman Concentric

EXHIBIT LIST

A – ADMINISTRATIVE

A3 - Finance

EXHIBIT LIST

A – ADMINISTRATIVE

Exhibit	Tab	Schedule	Contents	Witness(es)	
A3	3	1	Financial Statements – Enbridge Gas Distribution Historic 2010 Year	J. Jozsa B. Yuzwa	
	4	1	Annual Report (Actual) and Management Discussion and Analysis (MD&A) – Enbridge Gas Distribution Historic 2010 Year	J. Jozsa B. Yuzwa	
		2	Annual Report (Actual) and Management Discussion and Analysis (MD&A) – Enbridge Gas Distribution Historic 2011 Year	J. Jozsa B. Yuzwa	/u
	5	1	Reconciliation of Utility Income to Audited EGDI Consolidated Income 2011 Historic Year	K. Culbert	
	6	1	Annual / Audited Financial Reports (Historic) Enbridge Inc. – 2010 Year	J. Jozsa B. Yuzwa	
		2	Annual / Audited Financial Reports (Historic) Enbridge Inc. – 2011 Year	J. Jozsa B. Yuzwa	/u
	7	1	Applicant Subsidiaries	J. Jozsa B. Yuzwa	
	8	1	10-K Filing – Parent Companies	J. Jozsa B. Yuzwa	
	9	1	DBRS and S&P Reports	J. Jozsa B. Yuzwa	
	10	1	Prospectus and Information Circulars	J. Jozsa B. Yuzwa	

EXHIBIT LIST

B – RATE BASE

Exhibit	Tab	Schedule	Contents	Witness(es)	
B1 - Written Evidence					
B1	1	1	Rate Base Evidence and Summaries	K. Culbert	
		2	Rate Base - Year to Year Summary	K. Culbert	
	2	1	Rate Base - Capital Budget	L. Au S. Kancharla D. Kelly R. Lei	
		2	Details of Capital Expenditures and Justification for Major Capital Projects over $500,000 - 2011 through 2013	L. Au D. Kelly R. Lei	
		3	Comparison of Capital Expenditures by Year	L. Au D. Kelly R. Lei	
	3	1	Asset Plan	L. Chiotti L. Lawlor	
		2	Asset Plan and 2013 Capital Budget	L. Chiotti L. Lawler	/u
		3	Leave to Construct Projects	E. Chin N. MacNeil	
	4	1	Information Technology Capital Budget	B. Misra H. Wong	
	5	1	Storage Capital Expenditure	B. Pilon	/u

EXHIBIT LIST

B – RATE BASE

Exhibit	Tab	Schedule	Contents	Witness(es)	
Special Studies and Reports					
B2	1	1	Economic Feasibility Procedure and Policy	F. Ahmad P. Squires	
	2	1	2012 - 2021 Asset Plan	L. Chiotti L. Lawler	/u
Test Year					
B3	1	1	Ontario Utility Rate Base – Comparison of 2013 Test Year to 2012 Bridge Year	K. Culbert	
		2	Property, Plant and Equipment Summary Statement – Average of Monthly Averages 2013 Test Year	K. Culbert	
		3	Working Capital Components of Average of Monthly Averages 2013 Test Year	K. Culbert	
	2	1	Utility Capital Expenditures Comparison 2013 Test Year and 2012 Estimate	L. Au D. Kelly R. Lei	
		2	2013 Capital Expenditures by Project (Projects Exceeding $500,000)	L. Au D. Kelly R. Lei	
		3	Gross Customer Additions and Average Cost per Customer Addition Budget 2013 and 2012 Estimate	F. Ahmad L. Au D. Kelly	
		4	System Expansion Monitoring - 2013 Test Year	F. Ahmad P. Squires	

EXHIBIT LIST

B – RATE BASE

Exhibit	Tab	Schedule	Contents	Witness(es)
Bridge Year				
B4	1	1	Ontario Utility Rate Base Comparison of 2012 Bridge Year to 2011 Historic Year	K. Culbert
		2	Property, Plant, and Equipment Summary Statement – Average of Monthly Averages 2012 Bridge Year	K. Culbert
		3	Working Capital Components of Average of Monthly Averages 2012 Bridge Year	K. Culbert
	2	1	Comparison of Utility Capital Expenditures 2012 Estimate and 2011 Historic	L. Au D. Kelly R. Lei
		2	2012 Capital Expenditures by Project (Projects Exceeding $500,000)	L. Au D. Kelly R. Lei
		3	Gross Customer Additions and Average Cost per Customer Addition 2012 Estimate and 2011 Historic	F. Ahmad L. Au D. Kelly
		4	System Expansion Monitoring 2012 Bridge Year	F. Ahmad P. Squires
Historic Year & Trend Data				
B5	1	1	Ontario Utility Rate Base Comparison of 2011 Historic to 2007 Board Approved	K. Culbert

EXHIBIT LIST

B – RATE BASE

Exhibit	Tab	Schedule	Contents	Witness(es)
B5	1	2	Property, Plant, and Equipment Summary Statement - Average of Monthly Averages 2011 Historic	K. Culbert
		3	Working Capital Components of Average of Monthly Averages 2011 Historic	K. Culbert
	2	1	Comparison of Utility Capital Expenditures 2011 Historic and 2007 Board Approved	L. Au D. Kelly R. Lei
		2	2011 Capital Expenditures by Project (Projects Exceeding $500,000)	L. Au D. Kelly R. Lei
		3	Gross Customer Additions and Average Cost per Customer Addition Actual 2011 and 2011 Board Approved	F. Ahmad L. Au D. Kelly
		4	System Expansion Portfolio - 2011 Historic	F. Ahmad P. Squires

EXHIBIT LIST

C – OPERATING REVENUE

Exhibit	Tab	Schedule	Contents	Witness
Written Evidence				
C1	1	1	Operating Revenue Summary	K. Culbert
	2	1	Revenue Forecast	R. Lei S. Qian
	3	1	Gas Volume Budget	R. Lei S. Qian
		2	Updated Gas Volume Budget	R. Lei S. Qian
	4	1	Transactional Services	J. Denomy V. Krauchek
	5	1	Other Service and Late Payment Penalty Revenue	S. McGill M. Torriano
Special Studies and Reports				
C2	1	1	Key Economic Assumptions	H. Sayyan M. Suarez
	2	1	Average Use Forecasting Model	H. Sayyan M. Suarez
	3	1	Budget Degree Days	H. Sayyan M. Suarez
		2	Updated Budget Degree Days	H. Sayyan M. Suarez /u

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C – OPERATING REVENUE

EXHIBIT LIST

C – OPERATING REVENUE

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C – OPERATING REVENUE

Exhibit	Tab	Schedule	Contents	Witness
C4	3	2	Details of Other Revenue 2012 Estimate and 2007 Board Approved	R. Lei S. Qian
	4	1	Transactional Services 2012 Bridge Year Estimate vs. 2007 Board Approved Budget Revenue and Cost Components	V. Krauchek J. Sarnovsky
	5	1	NGV Rate of Return 2012 Bridge Year	F. Ahmad K. Culbert

Historic Year and Trend Data

Exhibit	Tab	Schedule	Contents	Witness
C5	1	1	Utility Operating Revenue 2011 Historic (Estimate)	K. Culbert
		2	Comparison of Utility Operating Revenue 2011 Historic Year and 2007 Board Approved	R. Lei S. Qian
	2	1	Customers, Volumes and Revenues by Rate Class –2011 Historic	R. Lei S. Qian
		2	Comparison of Gas Sales and Transportation Volume by Rate Class 2011 Historic and 2010 Historic	R. Lei S. Qian
		3	General Service System-Wide Normalized Average Use	R. Lei S. Qian
		4	Comparison of Gas Sales and Transportation Volume by Rate Class 2011 Historic and 2007 Board Approved	R. Lei S. Qian

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C – OPERATING REVENUE

EXHIBIT LIST

D – OPERATING COST

Exhibit	Tab	Schedule	Contents	Witness	
Written Evidence					
D1	1	1	Operating Cost Summary	K. Culbert	
	2	1	Gas Costs, Transportation and Storage	J. Sarnovsky D. Small	
		2	Status of Transportation Contracts	J. Sarnovsky D. Small	
		3	Design Criteria Evidence	J. Denomy J. Sarnovsky	
		4	Curtailment Compliance Report	B. Manwaring	
	3	1	Operating Maintenance Costs	S. Kancharla R. Lei	
		2	Employee Expenses and Workforce Demographics	S. Trozzi	
	4	1	Corporate Cost Allocation (“CAM”)	K. Culbert J. Jozsa B. Yuzwa	
		2	Updated Corporate Cost Allocation (“CAM”)	K. Culbert J. Jozsa B. Yuzwa	/u
	5	1	Depreciation Rate Change	L. Au J. Jozsa D. Kelly	
	6	1	Municipal Taxes	B. Remington	

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D – OPERATING COST

Exhibit	Tab	Schedule	Contents	Witness	
D1	7	1	Demand Side Management Budget	A. Mandyam	
	8	1	Deferral and Variance Accounts	K. Culbert R. Small	
		2	Not Used		
		3	Deferral and Variance Account Forecast Balances	K. Culbert	
	9	1	Open Bill Access	K. Lakatos-Hayward S. McGill	
		2	Open Bill Access - Proposed (changes to or a new) Contract	K. Lakatos-Hayward S. McGill	/u
	10	1	Finance Department - O&M Budget	J. Jozsa S. Kancharla R. Lei	
	11	1	Not Used		
	12	1	CIS / Customer Care – A Review of the Treatment of CIS/Customer Care Costs as a Result of the ADR Settlement in EB-2011-0226	K. Culbert K. Lakatos-Hayward S. McGill	
		2	EB-2011-0226 Settlement Agreement Enbridge Customer Care and CIS Costs 2013 to 2018 - September 2, 2011	K. Lakatos-Hayward S. McGill	

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D – OPERATING COST

Exhibit	Tab	Schedule	Contents	Witness	
D1	13	1	Energy Supply, Storage Development and Regulatory – O&M Budget	K. Culbert B. Pilon J. Sarnovsky R. Small	/u
	14	1	Law Department – O&M Budget		
	15	1	Operations – O&M Budget	W. Akkermans J. Alton D. Lapp J. Sanders	
	16	1	Information Technology – O&M Budget	T. Adesipo B. Misra H. Wong	
	17	1	Business Development and Corporate Strategy	L. Kennedy P. Squires	
	18	1	Human Resources – O&M Budget	S. Trozzi	
	19	1	Not Used		
	20	1	Pipeline Integrity and Safety – O&M Budget	J. Briggs C. Hanlon L. Lawler	
	21	1	Public and Government Affairs – O&M Budget	C. Meyer M. Sousa	
	22	1	Non Departmental Expenses – O&M Budget	S. Trozzi	

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D – OPERATING COST

Exhibit	Tab	Schedule	Contents	Witness	
D1	23	1	Not Used		
	24	1	Regulatory Adjustments and Eliminations – CAM Elimination to Adjust for RCAM	K. Culbert J. Jozsa B. Yuzwa	
		2	Updated Regulatory Adjustments and Eliminations - CAM Elimination to Adjust for RCAM	K. Culbert J. Jozsa B. Yuzwa	/u
	25	1	Service Quality Requirements ("SQR's")	T. Ferguson K. Lakatos-Hayward M. Torriano M. Wagle	

Special Studies and Reports

Exhibit	Tab	Schedule	Contents	Witness	
D2	1	1	Regulatory Corporate Cost Allocation ("RCAM") Update	J. Hails MNP LLP	/u
	2	1	Depreciation Study	J. Spanos Gannett Fleming	
		2	Schedule Depreciation Rates	L. Au D. Kelly J. Jozsa	
	3	1	Compensation Study – A Comparison of the EGDI Compensation Program	Mercers Consultant	
	4	1	Gas System Design Criteria Analysis For Enbridge Gas Distribution	R. Honeyfield Navigant Consultant	
		2	Analysis of Peak Gas Day Design Criteria	R. Honeyfield Navigant Consultant	

EXHIBIT LIST

D – OPERATING COST

Exhibit	Tab	Schedule	Contents	Witness	
D2	5	1	Regulated Unregulated Storage Cost Allocation	R. Feingold Black & Veatch	
	6	1	Unaccounted For Gas Study	I. Chan	
	7	1	IFRS - *Benchmarking Conversion Costs* Including US-GAAP Implementation	M. Picard KPMG	
		2	Review of Enbridge Gas Distribution Overhead Allocations for IFRS March 5, 2010	E. Rawlinson Ernest & Young	
	8	1	2011 Distributed Energy, Green Energy Initiatives and Fuel Cells Activities	T. Maclean	/c
	9	1	EB-2011-0008 - 2010 Earnings Sharing Mechanism Settlement Agreement - June 28, 2011	R. Bourke	/c
	10	1	EB-2007-0615 - 2008 to 2012 IR Settlement Agreement - February 4, 2008	R. Bourke	
Test Year					
D3	1	1	Cost of Service 2013 Test Year	K. Culbert	
	2	1	Cost of Service Comparison of Utility Cost and Expenses Budget 2013 and Estimate 2012	S. Kancharla R. Lei	
		2	Operating and Maintenance Expense by Department 2013 Test Year	S. Kancharla R. Lei	

EXHIBIT LIST

D – OPERATING COST

Exhibit	Tab	Schedule	Contents	Witness	
D3	2	3	Operating and Maintenance Expense by Cost Type - 2013 Test Year vs. 2012 Bridge Year	S. Kancharla R. Lei	
		4	Salaries and Wages and FTE Forecast 2013 Test Year	S. Kancharla R. Lei S. Trozzi	
	3	1	Summary of Gas Cost to Operations	J. Sarnovsky D. Small	
		2	Summary of Storage and Transportation Costs Fiscal 2013	J. Sarnovsky D. Small	
		3	Peak Day Supply Mix	J. Sarnovsky D. Small	
		4	Monthly Pricing Information	J. Sarnovsky D. Small	
		5	Gas Supply/Demand	J. Sarnovsky D. Small	
	4	1	Unbilled and Unaccounted-for Gas Volumes	H. Sayyan M. Suarez	/u

Bridge Year

Exhibit	Tab	Schedule	Contents	Witness
D4	1	1	Cost of Service 2012 Bridge Year	K. Culbert
	2	1	Cost of Service Comparison of Utility Costs and Expenses 2012 Estimate and 2011 Historic	S. Kancharla R. Lei
		2	Not Used	

EXHIBIT LIST

D – OPERATING COST

Historic Year and Trend Data

EXHIBIT LIST

D – OPERATING COST

EXHIBIT LIST

E – COST OF CAPITAL

Exhibit	Tab	Schedule	Contents	Witness(es)
Written Evidence				
E1	1	1	Cost of Capital Summary	K. Culbert
	2	1	Cost of Capital	D. Yaworsky
Special Studies and Reports				
E2	1	1	Return on Equity Calculation for 2013	R. Fischer M. Lister S. Murray
		2	Capital Structure: Equity Ratio	R. Fischer M. Lister D. Yaworsky
	2	1	Concentric Energy Advisors : Equity Thickness Evaluation & Recommendation	J. Coyne J. Lieberman Concentric
Test Year				
E3	1	1	Revenue Deficiency Calculation And Required Rate Of Return 2013 Test Year	K. Culbert
		2	Summary Statement of Principal and Carrying Costs of Term Debt 2013 Test Year	K. Culbert
		3	Unamortized Debt Discount and Expense Average of Monthly Averages 2013 Test Year	K. Culbert
		4	Preference Shares Summary Statement of Principal and Carrying Cost 2013 Test Year	K. Culbert

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E – COST OF CAPITAL

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E – COST OF CAPITAL

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F – REVENUE SUFFICIENCY/DEFICIENCY

Exhibit	Tab	Schedule	Contents	Witness(es)
Written Evidence				
F1	1	1	Revenue (Deficiency) / Sufficiency Summary	K. Culbert
Test Year				
F3	1	1	Cost of Capital 2013 Test Year	K. Culbert
		2	Utility Income 2013 Test Year	K. Culbert
		3	Utility Rate Base 2013 Test Year	K. Culbert
Bridge Year				
F4	1	1	Revenue Sufficiency Calculation and Required Rate of Return 2012 Bridge Year	K. Culbert
		2	Utility Income 2012 Bridge Year	K. Culbert
		3	Utility Rate Base 2012 Bridge Year	K. Culbert
Historic Year and Trend Data				
F5	1	1	Revenue Sufficiency and Recalculated Rate of Return 2011 Historic	K. Culbert
		2	Utility Income 2011 Historic	K. Culbert
		3	Utility Rate Base 2011 Historic	K. Culbert

EXHIBIT LIST

G – COST ALLOCATION

Exhibit	Tab	Schedule	Contents	Witness(es)
Written Evidence				
G1	1	1	2013 Cost Allocation Methodology	A. Kacicnik M. Kirk
Test Year				
G2	1	1	Fully Allocated Cost Study - 2013 Test Year	A. Kacicnik M. Kirk
	2	1	Revenue to Cost/Rate of Return Comparisons	A. Kacicnik M. Kirk
		2	Revenue to Cost/Rate of Return Comparisons Excluding Gas Supply Commodity	A. Kacicnik M. Kirk
	3	1	Functionalization of Utility Rate Base	A. Kacicnik M. Kirk
		2	Functionalization of Utility Working Capital	A. Kacicnik M. Kirk
		3	Functionalization of Utility Net Investments	A. Kacicnik M. Kirk
		4	Functionalization of Utility O&M	A. Kacicnik M. Kirk
	4	1	Classification of Rate Base	A. Kacicnik M. Kirk
		2	Classification of Net Investment	A. Kacicnik M. Kirk
		3	Classification of O&M Costs	A. Kacicnik M. Kirk

EXHIBIT LIST

G – COST ALLOCATION

Exhibit	Tab	Schedule	Contents	Witness(es)
G2	5	1	Allocation of Rate Base	A. Kacicnik M. Kirk
		2	Allocation of Return & Taxes	A. Kacicnik M. Kirk
		3	Allocation of Total Cost of Service	A. Kacicnik M. Kirk
	6	1	Rate Base Functionalization Factors	A. Kacicnik M. Kirk
		2	Classification of Gas Costs to Operations	A. Kacicnik M. Kirk
		3	Allocation Factors	A. Kacicnik M. Kirk
		4	Allocation of DSM Program Costs General Costs Including Fringe Benefits and A&G	A. Kacicnik M. Kirk
	7	1	Tecumseh – Functionalization and Classification of Rate Base	A. Kacicnik M. Kirk
		2	Tecumseh – Functional Allocation of Cost of Service - 2013 Test Year	A. Kacicnik M. Kirk
		3	Tecumseh – Classification of Cost of Service 2013 Test Year	A. Kacicnik M. Kirk
		4	Tecumseh Gas Rate Derivation 2013 Test Year	A. Kacicnik M. Kirk

EXHIBIT LIST

G – COST ALLOCATION

EXHIBIT LIST

H – RATE DESIGN

Exhibit	Tab	Schedule	Contents	Witness(es)
Written Evidence				
H1	1	1	2013 Proposed Rates	J. Collier A. Kacicnik
Test Year				
H2	1	1	Revenue Comparison – Current Revenue vs. Proposed Revenue	J. Collier
	2	1	Proposed Revenue Recovery by Rate Class	J. Collier
	3	1	Summary of Proposed Rate Change by Rate Class	J. Collier
	4	1	Calculation of Gas Supply Charges by Rate Class	J. Collier
	5	1	Detailed Revenue Calculations by Rate Class	J. Collier
	6	1	Rate Handbook	J. Collier
	7	1	Annual Bill Comparison	J. Collier

EXHIBIT LIST

I - INTERROGATORIES and RESPONSES

Exhibit	Issue	Schedule	Contents	Witness(es)
I	USGAAP	1.1 to 1.7	Board Staff	EGDI
		2.1 to 2.2	APPrO	EGDI
		7.1 to 7.3	Energy Probe	EGDI

EXHIBIT LIST

Power System Engineering, Inc.

STEVEN A. FENRICK

Leader, Benchmarking and Economic Studies

SUMMARY OF EXPERIENCE AND EXPERTISE

- Leader of PSE's Economics and Market Research group which conducts research in the fields of DSM, performance benchmarking, incentive regulation, load research and forecasting, and survey design and implementation
- Manages PSE's cost, productivity, and reliability performance benchmarking practice
- Directs research on value-based reliability planning efforts for electric utilities
- Expert in performance-based ratemaking and incentive regulation
- Directs economic research on investigating the impacts and costs/benefits of DSM programs and designing statistically robust pilot designs

PROFESSIONAL EXPERIENCE

Power System Engineering, Inc. – Madison, WI (2009 to present)

Leader, Economics and Market Research

Responsible for providing consulting services to utilities and regulators in the areas of reliability and cost benchmarking, incentive regulation, value-based reliability planning, demand-side management, load research, load forecasting, end-use surveys, and market research.

- Leads research, on an annual basis, with over a dozen electric utilities in evaluating cost, productivity, and reliability performance and uncovering methods to improve their operations
- Benchmarking consultant to the Ontario Energy Board regarding their 3rd Generation Incentive Regulation Plan for the last two years
- In the process of designing and analyzing DSM pilot projects at over 25 electric utilities across the country
- Testimony experience regarding performance benchmarking and productivity analysis
- Has given several presentations on performance benchmarking and productivity analysis, costs and benefits of DSM programs, and measurement and verification (M&V) techniques.
- Key speaker at EUCI conferences regarding cost and reliability performance evaluation and productivity analysis of distribution utilities

Pacific Economics Group – Madison, WI (2001 - 2009)

Senior Economist

Co-authored research reports submitted as testimony in numerous proceedings in several states and in international jurisdictions. Research topics included statistical benchmarking, alternative regulation, and revenue decoupling.

- Instructor at 2009 EUCI "Electric Utility Cost and Service Quality Benchmarking" conference.
- Developed a reliability benchmarking model for power distribution comparing utility performance.
- Managed and supervised PEG support staff in research and marketing efforts.

EDUCATION

University of Wisconsin - Madison, WI
Bachelor of Science, Economics (Mathematical Emphasis)

University of Wisconsin - Madison, WI
Master of Science, Agriculture and Applied Economics

Publications & Papers

- "Cost and Reliability Comparisons of Underground and Overhead Power Lines", *Utilities Policy*, March 2012. (With Lullit Getachew).
- "Formulating Appropriate Electric Reliability Targets and Performance Evaluations, *Electricity Journal*, March 2012. (With Lullit Getachew)
- "Estimation of the Effects of Price and Billing Frequency on Household Water Demand Using a Panel of Wisconsin Municipalities", *Applied Economics Letters*, 2012, 19:14, 1373-1380.
- "Altreg Rate Designs Address Declining Average Gas Use", *Natural Gas & Electricity*. April 2008. (With Mark Lowry, Lullit Getachew, and David Hovde).
- "Regulation of Gas Distributors with Declining Use per Customer", *Dialogue*. August 2006. (With Mark Lowry and Lullit Getachew).
- "Balancing Reliability with Investment Costs: Assessing the Costs and Benefits of Reliability-Driven Power Transmission Projects." April 2011. *RE Magazine*.
- "Ex-Post Cost, Productivity, and Reliability Performance Assessment Techniques for Power Distribution Utilities". Thesis.

Recent Presentations

- 2012 presentation in Springfield, IL to the Midwest Energy Association titled, "Reliability Target Setting and Performance Evaluation".
- 2012 presentation in Springfield, IL to the Midwest Energy Association titled, "Making the Business Case for Reliability-Driven Investments".
- Conference chair for EUCI conference in 2012 titled, "Balancing, Measuring, and Improving the Cost and Reliability Performance of Electric Distribution Utilities". St. Louis.
- Conference chair for EUCI conference in 2012 titled, "Demand Response: The Economic and Technology Considerations from Pilot to Deployment". St. Louis.
- 2012 Presentation in the Missouri PSC Smart Grid conference entitled, "Maximizing the Value of DSM Deployments". Jefferson City.
- 2011 conference chair on a nationwide benchmarking conference for rural electrical cooperatives. Madison.

- 2011 presentation on optimizing demand response program at the CRN Summit. Cleveland.
- Conference chair for EUCI conference in 2011 titled, "Balancing, Measuring, and Improving the Cost and Reliability Performance of Electric Distribution Utilities". Denver.
- 2010 presentation on cost benchmarking techniques for REMC. Wisconsin Dells.

History of Major Research Projects

1. Evaluation and review of business cases for reliability-driven projects, Toronto Hydro, 2012.
2. Energy efficiency rebate optimization, Corn Belt, 2012.
3. Energy efficiency and demand response customer baseline load algorithm development for an MDM system vendor, 2012.
4. Incentive Regulation Productivity and Benchmarking, Enbridge Gas Distribution, 2011/2012
5. Reliability Benchmarking and Target Setting, Vectren 2011/2012
6. DSM potential analysis, South Central Indiana, 2011/2012
7. Annual benchmarking updates of Ontario's 77 power distribution utilities, OEB 2011
8. Cost and reliability benchmarking research involving a group of 20 electric utilities, 2011
9. Energy Efficiency program design and cost effectiveness, Corn Belt 2011
10. Cost/Benefit model of direct load control, Corn Belt 2011
11. Peak time rebate demand response program design and cost effectiveness, Heartland 2011
12. Value Based Reliability Planning project at New Hampshire Electric Cooperative, 2010
13. DSM research on pilots at 25 electric utilities, 2010-2014
14. Benchmarking research involving a group of 14 electric utilities, 2010
15. M&V research of OPower energy efficiency program, 2010.
16. M&V research of Smart Thermostat demand response program, 2010.
17. Benchmarking research regarding Union Electric, 2010
18. Benchmarking research regarding the three Ameren Illinois Utilities, 2009
19. Benchmarking research for Central Vermont Public Service, 2009
20. Benchmarking research on Oklahoma Gas & Electric, 2009
21. Research North American power industry revenue forecast precedents, HECO, 2008.

22. Revenue Adjustment Mechanism for CVPS Revenue Decoupling Proposal, CVPS, 2008.
23. Productivity Research for Bundled Power Service, HECO, 2008.
24. A&G Power Benchmarking Research. 2008.
25. Productivity Research of Ontario's Power Distribution Utilities, OEB, 2008.
26. Productivity Research of U.S. Power Generation and Distribution, APS, 2007.
27. Productivity Research of Northeast Power Distribution, CMP, 2007.
28. Productivity Research of Ontario's Gas Distribution Utilities, OEB, 2007.
29. Benchmarking Research of Ontario's Power Distribution Utilities, OEB, 2007.
30. Benchmarking Research of Electric A&G Expenses, Michigan PSC, 2006.
31. Productivity Research for Gas Distribution, Sempra, 2006.
32. Productivity Research for Power Distribution, Sempra, 2006.
33. Benchmarking Research for Gas Distribution, Nstar Gas, 2006.
34. Benchmarking Research for Power Distribution, Central Vermont PSC, 2005.
35. Benchmarking Research of Nuclear Power Generation, Sempra, 2005.
36. Research on Rate Trends for Electric Power, EEI, 2005.
37. Benchmarking Research of Bundled Power Service, Florida Power, 2005.
38. Benchmarking Research of Canadian Electric Distribution, Hydro One, 2005.
39. Benchmarking Research of Gas Distribution, Bay State, 2005.
40. Benchmarking Research of Electric Distribution, Aquaelectra, 2004.
41. Benchmarking Research for the Caribbean Water Distribution Industry, Aquaelectra, 2004.
42. Compensatory Rate Trend for the U.S. Gas Industry, 2004.
43. Productivity Research for the U.S. Electrical industry, TXU, 2004.
44. Research on Productivity and Benchmarking for Queensland, Australia Electrical Companies, 2004.
45. Research on Productivity and Benchmarking for Gas and Electric Industries for Sempra, 2004.
46. Research on Productivity and Benchmarking for Jamaican Power Company. JPS, 2003-4.
47. Cost analysis research and benchmarking for the Bolivian Power regulator, 2003.

48. Research on Productivity and Benchmarking for a Canadian Power Transmission Company, 2002.
49. Research on Productivity and Benchmarking for a Natural Gas Distributor. Boston Gas, 2002-3.
50. Research on Benchmarking for Bundled Power Service. AmerenUE, 2002
51. Statistical Benchmarking for Electric Power Transmission. Transcend, 2002.
52. Statistical Benchmarking for three Australian Gas Utilities, 2001.
53. Power Distribution TFP trends for Bangor Hydro, 2001.

Power System Engineering, Inc.

LULLIT GETACHEW, PhD
SENIOR ECONOMIST

SUMMARY OF EXPERIENCE AND EXPERTISE

- Expert in applying econometric methods to utility research topics.
- Provides econometric support and review on all PSE economic and market research practice areas.
- Conducts empirical studies using multiple programming languages.

PROFESSIONAL EXPERIENCE

Power System Engineering, Inc. – Madison, WI (2011-present)

Senior Economist

Provides consulting services to electric utilities nationwide in load forecasting and research, performance benchmarking, customer and end-use surveys, market research, energy efficiency filings, and demand-side management.

Pacific Economics Group Research – Madison, WI (2002-2011)

Senior Economist

Conducted research in support of regulatory filings of energy utilities. Analyzed efficiency of regulated entities using various econometric and non-parametric methods including panel data, frontier methods, and system estimators. Prepared studies and reports for performance-based regulation of transmission and distribution energy businesses, undertook total and operation cost benchmarking, prepared reports for rate settlements, and marketed flexibility in rate designs. Undertook studies on service quality conditions and requirements in regulation.

Rice University Economics Department – Houston, TX (1999-2002)

Research Assistant to Professor Robin Sickles (Summer 1999-Summer 2002)

Performed a time-series analysis of aircraft demand by major world airlines. Worked on a stochastic distance frontier model used to assess the productive performance of a group of European airlines. Developed a detailed panel with input and output data for the private manufacturing sector of Egypt. Used parametric and non-parametric methods to examine total factor productivity improvements of this sector from 1987 to 1996, particularly in light of reforms undertaken in 1991.

Instructor, Principles of Macroeconomics (Spring 2000-Spring 2001)

Prepared lectures and taught the students enrolled in the class. Researched and presented articles related to concepts covered by the course material. Evaluated students' performance.

LULLIT GETACHEW, Ph.D.

EDUCATION

Rice University - Houston, TX
Ph.D., Economics, 2002

The Fletcher School, Tufts University - Medford, MA
Master of Arts in Law and Diplomacy (MALD)

Mount Holyoke College - South Hadley, MA
Bachelor of Arts Degree

PUBLICATIONS

"Formulating Appropriate Electric Reliability Targets and Performance Evaluations," 2012, with S.A. Fenrick, *The Electricity Journal*, 25 (2): 44-53.

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"The Market Structure of the Power Transmission and Distribution Industry in the Developed World", 2009, in Hunt, Lester C. and Joanne Evans (eds.). International Handbook on the Economics of Energy. Cheltenham, UK: Edward Elgar Publishing.

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"Statistical Benchmarking in Utility Regulation: Role, Standards and Methods," 2009, with Mark N. Lowry, *Energy Policy* 37: 1323-1330.

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"The Policy Environment and Relative Price Efficiency of Egyptian Private Sector Manufacturing," 2007, with R.C. Sickles, *The Journal of Applied Econometrics*, 22 (4): 703-854.

"Regulation of Gas Distributors with Declining Use Per Customer", 2006, with M.N. Lowry and S. Fenrick, *Dialogue: United States Association for Energy Economics*, 14 (2): 17-21.

"Econometric Benchmarking of Cost Performance: The Case of U.S. Power Distributors," 2005, with M.N. Lowry and D. Hovde, *The Energy Journal*, 26 (3): 75-92.

Updated: 2012-06-08
EB-2011-0354
Exhibit A2
Tab 3
Schedule 2
Appendix A

MERCER

CONSULTING. OUTSOURCING. INVESTMENTS.

UPDATED ESTIMATED 2013 - 2017 ACCRUAL COSTS

EGD PENSION PLANS

01 JUNE 2012

MARSH & McLENNAN COMPANIES

Note to reader regarding actuarial valuations and projections:

This report may not be relied upon for any purpose other than those explicitly noted in the Introduction, nor may it be relied upon by any party other than the parties noted in the Introduction. Mercer is not responsible for the consequences of any other use. A projection is a snapshot of a plan's estimated financial condition at a particular point in time; it does not predict a pension plan's future financial condition or its ability to pay benefits in the future.

If maintained indefinitely, a plan's total cost will depend on a number of factors, including the amount of benefits the plan pays, the number of people paid benefits, the amount of plan expenses, and the amount earned on any assets invested to pay the benefits. These amounts and other variables are uncertain and unknowable at the projection date.

To prepare the results in this report, actuarial assumptions are used to model a single scenario from a range of possibilities. The results based on that single scenario are included in this report. However, the future is uncertain and the plan's actual experience will differ from those assumptions; these differences may be significant or material. Different assumptions or scenarios within the range of possibilities may also be reasonable, and results based on those assumptions would be different. Furthermore, actuarial assumptions may be changed from the projection date to the valuation date, and from one valuation to the next because of changes in accounting standards and professional requirements, developments in case law, plan experience, changes in expectations about the future and other factors.

The projection results shown in this report also illustrate the sensitivity to one of the key actuarial assumptions, the discount rate. We note that the results presented herein rely on many assumptions, all of which are subject to uncertainty, with a broad range of possible outcomes and the results are sensitive to all the assumptions used in the projection.

Because actual plan experience will differ from the assumptions used in this projection, decisions about benefit changes, investment policy, funding amounts, benefit security and/or benefit-related issues should be made only after careful consideration of alternative future financial conditions and scenarios, and not solely on the basis of a projection or a valuation report.

CONTENTS

1

Introduction

Purpose

At the request of Enbridge Gas Distribution Inc. (the "Company"), we have estimated the accrual (i.e. pension accounting) costs over 2013 to 2017 for:

- The Pension Plan for Employees of Enbridge Gas Distribution Inc. and Affiliates (the "RPP");
- The Supplementary Executive Retirement Plan of Enbridge Gas Distribution Inc. and Affiliates (the "SERP"); and
- The Supplementary Senior Executive Retirement Plan of Enbridge Gas Distribution Inc. and Affiliates (the "SSERP"),

based on economic conditions at March 31, 2012. Actual accrual costs in respect of these years will differ from the amounts estimated here, and will be based on future economic and demographic experience. We understand this report will be provided to the Ontario Energy Board (the "OEB") in conjunction with the Company's application for recovery of 2013 to 2017 pension costs from ratepayers.

Note that information contained in this report reflects all assets, liabilities and costs in respect of all employers participating in the EGD RPP, except where specifically noted.

The information presented is prepared for the internal use of the Company and for filing with the OEB. This information presented is not intended or suitable for any other purpose.

2

Background Information

Determination of Accrual Costs

The EGD RPP consists of a defined benefit ("DB") provision and a defined contribution ("DC") provision. Accrual costs in respect of the EGD RPP are determined annually based on actuarial valuations and extrapolations for financial reporting purposes. The SERP and SSERP are closed supplemental pension arrangements sponsored by Enbridge Gas Distribution Inc. and are relatively small compared to the EGD RPP. Projected costs for the SERP and SSERP have been included here for completeness.

The Company has indicated that only direct charges to the Statement of Profit & Loss ("P&L charges") are applicable for determining costs on the accrual basis. Therefore, all accrual costs in the body of this report only reflect P&L charges. Charges to the Statement of Other Comprehensive Income ("OCI charges") have been included in Appendix B, for information purposes.

Accounting Standards and Methodology

The most recent actuarial valuation of the plans for financial reporting purposes was as at December 31, 2011. These valuations have been extrapolated forward and are the basis for the projections contained herein.

The Company's fiscal year end date is December 31, and the measurement date for plan assets and obligations as described in this report is December 31.

The Company is currently transitioning from reporting under Canadian GAAP to US GAAP. By year-end 2012, financial reporting is expected to be entirely on a US GAAP basis. Results contained in this report are in accordance with US GAAP.

All results presented in this report are in Canadian dollars.

For year-end 2011 financial reporting, the Company adopted the discount rate methodology proposed by the Canadian Institute of Actuaries ("CIA") in September 2011. As of December 31, 2011 the CIA methodology resulted in a discount rate approximately 80 basis points lower than the rate determined using Enbridge's previous methodology. We have based our projections on accounting discount rates determined using the CIA methodology going forward.

Additional details on the assumptions and methodology used in these projections are given in Appendix E.

3

Financial Results

Financial Position at December 31, 2011 and Projected Future Financial Positions

We have projected the results of the December 31, 2011 actuarial valuations of the plans for financial reporting purposes forward to each of the years ending 2012 through 2016. The purpose of these projections is to estimate the accrual costs for 2013 through 2017. **The projections are based on the economic environment as at March 31, 2012 and assumptions described in Appendix E. The actual economic environment as at each of the years ending 2012 through 2016 and actual plan experience over this period may differ significantly from these assumptions.**

For simplicity, we have excluded assets and benefit obligations with respect to the DC provision of the EGD RPP in the balance sheets shown below. However, the DC accrual costs of the EGD RPP are included in the P&L charges shown on pages 5 and 6.

Projected Accounting Balance Sheets

The table below details the actual balance sheet position of the plans as at December 31, 2011, as well as the projected position of the plans at each of year-end 2012 through 2016, assuming plan experience unfolds according to the assumptions described in Appendix E.

Balance Sheet Position ($Millions)

	EGD RPP	SERP	SSERP	TOTAL
12.31.2011 (Actual)				
Assets	$715.6	$15.5	$7.7	$738.8
Benefit obligation	$827.1	$15.1	$5.8	$848.0
Excess (deficit)	($111.5)	$0.4	$1.9	($109.2)
12.31.2012 (Projected)				
Assets	$758.6	$15.8	$7.5	$781.9
Benefit obligation	$873.9	$15.0	$5.6	$894.5
Excess (deficit)	($115.3)	$0.8	$1.9	($112.6)
12.31.2013 (Projected)				
Assets	$811.8	$15.7	$7.2	$834.7
Benefit obligation	$901.3	$14.7	$5.3	$921.3
Excess (deficit)	($89.5)	$1.0	$1.9	($86.6)
12.31.2014 (Projected)				
Assets	$863.1	$15.4	$6.9	$885.4
Benefit obligation	$929.3	$14.3	$4.9	$948.5
Excess (deficit)	($66.2)	$1.1	$2.0	($63.1)
12.31.2015 (Projected)				
Assets	$913.0	$15.0	$6.5	$934.5
Benefit obligation	$957.9	$13.8	$4.5	$976.2
Excess (deficit)	($44.9)	$1.2	$2.0	($41.7)
12.31.2016 (Projected)				
Assets	$962.0	$14.5	$6.1	$982.6
Benefit obligation	$987.2	$13.3	$4.1	$1,004.6
Excess (deficit)	($25.2)	$1.2	$2.0	($22.0)

Summary of Accrual Costs

Based on the projected financial positions above, the resulting US GAAP P&L accrual costs for the plans over 2013 – 2017 are summarized below.

Accrual Costs – US GAAP ($Millions)

	EGD RPP	SERP	SSERP	TOTAL
2013 Projected P&L Charge	$37.5	$0.9	$0.1	$38.5
2014 Projected P&L Charge	$32.4	$0.7	$0.1	$33.2
2015 Projected P&L Charge	$28.9	$0.5	$0.0	$29.4
2016 Projected P&L Charge	$25.7	$0.4	$0.0	$26.1
2017 Projected P&L Charge	$22.9	$0.3	$0.0	$23.2

Enbridge Gas Distribution Inc.'s Share of Funding

In addition to Enbridge Gas Distribution Inc., two other smaller employers participate in the EGD RPP. The following tables provide the same results as those on page 5, but are only in respect of Enbridge Gas Distribution Inc.'s share of costs[1].

Accrual Costs – US GAAP ($Millions) – EGDI Only

	EGD RPP	SERP	SSERP	TOTAL
2013 Projected P&L Charge	$35.6	$0.9	$0.1	$36.6
2014 Projected P&L Charge	$30.7	$0.7	$0.1	$31.5
2015 Projected P&L Charge	$27.4	$0.5	$0.0	$27.9
2016 Projected P&L Charge	$24.4	$0.4	$0.0	$24.8
2017 Projected P&L Charge	$21.8	$0.3	$0.0	$22.1

[1] Note that Enbridge Gas Distribution Inc. is the only employer participating in the SERP and SSERP.

Important to Note

The purpose of this report is to estimate the accrual costs over 2013 through 2017. However, the actual level of costs in 2013 through 2017 is highly dependent on:

- Financial market returns after March 31, 2012;
- Changes in long-term high-quality corporate bond yields after March 31, 2012;
- Any changes to the Company's discount rate methodology in the future; and,
- Actual plan demographic experience.

These items will cause actual accrual costs over 2013 through 2017 to differ from the estimates provided in this report.

4

Actuarial Opinion

The methods used in the projections of benefit obligations and determination of plan costs were selected by Management in accordance with the requirements of US accounting standards (US GAAP).

Management has selected the assumptions used in the projections of plan obligations and determination of plan costs. They are Management's best estimate assumptions, selected for accounting purposes, in accordance with US accounting standards (US GAAP). We are not expressing any opinion on these assumptions.

In our opinion, for the purposes of the projections,

- The membership data on which the projections are based are sufficient and reliable;
- The calculations have been made in accordance with the requirements of US accounting standards (US GAAP), reflecting application of the Company's accounting policies described in this report.

This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

P. Charles Allegro
FCIA, FSA

June 1, 2012

Date

Allen Hornung
FCIA, FSA

June 1, 2012

Date

APPENDIX A

Sensitivity of Results

The estimated impact on accrual costs of positive and negative "shocks" to the plan's assets and benefit obligations are given in this appendix. These "shocks" are assumed to occur at the end of 2013 in all scenarios.

Amounts in this appendix reflect only Enbridge Gas Distribution Inc.'s share of costs.

Equity markets return +/- 20% more than expected

This scenario assumes that equity markets return 20% more or less than baseline assumptions, resulting in a return over 2013 that is 12.0%[2] higher or lower than our baseline assumption of 6.37%.

Table A.1: Positive Asset Shock in 2013 (+20% equity return)

	Accrual Costs – EGDI Only ($millions)	
	US GAAP P&L CHARGE	***Δ from baseline***
2013	$36.6	-
2014	$17.5	*($14.0)*
2015	$16.4	*($11.5)*
2016	$15.0	*($9.8)*
2017	$13.6	*($8.5)*

Table A.2: Negative Asset Shock in 2013 (-20% equity return)

	Accrual Costs – EGDI Only ($millions)	
	US GAAP P&L CHARGE	***Δ from baseline***
2013	$36.6	-
2014	$45.8	*$14.3*
2015	$40.4	*$12.5*
2016	$35.8	*$11.0*
2017	$31.6	*$9.5*

[2] EGD RPP assets include a 60.0% allocation to growth assets, multiplied by +/- 20% equals return adjustment of +/- 12.0%. SERP and SSERP assets include a 35% allocation to growth assets, so the adjustment for these plans is +/- 7.0%.

Yield curve shift of +/- 1%

This scenario assumes a year-end 2013 parallel shift in the yield curve which benefit obligation discount rates are based on. We have assumed this change would not impact the fixed income portion of the plan's assets. In other words, this sensitivity is intended to represent a pure obligation shock (resulting from any economic or demographic experience different than expected), whereas the previous sensitivity was a pure asset shock.

Table A.3: Positive Obligation Shock in 2013 (+1% shift in yield curve)

	Accrual Costs – EGDI Only ($millions)	
	US GAAP P&L CHARGE	***Δ from baseline***
2013	$36.6	-
2014	$19.1	*($12.4)*
2015	$19.3	*($8.6)*
2016	$19.6	*($5.2)*
2017	$19.4	*($2.7)*

Table A.4: Negative Obligation Shock in 2013 (-1% shift in yield curve)

	Accrual Costs – EGDI Only ($millions)	
	US GAAP P&L CHARGE	***Δ from baseline***
2013	$36.6	-
2014	$41.2	*$9.7*
2015	$34.6	*$6.7*
2016	$28.9	*$4.1*
2017	$23.7	*$1.6*

APPENDIX B

Total Accrual Costs

The accrual costs shown on pages 5 and 6, and in Appendix A, are only in respect of direct charges to the P&L statement. Under US GAAP, additional charges (primarily in respect of recognizing actuarial gains and losses) are reflected in the OCI statement. This appendix includes estimates of both direct P&L charges and indirect OCI charges over 2013 through 2017.

Amounts in this appendix reflect only Enbridge Gas Distribution Inc.'s share of costs.

Accrual Costs – US GAAP ($Millions) – EGDI Only

	P&L CHARGE	OCI CHARGE	TOTAL CHARGE
2013 Charge	$36.6	$4.6	$41.2
2014 Charge	$31.5	$4.9	$36.4
2015 Charge	$27.9	$5.2	$33.1
2016 Charge	$24.8	$5.5	$30.3
2017 Charge	$22.1	$5.8	$27.9

APPENDIX C

Required Disclosures

Terms of Engagement

In accordance with our terms of engagement with the Company, our projections are based on the following material terms:

- The information presented in this report has been prepared for the internal use of the Company and for filing with the OEB. This information presented is not intended or suitable for any other purpose.

- The projections and calculations of costs have been prepared in accordance with US accounting standards (US GAAP). They are based on methods, assumptions and accounting policies selected by Management;

- We have projected assets forward using benchmark asset returns (net of expenses) to March 31, 2012 and our best estimate of asset returns (net of expenses) after March 31, 2012. Projected future cash flows have also been incorporated.

- We have projected benefit obligations forward using the expected cost of benefits accruing over 2012 through 2016, reflecting interest over each period and adjusting year-end 2012 benefit obligations to reflect the economic environment as at March 31, 2012. Benefit obligations in future periods are projected forward with these same March 31, 2012 assumptions and methodology. Projected future cash flows have also been incorporated.

- The starting point for our asset projection was the market value of assets as of December 31, 2011, shown in Appendix D.

- Our calculations are based on the assumptions and methodology described in Appendix E. The discount rate assumption has been updated from the rate used in the December 31, 2011 valuation to reflect market conditions as at March 31, 2012 and the CIA discount rate methodology proposed in September 2011.

- Our calculations are based on extrapolations of a valuations performed using membership data as at December 31, 2011. The membership data used in our projections and calculations is summarized in Appendix F.

- Our calculations reflect the provisions of the Plan as at March 31, 2012. Based on the information provided by the Company, no substantive amendments have been made to the Plan since that date. A summary of the plan provisions is provided in Appendix G.

Subsequent Events

After checking with representatives of the Company, to the best of our knowledge there have been no events subsequent March 31, 2012 which, in our opinion, would have a material impact on the results of the projection.

APPENDIX D

Plan Assets

The DB assets of the EGD RPP and the invested assets of the SERP and SSERP are held in trust by CIBC Mellon. SERP and SSERP assets also include the refundable tax account held with CRA. We have relied upon the audited fund statements provided by PriceWaterhouseCoopers LLP as at December 31, 2011.

The starting point for our projections of assets were the market value of each plan's assets as at December 31, 2011.

Investment Policy

The plans' administrator adopted a statement of investment policy and procedures, last revised in 2011. This policy is intended to provide guidelines for the manager(s) as to the level of risk which is commensurate with the plans' investment objectives. A significant component of this investment policy is the asset mix.

The target and actual asset mix for the EGD RPP is provided for information purposes:

	Investment Policy – EGD RPP	
	Target @ 3.31.2012	**Actual @ 12.31.2011**
Canadian equities	21.0%	18.8%
Global equities	17.0%	29.5%
Emerging market equities	6.5%	
Fixed income – universe	30.0%	32.7%
Fixed income – real return	10.0%	11.6%
Infrastructure	9.0%	6.4%
Real estate	6.5%	0.0%
Cash and cash equivalents	0.0%	1.0%
	100%	100%

Because of the mismatch between the EGD RPP assets (which are invested in accordance with the above investment policy) and the liabilities (which tend to behave like long bonds) the financial position of the EGD RPP will fluctuate over time. These fluctuations could be significant and could cause the EGD RPP to become under, or over, funded.

APPENDIX E

Accounting Methods and Assumptions

Accounting Methods

Valuation of Assets

The market value of assets is used to determine pension costs.

For purposes of these estimates, we have projected the market value of EGD RPP DB assets at December 31, 2011 using benchmark asset returns (net of all expenses) of 3.88% from January 1, 2012 to March 31, 2012, and our best estimate of asset returns (net of all expenses) of 4.78% from April 1, 2012 to December 31, 2012. Therefore, the annual rate of return over 2012 for the EGD RPP (net of all expenses) assumed in our projection is 8.66%. The annual rate of return over 2012 in respect of the SERP and SSERP was one half of this amount, or 4.33%.

Asset returns after December 31, 2012 are assumed to be 6.37% per year for the EGD RPP, and 3.63% per year for the SERP and SSERP. These assumptions were provided to us by Management.

Estimated future cash flows have been incorporated into our projections.

Actual assets over year-end 2012 through 2016 will differ from these estimates.

Valuation of Benefit Obligations and Current Service Cost

For purposes of these estimates, we have continued to use the projected unit credit method for the valuation of benefit obligations and current service cost of the plans. The objective under this method is to expense each participant's benefits under the plans as they would accrue; taking into consideration future salary increases and the plans' benefit allocation formula. Thus, the total pension, to which each participant is expected to become entitled at retirement, is broken down into units, each associated with a year of past or future credited service.

The benefit deemed to accrue for an individual during a fiscal year is the excess of the accrued benefit for valuation purposes at the end of the fiscal year over the accrued benefit for valuation purposes at the beginning of the fiscal year. Both accrued benefits are calculated from the same projections to the various anticipated separation dates. An individual's benefit obligation is the present value of the accrued benefit for valuation purposes at the beginning of the fiscal year and the service cost is the present value of the benefit deemed to accrue in the fiscal year.

The plan's service cost is the sum of the individual service costs, and the plan's benefit obligation is the sum of the individual benefit obligations for all participants under the plan.

There is no current service cost in respect of the SERP or SSERP.

Accounting Policies

Accounting Standards Transition

For year-end 2011 the Company's financial reports were in accordance with Canadian GAAP accounting standards.

The Company adopted US GAAP accounting standards on January 1, 2012. Due to the requirement to provide comparative information in the first set of US GAAP financial statements, the Company transitioned to US GAAP from Canadian GAAP on January 1, 2011. On that date, a transition adjustment was made to retained earnings to bring the existing Canadian GAAP balances in line with the requirements of US GAAP. The Company continued to report under Canadian GAAP for the fiscal year ending December 31, 2011. At January 1, 2012, the company will no longer report under current Canadian GAAP and will commence with reporting entirely under US GAAP for the fiscal year ending December 31, 2012.

Measurement Date

The Company's fiscal year end date is December 31, and the measurement date for plan assets and obligations under US GAAP is also December 31.

Attribution

Under US GAAP, obligations are attributed to the period beginning on the employee's date of joining the plan and ending on the earlier of the date of termination, death or retirement.

Amortizations of Prior Service Costs and Gains and Losses

The Company has elected to amortize past service costs resulting from plan amendments to the EGD RPP on a linear basis over the average remaining service period of active members expected to receive benefits under the plan at the time the amendments were made.

Cumulative gains and losses in excess of 10% of the greater of the PBO or market value of plan assets are amortized over the average remaining service period of active members expected to receive benefits under the plan (10.1 years for the EGD RPP, 4.3 years for the SERP and 14.7 years for the SSERP as at December 31, 2011).

Accounting Assumptions

The following assumptions, provided to us by Management, were used in valuing the benefit obligations under the plan and the employer's pension cost.

Measurement date	December 31
Discount rate	4.33%
Expected rate of return on invested assets – EGD RPP	7.00%
Expected rate of return on invested assets – SERP/SSERP	3.20%
Inflation	2.25%
Increases in pensionable earnings	3.50%
Increases in the YMPE	2.75%
Increases in maximum pension permitted under the *Income Tax Act*	2.75%
Indexation of pensions in payment	1.24% per year in respect of Contributory service, 1.13% per year in respect of Non-Contributory and Senior Manager service
Mortality	UP-1994 generational mortality table
Disability	No allowance for future disabilities
Withdrawal	See tables of sample rates
Expenses	Implicit in long-term rate of return on assets
Retirement	See table of sample rates
Percentage with spouse	80% married
Age difference	A male is assumed to be 2 years older than his spouse
Headcount	No allowance made for headcount growth

Sample rates from the age related tables are summarized below:

Age	Termination - Male	Termination - Female	Retirement
20	5.0%	9.5%	0.0%
25	5.0%	13.0%	0.0%
30	5.0%	11.0%	0.0%
35	4.6%	8.5%	0.0%
40	3.0%	4.0%	0.0%
45	2.5%	3.9%	0.0%
50	1.5%	2.8%	0.0%
55	0.0%	0.0%	5.0%
56	0.0%	0.0%	5.0%
57	0.0%	0.0%	7.5%
58	0.0%	0.0%	7.5%
59	0.0%	0.0%	10.0%
60	0.0%	0.0%	20.0%
61	0.0%	0.0%	20.0%
62	0.0%	0.0%	20.0%
63	0.0%	0.0%	20.0%
64	0.0%	0.0%	20.0%
65	0.0%	0.0%	100.0%

A 20% retirement rate is assumed in lieu of the above rate in the year in which a member qualifies for early retirement with an unreduced pension and in each subsequent year until age 65.

Our assumptions are based on the economic environment as of March 31, 2012, the discount rate methodology proposed by the CIA in September 2011, and input provided by the Company for the December 31, 2011 accounting valuation. Assumptions as at year-end 2012 through 2016 will reflect the economic environment and input from the Company at those times, and may differ from those used in these projections.

APPENDIX F

Membership Data

Analysis of Membership Data at December 31, 2011

For purposes of these estimates, we have based our projections on membership data as at December 31, 2011 for each plan, which was provided by Enbridge. Membership data was projected forward based on the assumptions described in Appendix E.

Membership data for the EGD RPP as at December 31, 2011 are summarized below.

	12.31.2011 (EGD RPP)
Active Members Accruing Defined Benefit Service (Non-SMEs)	
Number	1,872
Total base earnings at the valuation date	$141,763,000
Average base earnings at the valuation date	$75,700
Average years of Non-SME DB pensionable service	12.4 years
Average age	45.4 years
Active Members Accruing Defined Benefit Service (SMEs)	
Number	33
Total base earnings at the valuation date	$6,836,000
Average base earnings at the valuation date	$207,200
Average years of SME DB pensionable service	3.4 years
Average age	50.7 years
Suspended Defined Benefit Members Accruing Defined Contribution Service	
Number	73
Total base earnings at the valuation date	$6,314,000
Average base earnings at the valuation date	$86,500
Average years of Non-SME DB pensionable service	5.6 years
Average age	46.0 years
Other Suspended Defined Benefit Members (Non-SMEs)	
Number	18
Total base earnings at the valuation date	$1,962,000
Average base earnings at the valuation date	$109,000
Average years of Non-SME DB pensionable service	4.3 years
Average age	40.6 years
Other Suspended Defined Benefit Members (SMEs)	
Number	16
Total base earnings at the valuation date	$4,234,000
Average base earnings at the valuation date	$264,600
Average years of Non-SME DB pensionable service	7.2 years
Average years of SME DB pensionable service	1.8 years
Average age	44.3 years

	12.31.2011 (EGD RPP)
Active Defined Contribution Members without Defined Benefit Service	
Number	197
Total base earnings at the valuation date	$16,347,000
Average base earnings at the valuation date	$83,000
Average age	41.4 years
Suspended Defined Contribution Members without Defined Benefit Service	
Number	5
Total base earnings at the valuation date	$667,000
Average base earnings at the valuation date	$133,000
Average age	36.5 years
Deferred Pensioners	
Number	191
Total annual pension	$936,000
Average annual pension	$4,900
Average age	48.5 years
Pensioners and Survivors	
Number	1,458
Total annual lifetime pension	$29,650,000
Average annual lifetime pension	$20,300
Total annual temporary pension	$1,878,000
Average annual temporary pension	$7,000
Average age	71.9 years

APPENDIX G

Summary of Plan Provisions

For purposes of these projections, we have reflected the provisions of the plans in effect on March 31, 2012. The plans have not been amended since December 31, 2011..

EGD RPP - DB Component

The following is a summary of the main provisions of the DB component of the EGD RPP in effect on March 31, 2012. This summary is not intended as a complete description of the EGD RPP.

Background	The EGD RPP became effective January 1, 1971. Benefits are based on a set formula and are entirely paid for by Enbridge. Effective July 1, 2001, the Plan was redesigned for all active or suspended members at that date. Prior to the redesign, participants in the DB component of the Plan accrued Contributory credited service. Following the redesign, all active and suspended members were required to elect to participate in either the DB component or the DC component of the Plan for future service. Participants in the DB component of the Plan accrue non-contributory or SME credited service. In the future, members who are not SMEs may switch between the DB and DC components on the January 1 following the date they achieve 40 points or 60 points. Any changes will affect service after the decision point only. Members who are SMEs must participate in the DB component of the Plan.
Eligibility for Membership	New employees become members of the Plan immediately. They may elect to participate in either the DB or DC component of the Plan. SMEs must participate in the DB component.
Vesting	All employees are immediately vested as of July 1, 2011.
Employee Contributions	No employee contributions are required or permitted based on the current plan provisions. Prior to July 1, 2001, employee contributions were required.
Retirement Dates	Normal Retirement Date • The normal retirement date is the first day of the month coincident with or next following the member's 65th birthday. Early Retirement Date • A member becomes immediately vested and may choose to retire as early as age 55.

Normal Retirement Pension	**Contributory Service:** 2.0% of Final Five Year Average Earnings multiplied by years of contributory credited service; less 100% of the Contributory Canada Pension Plan Entitlement. **Non-Contributory Service:** 1.2% of Final Three Year Average Earnings multiplied by years of non-contributory credited service; less 50% of the Non-Contributory Canada Pension Plan Entitlement; **SME Credited Service:** 2.0% of Final Three Year Average Earnings multiplied by years of SME credited service.
Final Five Year Average Earnings	Final Five Year Average Earnings is calculated using the highest 60 consecutive months of earnings received by the member in the 120 months immediately prior to termination or retirement, including 50% of the actual bonus received for senior executive employees.
Final Three Year Average Earnings	Final Three Year Average Earnings is calculated using the highest 36 consecutive months of earnings received by the member in the 120 months immediately prior to termination or retirement, plus the sum of the highest three Pensionable Bonus payments made in the last five years divided by 3.
Canada Pension Plan Entitlement	**Contributory Service:** One thirty-fifth of 25% of the lesser of the average earnings in the 60 months immediately preceding the date of exit and average of the YMPE in the five calendar years, including the current year, preceding the date of exit, multiplied by contributory credited service, to a maximum of 35 years. **Non-Contributory Service:** Calculated as if the member had reached age 65, multiplied by the ratio of the member's non-contributory credited service after the later of January 1, 1966 or age 18, to the number of years of possible CPP coverage to age 65, recognizing a dropout period of 15%, and reduced by 6% per year for every year the retirement date precedes age 65, to a maximum reduction of 30%.

Early Retirement Pension	The following benefits apply if a member retires early with the Company's consent: • If the member has attained age 60, the pension payable is as described above in the Normal Retirement section. • If the member has 30 years of continuous Service or has attained age 60, the member is eligible for the benefits described in the previous paragraph plus, for contributory credited service, an additional benefit of a bridge pension payable to age 65 equal to 100% of the Contributory Canada Pension Plan Entitlement. • If the member has not attained age 60 the member is also eligible, for non-contributory credited service, for an additional benefit of a bridge pension payable to age 60 equal to 50% of the Non-Contributory Canada Pension Plan Entitlement. • If the member has not attained age 60 or 30 years of continuous service at retirement, an early retirement reduction of 5% per year is applicable from age 60 in respect of contributory and non-contributory credited service. For SMEs, the early retirement reduction is 3% per year for SME credited service. The reduction applies to the benefit described in the immediately preceding paragraphs including the bridge pensions. If a member retires without company consent the benefit is actuarially equivalent to the benefit payable at age 65.
Maximum Pension	The total annual pension payable from the Plan upon retirement, death or termination of employment cannot exceed the lesser of: • 2% of the average of the best three consecutive years of total compensation paid to the member by Enbridge; and • $2,646.67, or such other maximum as may apply from time to time indexed to the date of pension commencement, multiplied by his total credited Service and reduced for early retirement in accordance with the *Income Tax Act* rules.
Indexation of Pensions in Payment	On December 1 of each year a contractual cost of living increase equal to a percentage of the annual increase in the Consumer Price Index will apply to pensions in payment for at least one year. This percentage is 55% for contributory credited service and 50% for non-contributory and SME credited service. Indexation only applies to members that retire from active membership. Prior to July 1, 2001, any increases to pensions in payment were on an ad-hoc basis.

Death Benefits	**Death Before Eligible for Early Retirement** If a member dies before he is eligible for early retirement benefits, the member's spouse, or beneficiary if there is no spouse, will receive a lump sum settlement equal to 100% of the commuted value of the member's reduced accrued pension deferred to age 55, in respect of all credited service. **Death After Eligibility for Early Retirement** If a member dies after his early retirement date and before his pension payments have begun, the member's spouse, or beneficiary if there is no spouse, will receive either a lump sum settlement or an immediate pension equal in value to 100% of the commuted value of the member's reduced accrued pension, in respect of all credited service. **Death After Retirement** The death benefit payable is in accordance with the form elected. The normal form of pension is a Joint and 60% Survivor annuity for members with a spouse and a life annuity with a 15-year guarantee period for single members.
Termination Benefits	If a member's employment terminates for reasons other than death or retirement, the member is entitled to their reduced accrued pension deferred to age 55. The Member has the option to transfer the value of the benefit to a locked-in RRSP.
Disability Benefits	Disabled members are eligible to retire at age 65. For members whose disability commenced before July 1, 2001 salary is assumed to increase with the Average Industrial Wage, while for members whose disability commences after July 1, 2001 salary is assumed to increase with inflation, subject to a maximum of 5% per year, to retirement. The disabled member continues to accrue credited service while disabled.

EGD RPP - DC Component

The following is a summary of the main provisions of the DC component of the EGD RPP in effect on March 31, 2012. This summary is not intended as a complete description of the EGD RPP.

Background	The DC component of the EGD RPP became effective July 1, 2001. Employer contributions are remitted to individual member accounts and are credited with interest. Members receive the balance of their individual employer account upon termination, death or retirement.
Eligibility for Membership	New employees become members of the Plan immediately. They may elect to participate in either the DB or DC component of the Plan. SMEs must participate in the DB component.
Vesting	All employees are immediately vested as of July 1, 2011.
Employee Contributions	No employee contributions are required or permitted.
Employer Contributions	Employer contributions to the DC component are based on a member's points. • less than 40 points: 4.0% of pensionable earnings[3] • 40 to 60 points: 5.5% of pensionable earnings • greater than 60 points: 7.0% of pensionable earnings
Maximum Contribution	The employer contributions are limited to the amounts under the ITA.
Pensionable Earnings	Base salary plus 50% of actual bonus received.

[3] For members who were participating in the DC component of the Plan at June 30, 2001, the minimum employer contribution is 5.0% of pensionable DC earnings.

SERP / SSERP

The following is a summary of the main provisions of the SERP and SSERP in effect on March 31, 2012. This summary is not intended as a complete description of the SERP or SSERP.

Background - SERP	The SERP became effective November 19, 1987. It provides to designated employees benefit amounts that would otherwise be payable under the EGD RPP beyond the ITA maximum pension limit on service accrued prior to January 1, 2000. The SERP is closed to new entrants.
Background - SSERP	The SSERP became effective November 19, 1984. Only members designated by Enbridge Gas Distribution Inc. were able to join the SSERP. The SSERP is closed to new entrants, and the only remaining members are pensioners and survivors.

MERCER

Mercer (Canada) Limited
222 - 3rd Avenue SW Suite 1200 Calgary,
Alberta T2P 0B4
+1 403 269 4945

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UPDATED ESTIMATED 2013 - 2017 CASH FUNDING COSTS

EGD PENSION PLANS

01 JUNE 2012

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Note to reader regarding actuarial valuations and projections:

This report may not be relied upon for any purpose other than those explicitly noted in the Introduction, nor may it be relied upon by any party other than the parties noted in the Introduction. Mercer is not responsible for the consequences of any other use. A projection is a snapshot of a plan's estimated financial condition at a particular point in time; it does not predict a pension plan's future financial condition or its ability to pay benefits in the future.

If maintained indefinitely, a plan's total cost will depend on a number of factors, including the amount of benefits the plan pays, the number of people paid benefits, the amount of plan expenses, and the amount earned on any assets invested to pay the benefits. These amounts and other variables are uncertain and unknowable at the projection date.

To prepare the results in this report, actuarial assumptions are used to model a single scenario from a range of possibilities for each valuation basis. The results based on that single scenario are included in this report. However, the future is uncertain and the plan's actual experience will differ from those assumptions; these differences may be significant or material. Different assumptions or scenarios within the range of possibilities may also be reasonable, and results based on those assumptions would be different. Furthermore, actuarial assumptions may be changed from the projection date to the valuation date, and from one valuation to the next because of changes in regulatory and professional requirements, developments in case law, plan experience, changes in expectations about the future and other factors.

The projection results shown in this report also illustrate the sensitivity to one of the key actuarial assumptions, the discount rate. We note that the results presented herein rely on many assumptions, all of which are subject to uncertainty, with a broad range of possible outcomes and the results are sensitive to all the assumptions used in the projection.

Should the plan be wound up, the going-concern funded status and solvency financial position, if different from the wind-up financial position, become irrelevant. The hypothetical wind-up financial position estimates the financial position of the plan assuming it is wound-up on the valuation date. Emerging experience will affect the wind-up financial position of the Plan assuming it is wound-up in the future. In fact, even if the plan were wound-up on the projection date, the financial position would continue to fluctuate until the benefits are fully settled.

Because actual plan experience will differ from the assumptions used in this projection, decisions about benefit changes, investment policy, funding amounts, benefit security and/or benefit-related issues should be made only after careful consideration of alternative future financial conditions and scenarios, and not solely on the basis of a projection or a valuation report.

CONTENTS

1

Introduction

Purpose

At the request of Enbridge Gas Distribution Inc. (the "Company"), we have estimated the minimum cash funding requirements over 2013 to 2017 for:

- The Pension Plan for Employees of Enbridge Gas Distribution Inc. and Affiliates (the "RPP");
- The Supplementary Executive Retirement Plan of Enbridge Gas Distribution Inc. and Affiliates (the "SERP"); and
- The Supplementary Senior Executive Retirement Plan of Enbridge Gas Distribution Inc. and Affiliates (the "SSERP"),

based on economic conditions at March 31, 2012. Actual cash funding requirements in respect of these years will differ from the amounts estimated here, and will be based on future economic and demographic experience. We understand this report will be provided to the Ontario Energy Board (the "OEB") in conjunction with the Company's application for recovery of 2013 to 2017 pension costs from ratepayers.

Note that information contained in this report reflects all assets, liabilities and costs in respect of all employers participating in the EGD RPP, except where specifically noted.

The information presented is prepared for the internal use of the Company and for filing with the OEB. This information presented is not intended or suitable for any other purpose.

2

Background Information

Determination of Contribution Requirements

The EGD RPP consists of a defined benefit ("DB") provision and a defined contribution ("DC") provision. Minimum required cash funding to the DB component is determined based on actuarial valuations filed with the Financial Services Commission of Ontario ("FSCO") and the Canada Revenue Agency ("CRA"). Valuations may be filed at the plan sponsor's discretion, but must be filed at least once every three years. For purposes of this analysis, we have assumed EGD will file an actuarial valuation with the pension regulators annually over 2013 through 2017.

The SERP and SSERP are closed supplemental pension arrangements sponsored by Enbridge Gas Distribution Inc. and are relatively small compared to the EGD RPP. Projected costs for the SERP and SSERP have been included here for completeness.

We have conducted an actuarial valuation of all three plans for management information purposes as at December 31, 2011 that was not filed with FSCO or CRA. These valuations are the basis for the projections contained herein.

Historical Funding

Due to historical plan surplus in the DB component of the EGD RPP, DB cash contributions have not been required to the EGD RPP for the 10 years prior to 2012. In addition, the DB surplus has been used to cover contributions to the DC component over this period. Historical costs to the DB and DC components of the EGD RPP are summarized below.

	DB Service Cost	DC Service Cost	Total Plan Service Cost	Total Plan Contribution
2002	$8.5M	$0.5M	$9.0M	$0
2003	$8.6M	$0.7M	$9.3M	$0
2004	$8.9M	$0.8M	$9.7M	$0
2005	$9.9M	$0.8M	$10.7M	$0
2006	$12.1M	$1.1M	$13.2M	$0
2007	$14.4M	$1.3M	$15.7M	$0
2008	$15.7M	$1.4M	$17.1M	$0
2009	$14.8M	$1.4M	$16.2M	$0
2010	$14.7M	$1.4M	$16.1M	$0
2011	$16.3M	$1.4M	$17.7M	$0
Total	**$123.9M**	**$10.8M**	**$134.7M**	**$0**

3

Financial Results

Financial Position at December 31, 2011 and Projected Future Financial Positions

We have projected the results of the December 31, 2011 actuarial valuations of the plans forward to each of the years ending 2012 through 2016. The purpose of these projections is to estimate minimum cash funding requirements for 2013 through 2017. **The projections are based on the economic environment as at March 31, 2012 and assumptions described in Appendix D. The actual economic environment as at each of the years ending 2012 through 2016 and actual plan experience over this period may differ significantly from these assumptions.**

For simplicity, we have excluded assets and liabilities with respect to the DC provision of the EGD RPP in the balance sheets shown below.

Projected Going-Concern Balance Sheets

The table below details the actual going-concern financial position of the plans as at December 31, 2011, as well as the projected position of the plans at each of year-end 2012 through 2016, assuming plan experience unfolds according to the assumptions described in Appendix D.

Going-Concern Financial Position ($Millions)

	EGD RPP	SERP	SSERP	TOTAL
12.31.2011 (Actual)				
Assets	$715.6	$15.5	$7.7	$738.8
Liabilities	$704.2	$16.8	$5.2	$726.2
Funding excess (shortfall)	$11.4	($1.3)	$2.5	$12.6
12.31.2012 (Projected)				
Assets	$758.6	$15.8	$7.5	$781.9
Liabilities	$728.7	$16.4	$4.8	$749.9
Funding excess (shortfall)	$29.9	($0.6)	$2.7	$32.0
12.31.2013 (Projected)				
Assets	$811.8	$15.7	$7.2	$834.7
Liabilities	$753.8	$16.0	$4.5	$774.3
Funding excess (shortfall)	$58.0	($0.3)	$2.7	$60.4
12.31.2014 (Projected)				
Assets	$863.1	$15.4	$6.9	$885.4
Liabilities	$779.6	$15.6	$4.0	$799.2
Funding excess (shortfall)	$83.5	($0.2)	$2.9	$86.2
12.31.2015 (Projected)				
Assets	$913.0	$15.0	$6.5	$934.5
Liabilities	$806.1	$15.1	$3.6	$824.8
Funding excess (shortfall)	$106.9	($0.1)	$2.9	$109.7
12.31.2016 (Projected)				
Assets	$962.0	$14.5	$6.1	$982.6
Liabilities	$833.3	$14.5	$3.1	$850.9
Funding excess (shortfall)	$128.7	$0.0	$3.0	$131.7

Projected Solvency Balance Sheet

The table below details the actual solvency financial position of the EGD RPP as at December 31, 2011, as well as the projected position of the plans at each of year-end 2012 through 2016, assuming plan experience unfolds according to the assumptions described in Appendix D.

The solvency measure has historically had no impact on cash funding requirements for the SERP or SSERP, and has been excluded from this report for simplicity.

Solvency Financial Position ($Millions)

	EGD RPP	SERP	SSERP	TOTAL
12.31.2011 (Actual)				
Assets	$715.0	n/a	n/a	n/a
Liabilities	$834.3	n/a	n/a	n/a
Solvency excess (deficiency)	($119.3)	n/a	n/a	n/a
12.31.2012 (Projected)				
Assets	$758.0	n/a	n/a	n/a
Liabilities	$853.4	n/a	n/a	n/a
Solvency excess (deficiency)	($95.4)	n/a	n/a	n/a
12.31.2013 (Projected)				
Assets	$811.2	n/a	n/a	n/a
Liabilities	$886.5	n/a	n/a	n/a
Solvency excess (deficiency)	($75.3)	n/a	n/a	n/a
12.31.2014 (Projected)				
Assets	$862.5	n/a	n/a	n/a
Liabilities	$920.8	n/a	n/a	n/a
Solvency excess (deficiency)	($58.3)	n/a	n/a	n/a
12.31.2015 (Projected)				
Assets	$912.4	n/a	n/a	n/a
Liabilities	$956.2	n/a	n/a	n/a
Solvency excess (deficiency)	($43.8)	n/a	n/a	n/a
12.31.2016 (Projected)				
Assets	$961.4	n/a	n/a	n/a
Liabilities	$992.8	n/a	n/a	n/a
Solvency excess (deficiency)	($31.4)	n/a	n/a	n/a

Summary of Minimum Required Cash Costs

Based on the projected financial positions above, the resulting minimum required cash funding for the plans over 2013 – 2017 are summarized below.

Cash Costs ($Millions)

	EGD RPP	SERP	SSERP	TOTAL
2013 (Projected)				
DB going-concern service cost	$17.7	$0.0	$0.0	$17.7
DC service cost	$1.3	$0.0	$0.0	$1.3
Solvency amortization payments	$21.1	$0.3	$0.0	$21.4
Total minimum cash contribution	$40.1	$0.3	$0.0	$40.4
2014 (Projected)				
DB going-concern service cost	$18.3	$0.0	$0.0	$18.3
DC service cost	$1.4	$0.0	$0.0	$1.4
Solvency amortization payments	$16.6	$0.1	$0.0	$16.7
Total minimum cash contribution	$36.3	$0.1	$0.0	$36.4
2015 (Projected)				
DB going-concern service cost	$19.0	$0.0	$0.0	$19.0
DC service cost	$1.4	$0.0	$0.0	$1.4
Solvency amortization payments	$12.9	$0.1	$0.0	$13.0
Total minimum cash contribution	$33.3	$0.1	$0.0	$33.4
2016 (Projected)				
DB going-concern service cost	$19.6	$0.0	$0.0	$19.6
DC service cost	$1.5	$0.0	$0.0	$1.5
Solvency amortization payments	$9.7	$0.1	$0.0	$9.8
Total minimum cash contribution	$30.8	$0.1	$0.0	$30.9
2017 (Projected)				
DB going-concern service cost	$20.3	$0.0	$0.0	$20.3
DC service cost	$1.5	$0.0	$0.0	$1.5
Solvency amortization payments	$6.9	$0.0	$0.0	$6.9
Total minimum cash contribution	$28.7	$0.0	$0.0	$28.7

Enbridge Gas Distribution Inc.'s Share of Funding

In addition to Enbridge Gas Distribution Inc., two other smaller employers participate in the EGD RPP. The following tables provide the same results as those on page 7, but are only in respect of Enbridge Gas Distribution Inc.'s share of costs[1].

Cash Costs – EGDI Only ($Millions)

	EGD RPP	SERP	SSERP	TOTAL
2013 (Projected)				
DB going-concern service cost	$16.7	$0.0	$0.0	$16.7
DC service cost	$1.2	$0.0	$0.0	$1.2
Solvency amortization payments	$20.6	$0.3	$0.0	$20.9
Total minimum cash contribution	$38.5	$0.3	$0.0	$38.8
2014 (Projected)				
DB going-concern service cost	$17.2	$0.0	$0.0	$17.2
DC service cost	$1.2	$0.0	$0.0	$1.2
Solvency amortization payments	$16.2	$0.1	$0.0	$16.3
Total minimum cash contribution	$34.6	$0.1	$0.0	$34.7
2015 (Projected)				
DB going-concern service cost	$17.8	$0.0	$0.0	$17.8
DC service cost	$1.3	$0.0	$0.0	$1.3
Solvency amortization payments	$12.5	$0.1	$0.0	$12.6
Total minimum cash contribution	$31.6	$0.1	$0.0	$31.7
2016 (Projected)				
DB going-concern service cost	$18.5	$0.0	$0.0	$18.5
DC service cost	$1.3	$0.0	$0.0	$1.3
Solvency amortization payments	$9.4	$0.1	$0.0	$9.5
Total minimum cash contribution	$29.2	$0.1	$0.0	$29.3
2017 (Projected)				
DB going-concern service cost	$19.1	$0.0	$0.0	$19.1
DC service cost	$1.4	$0.0	$0.0	$1.4
Solvency amortization payments	$6.8	$0.0	$0.0	$6.8
Total minimum cash contribution	$27.3	$0.0	$0.0	$27.3

[1] Note that Enbridge Gas Distribution Inc. is the only employer participating in the SERP and SSERP.

Important to Note

The purpose of this report is to estimate the minimum required cash contributions over 2013 through 2017. However, the occurrence and/or level of required contributions in 2013 through 2017 is highly dependent on:

- Financial market returns after March 31, 2012;
- Changes in long-term government bond yields after March 31, 2012;
- Changes to the prescribed spread used to determine solvency discount rates after March 31, 2012; and
- Actual plan demographic experience.

These items will cause actual contributions over 2013 through 2017 to differ from the estimates provided in this report.

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Actuarial Opinion

In our opinion, for the purposes of the projections,

- The membership data on which the projections are based are sufficient and reliable;
- The assumptions are appropriate; and
- The methods employed in the projections are appropriate.

This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada. It has also been prepared in accordance with the funding and solvency standards set by the *Pension Benefits Act (Ontario)*.

P. Charles Allegro FCIA, FSA	Allen Hornung FCIA, FSA
June 1, 2012	June 1, 2012
Date	Date

APPENDIX A

Sensitivity of Results

The estimated impact on cash costs of positive and negative "shocks" to the plan's assets and liabilities are given in this appendix. These "shocks" are assumed to occur at the end of 2013 in all scenarios.

Amounts in this appendix reflect only Enbridge Gas Distribution Inc.'s share of costs.

Equity markets return +/- 20% more than expected

This scenario assumes that equity markets return 20% more or less than baseline assumptions, resulting in a return over 2013 that is 12.0%[2] higher or lower than our baseline assumption of 6.37%.

Table A.1: Positive Asset Shock in 2013 (+20% equity return)

	Cash / Funding Costs – EGDI Only ($millions)	
	TOTAL CASH COST	***Δ from baseline***
2013	$38.8	-
2014	$3.4	*($31.3)*
2015	$14.3	*($17.4)*
2016	$15.0	*($14.3)*
2017	$15.5	*($11.8)*

Table A.2: Negative Asset Shock in 2013 (-20% equity return)

	Cash / Funding Costs – EGDI Only ($millions)	
	TOTAL CASH COST	***Δ from baseline***
2013	$38.8	-
2014	$54.7	*$20.0*
2015	$48.4	*$16.7*
2016	$43.3	*$14.0*
2017	$38.8	*$11.5*

[2] EGD RPP assets include a 60.0% allocation to growth assets, multiplied by +/- 20% equals return adjustment of +/- 12.0%. SERP and SSERP assets include a 35% allocation to growth assets, so the adjustment for these plans is +/- 7.0%.

Yield curve shift of +/- 1%

This scenario assumes a year-end 2013 parallel shift in the yield curve which liability discount rates are based on. We have assumed this change would not impact the fixed income portion of the plan's assets. In other words, this sensitivity is intended to represent a pure liability shock (resulting from any economic or demographic experience different than expected), whereas the previous sensitivity was a pure asset shock.

Table A.3: Positive Liability Shock in 2013 (+1% shift in yield curve)

	Cash / Funding Costs – EGDI Only ($millions)	
	TOTAL CASH COST	***Δ from baseline***
2013	$38.8	-
2014	-	*($34.7)*
2015	-	*($31.7)*
2016	$2.8	*($26.5)*
2017	$17.4	*($9.9)*

Table A.4: Negative Liability Shock in 2013 (-1% shift in yield curve)

	Cash / Funding Costs – EGDI Only ($millions)	
	TOTAL CASH COST	***Δ from baseline***
2013	$38.8	-
2014	$64.0	*$29.3*
2015	$55.0	*$23.3*
2016	$47.4	*$18.1*
2017	$41.0	*$13.7*

APPENDIX B

Required Disclosures

Terms of Engagement

In accordance with our terms of engagement with the Company, our projections are based on the following material terms:

- They have been prepared in accordance with applicable pension legislation and based on methods and actuarial assumptions that are consistent with actuarial standards of practice in Canada;
- We have reflected a margin for adverse deviations in our going concern projection by reducing the going-concern discount rate by 0.62% per year; and
- We have reflected the Company's decisions for determining the solvency funding requirements, summarized as follows:
  - The same plan wind-up scenario was hypothesized for both hypothetical wind-up and solvency valuations;
  - Certain excludable benefits were excluded from the solvency liabilities; and
  - The solvency financial position was determined on a projected market value basis.
- We have projected assets forward from December 31, 2011 using benchmark asset returns (net of expenses) to March 31, 2012 and our best estimate of asset returns (net of expenses) after March 31, 2012. Projected future cash flows have also been incorporated.
- We have projected liabilities forward using the expected cost of benefits accruing over 2012 through 2016, reflecting interest over each period and adjusting year-end 2012 liabilities to reflect the economic environment as at March 31, 2012. Liabilities in future periods are projected forward with these same March 31, 2012 assumptions and methodology. Projected future cash flows have also been incorporated.

- The starting point for our asset projection was the market value of assets as of December 31, 2011, shown in Appendix C.
- Our calculations are based on the assumptions and methodology described in Appendix D. We have used the same going-concern valuation assumptions and methods as were used for the valuation as at December 31, 2011. The hypothetical wind-up and solvency assumptions have been updated to reflect market conditions as at March 31, 2012. Emerging experience will affect the funded position of the Plan.
- Our calculations are based on an extrapolation of a valuation performed using membership data as at December 31, 2011. The membership data used in our calculations is summarized in Appendix E.
- Our calculations reflect the provisions of the Plan as at March 31, 2012. Based on the information provided by the Company, no substantive amendments have been made to the Plan since that date. A summary of the plan provisions is provided in Appendix F.

Subsequent Events

After checking with representatives of the Company, to the best of our knowledge there have been no events subsequent March 31, 2012 which, in our opinion, would have a material impact on the results of the projection.

Next Required Valuation

In accordance with pension benefits legislation, the next actuarial valuation of the EGD RPP to be filed with FSCO and CRA will be required as at a date not later than December 31, 2012, or as at the date of an earlier amendment to the Plan. Valuations of the SERP and SSERP are not required to be filed with the pension regulators.

Gain and Loss Analysis

A reconciliation of the actual going-concern financial position of the EGD RPP between December 31, 2011 and the projected going-concern financial position at December 31, 2012 follows:

Reconciliation of financial status ($millions)	2012
Funding excess (shortfall) as at December 31, 2011	$11.4
Interest on funding excess (funding shortfall) at 5.75% per year	$0.7
DB contributions drawn from funding excess, with interest	-
DC contributions drawn from funding excess, with interest	-
Net investment return different than expected	$17.8
Funding excess (shortfall) as at December 31, 2012	$29.9

Future periods are assumed to unfold in accordance with the assumptions described in Appendix D, therefore no additional gains or losses are anticipated for purposes of this analysis.

Solvency Incremental Cost

The solvency incremental cost is an estimate of the present value of the projected change in the EGD RPP solvency liabilities from December 31, 2011 to December 31, 2012 (before assumption changes), adjusted for benefit payments expected to be made over the period.

The estimated 2012 solvency incremental cost determined in this projection is $36.9M.

Discount Rate Sensitivity

The following table summarises the effect on the projected December 31, 2012 liabilities and 2013 current service costs of the EGD RPP shown in this report of using a discount rate which is 1.00% lower than that used in the projection:

Scenario	Projection Basis	Reduce Discount Rate by 1%
Going-concern liabilities	$728.7	$830.7
Solvency liabilities	$853.4	$972.9
DB current service cost	$17.7	$21.1

Projected Hypothetical Wind-up Balance Sheet at December 31, 2012

The table below details the hypothetical wind-up financial position of the EGD RPP as at December 31, 2011, as well as the projected position as at December 31, 2012.

Hypothetical Wind-up Financial Position ($Millions)	12.31.2011 (Actual)	12.31.2012 (Projected)
Assets	$715.0	$758.0
Liabilities	$937.9	$955.4
Wind-up excess (deficiency)	($222.9)	($197.4)

The assumptions and methodology used to determine the projected hypothetical wind-up balance sheet as at December 31, 2012 are described in Appendix D.

APPENDIX C

Plan Assets

The DB assets of the EGD RPP and the invested assets of the SERP and SSERP are held in trust by CIBC Mellon. SERP and SSERP assets also include the refundable tax account held with CRA. We have relied upon the audited fund statements provided by PriceWaterhouseCoopers LLP as at December 31, 2011.

The starting point for our projections is the market value of each plan's assets as at December 31, 2011.

Investment Policy

The plans' administrator adopted a statement of investment policy and procedures, last revised in 2011. This policy is intended to provide guidelines for the manager(s) as to the level of risk which is commensurate with the plans' investment objectives. A significant component of this investment policy is the asset mix.

The target asset mix as at March 31, 2012 for the EGD RPP is provided for information purposes:

	Investment Policy – EGD RPP		
	Minimum	**Target**	**Maximum**
Canadian equities	18%	21.0%	24%
Global equities	14%	17.0%	21%
Emerging market equities	3%	6.5%	10%
Fixed income – universe	24%	30.0%	36%
Fixed income – real return	7%	10.0%	13%
Infrastructure	5%	9.0%	13%
Real estate	3%	6.5%	10%
Cash and cash equivalents	0%	0.0%	3%
		100%	

Because of the mismatch between the EGD RPP assets (which are invested in accordance with the above investment policy) and the liabilities (which tend to behave like long bonds) the financial position of the EGD RPP will fluctuate over time. These fluctuations could be significant and could cause the EGD RPP to become under, or over, funded.

APPENDIX D

Actuarial Methods and Assumptions

Actuarial Methods – Projected Going-concern Basis

Valuation of Assets

For purposes of these estimates, we have projected the market value of EGD RPP DB assets at December 31, 2011 using benchmark asset returns (net of all expenses) of 3.88% from January 1, 2012 to March 31, 2012, and our best estimate of asset returns (net of all expenses) of 4.78% from April 1, 2012 to December 31, 2012. Therefore, the annual rate of return over 2012 for the EGD RPP (net of all expenses) assumed in our projection is 8.66%. The assumed annual rate of return over 2012 in respect of the SERP and SSERP was one half of this amount, or 4.33%.

Asset returns after December 31, 2012 are assumed to be 6.37% per year for the EGD RPP, and 3.63% per year for the SERP and SSERP. These assumptions were provided to us by Management.

Estimated future cash flows have been incorporated into our projections.

Actual assets over year-end 2012 through 2016 will differ from these estimates.

Valuation of Actuarial Liabilities and Current Service Cost

For purposes of these estimates, we have continued to use the projected unit credit actuarial cost method for the valuation of actuarial liabilities and current service cost of the plans. Under this method, we determine the present value of benefit cash flows expected to be paid in respect of service accrued prior to the valuation date, based on projected final average earnings.

There is no current service cost in respect of the SERP or SSERP.

Actuarial Assumptions – Projected Going-Concern Basis

The present value of future benefit payment cash flows at each projected year-end is based on economic and demographic assumptions. At each valuation we determine whether, in our opinion, the actuarial assumptions are still appropriate for the purposes of the valuation, and we revise them, if necessary. Emerging experience will result in gains or losses that will be revealed and considered in future actuarial valuations.

For purposes of this projection, we have used the same going-concern valuation assumptions as were used for the December 31, 2011 valuation of the plans, summarized on the following page.

Assumption	Current Valuation
Discount rate – EGD RPP:	5.75%
Discount rate – SERP/SSERP:	3.63%
Inflation:	2.25%
ITA limit / YMPE Increases:	2.75%
Pensionable Earnings Increases:	3.50%
Post retirement Pension Increases:	1.125%
Retirement Rates:	Age related table
Termination Rates:	Age related table
Mortality Rates:	100% of the rates of the 1994 Uninsured Pensioner Mortality Table
Mortality Improvements:	Fully generational using Scale AA
Disability Rates:	None
Eligible Spouse at Retirement:	80%
Spousal Age Difference:	Male two years older
DB/DC Choice (EGD RPP only):	Continue in current component
Benefits Subject to Consent:	Consent on early retirement

The assumptions are best-estimate with the exception that the EGD RPP discount rate includes a margin for adverse deviations, as shown below.

Our assumptions are based on the economic environment as of March 31, 2012 and input provided by the Company for the December 31, 2011 valuation. Assumptions as at year-end 2012 through 2016 will reflect the economic environment and input from the Company at those times, and may differ from those used in these projections.

Sample rates from the age related tables are summarized below:

Age	Termination - Male	Termination - Female	Retirement
20	5.0%	9.5%	0.0%
25	5.0%	13.0%	0.0%
30	5.0%	11.0%	0.0%
35	4.6%	8.5%	0.0%
40	3.0%	4.0%	0.0%
45	2.5%	3.9%	0.0%
50	1.5%	2.8%	0.0%
55	0.0%	0.0%	5.0%
56	0.0%	0.0%	5.0%
57	0.0%	0.0%	7.5%
58	0.0%	0.0%	7.5%
59	0.0%	0.0%	10.0%
60	0.0%	0.0%	20.0%
61	0.0%	0.0%	20.0%
62	0.0%	0.0%	20.0%
63	0.0%	0.0%	20.0%
64	0.0%	0.0%	20.0%
65	0.0%	0.0%	100.0%

A 20% retirement rate is assumed in lieu of the above rate in the year in which a member qualifies for early retirement with an unreduced pension and in each subsequent year until age 65.

For members who terminate from the EGD RPP before being eligible to retire we have assumed two-thirds will elect a commuted value determined on a basis consistent with the 2009 CIA Standard, and that one-third will elect a deferred, with pension commencement at age 55.

The following is a summary of the rationale for the material assumptions that are expected to be used as at December 31, 2012.

Discount Rate – EGD RPP

We have discounted the expected benefit payment cash flows using the expected investment return on the market value of the fund. Other bases for discounting the expected benefit payment cash flows may be appropriate, particularly for purposes other than those specifically identified in this valuation report.

The discount rate is comprised of the following:

- Estimated returns for each major asset class consistent with market conditions on the valuation date and the target asset mix specified in the Plan's investment policy.
- Additional returns assumed to be achievable due to active equity management equal to the fees related to active equity management. Such fees were determined by the difference between the provision for total investment expenses and the hypothetical fees that would be incurred for passive management of all assets.
- Implicit provision for investment and non-investment administrative expenses determined as the expected rate of investment and administrative expenses to be paid from the fund in the future. While recent experience has differed from the assumption, our discussions with management have led us to conclude that this assumption is appropriate.
- A margin for adverse deviations of 0.62%.

The discount rate was developed as follows:

Assumed investment return	6.64%
Additional returns for active management[3]	0.23%
Investment management and administrative expense provision	(0.50%)
Margin for adverse deviation	(0.62%)
Net discount rate	5.75%

Discount Rate – SERP/SSERP

We have discounted the expected benefit payment cash flows using the expected investment return on the market value of the fund documented in the Company's Funding Policy. Other bases for discounting the expected benefit payment cash flows may be appropriate, particularly for purposes other than those specifically identified in this valuation report.

This is based on an assumed inflation rate of 2.25% per year plus a real net rate of return of 5.00% per year which is based on management's best estimate of future returns in accordance with the Company's Funding Policy. This rate reflects the fact that investment income is subject to a 50% refundable tax.

[3] Limited to the incremental cost of fees on an actively managed investment fund relative to a passively managed fund.

Inflation

The inflation assumption is based on the mid-point of the Bank of Canada's inflation target range of between 1% and 3%, and market expectations of long-term inflation implied by the yields on nominal and real return bonds at March 31, 2012 of 2.3%.

Income Tax Act Pension Limit and Year's Maximum Pensionable Earnings

The assumption is based on historical real economic growth and the underlying inflation assumption.

Pensionable Earnings

This assumption is based on Company expectations.

Actuarial Methods and Assumptions – Projected Solvency and Hypothetical Wind-up Bases

The Canadian Institute of Actuaries requires actuaries to report the financial position of a pension plan on the assumption that the plan is wound-up on the effective date of the valuation, with benefits determined on the assumption that the pension plan has neither a surplus nor a deficit. For the purposes of the hypothetical wind-up valuation, the wind-up is assumed to occur in circumstances that maximize the actuarial liability.

Cash funding costs of the SERP and SSERP have not historically been impacted by the solvency or hypothetical wind-up financial positions, so they have been excluded from this analysis for simplicity.

To determine the actuarial liability of the EGD RPP on the hypothetical wind-up basis, we have valued those benefits that would have been paid had the EGD RPP been wound up on the valuation date, including benefits that would be immediately payable if the employer's business were discontinued on the valuation date, with all members fully vested in their accrued benefits.

The circumstances in which the EGD RPP wind-up is assumed to have taken place are as follows:

- Membership in the EGD RPP ceases on the valuation date; and
- No projection of salaries and YMPE are assumed to occur after the valuation date for active and suspended members.

Thereby giving rise to the following benefits:

- Active and suspended members not within 10 years of pensionable age (under the age of 55) receive the termination benefit under the EGD RPP;
- Active and suspended members within 10 years of pensionable age (age 55 and older) receive the retirement benefit under the EGD RPP; and
- Deferred pensioners, pensioners and survivors receive the benefit to which they are entitled on the valuation date.

It is assumed that, on wind-up, the Company would grant consent to early retirement for all active members.

No benefits payable on wind-up were excluded from our calculations.

Upon wind-up members are given options for the method of settling their benefit entitlements. The options vary by eligibility and by province of employment, but in general, involve either a lump sum transfer or an immediate or deferred pension.

The value of benefits assumed to be settled through a lump sum transfer is based on the assumptions described in Section 3500 – *Pension Commuted Values* of the Canadian Institute of Actuaries' Standards of Practice applicable for March 31, 2012. Benefits provided as an immediate or deferred pension are assumed to be settled through the purchase of annuities based on an estimate of the cost of purchasing annuities. However, there is limited data available to provide credible guidance on the cost of a purchase of indexed annuities in Canada. Therefore, we have relied upon the *Canadian Institute of Actuaries Educational Note Supplement: Assumptions for Hypothetical Wind-up and Solvency Valuations with Effective Dates Between December 31, 2011 and December 30, 2012*, reflecting additional supplemental information to March 31, 2012.

In determining the financial position of the Plan on the solvency basis, we have valued those benefits that would have been paid had the EGD RPP been wound-up on the valuation date, with the exception of certain benefits which may be excluded, as permitted by the Ontario *Pension Benefits Act*. Specifically, future cost-of-living increases on pensions in payment were excluded from our calculation of solvency liabilities. All members are assumed to be fully vested in their accrued benefits.

We have not included a margin for adverse deviation in the solvency and hypothetical wind-up valuations.

The assumptions below are based on economic conditions as at March 31, 2012.

Basis for Benefits Assumed to be Settled Through a Lump Sum	
Non-indexed interest rate:	2.50% per year for 10 years, 4.00% per year thereafter
Partially-indexed (50%) interest rate:	1.80% per year for 10 years, 2.70% per year thereafter
Partially-indexed (55%) interest rate:	1.80% per year for 10 years, 2.60% per year thereafter
Basis for Benefits Assumed to be Settled Through the Purchase of an Annuity	
Non-indexed interest rate:	3.45% per year
Partially-indexed (50%) interest rate:	1.93% per year
Partially-indexed (55%) interest rate:	1.78% per year
Termination expenses:	$600,000

Termination Expenses

To determine the hypothetical wind-up and solvency position of the EGD RPP, a provision has been made for estimated termination expenses payable from the plan's assets in respect of actuarial and administration expenses that may reasonably be expected to be incurred in terminating the plan and to be charged to the plan.

Because the settlement of all benefits on wind-up is assumed to occur on the valuation date and is assumed to be uncontested, the provision for termination expenses does not include custodial, investment management, auditing, consulting and legal expenses that would be incurred between the wind-up date and the settlement date or due to the terms of a wind-up being contested. Expenses associated with the distribution of any surplus assets that might arise on an actual wind-up are also not included in the estimated termination expense provisions.

In determining the provision for termination expenses payable from the EGD RPP's assets, we have assumed that the plan sponsor would be solvent on the wind-up date. We have also assumed, without analysis, that the EGD RPP's terms as well as applicable legislation and court decisions would permit the relevant expenses to be paid from the EGD RPP.

Actual fees incurred on an actual plan wind-up may differ materially from the estimates disclosed in this report.

Incremental Cost

In order to determine the incremental cost, we estimate the solvency liabilities at the next valuation date. We have assumed that the cost of settling benefits by way of a lump sum or purchasing annuities remains consistent with the assumptions described above. Since the projected solvency liabilities will depend on the membership in the EGD RPP at the next valuation date, we must make assumptions about how the EGD RPP membership will evolve over the period until the next valuation.

We have assumed that membership will evolve in a manner consistent with the going-concem assumptions as follows:

- Pensionable earnings, the *Income Tax Act* pension limit and the Year's Maximum Pensionable Earnings increase in accordance with the related going-concern assumptions;
- Active members accrue pensionable service in accordance with the terms of the EGD RPP; and
- Cost of living adjustments are consistent with the inflation assumption used for the going-concern valuation.

APPENDIX E

Membership Data

Analysis of Membership Data at December 31, 2011

For purposes of these estimates, we have based our projections on membership data as at December 31, 2011 for each plan, which was provided by Enbridge. Membership data was projected forward based on the assumptions described in Appendix D.

Membership data for the EGD RPP as at December 31, 2011 are summarized below.

	12.31.2011 (EGD RPP)
Active Members Accruing Defined Benefit Service (Non-SMEs)	
Number	1,872
Total base earnings at the valuation date	$141,763,000
Average base earnings at the valuation date	$75,700
Average years of Non-SME DB pensionable service	12.4 years
Average age	45.4 years
Active Members Accruing Defined Benefit Service (SMEs)	
Number	33
Total base earnings at the valuation date	$6,836,000
Average base earnings at the valuation date	$207,200
Average years of SME DB pensionable service	3.4 years
Average age	50.7 years
Suspended Defined Benefit Members Accruing Defined Contribution Service	
Number	73
Total base earnings at the valuation date	$6,314,000
Average base earnings at the valuation date	$86,500
Average years of Non-SME DB pensionable service	5.6 years
Average age	46.0 years
Other Suspended Defined Benefit Members (Non-SMEs)	
Number	18
Total base earnings at the valuation date	$1,962,000
Average base earnings at the valuation date	$109,000
Average years of Non-SME DB pensionable service	4.3 years
Average age	40.6 years
Other Suspended Defined Benefit Members (SMEs)	
Number	16
Total base earnings at the valuation date	$4,234,000
Average base earnings at the valuation date	$264,600
Average years of Non-SME DB pensionable service	7.2 years
Average years of SME DB pensionable service	1.8 years
Average age	44.3 years

	12.31.2011 (EGD RPP)
Active Defined Contribution Members without Defined Benefit Service	
Number	197
Total base earnings at the valuation date	$16,347,000
Average base earnings at the valuation date	$83,000
Average age	41.4 years
Suspended Defined Contribution Members without Defined Benefit Service	
Number	5
Total base earnings at the valuation date	$667,000
Average base earnings at the valuation date	$133,000
Average age	36.5 years
Deferred Pensioners	
Number	191
Total annual pension	$936,000
Average annual pension	$4,900
Average age	48.5 years
Pensioners and Survivors	
Number	1,458
Total annual lifetime pension	$29,650,000
Average annual lifetime pension	$20,300
Total annual temporary pension	$1,878,000
Average annual temporary pension	$7,000
Average age	71.9 years

APPENDIX F

Summary of Plan Provisions

For purposes of these projections, we have reflected the provisions of the plans in effect on March 31, 2012. The plans have not been amended since December 31, 2011.

EGD RPP - DB Component

The following is a summary of the main provisions of the DB component of the EGD RPP in effect on March 31, 2012. This summary is not intended as a complete description of the EGD RPP.

Background	The EGD RPP became effective January 1, 1971. Benefits are based on a set formula and are entirely paid for by Enbridge. Effective July 1, 2001, the Plan was redesigned for all active or suspended members at that date. Prior to the redesign, participants in the DB component of the Plan accrued Contributory credited service. Following the redesign, all active and suspended members were required to elect to participate in either the DB component or the DC component of the Plan for future service. Participants in the DB component of the Plan accrue non-contributory or SME credited service. In the future, members who are not SMEs may switch between the DB and DC components on the January 1 following the date they achieve 40 points or 60 points. Any changes will affect service after the decision point only. Members who are SMEs must participate in the DB component of the Plan.
Eligibility for Membership	New employees become members of the Plan immediately. They may elect to participate in either the DB or DC component of the Plan. SMEs must participate in the DB component.
Vesting	All employees are immediately vested as of July 1, 2011.
Employee Contributions	No employee contributions are required or permitted based on the current plan provisions. Prior to July 1, 2001, employee contributions were required.
Retirement Dates	Normal Retirement Date • The normal retirement date is the first day of the month coincident with or next following the member's 65th birthday. Early Retirement Date • A member becomes immediately vested and may choose to retire as early as age 55.

Normal Retirement Pension	**Contributory Service:** 2.0% of Final Five Year Average Earnings multiplied by years of contributory credited service; less 100% of the Contributory Canada Pension Plan Entitlement. **Non-Contributory Service:** 1.2% of Final Three Year Average Earnings multiplied by years of non-contributory credited service; less 50% of the Non-Contributory Canada Pension Plan Entitlement; **SME Credited Service:** 2.0% of Final Three Year Average Earnings multiplied by years of SME credited service.
Final Five Year Average Earnings	Final Five Year Average Earnings is calculated using the highest 60 consecutive months of earnings received by the member in the 120 months immediately prior to termination or retirement, including 50% of the actual bonus received for senior executive employees.
Final Three Year Average Earnings	Final Three Year Average Earnings is calculated using the highest 36 consecutive months of earnings received by the member in the 120 months immediately prior to termination or retirement, plus the sum of the highest three Pensionable Bonus payments made in the last five years divided by 3.
Canada Pension Plan Entitlement	**Contributory Service:** One thirty-fifth of 25% of the lesser of the average earnings in the 60 months immediately preceding the date of exit and average of the YMPE in the five calendar years, including the current year, preceding the date of exit, multiplied by contributory credited service, to a maximum of 35 years. **Non-Contributory Service:** Calculated as if the member had reached age 65, multiplied by the ratio of the member's non-contributory credited service after the later of January 1, 1966 or age 18, to the number of years of possible CPP coverage to age 65, recognizing a dropout period of 15%, and reduced by 6% per year for every year the retirement date precedes age 65, to a maximum reduction of 30%.

Early Retirement Pension	The following benefits apply if a member retires early with the Company's consent: • If the member has attained age 60, the pension payable is as described above in the Normal Retirement section. • If the member has 30 years of continuous Service or has attained age 60, the member is eligible for the benefits described in the previous paragraph plus, for contributory credited service, an additional benefit of a bridge pension payable to age 65 equal to 100% of the Contributory Canada Pension Plan Entitlement. • If the member has not attained age 60 the member is also eligible, for non-contributory credited service, for an additional benefit of a bridge pension payable to age 60 equal to 50% of the Non-Contributory Canada Pension Plan Entitlement. • If the member has not attained age 60 or 30 years of continuous service at retirement, an early retirement reduction of 5% per year is applicable from age 60 in respect of contributory and non-contributory credited service. For SMEs, the early retirement reduction is 3% per year for SME credited service. The reduction applies to the benefit described in the immediately preceding paragraphs including the bridge pensions. If a member retires without company consent the benefit is actuarially equivalent to the benefit payable at age 65.
Maximum Pension	The total annual pension payable from the Plan upon retirement, death or termination of employment cannot exceed the lesser of: • 2% of the average of the best three consecutive years of total compensation paid to the member by Enbridge; and • $2,646.67, or such other maximum as may apply from time to time indexed to the date of pension commencement, multiplied by his total credited Service and reduced for early retirement in accordance with the *Income Tax Act* rules.
Indexation of Pensions in Payment	On December 1 of each year a contractual cost of living increase equal to a percentage of the annual increase in the Consumer Price Index will apply to pensions in payment for at least one year. This percentage is 55% for contributory credited service and 50% for non-contributory and SME credited service. Indexation only applies to members that retire from active membership. Prior to July 1, 2001, any increases to pensions in payment were on an ad-hoc basis.

Death Benefits	**Death Before Eligible for Early Retirement** If a member dies before he is eligible for early retirement benefits, the member's spouse, or beneficiary if there is no spouse, will receive a lump sum settlement equal to 100% of the commuted value of the member's reduced accrued pension deferred to age 55, in respect of all credited service. **Death After Eligibility for Early Retirement** If a member dies after his early retirement date and before his pension payments have begun, the member's spouse, or beneficiary if there is no spouse, will receive either a lump sum settlement or an immediate pension equal in value to 100% of the commuted value of the member's reduced accrued pension, in respect of all credited service. **Death After Retirement** The death benefit payable is in accordance with the form elected. The normal form of pension is a Joint and 60% Survivor annuity for members with a spouse and a life annuity with a 15-year guarantee period for single members.
Termination Benefits	If a member's employment terminates for reasons other than death or retirement, the member is entitled to their reduced accrued pension deferred to age 55. The Member has the option to transfer the value of the benefit to a locked-in RRSP.
Disability Benefits	Disabled members are eligible to retire at age 65. For members whose disability commenced before July 1, 2001 salary is assumed to increase with the Average Industrial Wage, while for members whose disability commences after July 1, 2001 salary is assumed to increase with inflation, subject to a maximum of 5% per year, to retirement. The disabled member continues to accrue credited service while disabled.

EGD RPP - DC Component

The following is a summary of the main provisions of the DC component of the EGD RPP in effect on March 31, 2012. This summary is not intended as a complete description of the EGD RPP.

Background	The DC component of the EGD RPP became effective July 1, 2001. Employer contributions are remitted to individual member accounts and are credited with interest. Members receive the balance of their individual employer account upon termination, death or retirement.
Eligibility for Membership	New employees become members of the Plan immediately. They may elect to participate in either the DB or DC component of the Plan. SMEs must participate in the DB component.
Vesting	All employees are immediately vested as of July 1, 2011.
Employee Contributions	No employee contributions are required or permitted.
Employer Contributions	Employer contributions to the DC component are based on a member's points. • less than 40 points: 4.0% of pensionable earnings[4] • 40 to 60 points: 5.5% of pensionable earnings • greater than 60 points: 7.0% of pensionable earnings
Maximum Contribution	The employer contributions are limited to the amounts under the ITA.
Pensionable Earnings	Base salary plus 50% of actual bonus received.

[4] For members who were participating in the DC component of the Plan at June 30, 2001, the minimum employer contribution is 5.0% of pensionable DC earnings.

SERP / SSERP

The following is a summary of the main provisions of the SERP and SSERP in effect on March 31, 2012. This summary is not intended as a complete description of the SERP or SSERP.

Background - SERP	The SERP became effective November 19, 1987. It provides to designated employees benefit amounts that would otherwise be payable under the EGD RPP beyond the ITA maximum pension limit on service accrued prior to January 1, 2000. The SERP is closed to new entrants.
Background - SSERP	The SSERP became effective November 19, 1984. Only members designated by Enbridge Gas Distribution Inc. were able to join the SSERP. The SSERP is closed to new entrants, and the only remaining members are pensioners and survivors.

MERCER

Mercer (Canada) Limited
222 - 3rd Avenue SW Suite 1200 Calgary,
Alberta T2P 0B4
+1 403 269 4945

ASSET PLAN AND 2013 CAPITAL BUDGET

1. As explained at Exhibit B1, Tab 2, Schedule 1, the Asset Plan provides context and support for much of the Company's 2013 Capital Budget. At the time that Enbridge Gas Distribution's (EGD's) Application and Evidence were filed, the Asset Plan had not been completed. Now that the Asset Plan has been completed and filed (as Exhibit B1, Tab 3, Schedule 1), the Company believes that it would be helpful to file this additional evidence setting out details of the aspects of EGD's 2013 capital budget that relate to items in the Asset Plan.

2. The Asset Plan addresses the Company's planned activities and associated expenditures related to its distribution assets in the years from 2012 to 2021. That includes the Company's distribution asset requirements and the associated costs of addressing those needs for 2013. As set out in the final section of the Asset Plan (Exhibit B1, Tab 3, Schedule 1, page 61), the direct capital costs associated with implementation of the Asset Plan in 2013 total $268.3M.

3. The Asset Plan does not address other parts of the Company's 2013 Capital Budget, such as Information Technology, Storage, Leave to Construct Applications for Power Generation Projects, Facilities and other non-distribution asset capital requirements. Evidence in support of those items was included in the B1 series of exhibits filed along with the Company's Application.

4. In this Exhibit, details are provided in respect of those items set out in the Asset Plan that are part of the Company's 2013 Capital Budget.

Witnesses: L. Chiotti
L. Lawler

Asset Plan/Distribution Asset Capital Budget

5. EGD's Asset Plan addresses the Company's distribution assets, and the forecast requirements related to those assets and new distribution assets over the next ten years (from 2012 to 2021). The Asset Plan is filed as Exhibit B1, Tab 3, Schedule 1.

6. The Asset Plan organizes the distribution asset-related capital investments that are required into five categories: (i) customer additions; (ii) routine reinforcement projects; (iii) major reinforcement projects; (vi) relocations; and (v) system integrity & reliability. For each category, the Asset Plan describes how EGD has evaluated and prioritized its expected requirements over the next ten years.

7. The Asset Plan contains forecasts of direct capital spending requirements in each of the five categories for each year from 2012 to 2021. As seen at page 61 of the Asset Plan, the overall capital spending requirements, excluding major reinforcements, for EGD's distribution assets over those ten years ranges from $208M to $246M and the forecast Asset Plan capital spending requirement for 2013 is $217.2M, which is one of the lowest annual amounts during the term of the Asset Plan. Including Major Reinforcements, which are subject to separate Leave to Construct applications, capital spending in the Asset Plan in 2013 is expected to be $268.3M. On a summary basis, as set out at page 61 of the Asset Plan, Enbridge's forecast distribution asset capital spending requirements for 2013 are as follow:

	2013
Customer Additions ($000)	$84,413
Relocations ($000)	$13,209
Routine Reinforcements ($000)	$11,550
System Integrity & Reliability ($000)	$108,041
Total (Excluding Major Reinforcements)	$217,213
Major Reinforcements ($000)	$51,117
Total (Including Major Reinforcements)	$268,330

8. As the Asset Plan addresses distribution asset capital spending requirements for ten years, and this Application is focussed upon only one of those years (2013), this Exhibit is intended to highlight and explain the 2013 distribution asset capital requirements set out in the Asset Plan that are part of EGD's 2013 Capital Budget. To maintain consistency between this Exhibit and the Asset Plan, the same five categories of investment are used here as in the Asset Plan.

Customer Additions

9. The Asset Plan applies the Company's forecasts of customer additions over a ten year term to develop a forecast of the associated costs. The costs associated with adding new customers include installation costs related to sales mains, new services, measurement and regulation, and meters. Over time, customer additions also lead to requirements for pipeline reinforcements, however, the costs

associated with reinforcements are set out in separate categories within the Asset Plan.

10. For 2013, the total number of forecast customer additions is 38,896. The process used to derive that customer addition forecast is set out at Exhibit B3, Tab 2, Schedule 3. As explained in the Asset Plan, the Company used similar methods to forecast customer additions for years further in the future (for years after 2013). Unit costs (capital cost per customer) are derived for the components of capital investments needed to support the customer additions namely:

- Installation costs related to Mains, Services and Meters
- Material costs related to Mains, Services and Meters
- Cost related to Measurement & Regulation equipment required to support customer growth

11. These costs (capital cost per customer) were applied to the 2013 customer addition forecast to derive a budget estimate for customer additions in 2013.

12. As set out at page 30 of the Asset Plan, the forecast capital costs associated with customer additions for 2013 total $84.4M. That amount is modestly higher (by approximately 7.5%) than the 2012 cost estimate for customer additions because of a higher forecast number of additions in 2013 and a higher estimated cost per customer addition. As can be seen in the chart titled "Customer Additions: Historic & Forecast Capital Spend" at page 30 of the Asset Plan, the costs associated with customer additions over the balance of the 2014 to 2021 term of the Asset Plan are expected to increase slightly in line with the increase in customer additions.

Routine Reinforcement

13. EGD’s distribution system has been built to accommodate some growth, but in some cases the existing distribution system cannot continue to provide sufficient supply for existing and new customers. That is not surprising in the context of a gas utility that adds around 40,000 customers every year, mostly in areas around the GTA.

14. Reinforcements refer to additions to the distribution system that ensure that the system reliably and safely delivers gas load to new and existing customers.

15. As part of the Asset Planning process that underlies the Asset Plan, network analysis was performed to establish the need and timing for reinforcement work across the Company’s distribution system based on load growth. As described at page 31 of the Asset Plan reinforcements are required when the system is no longer expected to be able to meet minimum conditions.

16. The results of the process described above are set out in the Figure 5 at pages 35 and 36 of the Asset Plan which lists the required reinforcement activities identified over the term of the Asset Plan as well as the anticipated timing for each. In addition, the table sets out the forecast capital cost associated with each project. As the Asset Plan is a living document to be updated annually changes in load growth will affect the timetable of future reinforcement investments as projects are reprioroitized as to need.

17. As seen at page 37 of the Asset Plan, EGD’s forecast capital costs for routine reinforcement projects in 2013 total $11.6M. One project, the Innes Road

reinforcement, estimated to cost $6M, represents just over fifty percent of the budgeted routine reinforcement capital requirements.

18. The balance of the $11.6M capital budget for reinforcements in 2013 includes the following:
    - Install approximately 2km of NPS XHP 8 ST on Carville Road from Bathurst Road to Yonge Street ($1.9M)
    - Kingston Road reinforcement – install 2.4km of NPS 4 ST XHP from Lakeridge to Salem Road, with a station ($1M)
    - Stayner second source, NPS 4 XHP, with a station ($.75M)
    - Several smaller projects ($1.85M).

19. As set out in the chart titled "Routine Reinforcements: Historic & Forecast Capital Spend" at page 37 of the Asset Plan, the forecast reinforcement costs for 2013 are somewhat higher than corresponding costs in some previous and future years. This is driven by the fact that relatively large reinforcement projects such as the Innes Road Reinforcement Project have large capital costs ($6M, in this case), as compared to other projects. Whenever those large projects fall, the budget in that year will be relatively high. In the case of the 2013 forecast capital costs for reinforcements, the total budget without the Innes Road Reinforcement Project is approximately $5.6M. As seen in the chart at page 37 of the Asset Plan, that amount is consistent (if not lower) with the amounts spent for reinforcements in prior years and forecast for future years.

Major Reinforcement

20. EGD is planning two very large reinforcement projects over the coming years (Ottawa and GTA Reinforcement projects) which (when approved) will be

substantial contributors to the Company's 2013 Capital Budget. The capital costs associated with these projects are significant, especially in comparison to the other reinforcement projects that are known and forecast over the term of the Asset Plan. Because of the large size of these projects, they are presented separately in the Asset Plan, and not included with the routine reinforcement projects. These projects are described at page 34 of the Asset Plan.

21. As described in the "Leave to Construct Projects" evidence at Exhibit B1, Tab 3, Schedule 3, page 3, EGD proposes to reinforce its Ottawa system to meet area growth and pressure requirements at the Ottawa Gate Station. The estimated capital cost of this project for 2013 is $30M. The Company expects to file a Leave to Construct Application for this project in the coming months.

22. As described in the "Leave to Construct Projects" evidence at Exhibit B1, Tab 3, Schedule 3, pages 3 and 4, EGD proposes to reinforce the GTA area with approximately 50km of mostly 36 inch extra high pressure pipe and an additional gate station. This will allow EGD to meet area growth and to increase supply diversity and reliability. The estimated capital cost of this project for 2013 is $21M. The Company expects to file a Leave to Construct Application for this project in late 2012.

23. Together, the forecast 2013 capital costs associated with the Ottawa and GTA Reinforcement Projects are $51.1M.

System Integrity & Reliability

24. A major focus of the Asset Plan is on EGD's existing distribution assets, to evaluate current and future requirements to ensure continued safe and reliable service. At the same time, attention is paid to ensuring compliance with applicable regulatory

and legal standards and requirements, applying industry best practices, and to spreading the associated costs over time where possible.

25. As explained in the Asset Plan, EGD has undertaken a review of all of its distribution assets. The result is a current inventory of assets, organized by category with information about each class of asset such as its age and material type. The Asset Inventory is described at page 16 of the Asset Plan.

26. Using this Asset Inventory, the Company proceeded to identify system integrity and reliability risks with its assets. The identified risks were then catalogued in a Risk Register. That Risk Register was then analyzed to create relative risk rankings for each of the identified risks between Priority 1 (highest – where the incidence rate is high, and the consequences are very severe) and Priority 4 (lowest – where the incidence rate is low, and the consequences are minor).

27. The process undertaken by the Company is described in more detail at page 45 of the Asset Plan. The items in the Risk Register are listed in the tables at page 17 of the Asset Plan, and are classified by Priority level in the chart at page 50 of the Asset Plan.

28. Having identified risks and associated priorities, the Company has also determined appropriate responses to each of the risks. The descriptions of the planned initiatives to address each of the identified risks are set out in the chart at page 51 of the Asset Plan.

29. As a next step, EGD considered the nature of the identified risks (including the priority associated with addressing those risks) and the required response to each

identified risk, in order to determine an Implementation Plan, which includes a schedule or timeline for addressing each identified risk. In preparing the Implementation Plan, EGD considered factors such as the relative risk ranking of each item, work already underway, the interdependencies between some of the activities required to address certain of the identified risks and the costs associated with the activities.

30. The Implementation Plan is set out at pages 55 and 56 of the Asset Plan. It depicts each of the risks in the risk register, the nature of the initiative to address each risk and the planned timing and associated overall cost for those activities. As with other items in the Asset Plan, the Implementation Plan addresses these items over a ten year term (though it will be an iterative document, updated each year).

31. The categories of Asset Management Strategies associated with System Integrity and Reliability requirements are described in a Table at pages 24 and 25 of the Asset Plan. Set out below is a list of those Asset Management Strategies, along with the forecast 2013 capital cost associated with each. Taken together, these items comprise the forecast 2013 capital budget associated with the System Integrity and Reliability activities described in the Asset Plan. Details of each of these items are provided below.

System Integrity and Reliability Cost Drivers	2013 Budget (000's)
1) Continue to replace existing assets that are near the end of their useful life	$28,039
2) Conduct studies to improve understanding of the integrity of specific classes of assets where risks have been identified	$4,680

3) Enhance the integrity of distribution asset records	$16,023
4) Continue to enhance the Company's understanding of the condition of its critical assets through inline inspection programs	$1,000
5) Enhance the safety and reliability of the Company's critical assets by verifying the Maximum Allowable Operating Pressure (MAOP) of targeted lines	$6,300
6) Continue Sewer Safety Program	$1,350
7) Enhance the capability to effectively isolate portions of the system to minimize the impact of planned or unplanned service disruptions	$6,580
8) Continue with existing integrity programs	$44,069
Total	$108,041

<u>Continue to Replace Existing Assets Approaching the End of Life $28.0M</u>

32. As assets age, failure rates are anticipated to increase with the failure profile becoming more acute as the assets approach the end of their useful life. This increasing failure profile is expected to drive an increasing spend profile to replace the assets.

33. In 2013, the Company has budgeted $28M to replace or improve the integrity of aging assets including low pressure delivery meter set components, compression couplings, AMP fittings, copper services, steel tubing services, gate and district components. The $28M also includes approximately $1M for cast iron reinstatement work.

Asset	Explanation	2013 Budget (000's)
Low Pressure Delivery Meter Sets	Data gathering and evaluation of approximately 100,000 LP stations. Upgrade LP stations based on prioritized findings.	$10,240
Targeted Compression Couplings Pressure Containment Sleeves	Install pressure containment sleeves over the highest priority of these couplings.	$2,000
AMP Fitting Replacement	Due to leak rate, start proactive replacement of these fittings based on predicted failure profile.	$1,000
Copper Services Replacement	Due to leak rate, proactively relay 2,250 of the remaining approximately 7,500 services.	$4,500
Steel Tubing Service Replacement	Due to leak rate, proactively relay the remaining services.	$1,000
Gate Station Equipment Replacement	Gate station replacement/rebuild programs to ensure system reliability and operational redundancy.	$5,156
District Station Equipment Replacement	District station replacement/rebuild programs to ensure system reliability and operational redundancy.	$3,201
Cast Iron Replacement Program	The cast iron program is expected to be completed in 2012, with residual clean-up work expected in 2013.	$942

Conduct Studies $4.7M

34. In order to improve understanding of the integrity of specific classes of assets where risks have been identified, targeted risk studies have been identified. The results of these studies will be leveraged to develop mitigation plans, including risk prioritized replacement, repair or monitoring programs. These studies may also

result in additional programs or projects to address risks in future iterations of the Asset Plan.

35. In 2013, the Company has budgeted $4.680M to continue with current studies or commence new studies to improve the understanding of the following asset-related risks: Field Applied Coatings, Plastic Mains, Carrier Pipe in Casing, Isolated Steel, Excess Flow Valves, Winglock Valves, Compression Outlet Service Tees, and Jumper & Service Extensions.

Asset	Explanation	2013 Budget (000's)
Field Applied Coatings	Study to understand issues with field applied coatings on tie-in to steel. Estimate 180 excavations in 2013.	$360
Plastic Mains	Study to understand Aldyl A pipe susceptibility to cracking. Study to be done in conjunction with the Gas Technology Institute (GTI).	$20
Carrier Pipe in Casing	Study to enhance knowledge of the effectiveness of cathodic protection of the carrier pipe in casing locations.	$100
Isolated Steel	Study to increase knowledge of where isolated steel pipe may occur to enhance corrosion prevention strategies.	$100
Excess Flow Valves	Study and related pilot to determine how to install EFVs on pre-2006 services. Expand installation of EFVs to additional customers such as mutli-family and small commercial customers.	$1,500
Winglock Valves	Study to determine the condition and define program requirements with a pilot starting in 2013.	$2,300
Compression Outlet Service Tees	Study to identify the most effective risk mitigation for compression outlet service tees with low pull out resistance.	$200

Jumper & Service Extensions	Study to increase knowledge regarding steel jumper and service extension condition and determine program requirements.	$100

Enhance Distribution Asset Records $16.0M

36. EGD is addressing the risk that inaccurate or incomplete records may impact safety, capital investment and operational decisions by creating a series of projects to identify and resolve a variety of records issues, including clean-up of data, refinement of processes and technology changes. The Company is accelerating the existing records clean-up efforts due to recent industry events highlighting the requirement for focus in this area. Continuing current record integrity program processes in 2013 accounts for $3.523M of the $16M forecast.

37. Records and GPS Strategy accounts for the remainder of the $16M forecast. This includes, a project to scan EGD's Miscellaneous Orders (historical paper records that record maintenance work on plant). This effort is budgeted at $2M in 2013. Further, a comprehensive analysis of asset records has been completed in 2012 to assist in determining the approach and plan of action for other records improvement projects. In 2013, the Company expects to spend $6.27M on the Distribution Records Management Project, including work required to graphically display records in the GIS system (Header Conversion), digitizing hard copy records and capturing additional asset attributes (Data Capture), process and technology upgrades to support traceable, verifiable and complete records as per industry best practice.

38. Furthermore, EGD has initiated a major project to gather and utilize GPS coordinates for key elements of its gas distribution system. This accurate plant

location information will contribute to improving a number of key processes such as emergency response, locates and compliance inspections such as corrosion and leak survey. This in turn will improve safety and reliability. The Company estimates this project to cost $4.231M in 2013.

Continue In Line Inspection Program $1.0M

39. The In Line Inspection ("ILI") program is a program which evaluates the condition of high stress pipelines via the use of intelligent tools colloquially known as pigs.

40. The capital associated with the ILI program for 2013 is $1M. Capital is required for the installation of In Line tool launchers, receivers, filter assemblies, as well as for investigative digs related to tool findings.

41. Projects for 2013 are the inspection of the NPS 36 Northern Link and NPS 8 Greenbank Road, and performing scheduled digs on NPS 26 Keele to DVP, NPS 8 Collingwood and the Mississauga Southern Link lines.

MAOP Verification $6.3M

42. The effectiveness of the existing Integrity Management Program to maintain the safety and reliability of the Integrity Mains will be increased when the Company undertakes a three-year project to verify the Maximum Allowable Operating Pressure ("MAOP") of all pipelines operating at or above 20% SMYS. The capital expenditure is intended to cover the cost of the records searches, resulting maximum operating pressure calculations, and mitigating actions for pipelines where the MAOP cannot be verified by records.

43. Mitigating actions for these pipelines may include the following:
    - Replacement of the pipeline
    - Replacement of a specific component(s) of the pipeline
    - Excavation of specific components to verify the data used to calculate the MAOP
    - Removal of coupons from the pipeline for testing to determine mechanical properties
    - Hydrostatic testing of the pipeline
    - Downgrade the pipeline and reinforce affected networks.

Continue Sewer Safety Program and Pilot New DP Technology $1.4M

44. In order to protect the distribution assets from damages, the Company will continue the Sewer Safety Program to reduce the risk associated with crossbores. In 2013, the Company has budgeted $1.35M for the capital expenditure associated with this program which includes costs associated with One Call, sewer lateral locates, daylight witness holes, clearance tracking and Research and Development.

Isolation Valves and Load Shed Zones $6.6M

45. Mainline valves are used to isolate and control larger areas of a natural gas distribution system. Mainline valves are normally in the open position, but when a section of pipeline requires maintenance or is involved in an emergency, operational crews close valves to isolate that section of the pipeline. The Company is currently conducting a study of system valves to sectionalize the networks in the event of an emergency. These valves would allow strategic isolation of the gas network, called load shed zones, in the event of a serious incident on the distribution system or as a result of a loss of supply by an upstream supplier. This

study will also contemplate the use of automatic control valves ("ACV") and remote control valves ("RCV").

46. Once the study is complete, it is anticipated that many zones will require further sectionalizing valves which is reflected as a ten year program in the Asset Plan.

47. Based on the preliminary research, a conservative estimate for the number of new valves that will be required is in excess of 150. In 2013, $1.5M has been budgeted for the installation of ten new valves and $1.58M has been budgeted to add remote automation to existing control valves on the system.

48. Also, $3.5M has been budgeted to remove the NPS 30 DVP line from a bridge at the foot of the Don Valley that is in a flood zone. A new route for this line will be required.

<u>Other Integrity Expenditures $44.1M</u>

49. The Other Integrity Expenditures category includes existing programs such as the capital portion of Damage Prevention, pipeline marker installation, work associated with ensuring compliance with codes and standards, meter purchases, regulator retrofits, relays, and main replacements. These are considered to be ongoing spend items. The largest spend item for ongoing programs is the meter exchange program required to ensure that meters meet Measure Canada minimum specifications. For 2013 EGD is forecasting 84.855 GIs.

Asset	Explanation	2013 Budget (000's)
Damage Prevention Program	Current damage prevention programs such as public awareness campaigns, damage investigations, excavator community education, etc.	$2,492
Pipeline Markers	Installation of pipeline markers on targeted lines	$1,060
Compliance of Integrity Programs	Ongoing work to ensure compliance with codes and standards such as Z662-11 Annex N	$1,172
Meters (MXGI)	Cost of buying meters as part of the MXGI program	$17,963
Regulator Refits	Cost of buying and installing regulators, conducted in conjunction with MXGI program	$6,821
Relays	Scattered relays resulting from leak survey findings	$10,398
Miscellaneous Replacement Mains	Anticipated mains requiring replacement (excluding Cast Iron)	$4,163

50. The forecast 2013 capital costs for system integrity & reliability initiatives are modestly higher than amounts spent over the past three years, during which time annual spending was in the range of $98M. This is partly explained by increased volumes of MXGIs and associated regulator retrofits. Other spend requirements are driven by aging infrastructure, industry events and resulting industry best practices.

Relocations

51. EGD's distribution assets need to be relocated from time to time in response to the needs and schedules of municipal authorities and others.

52. In order to operate within a city or municipality, Enbridge enters into a municipal franchise agreement which dictates the cost sharing for rebillable relocations. Gas distribution rebillable relocations primarily arise from road realignments and expansions, bridge rehabilitation, grade separations or other developments that are initiated by a city or municipality. Relocations are identified through different processes. Very often, municipalities will contact Enbridge directly when their capital projects are planned or approved. However, sometimes relocations are identified during the Markups process where a third party will submit their design for utility approval. Enbridge may determine that there is a conflict between the design and the existing Enbridge pipe thereby necessitating a relocation of Enbridge's pipe if the design cannot be modified.

53. In budgeting for future years rebillable relocations, Enbridge takes into account the normal activity level of rebillable relocations and their associated cost. Projects or programs identified as incremental to that normal activity level are added as an incremental amount to the Asset Plan and Capital Budget. Incremental activity level would include items such as Infrastructure Stimulus Fund activities, major transit projects, road expansions and preparation for the 2015 PanAm Games. It is important to note that municipal capital projects go through extensive approval processes which may take longer than anticipated. Very often, Enbridge is involved in early design discussions that may be incorporated into the Enbridge Capital Budget based on the information available at the time of budget development. Enbridge staff work diligently to minimize the cost to Enbridge for rebillable relocations. However, it is not possible to avoid or defer these costs as they are a binding part of Enbridge's municipal franchise agreement.

54. In 2013, the Company estimates to spend $13,209 on relocation projects as follows:

Delivery Area	2013 Budget (000's)
Greater Toronto Area	$10,984
Ottawa Region	$1,225
Niagara Region	$1,000

55. This is higher than the historical level of activity as a result of an increase in relocation work since the introduction of the Infrastructure Stimulus Fund that has not diminished. Growth in the outer edges of the Greater Toronto Area has contributed to increased relocation costs for general infrastructure, i.e., road improvements as well as water and sewer main installations, while the more urban areas have had an increased emphasis on transit projects. Relocation projects in 2013 include:

- Greater Toronto Area:
  - Toronto Path Extension
  - TTC – LRT and other initiatives
  - Mississauga LRT
  - YRRT – Highway 7, Davis Drive, Yonge St.
  - 407 Extension
  - Various municipal road widening
- Ottawa Region:
  - Ottawa LRT
  - Churchill Avenue Rehabilitation
  - Bronson Avenue Renewal
- Niagara Region:
  - Various municipal road widening
  - Various bridge reconstructions

56. In summary, for 2013, EGD expects to have direct capital expenditures of $268.3M to support its customer growth and to maintain its distribution assets. Furthermore the Asset Plan goes on to highlight the EGD's current expectations with respect to future capital spending to serve customers and maintain its system. As a living document the Asset Plan will be updated as new information that affects the future spending is obtained.

SYSTEM EXPANSION MONITORING
2011 ACTUAL

		$millions	Reference Line on Page 3
	CAPITAL EXPENDITURE		
1	New Mains	44.62	1
2	Services	54.87	2
3	Meters and Regulation	6.86	3
4	Allowance for Marginal Overhead & Reinforcement	24.18	8
5	Total	**130.53**	9
	CASH FLOW		
6	Projected Annual Revenue from Capital Additions	25.06	16
7	Less: Operating Expenses	11.18	25
8	Operating Cash Flow before Income Taxes	13.88	
9	Income Tax before Allowance for Tax Shield from Interest and CCA	3.67	
10	Annual Operating Cash Flow after Income Taxes and before Allowance for Tax Shield due to Interest and CCA	**10.21**	
	PRESENT VALUE CALCULATION		
11	Present Value at the Beginning of Year one of Annual Cash Flows for the Revenue Horizon	144.98	
12	Present Value of Tax Shield from CCA	19.02	
13	Present Value of Total Cash Flows	164.00	
14	Present Value of Capital Investment	(130.42)	
15	**Net Present Value from Investment**	**33.58**	
16	**Profitability Index**	1.26	

Note: Columns may not add due to rounding.

Witnesses: F. Ahmad
P. Squires

CALCULATION OF REVENUE (DEFICIENCY)/SUFFICIENCY
2011 Actual

	Year 1	Year 2	Year 3	Year 4	Year 5
CAPITAL	($ Millions)	($ Millions)	($ Millions)	($ Millions)	($ Millions)
Beginning Balance (PPE)	-	128.110	122.337	116.565	110.792
Investments Made	130.530	-	-	-	-
Depreciation	2.420	5.772	5.772	5.772	5.772
Ending Balance (PPE)	128.110	122.337	116.565	110.792	105.020
Working Capital	(0.050)	(0.119)	(0.119)	(0.119)	(0.119)
Average Incremental Rate Base	64.01	125.10	119.33	113.56	107.79
REVENUE REQUIREMENT					
Rate of Return on Rate Base @ 6.50%	**4.156**	**8.125**	**7.749**	**7.374**	**6.999**
Add: **After Tax**					
Depreciation	2.420	5.772	5.772	5.772	5.772
Ontario and Federal Capital Tax	-	-	-	-	-
Expenses	1.568	2.769	2.769	2.769	2.769
Gas Costs	2.627	5.253	5.253	5.253	5.253
Less: CCA Tax shield	1.106	2.146	2.017	1.896	1.782
Interest tax shield	0.646	1.264	1.205	1.147	1.089
After tax revenue requirement	9.018	18.510	18.322	18.126	17.923
Income tax requirement	3.551	7.288	7.214	7.137	7.057
Revenue requirement	12.569	25.798	25.535	25.263	24.980
REVENUE (DEFICIENCY)/SUFFICIENCY					
Residential/Subdivision Revenue	17.669				
Small Commercial/Industrial Revenue	3.826				
Forecasted Revenue from Expansion	21.496	21.496	21.496	21.496	21.496
Effectiveness Factor	50%	100%	100%	100%	100%
Forecasted Effective Revenue From Expansion	10.748	21.496	21.496	21.496	21.496
Large Volume Revenue	0.001	2.674	3.563	3.563	3.563
Total Forecasted Effective Revenue From Expansion	10.748	24.170	25.059	25.059	25.059
Less:Revenue Requirement	12.569	25.798	25.535	25.263	24.980
Revenue (deficiency) / sufficiency	**(1.821)**	**(1.628)**	**(0.477)**	**(0.204)**	**0.078**

Derivation of Inputs to Return on System Expansion Monitoring: 2011 Actuals

	($millions unless otherwise noted)	Col.1	Col.2	Col.3	Col.4	Col.5	Col.6	Col.7	Col.8	Col.9
	Capital Expenditure		Exhibit Reference	Overheads	Adjustment see note 5				Total	Exhibit Reference B5 T2 S4 P1
1	Sales Mains	72.1	B1/2/4 pg 1	(34.9)	7.46				44.62	1
2	Services	55.9	B1/2/4 pg 1	(1.0)	-				54.87	2
3	Meters and Regulation	7.6	B1/2/4 pg 1	(0.8)	-				6.86	3
4	Sub-total								106.35	
5	Marginal A&G Overhead			2.5	-				2.53	
6	Normalized Mains Reinforcement			3.5	-				3.47	
7	Miscellaneous Regional Overhead			18.2	-				18.18	
8	Total Overhead								24.18	4
9	**TOTAL**								130.53	5
	Cash Flow	Customer Additions	Exhibit Reference	Use/Customer	Revenue Rate				Total	
10	Projected Annual Revenues from Capital Additions			10^3 m^3	($) per 10^3 m^3 (per note 2)					
11	Residential - New Construction	25,577	B5/2/3 pg 1	2.433	219.27				13.6	
12	Residential - Replacement	7,722	B5/2/3 pg 1	2.334	223.24				4.0	
13	Commercial/Industrial - New Construction (excl. large volume customer	1,715	B5/2/3 pg 1	7.322	229.34				2.9	
14	Commercial/Industrial - Replacement	642	B5/2/3 pg 1	5.560	265.16				0.9	
15	Large Volume (see note 3)	1	B5/2/3 pg 1	3,264.000	1,089.50				3.6	
16	Projected Annual Revenues from Capital Additions								25.1	6
	Operating Expenses	Customer Additions	Exhibit Reference	O&M/customer (per note 1) $	O&M Cost $	Use/Customer 10^3 m^3	Gas costs ($) per 10^3 m^3 (per note 2)	Gas Cost	Total	
17	Projected Annual Operating Costs									
18	Residential - New Construction	25,577	B5/2/3 pg 1	69.69	1.78	2.433	75.96	4.73	6.5	
19	Residential - Replacement	7,722	B5/2/3 pg 1	69.69	0.54	2.334	75.96	1.37	1.9	
20	Commercial/Industrial - New Construction	1,715	B5/2/3 pg 1	186.88	0.32	7.322	75.96	0.95	1.3	
21	Commercial/Industrial - Replacement	642	B5/2/3 pg 1	186.88	0.12	5.560	75.96	0.27	0.4	
22	Large Volume (see note 3)	1	B5/2/3 pg 1	320,820.19	0.321	3,264.000	0.00	0.00	0.3	
23	**Sub-total**								10.4	
24	Municipal Taxes (see note 4)								0.8	
25	**Total Operating Expenses**								11.2	7

Note 1 O&M costs are based on a weighted average per feasibility guidelines effective throughout calendar 2011.
Note 2 Revenue and gas costs are net of commodity. Gas cost are based on 2011 Board approved WACOG (Jan.2011-Dec.2011) except for Large Volume customized gas cost.
Revenue is calculated based on Board approved rates for calendar 2011.
Note 3 This is Service Rate 125 Customer. Use per customer of 3,264.000 is the contract demand and the revenue is based on demand charge.
The Gas Costs are not recovered through rates therefore they are not applicable.
Note 4 Municipal Taxes based on 0.60% of the total capital per portfolio per feasibility guidelines
Note 5 This adjustment referes to the capital net of contribution included in 2011 Investment Portfolio.
The associated customer, York Energy Centre, has expected pipeline in service date December 1st 2011.

Witnesses: F. Ahmad
P. Squires

IMPACT OF EBO 188 SYSTEM EXPANSION ON EB-2009-0172
TYPICAL BILL IMPACTS BASED ON SALES SERVICE CUSTOMERS
2011 Historical

Item No.		Col.1 Residential / Subdivision	Col.2 Commercial / Industrial General Service	Col.3 Commercial / Industrial Large Volume	Col.4 TOTAL
1.	Deficiency Allocation ($ millions)	1.260	0.504	0.056	1.821
2.	Delivery Volumes ($10^6 m^3$)	4,686.2	4,443.8	2,066.2	11,196.2
3.	Per Unit Rate ($ per m^3)	0.00027	0.00011	0.00003	n/a
4.	Typical Bill Volumes (m^3 /customer)	3,064	22,606	15,169,902 [1]	n/a
5.	Annual Bill Increase ($/customer)	0.82	2.56	411.59	n/a
6.	Annual Percent Increase (%)	0.07%	0.03%	0.007%	n/a

Notes:

[1] Typical bill volume for Large Volume customers is based on an average of volumes for gas rates 110-200

EMPLOYEE EXPENSES AND WORKFORCE DEMOGRAPHICS

1. The purpose of this evidence is to outline the employee-related expenses, particularly those that will increase beyond inflation rates due, in large measure, to changing workforce demographics. An aging workforce and the associated increase in retirements and resulting need to hire and train replacements are costs that many businesses are facing. These costs are not only unavoidable, they are necessary to ensure the continued provision of services at the levels expected and demanded by Enbridge Gas Distribution Inc's ("Enbridge" or the "Company") customers.

2. One issue that the Canadian market has been experiencing over the last number of years is increasing and of concern, namely, the fact that we have an aging working population preparing for retirement at a time when there are fewer skilled workers available to take their place. The risks of skill and resource gaps are significant. At Enbridge currently 19% of our workforce is over the age of 55, and 18% of our employees are eligible to retire. By 2015, 25% of our workforce will be eligible to retire, and by 2020, 40% of our workforce could retire. Considering the potential impacts to our workforce due to retirements, significant efforts are being placed on creating plans to ensure we replace critical skills and knowledge in order to maintain and operate a safe, reliable and cost effective gas distribution system. It is critically important that we are able to attract the best candidates for employment opportunities at the Company which will reflect on the services we provide to our customers.

3. Enbridge is not the only employer that faces such challenges. It must compete for talent with other companies and industries that similarly must look for skilled workers in an aging workforce. These demographic realities impact employee expenses in a number of areas as outlined in this document.

Compensation

4. In order to assess our competitive positioning in relationship to the market, the Company engaged Mercer Canada to conduct a study to benchmark its total compensation plans - See Exhibit D2, Tab 3, Schedule 1, for the Mercer Compensation, Pension and Benefits Study (the "Mercer Study"). Enbridge utilizes a cash compensation package that consists of a fixed component (base salary and wages) plus a variable pay component Short-Term Incentive Program ("STIP"). In addition, senior positions within the utility are eligible for a Long Term Incentive Program ("LTIP") to ensure focus on achievement of long-term Company goals and to incent retention.

5. Compensation levels are competitively based upon market conditions that reflect the local labour market in which the Company competes for talent. Enbridge has a defined comparator group of companies comprised of large organizations (see page 15, Mercer Study). The pay philosophy that the Company utilizes is to target total cash compensation at the 50th percentile (plus or minus 10%), of the market.

6. The Mercer Study indicates that Enbridge is currently slightly below (-3%) market P50 for total cash compensation. The Mercer Study also indicates that Enbridge is slightly below (-2%) market P50 on base salary, and slightly above (2%) market P50 on total compensation. These Mercer results are well within plus or minus 10% of the 50th percentile.

7. The Mercer Study states that the majority of Canadian organizations target the 50th percentile compensation levels which support the Company's compensation philosophy assisting us in maintaining its competitive place in the market. The Company will continue to evaluate its compensation practices on an ongoing basis to ensure labour market competitiveness and the retention of critical skills.

8. Base salary budgets are established annually with consideration given to external compensation consultant's forecasts of salary increases, negotiated wage settlements and consumer price index projections. Enbridge utilizes several external sources to gather this information (The Conference Board of Canada, Towers Watson, Hay Management Consulting, and Mercer Human Resources Consulting).

9. On April 1, 2011, the Company increased non-union salaries by 3.2%. In 2012 and 2013 the collective agreement provides salary increases based on the percentages and dates as follows:
   - January 1, 2012 2%
   - July 1, 2012 1.5%
   - January 1, 2013 2%
   - July 1, 2013 1% /c

10. Salary increases are provided to employees based on the salary budget, market data and individual employee performance.

11. The variable pay component (STIP) is an element of compensation for all permanent employees. It is performance-driven and is intended to focus employees on achieving and exceeding specific corporate, business unit, departmental and/or individual goals that are determined on an annual basis. Company achievements of financial and operational results are tracked through the use of “scorecards” at the Business Unit departmental levels. These measures provide a direct line of sight for employees. They can clearly understand their contributions to the business and the role they play in the achievement of business results. The business unit component of the STIP incentive pay program is tied to achievements of the scorecard results.

12. For each of the scorecard metrics, a minimum performance threshold is established. If actual performance is below the minimum threshold established for a specific metric, there is no payout for that element of the incentive opportunity. In addition, for all non-union employees, there is a minimum threshold of individual performance that must be achieved to be eligible to receive an incentive payout.

13. Executive and senior leadership positions have an LTIP component included within their standard compensation. This is a stock-based plan comprised of three types of awards – Incentive Stock Options ("ISO's"), Performance Stock Units ("PSU's"), and Restricted Share Units ("RSU's"). ISO grants vest equally over four years of continuous employment. PSU's are subject to vesting, but only after a specified performance goal has been achieved. RSU's vest at the end of a three-year period, provided continuous employment is maintained. Eligibility is based on salary grade. Senior executives are eligible for ISO's and PSU's. Directors are eligible for ISO's and RSU's and senior managers are eligible for RSU's.

14. Participation in the LTIP plan is determined by the Human Resources Compensation Committee of the Enbridge Inc. Board of Directors and is restricted to those positions seen to be key from a decision-making and operational accountability perspective. Individual performance ratings and succession criticality are factored into the grant calculation.

15. In addition, other select managers can be nominated for a discretionary RSU grant. Consideration is given to those individuals who are identified as critical to retain due to specialized skills or for succession purposes. Nominations must be approved by the Human Resources Compensation Committee of the Enbridge Inc. Board of Directors.

Benefits and Pension

16. An important element in being able to attract and retain the talent that Enbridge requires is the ability to offer market-competitive pension and benefit plans. This is determined through the Mercer Study.

17. Enbridge provides a total compensation package including pension and benefit plans that are competitive within the Company's market comparator group. Enbridge ensures effective cost management of these plans through intelligent design, efficient utilization, and performance monitoring of the Company's 3rd party service providers.

18. Benefit costs continue to rise. In 2012 benefits increased by \$2.7 million and in 2013 they increase by \$4.5 million. These increases are due to several factors; (1) Canada Pension Plan, Employment Insurance, and Employers Health Tax increases; (2) additional FTEs which increase benefit costs; (3) increased utilization of the benefit plans and the need for increased services given the aging workforce; and (4) higher prescription costs and dental fees. In 2013 the majority of the increase is due to a change in accounting practices from Canadian GAAP to US GAAP which amounts to \$2.9 million.

19. Enbridge provides a flexible benefit plan for all employees (both union and non-union). Employees receive an annual amount of "flex credits" that can be applied to purchase a customized list of benefits that best suit their needs. Rather than offering a "one size fits all" suite of benefits that may not be fully utilized by each employee, a flex program ensures that benefit coverage is directed at those elements that will be most utilized and most valued, according to individual need and circumstance.

20. Design features within the plan include cost-containment elements intended to moderate cost escalations. Employee co-payments, fee caps, reimbursement maximums and least-cost-alternative drug coverage are some of the features embedded into the design that provides cost-management support.

21. Enbridge has two retiree benefit plans, based on eligibility. Both are funded by the Company. The plans offer either a traditional benefit plan based on reimbursement for prescription costs incurred, or a health spending account. Both plans have a maximum payout, dispensing fee caps, and lifetime maximums.

22. Enbridge offers two pension plan options – Defined Benefit ("DB") and Defined Contribution ("DC") plans within the Enbridge registered pension plan.

23. Costs to provide employees with retirement planning and pension education sessions to address our fiduciary responsibility to ensure their ability to make informed pension choices are also included within the pension expense category.

24. Pension costs increase by $17.3 million in 2012 and $7.1million in 2013. An explanation for each year is outlined as follows:

    (1) 2012 pension costs increase by $17.3 million from 2011 Historical. This increase is primarily due to the funded status of the plan going from a surplus position to a deficit position where the plan surplus or deficit is the net position when comparing the fair-value of the plan assets against the actuarial assessment of the plan obligations as at a given date. An excess of plan assets over plan obligations results in a surplus, while the reverse results in a deficit. Due to the pension plan expected to be in a deficit position, Enbridge is required to fund the pension plan for an amount that represents annual employee current service costs. As such

the increase from 2011 is primarily employee current service costs as a result of pension regulations requiring plan sponsors to fund pension plans should the plan be in a deficit position. Please refer to EB-2011-0277, Exhibit B, Tab 2, Schedule 6, for details on the funded status, filing requirements, and the impact to the Company; and

(2) 2013 pension expenses have increased $7.1 million from the 2012 Estimate. This increase is due to the plans expected deficit position at the end of 2011 requiring contributions. These contributions represent current employee service costs as well as contributions starting in 2013 required to bring the plan from a deficit position to a surplus position. The 2012 pension expenses represent expenses under a cash basis whereas 2013 pension expense represents pension expense under an accrual basis of accounting under US Generally Accepted Accounting Principles (USGAAP). The increase however has no bearing on the fact that two different basis of expense are being used. Regardless of cash or accrual basis of expense Enbridge will incur an increase from 2012 to 2013 and in fact USGAAP provides for a smaller increase over 2012 compared to a cash basis. For a full analysis of cash versus accrual basis of pension expense please refer to EB-2011-0354, Exhibit A2, Tab 3, Schedule 2.

<u>Employee Development</u>

25. A fundamental component in effectively managing the transition to replace retiring workers is the need to support their training and development. Ensuring a smooth transition without incurring major skill gaps require technical and business training and an investment in leadership development.

26. The Company has always had a strong focus on providing developmental opportunities to support skills development and enhancement. This is a critical lever

in being able to attract and retain the talent that the Company needs to maintain the business and provide service to the customers.

27. Enbridge continues to focus on delivering quality developmental programs in a cost-effective manner. The Company continues to make improvements in course development and administration focusing on providing employees with leadership development programs, general skills curriculum, tuition aid, and mentoring programs. The Training and Development budget remains constant at $2.1 million.

28. A strong focus continues to be placed upon performance management, ensuring employees performance is linked to objectives and desired outcome to drive efficiencies and productivity. As such, $2 million has been established for severances in the 2013 Budget, which allows for both severances and additional compensation where necessary.

29. A table of all Employee Expenses below outlines particular expenses that apply to Enbridge in the 2013 Budget, 2012 estimate, and the 2011 Historic. The benefits and pension expense exceed inflation rates due to the increase in number of employees, the cumulative impact of salaries and benefits increasing at a rate higher than inflation due to demographics and the costs demands by benefits suppliers. In addition, the pension deficit contributes significantly to the budget in 2012 and 2013. This deficit is simply a function of prevailing market conditions all of which are beyond the control of the Company. The increase in staffing levels is determined on the basis of need by departmental managers. These requests are then reviewed by the Executive Management Team and, where justification exists, the additional staffing levels are approved.

Table 1

Major Employee Expenses
2013 Budget, 2012 Estimate, 2011 Historic

Line No.	Particulars ($ 000's)	2013 Budget	2012 Estimate	2011 Historic
		$	$	$
1	Salaries and Wages	185,988	176,550	158,061
2	Short Term Incentive Pay	20,257	19,428	22,272
3	Benefits	30,452	25,941	23,193
4	Pension	27,704	20,557	3,224
5	Training and Development	2,610	2,610	2,610
6	Awards and Allowances	1,302	1,302	1,302
7	Relocation	500	500	500
8	Severances	2,000	1,000	1,980
9	FTE's	2,287	2,231	2,070

Updated Evidence

30. 2011 Historic Salaries and Wages was $155.4 million compared the original filed amount of $158.1 million. The $2.7 million represents 1.7% of the original amount. This lower salaries and wages is the result of vacancies during the historic year.

31. 2011 Actual Short Term Incentives paid was $26.0 million compared the 2011 Historic of $22.3, an increase of $3.7 million. The original 2011 Historic was based on Enbridge Inc. multiplier of 1.30 and Enbridge multiplier of 1.02. The increase in STIP payout is the result of the Enbridge Inc. multiplier of 2.00 and Enbridge multiplier of 1.36. The driver of the Enbridge Inc. multiplier is the Earnings per

Share which was much higher than expected. The Enbridge multiplier is a result of performance at year end.

32. 2011 Actual Benefits expense was $24,263 million compared the 2011 Historic of $23,193 filed. The $1.1 million increase was from increased medical and dental claims by employees.

33. 2011 Actual Historic Relocation expenses were $2.3 million compared to the 2011 Historic estimate of $0.5 million filed. This substantial increase is the result of having to relocation a higher number of employees, including several senior EMT members. The relocations were a result of succession planning with a focus on leadership development to ensure the future success of the Company.

OPEN BILL ACCESS

Background

1. Enbridge Gas Distribution Inc. ("Enbridge" or the "Company") has been offering Open Bill Services since 2009 in accordance with the terms of a Settlement Agreement approved by the Ontario Energy Board (the "Board") in EB-2009-0043. Overall, the experience has been positive, with net benefit of more than $5M per year flowing to ratepayers. The Settlement Agreement expires December 31, 2012 and requires Enbridge to make Application to the Board in order to continue Open Bill Services. Enbridge wishes to continue to provide Open Bill Service under generally the same terms as set by the Settlement Agreement, with modest increases to the fees and charges paid by billing services clients for 2013.

2. Open Bill Access allows third parties to access the Enbridge bill for the purposes of billing charges, and for the purpose of distributing third party marketing information in the form of bill inserts. Until the end of 2005, third party access to the Enbridge Bill for such purposes was limited exclusively to Direct Energy Essential Home Services ("DEEHS"). This exclusive right was based on prior contractual commitments between Enbridge Inc. and DEEHS. In February 2006, the Board determined that DEEHS exclusive access to the Enbridge bill should not continue beyond December 31, 2006 and that the issue required further examination (EB-2005-0001 Decision, February 9, 2006).

3. The Company addressed the Open Bill Access issue (which includes both third party billing, also referred to as billing services, and bill inserts) as part of its 2007 rate application, EB-2006-0034. During that proceeding, a consultative process including the Company and interested stakeholders resulted in the achievement of

two settlement agreements concerning the Open Bill Access issue. One settlement agreement addressed third party billing and the other dealt with third party bill inserts. These settlement agreements addressed the Open Bill Access issue on an interim basis. As part of the interim solution, Enbridge was to bring forward a comprehensive solution to the Open Bill Access issue once its new Customer Information System ("CIS") was in place.

4. Following that time, Enbridge continued to work with members of the consultative group to explore a more permanent Open Bill Access solution, that would allow the Company to continue to provide Open Bill Services with the new CIS in place. In March 2009, while this consultative process was in progress, Enbridge filed an application with the Board seeking an order or orders approving its proposal for continuing Open Bill Services.

5. On October 15, 2009, Enbridge filed a complete Settlement Proposal with the Board covering all aspects of the Open Bill Services. The parties to the Settlement Proposal were: Direct Energy Marketing Limited, the Heating, Refrigeration and Air Conditioning Institute of Canada, LivClean Corporation, National Energy Corporation, Reliance Comfort LP, and the Vulnerable Energy Consumers Coalition, the core members of the consultative process. The Settlement Proposal was subsequently circulated to all intervenors involved in Enbridge's 2009 rates proceeding (EB-2008-0219) and to all parties in the Open Bill Access consultative. Enbridge provided responses to questions raised by intervenors and provided such responses in its evidence in support of the Settlement Proposal.

6. All members of the Open Bill Access consultative, as well as two other stakeholders (the Canadian Manufacturers & Exporters, and the Consumers Council of Canada)

confirmed their support of the Settlement Proposal. No intervenor or consultative member indicated any objection to the Settlement Proposal.

7. In its Order dated December 2, 2009, the Board accepted the EB-2006-0043 Open Bill Access Settlement Proposal and the establishment of the deferral and variance accounts necessary to implement Enbridge's proposal. A copy of the Board's Order in that proceeding (which appends the Settlement Proposal) is included with this evidence as Appendix 1.

8. The EB-2009-0043 Settlement Proposal outlines an agreement on the amounts to be charged and the parameters under which Open Bill Services are now made available to parties. The agreement is effective until December 31, 2012. The Settlement Proposal provides for a basic annual $5.389 million ratepayer benefit, consistent with that of the prior EB-2006-0034 interim solution. What this means is that, each year, the sum of $5.389 million is credited towards the Company's revenue requirement, in recognition of amounts that Enbridge is assumed to be earning by providing Open Bill Services.

9. The EB-2009-0043 Settlement Proposal also included a $2 million "deadband" for net revenues from $5.389 million to $7.389 million which the Company would not be required to share. Any net revenues in excess of $7.389 million were to be shared 50/50 with ratepayers. In addition, any net revenues related to ex-franchise billing services were to be shared 50/50 between Enbridge and ratepayers. This revenue-sharing was considered to be an appropriate incentive to Enbridge for offering Open Bill Services. The Settlement Agreement also provided that, if net revenues are less than $4.889 million, which Enbridge indicated would occur with the unexpected loss of its main third party billing service client, then Enbridge will not recover the

first $500,000 of the difference between actual revenues and the ratepayer benefit of $5.389 million, but Enbridge will be entitled to recover the difference between actual net revenues and $4.889 million from ratepayers.

10. The EB-2009-0043 Settlement Proposal also included provisions preventing any party utilizing Open Bill Services from having advantage over other parties making use of the service. Some of these provisions included:
    - the same prices for any given Open Bill Service for all Open Bill Access clients;
    - access for affiliates of Enbridge will be on the same terms as those applicable to third parties;
    - there is no access to bill inserts when a safety notice or rate change notice is included in the Company's billing envelope;
    - bill inserts can be system-wide, or targeted geographically based on Canada Post Forward Sorting Areas; and
    - Enbridge may change cost per bill annually at rate of half of the Ontario Consumer Price Index, but in any event the increase will be no greater than 2% per year.

11. The EB-2009-0043 Settlement Proposal governs the Company's Open Bill Services activities until the end of 2012, and provides that if Enbridge wishes to continue to provide Open Bill Services after December 31, 2012, then it will file an application with the Board.

<u>Billing Services and Bill Insert Programs Post EB-2009-0043 Experience</u>

12. Following the issuance of the Board's EB-2006-0043 Decision, the Company took steps to implement the new arrangements contemplated by the associated

Settlement Agreement. The Company entered into the new form of Open Bill Access Services Agreement with all existing billing service clients, implemented revised procedures for the reservation of bill inserts and began tracking the revenues and costs of these programs in the manner set out in the Settlement Agreement.

13. Over the past two years, the Billing Services Program has performed reasonably well, with the number of active billing clients growing from sixteen at the end of 2008 to forty-five as of December 2011. Economically, the program is challenged by certain operating constraints imposed by the EB-2009-0043 Settlement Agreement. This is particularly relevant with respect to the requirement to charge all participants the same fee with no recognition of billing volume or provision for a start-up charge. As a result, revenues do not always recover the cost associated with some of the program's smaller clients within a reasonable period of time. Another issue negatively impacting the financial performance of the third party billing program is that billing service fees increase annually by 50% of the Ontario Consumer Price Index, while the costs of the program have grown at a higher rate.

14. From a customer standpoint, the Billing Services Program has also functioned well. Third party charges appear on approximately 1.4 million Enbridge bills each month. Customer research conducted by the Company in 2011 indicates that the majority of customers value the convenience of consolidating their energy related charges on their Enbridge bill and appreciate that this program helps to reduce their gas distribution charges.

15. Table 1 on the following page shows the revenues, costs and margins generated by the Billing Services Program since its inception and projections for 2011 through

2013. Overall, the Billing Services Program continues to drive significant benefits to ratepayers and the Company.

Table 1

Billing Services Contribution Margin & Earnings Sharing

	------------------- Actual -------------------				Estimate[1]	Estimate	Budget[6]
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Open Bill							
- Operating: In-franchise	$ 13,885,255	$ 14,241,428	$ 14,750,470	$ 16,190,147	$ 16,268,470	$ 16,993,961	$ 17,752,608
- Operating; Ex-franchise	$ -	$ -	$ 230,482	$ 915,612	$ 927,806	$ 795,464	$ -
- Bad Debt Recovery	$ 1,979,176	$ 2,119,294	$ 2,189,573	$ 2,686,892	$ 2,570,934	$ 2,570,048	$ 2,567,593
- Ex-franchise Postage Recovery			$ 90,313	$ 252,943	$ 283,034	$ 247,800	
Total Revenues	**$ 15,864,431**	**$ 16,360,722**	**$ 17,260,839**	**$ 20,045,594**	**$ 20,050,245**	**$ 20,607,273**	**$ 20,320,201**
Expenses							
Open Bill							
Total Expenses	**$ 9,637,330**	**$ 10,428,763**	**$ 10,962,981**	**$ 12,563,756**	**$ 13,081,526**	**$ 13,784,698**	**$ 13,838,895**
Net Income	$ 6,227,101	$ 5,931,959	$ 6,297,858	$ 7,481,838	$ 6,968,719	$ 6,822,575	$ 6,481,306
Start-up Cost Recovery[2]	$ 656,174	$ 670,420					
Enbridge Earnings Share	$ 328,088	$ 348,602	$ 880,356	$ 1,840,306	$ 1,385,782	$ 1,325,566	$ 1,091,702
Ratepayer Benefit[4]	$ 5,389,604	$ 5,389,604	$ 5,417,502	$ 5,641,532	$ 5,582,937	$ 5,497,009	$ 5,389,604
Variance Account	$ (146,765)	$ (476,667)					
OBA Deferral Account[3]			$526,150.14				

Notes:
-1) 2011 is based on 8 & 4 forecast
-2) $0.04 per Bill as per 2007 Open Bill Access Settlement Agreement
-3) 2008 OBA deferral balance $309,370 is included in 2009 OBA DA balance
-4) Ratepayer Benefit includes both the base amount of $5.389 million, plus annual differences recorded in the Open Bill Deferral and Variance Accounts.
-5)Other costs include deferral & variance account amortization from 2010-2012
-6) Budget 2013 is based on the Company's Open Bill Services proposal for 2013, as described in this evidence

Witnesses: K. Lakatos-Hayward
S. McGill

16. As can be seen in Table 1, the Company's ratepayers have and are expected to continue to benefit by approximately $5.5 million per year. As can be seen in the "2013 Budget" amounts set out in Table 1 (which are based on the Company's proposed updated 2013 fees and expenses that are explained later in this evidence), there is no forecast of ex-franchise billing service activity for 2013. That is because the Company's ex-franchise billing client has indicated that it will be terminating the service as of mid-2012. It should be noted that this results in a slight difference from what is indicated at Exhibit C3, Tab1, Schedule 1, page 4, where an amount related to ex-franchise billing had been indicated as an adjustment to Enbridge corporate revenue for 2013. That difference (which only amounts to $200,000) results from the fact that the notification from the ex-franchise billing client was not received until after the information set out in Exhibit C3, Tab 1, Schedule 1 was prepared.

17. The Bill Insert program however, has been less successful. Bill Insert revenues have declined in recent years. Some of the major reasons for this decline have been practical constraints on print inserter capacity and the requirement to accommodate very small geographically targeted volumes of inserts. Table 2 provided on the following page summarizes the actual revenues costs and margins for the Bill Insert program for 2007 through 2010 and includes projections of these figures for 2011 to 2013 respectively. As seen in Table 2, there has been no sharing of Bill Insert net revenues since 2010. This is because the overall Open Bill Access program net earnings have not exceeded the extended sharing threshold ($7.39M, which represents the $5.39M ratepayer guarantee plus the $2 million earnings deadband eligible to Enbridge). The Company expects that net income from this program will be modest without any change to the program's rules.

Table 2

Bill Insert Contribution Margin & Earnings Sharing

	---- Actual ----				Estimate[1]	Estimate	Budget
	2007	2008	2009	2010	2011	2012	2013
Revenues							
- Operating	**$ 668,185**	**$ 484,158**	**$ 327,227**	**$ 218,378**	**$ 184,498**	**$ 114,000**	**$ 114,000**
Expenses							
Support (Internal Allocation)	$ 50,295	$ 30,967	$ 20,566	$ -	$ -	$ 25,927	$ 26,338
Other		$ 16,250	$ 34,179	$ 39,136	$ 39,227	$ 40,040	$ 41,642
Total Expenses	**$ 50,295**	**$ 47,217**	**$ 54,745**	**$ 39,136**	**$ 39,227**	**$ 65,967**	**$ 67,980**
Net Income	**$ 617,890**	**$ 453,191**	**$ 306,661**	**$ 218,378**	**$ 184,498**	**$ 88,073**	**$ 87,662**
Enbridge Earnings Share[2]	$ 308,945	$ 226,596					
Ratepayer Benefit[2]	$ 308,945	$ 226,596					
Less: Research cost		$ 19,250					
Net Ratepayer Benefit		$ 207,346					

Notes:
-1) 2011 9 & 3 Estimate as at October 14th 2011.
-2) as per 2007 Bill Insert Settlement Agreement (50% / 50% Sharing of net bill insert margin between EGD & Ratepayers). Revised by 2009 Settlement Agreement to be rolled in with Open Bill Access Margin for sharing determination.

18. Table 3 on the following page shows that on a combined basis Open Bill Access program is expected to deliver $5.5 million in ratepayer benefits and pre-tax earnings for the Company of $1.2 million in 2013.

Table 3

Billing Services & Bill Insert Benefits Summary

	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Estimate1 2011	Estimate 2012	Budget 2013
Total Operating Benefit							
Billing Services	$ 6,227,101	$ 5,931,959	$ 6,297,858	$ 7,481,838	$ 6,968,719	$ 6,822,575	$ 6,481,306
Less: Ex-Franchise Net Income			$ (55,796)	$ (503,856)	$ (386,666)	$ (214,809)	
Bill Insert	$ 617,890	$ 453,191	$ 306,661	$ 218,378	$ 184,498	$ 88,073	$ 87,662
Total - Re. In-Franchise Sharing	$ 6,844,991	$ 6,385,150	$ 6,548,722	$ 7,196,361	$ 6,766,551	$ 6,695,839	$ 6,568,968
Extended Sharing Threshold			$ 7,389,604	$ 7,389,604	$ 7,389,604	$ 7,389,604	$ 7,389,604
Extended Ratepayer Sharing			$ -	$ -	$ -	$ -	$ -
Benefit Details							
Billing Services							
Ratepayer Benefit- In-Franchise	$ 5,242,839	$ 4,912,937	$ 5,389,604	$ 5,389,604	$ 5,389,604	$ 5,389,604	$ 5,389,604
Ratepayer Benefit- Ex-Franchise	$ -	$ -	$ 27,898	$ 251,928	$ 193,333	$ 107,405	$ -
Shareholder Benefit	$ 328,088	$ 348,602					
Bill Insert							
Ratepayer Benefit	$ 308,945	$ 207,346					
Shareholder Benefit	$ 308,945	$ 226,596					
Combined							
Ratepayer Benefit	$ 5,551,784	$ 5,120,283	$ 5,417,502	$ 5,641,532	$ 5,582,937	$ 5,497,009	$ 5,389,604
Shareholder Benefit Details							
Shareholder Benefit -Billing Services	$ 328,088	$ 348,602					
Shareholder Benefit -Bill Insert	$ 308,945	$ 226,596					
Total - Re. In-Franchise Sharing			$ 6,548,722	$ 7,196,361	$ 6,766,551	$ 6,695,839	$ 6,568,968
Ratepayer Benefit- In-Franchise			$ (5,389,604)	$ (5,389,604)	$ (5,389,604)	$ (5,389,604)	$ (5,389,604)
Ratepayer Benefit- Ex-Franchise			$ 27,898	$ 251,928	$ 193,333	$ 107,405	$ -
Shareholder Benefit	$ 637,033	$ 575,198	$ 1,187,016	$ 2,058,684	$ 1,570,280	$ 1,413,639	$ 1,179,364

Witnesses: K. Lakatos-Hayward
S. McGill

Enbridge Billing Services and Bill Insert Programs Cost Study

19. As part of the process that lead to the EB-2009-0043 Settlement Agreement, the stakeholder group endorsed TMG Consulting Inc. ("TMG") as the consultant to be engaged by the Company to perform a cost study for the Billing Services and Bill Insert programs. The TMG Open Bill and Bill Insert Cost Study provided all parties to the EB-2009-0043 Settlement Agreement with valuable guidance in terms of the costing and pricing of third party billing and bill insert services. The TMG Open Bill and Bill Insert Cost Study projected costs for the Billing Services and Bill Insert programs through to the end of March 2012. Under the terms of the EB-2009-0043 Settlement Agreement, the costs identified in the TMG Open Bill and Bill Insert Cost Study were used for the purpose of determining the annual earnings for both the Billing Services and Bill Insert programs for 2009 and 2010 and will be used for this purpose in 2011 and 2012. The costs were also used to assist in setting the appropriate level of fees to be charged to Billing Services and Bill Insert program customers. A copy of the TMG Open Bill and Bill Insert Cost Study is included with this evidence as Appendix 2.

20. In order to determine appropriate costing of the Billing Services and Bill Insert program beyond March 2012, Enbridge engaged InQvis Consultants to review and update the TMG Open Bill and Bill Insert Cost Study that had been prepared in 2008. InQvis followed the same costing templates for these programs that had been originally set by TMG. Assessments of both direct level and indirect level effort expended by Enbridge in respect of these programs were updated and projected into future years. A copy of the 2011 Open Bill and Bill Insert Cost Study prepared by InQvis is included with this evidence as Appendix 3.

21. The 2011 Open Bill and Bill Insert Cost Study projected the costs of operating these programs from April 1, 2012 through December 31, 2018. The study took into account fees payable by Enbridge to Accenture under the extended Customer Care Services Agreement (the "CCSA") and followed the cost allocation principles described in the EB-2009-0043 Settlement Agreement.

22. The 2011 Open Bill and Bill Insert Cost Study has been informed by three years of experience in the operation of these programs, two of which have been with Enbridge's new CIS, implemented in September 2009. It was determined that the costs for these services remain similar to those identified in the 2008 Open Bill and Bill Insert Cost Study conducted by TMG.

23. With respect to Billing Services, the 2008 Open Bill and Bill Insert Cost Study indentified a cost of $0.6045 per shared bill, compared to a cost of $0.6524 per shared bill for the period beginning April 2012 that was identified in the 2011 Open Bill and Bill Insert Cost Study. This represents a net difference of $0.0479 per shared bill. The same difference between the two studies for Standalone Bills was more significant, $1.4039 per bill in the 2008 Open Bill and Bill Insert Cost Study as compared to $1.4802 in the 2011 Open Bill and Bill Insert Cost Study, however, most of this difference is explained by the $0.03 per bill difference in the assumed cost of postage in the two studies for 2012. Enbridge's proposed Billing Services costs and fees for 2013, based upon the findings in the 2011 Open Bill and Bill Insert Cost Study, are set out in Table 4 on page 14 of this exhibit..

24. With respect to Bill Insert Services, the 2011 Open Bill and Bill Insert Cost Study took a different approach to the cost allocation as compared to the 2008 Open Bill and Bill Insert Cost Study. The 2011 analysis treated Enbridge bill insert support

costs as being contingent on either the number of third parties expressing interest in the service or the number of such parties that actually utilize the service. As seen in the 2008 Open Bill and Bill Insert Cost Study, the assessment of the level of effort expended by Enbridge to review, approve and sign a contract for an insert is the same regardless of how many inserts are being sent. The cost associated with this effort is estimated to be $26,338 in 2013. As in 2008, the prospect of extra inserts causing the weight of the Enbridge bill package to exceed the Canada Post weight threshold was a consideration in the 2011 Open Bill and Bill Insert Cost Study. This would lead to a surcharge of $0.09 per unit that was determined to exceed the weight threshold. It was determined that in the event that this occurs, a surcharge of $0.09 per unit mailed would be appropriate. For 2013, the surcharge is estimated to amount to $41,642. In total, therefore, Enbridge proposes that the 2013 costs to be allocated to its Bill Insert program, for the purposes of determining net revenues, is $67,980. As Bill Insert fees are to be determined by a bidding process, they cannot be presented on predefined basis.

Enbridge 2013 Proposal for Billing Services and Bill Insert Programs

25. The Company wishes to continue to offer Open Bill Services in 2013. The experience to date in respect of Open Bill Services has been positive, with substantial financial benefits to ratepayers.

26. Enbridge's proposal for the Billing Services and Bill Insert programs for 2013 is to continue to operate both programs under the terms of the EB-2009-0043 Settlement Agreement, subject to an update of the costs and fees of the Billing Services program that reflect the findings of the 2011 Open Bill and Bill Insert Cost Study. As noted in Paragraph 16, at the current time Enbridge does not anticipate the provision of ex-franchise billing services in the Test Year as the Company has been

advised by its current ex-franchise billing service client that it will no longer require this service after August 2012.

27. Specifically, for the purposes of determining net revenues from the Billing Services program for 2013, the Company proposes to adopt the costs identified in the 2011 Open Bill and Bill Insert Cost Study, applying the increase in cost for 2013 to both per bill unit costs and revenues, thereby maintaining the margin to be earned by these programs.

28. This proposal will result in Billing Services fees of $0.941 per shared bill and $2.157 for standalone bills effective January 1, 2013. Should the Company enter into any further agreements for the provision of ex-franchise billing services to be performed in 2013, those fees would be derived through negotiation between the Company and the billing services client.

29. Enbridge's proposed Billing Services fees and costs are set out in Table 4, below.

Table 4

Billing Services Unit Costs & Fees

	--------- EB-2009-0043 Settlement -----------			Proposed
	2009 / 2010	2010 / 2011	2011/ 2012[2]	2013
Cost per Shared Bill	$0.5112	$0.5112	$0.5112	$0.6052
Cost per Standalone Bill	$1.3454	$1.3454	$1.3454	$1.5052
Fee per Shared Bill[1]	$0.8800	$0.8930	$0.9000	$0.9410
Fee per Standalone Bill[1]	$2.0500	$2.0800	$2.0980	$2.1570

Notes:

-1) OBA Fees for 2009 through 2012 are governed by the terms of the OBA Service Agreement (EB-2009-0043 Settlement Agreement)
-2) Fees estimated for 2012 as per Note 1.

30. In respect of the Bill Insert program, fees for this service are set by a defined bidding process described in the EB-2009-0043 Settlement Agreement. Enbridge proposes to continue to adhere to this fee setting process for bill inserts in 2013. The proposed costs to be used to determine net reveues from the Bill Insert program are as described above at paragraph 24.

31. The determination of net income amounts for the purpose of sharing between Enbridge and ratepayers would be subject to the terms of the EB-2009-0043 Settlement Agreement. Among other things, this means that the sum of $5.389 million (and perhaps more) would be credited towards the Company's revenue requirement, in recognition of amounts that Enbridge is assumed to be earning by providing Open Bill Services.

Witnesses: K. Lakatos-Hayward
S. McGill

32. The Company proposes that this change in the costs and fees of the Open Bill Services take effect from January 1, 2013 and that the programs continue to operate as is, subject to ongoing enhancement activities to at least the end of 2013.

33. Overall, it should be kept in mind that these changes in fees reflect changes that have accrued over a period of four years (since the EB-2009-0043 Settlement Agreement was implemented), that there will be no anticipated change in the contribution margin and ratepayer benefits as a result of this change and that Open Bill Access continues to offer good value to the Company's billing clients while affording customers the benefit of distribution rate savings and the convenience of consolidating energy related charges on a single bill.

UPDATED – OPEN BILL ACCESS

Background

34. Subsequent to the Company's submission of its initial Open Bill evidence for the 2013 Test Year, EGD determined that a number of changes to the Open Bill Access Billing and Collection Services Agreement as filed with the Board in EB-2009-0043 (the "OBA Agreement") are required in order to support the continued viability of the program. Although some of these changes are administrative in nature, the more significant of them are in response to a number of recent and significant customer related incidents, which for the most part stem from the nature of the sales activities undertaken by some Open Bill Access clients ("Billers") and which are negatively impacting the Company.

Proposed OBA Agreement Changes

35. To address the concerns stemming from certain of the problematic Biller activities that have been experienced the Company is bringing forward a number of revisions to the standard form of OBA Agreement. These revisions will become effective in January 2013 upon the introduction of the revised OBA Agreement for all Billers. The revisions that will come into effect at that time are described in this evidence. A copy of the 2013 OBA Agreement can be found at Appendix 4 of this exhibit, along with a black-lined version of the OBA Agreement at Appendix 5.

Obligations of the Biller

36. The Obligations of the Biller section of the OBA Agreement has been amended to more clearly specify the requirement that the Biller has a proper Customer Service Agreement in place to support the billing of related charges on the EGD bill.

Witnesses: K. Lakatos-Hayward
S. McGill

Acquisition of Distribution Entitlements

37. The OBA Agreement has been revised to take into account that EGD is now performing the function of “Servicer” under the Proceeds Transfer, Servicing and Trust Agreement (the “Trust Agreement”).

Billing Fees

38. Section 4.3 has been revised to enable EGD to recover costs incurred to investigate and resolve customer disputes and potential breaches of the Open Bill Service Agreement by Billers. The need for this facility is to allow the Company to recover the cost of these activities from those that bring about the need for such actions as opposed to including these costs in the overall Billing Fee. Such costs will be defined as corrective costs and include, but are not limited to outside legal advice, auditors, consultants and investigators engaged by the Company to investigate or follow-up on such breaches or potential breaches of the agreement.

39. Additionally, the Company has had several experiences where Billers have not made significant use of the open bill service subsequent to entering into an OBA Service Agreements. Under these circumstances the Company incurs a degree of expense to put the agreement with the Biller in place and set-up for the acceptance and processing of the Biller’s charges in the Company’s Customer Information System. To address this issue the Company will institute a “Pre-Payment Amount”. The Pre-Payment Amount will be a pre-payment of billing fees. Once the billing service commences the Biller’s regular billing fees will be paid by an off-set by the Company against the Pre-Payment Amount until the Pre-Payment Amount has been reduced to zero.

Witnesses: K. Lakatos-Hayward
S. McGill

EGD Requests for Biller Information

40. The Company has introduced two changes to the OBA Agreement concerning its right to require the Biller to provide information in support of charges that the Biller has requested the Company to bill on its behalf. The first is a requirement for the Biller to provide such information in the event the Company determines that an audit is required to verify the Biller's compliance with the OBA , the second is an acknowledgement by the Biller that the Company is entitled to contact and communicate with the customers and former customers concerned with the issue under investigation or being audited.

Non-Recourse Against the Biller

41. The Company has modified the OBA Agreement to allow it to recover Biller charges from the Biller that are uncollectible from the customer after sixty (60) days in circumstances where the Biller is either unable, or unwilling to provide evidence to the Company that it has conducted a credit check for the customer in question prior to submission of the charges to the Company for billing and that the credit check met the Minimum Credit Rating as set out in the OBA Agreement.

Changes to Billing Services

42. Under the 2009 form of OBA Agreement, once a charge for a particular customer service had been set-up by the Company for billing there was no contractual means by which the Company could stop the billing of such charges regardless of the nature or appropriateness of such charges if the related customer service was being offered by any Biller to any of its customers. EGD has amended the OBA Agreement to enable it to discontinue the billing of charges applicable to a customer service upon six months prior notice from the Company to the affected Biller(s).

Disputes between Customer and Biller

43. The current form of OBA Agreement allows the Company to remove Biller charges disputed by a customer from the customer's EGD bill and deduct the related dollar amounts from future remittances to be made by the Company to the Biller in the event that the Company has not received notice of the resolution of the dispute within sixty (60) days of the day the dispute was lodged by the customer (shorter periods of time may apply pursuant to provisions of the Ontario Consumer Protection Act). The normal timeframe for Biller / customer dispute resolution has been reduced to forty-five (45) days. Further, the OBA Agreement will be amended to allow the Company the option to remove disputed Biller charges from the customer's bill immediately upon receipt of notice of the dispute by the customer. Billing of the disputed charges to the customer may resume pending notice of the resolution of the dispute.

Disputes Between the Parties

44. The Company has revised OBA Agreement such that disputes between the parties are to be dealt with under the terms of that agreement as opposed to the Trust Agreement. The dispute resolution provisions of both agreements are essentially the same. This change is being introduced as a matter of administrative simplification.

Term and Termination

45. Section 8.1 of the OBA Agreement has been amended to remove the automatic roll-over provision. As of January 1, 2013 all OBA Agreements will be for a defined term without any provision for an automated default roll-over, renewal, or extension. OBA Agreements can however be terminated at an earlier date through the application of other terms and conditions of the OBA Agreement. It is the

Company's intention to offer the Open Bill service subject to the revised OBA Agreement for a one year term to commencing from January 2013.

Events of Default

46. Over the past twelve months the Company has had to address numerous serial or systemic default and cure situations. In these circumstances the Company becomes aware of a default on the part of a Biller and provides proper notice of the default. The Biller in turn implements a cure specific to the situation described in the notice of default. After a short time there is a recurrence of the same or similar default on the part of the Biller that again is cured within the required time for that specific instance of default. The result being that the inappropriate activities conducted by the Biller continue giving rise to further customer complaints disputes and default occurrences, all of which negatively impact the Company and many of its Customers.

47. To remedy this situation the Company has introduced language to clarify the duration of cure periods when such periods of time are dictated by the Ontario Consumer Protection Act and added an additional cause of default to the OBA Agreement. Under this new provision the Biller will be in default of the OBA Agreement in the event that the Biller fails to perform or observe its obligations set out in the agreement on three (3) or more occasions within any twelve (12) month period, regardless of whether any of such failures have been remedied. Examples of where the Biller could be in default under this provision include not adhering to their obligations regarding any of the following;

- name restrictions,
- no customer service agreement in place,
- failure to provide financial assurances,

- failure to comply with applicable laws,
- failure to comply with privacy obligations,
- failure to provide customers with Biller contact information,
- failure to assurance minimum customer credit ratings,
- Customer agreement does not comply with the Ontario Consumer Protection Act,
- Biller has not clearly identified charges in Customer agreement,
- Biller cannot demonstrate good title to Distribution Entitlements,
- Customer agreements require payment (no right of set-off etc.), and
- Biller fails to meet tax obligations.

48. Language has also been added to the OBA Agreement to clarify that a Biller will be in default of the Agreement if they fail to perform or observe their obligations concerning EGD name restrictions, or the validity of their customer service agreements.

49. Lastly, a Biller will also be in default of the OBA Agreement in the event that the Biller enters into an undertaking of voluntary compliance pursuant to, or a compliance order is issued against or in respect of the Biller or the Biller is the subject of any other order made under, the Ontario Consumer Protection Act.

Additional Rights of the Company on the Event of Default

50. The current OBA Agreement was designed to allow EGD to implement certain mitigating actions in the event of a Biller default under the agreement such as suspension of the Billing Services, suspension of the addition of any new customers for which billing services have been requested. These actions were subject to the consent of the Biller. The Company has revised the OBA Agreement

such that the imposition of such limitations will be at the sole discretion of the Company.

Force Majeure

51. The Company has added a Force Majure clause to the agreement to provide the Company with relief in the event of a disruption of open bill service due the occurrence of extraordinary events or circumstances beyond the control of the Company.

Revisions to Open Bill Service Fees

52. The Company does not seek any further changes to Open Bill fees for 2013 beyond those described in its original evidence in this proceeding, D1, Tab 9, Schedule 1. However, the Company continues to examine the financial performance of the program and expects that it will bring forward a revised pricing proposal for 2014 designed to improve the financial performance of the program for the Company and increase the likelihood of improved program benefits for ratepayers.

Witnesses: K. Lakatos-Hayward
S. McGill

June 4, 2012

ENBRIDGE GAS DISTRIBUTION INC.

- and -

[OPEN BILL PARTICIPANT]

OPEN BILL ACCESS BILLING AND COLLECTION SERVICES AGREEMENT

ver. 3.0

OPEN BILL ACCESS
BILLING AND COLLECTION SERVICES AGREEMENT

THIS AGREEMENT made as of the ● day of ●, 20●●

B E T W E E N :

ENBRIDGE GAS DISTRIBUTION INC.,
an Ontario corporation

(the "**Company**")

- and -

●,

a ● **[corporation]**

(the "**Biller**")

BACKGROUND:

A. The Biller is engaged in the business of providing the Customer Services to the Customers.

B. Each Customer has entered into a Customer Services Agreement whereby such Customer has agreed, among other things, (1) to pay certain stipulated amounts in respect of the Customer Services provided to such Customer under the Customer Services Agreement; and (2) to allow the Biller to share information regarding such Customer with the Company.

C. The Biller desires to engage the Company to provide the Billing Services, including the billing and collecting of amounts payable by each Customer pursuant to the Customer Services Agreements.

D. The Customer Services are in compliance with the requirements set out in the Open Bill Manual and therefore the Company has agreed to provide the Billing Services to the Biller.

E. The Biller and the Company are parties to the Trust Agreement.

NOW THEREFORE IN CONSIDERATION of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

[*Remainder of page intentionally left blank*.]

ARTICLE I– INTERPRETATION

1.1 Definitions

In this Agreement,

"**Actual Billed Amount**" means the aggregate amount actually billed by the Company to Customers in respect of (a) Customer Services provided to the Customers, or (b) Customer Directed Payments, plus applicable Taxes thereon, as specified in the Service Bill rendered on the relevant Business Day, provided however, for certainty, in no event will an amount specified on a Service Bill that is a re-issuance of a previously billed Actual Billed Amount (for example, the re-issuance to a Customer of a Service Bill for Customer Services following a reversal of a previously issued Service Bill for those same Customer Services and, for further example, the issuance of a Service Bill to a Customer that is about to be "red-locked" by the Company for purposes of aggregating amounts that were specified on previously issued Service Bills for the same Customer Services but for which payment had not been made by the Customer) constitute an Actual Billed Amount for purposes hereof and the Trust Agreement, provided, further, that if and to the extent any amount that does not constitute an Actual Billed Amount by virtue of the foregoing proviso is included as a Deemed Proceed hereunder or under the Trust Agreement, and some or all of such amount is subsequently billed on a Service Bill, the amount on such subsequent Service Bill shall constitute an Actual Billed Amount notwithstanding the foregoing proviso;

"**Adjusted Settlement**" has the meaning given to such term in Section 4.4;

"**Agreement**", "**hereto**", "**hereunder**", "**hereby**" and similar expressions refer to this Agreement, the Appendices attached hereto and any other documents attached hereto or incorporated herein by reference, each as amended from time to time in accordance with this Agreement, and do not refer to any particular article, section, paragraph or other portion hereof;

"**Annual Forecast**" has the meaning given to such term in Section 2.5;

"**Applicable Laws**" means any and all applicable federal, provincial and municipal laws, statutes, by-laws, rules, regulations, orders and ordinances together with all codes, guidelines, policies, notices, directions, directives and standards of any Governmental Authority which are legally binding, affecting the obligations of either of the Parties under this Agreement, from time to time;

"**Arbitration Notice**" has the meaning given to such term in Section 7.7.4;

"**At-Issue Amount**" has the meaning given to such term in Section 7.6.1(c)(i);

"**At-Issue Receivable**" has the meaning given to such term in Section 7.6.1(c)(i);

"**Beneficial Interest**" has the meaning given to such term in the Trust Agreement;

"**Biller Insurance Policies**" has the meaning given to such term in Section 9.4.1;

"**Biller Proceeds**" has the meaning given to such term in the Trust Agreement;

"**Biller Receivable**" has the meaning given to such term in the Trust Agreement;

"**Biller Records**" has the meaning given to such term in Section 4.10;

"**Billing Fee**" has the meaning given to such term in *Appendix "B"*;

"**Billing Fee Adjustment**" has the meaning given to such term in *Appendix "B"*;

"**Billing Fee Invoice**" has the meaning given to such term in Section 4.6;

"**Billing Period**" in respect of a Customer means each consecutive period of approximately one month established by the Company for such Customer in accordance with the Company's customary billing procedures;

"**Billing Services**" means, collectively, the billing and collection services and associated customer care activities set out on *Appendix "A"*, as the same may be amended, revised, modified, supplemented or superseded by the Company from time to time in accordance with the terms of this Agreement;

"**Business Continuity Plan**" means one or more logistical plans which have been created and validated by an entity setting out how the relevant entity will recover and restore partially or completely interrupted operational functions within a predetermined time after the occurrence of a disaster or similar disruption, and which plan or plans form part of the entity's risk management practices;

"**Business Day**" means a day other than a Saturday, Sunday or statutory or civic holiday in the City of Toronto;

"**Company Insurance Policies**" has the meaning given to such term in Section 9.4.2;

"**Company Records**" has the meaning given to such term in Section 4.9;

"**Confidential Information**" means all information concerning the business, operations or assets of a Party which a Party regards as confidential and proprietary and desires to protect from unauthorized disclosure or use, whether orally transmitted or written (including information in machine readable form), that is disclosed or made available by one Party (the "**Owning Party**") to the other (the "**Receiving Party**") in connection with the Purpose, but for certainty, does not include any information:

(a) that, at the time of disclosure, is in or, after disclosure, becomes part of the public domain, other than by the breach of this Agreement;

(b) that, prior to disclosure by the Owning Party, was already in the lawful possession of the Receiving Party without any obligation of confidentiality, as evidenced by written records kept by the Receiving Party in the ordinary course of its business, or as evidenced by proof of actual prior use by the Receiving Party;

(c) independently developed by the Receiving Party, by persons having no direct or indirect access to the Owning Party's Confidential Information provided that the Receiving Party shall have the burden of so proving on a reasonable basis; or

(d) which, subsequent to disclosure, is obtained from a third party: (i) who is lawfully in possession of the Confidential Information; (ii) who is not, to the best of the knowledge and belief of the Receiving Party, in violation of any contractual, legal, or fiduciary obligation to either Party, as applicable with respect to that Confidential Information; and (iii) who does not prohibit the Receiving Party from disclosing the Confidential Information to others;

"**Consumer Protection Act**" means the *Consumer Protection Act, 2002*, S.O. 2002, c. 30 and the Regulations thereto, as the same may be amended or replaced from time to time;

"**Corrective Costs**" has the meaning given to such term in *Appendix "B";*

"**Customer**" means an active customer of the Biller receiving Customer Services at a Service Address, and which customer has not had its gas distribution service terminated for non-payment on more than one previous occasion;

"**Customer Billing Dispute**" has the meaning given to such term in Section 7.6.1;

"**Customer Data**" has the meaning given to such term in Section 3.4(a);

"**Customer Directed Payment**" means any payment made by a Customer for which the Biller has received written or recorded instructions from such Customer that such payment is in respect of an amount outstanding pursuant to such Customer's Financing Plan with the Biller;

"**Customer Services**" means any one or more of the products and/or services for which there is a corresponding 'Bill Type Code' in the Open Bill Manual, as the same may be amended in accordance with this Agreement from time to time, provided by the Biller to Customers within the Company's gas distribution franchise area in accordance with the terms of a Customer Services Agreement;

"**Customer Services Agreement**" means an agreement between a Customer and the Biller with respect to the provision of Customer Services;

"**Cycle Day**" means a billing cycle day of the Company;

"**Deemed Proceeds**" has the meaning given to such term in the Trust Agreement;

"**Dispute Notice**" has the meaning given to such term in Section 7.7.2;

"**Distribution Charges**" means all charges of the Company in respect of gas, gas distribution services or related items provided by, or on behalf of, the Company to a Customer from time to time;

"**Distribution Entitlement**" means all of the Beneficial Interest of the Biller relating to the Biller Receivables billed on a particular Business Day;

"**EGD Receivable**" has the meaning given to such term in the Trust Agreement;

"**Event of Default**" has the meaning given to such term in Section 8.6;

"**Financial Assurances**" has the meaning given to such term in Section 9.1;

"**Financing Plan**" means an arrangement evidenced by an agreement between the Biller and a Customer pursuant to which the Biller has agreed, *inter alia*, to finance such Customer's acquisition of one or more of the Customer Services and which agreement has been entered into in accordance with, and which complies with, the *Consumer Protection Act*;

"**Governmental Authority**" means any government, regulatory body or authority, agency, governmental department, board, commission, tribunal, court or other law, rule, or regulation making authority having jurisdiction or control on behalf of Canada or any provincial, regional or local governmental, or other subdivision thereof;

"**GST/HST"** means the taxes (including goods and services tax and harmonized sales tax) imposed under Part IX of the *Excise Tax Act* (Canada);

"**Liens**" has the meaning given to such term in the Trust Agreement;

"**Material Variation**" has the meaning given to such term in Section 2.5.2;

"**Minimum Credit Rating**" for a potential Customer or Customer means a rating of [550] or above based on the BEACON scoring system maintained by Equifax Canada Inc., or a rating of [550] or above based on the Empirica scoring system maintained by TransUnion Canada Inc.;

"**Monthly Statement**" has the meaning given to such term in Section 4.5;

"**Notice**" has the meaning given to such term in Section 11.1;

"**OEB**" means the Ontario Energy Board, or any successor regulatory authority;

"**Open Bill Manual**" means the manual of rules, technical specifications and requirements, policies and procedures established by the Company and applicable to the Biller and every other Person desiring to avail themselves of any of the Billing Services, and which manual is currently titled "CIS Open Bill Access Biller User Manual", as the same may be amended, revised, modified, supplemented or superseded by the Company from time to time in accordance with the terms of this Agreement;

"**Owning Party**" has the meaning given to such term in the definition of "Confidential Information" in Section 1.1;

"**Party**" means the Company or the Biller, and "**Parties**" means both of them;

"**Payment Date**" has the meaning given to such term in Section 4.2.1;

"**Permitted Liens**" has the meaning given to such term in the Trust Agreement;

"**Pre-Payment Amount**" has the meaning given to such term in *Appendix "B";*

"**Person**" includes an individual, sole proprietorship, partnership, unincorporated association or organization, trust and a body corporate;

"**Purpose**" has the meaning given to such term in Section 10.1.1;

"**Receiving Party**" has the meaning given to such term in the definition of "Confidential Information" in Section 1.1;

"**Reconciliation**" has the meaning given to such term in Section 4.4;

"**Regulatory Approval**" means the approval, consent or agreement of a Governmental Authority, to the extent required under Applicable Laws;

"**Regulatory Proceedings**" has the meaning given to such term in Section 10.2.1;

"**Related Calculation Day**" has the meaning given to such term in the Trust Agreement;

"**Renewal Term**" means any renewal term of the Agreement agreed upon by the Parties;

"**Representatives**" has the meaning given to such term in Section 10.1.3(a);

"**Retained Confidential Information**" has the meaning given to such term in Section 10.2.1;

"**Scheduled Payment Amount**" has the meaning given to such term in the Trust Agreement, provided that, for purposes hereof, it shall not include any Unpaid Amounts (as defined in the Trust Agreement);

"**Scheduled Settlement**" has the meaning given to such term in *Appendix "B"*;

"**Service Address**" means an address located within the Company's franchise area at which the Biller provides Customer Services;

"**Service Bill**" means the bill that is sent to the Customer by the Company each Billing Period which shall include, among other things, the charges for the Customer Services, and, where applicable, Distribution Charges;

"**Service Levels**" means the service levels set forth on *Appendix "C"*;

"**Services Dispute**" has the meaning given to such term in Section 7.7.1;

"**Settlement Amount**" has the meaning given to such term in Section 4.2.1;

"**Standard Transition Plan**" means the transition plan set out in *Appendix "G"*;

"**Tax**" or "**Taxes**" means all taxes, assessments, charges, dues, duties, and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any Applicable Laws, including, Canadian federal, provincial, territorial, municipal and local, foreign or other income, capital, capital gains, sales, use, consumption, excise, value-added, GST/HST, business, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, customs, import, anti-dumping or countervailing duties, Canada Pension Plan contributions, employment insurance premiums, and provincial workers' compensation payments, including any interest, penalties and fines associated therewith, and excluding the Company's income taxes or employment insurance, statutory or other taxes for the benefit of the Company;

"**Term**" has the meaning given to such term in Section 8.1;

"**Termination Transition**" has the meaning given to such term in Section 8.9.1(a);

"**Third Party Open Bill Agreement**" has the meaning given to such term in Section 6.4;

"**Third Party Provider**" has the meaning given to such term in Section 8.9.1(a);

"**Transition Notice Period**" has the meaning given to such term in Section 8.9.1(a);

"**Transition Plan**" has the meaning given to such term in Section 8.9.1(b);

"Trust Agreement" means the Amended and Restated Proceeds Transfer, Servicing and Trust Agreement entered into among the Company, BNY Trust Company of Canada (assignee of CIBC Mellon Trust Company), the Biller and the other parties set forth on Schedule "F" thereto effective as of February 4, 2010, as the same may be amended, modified or replaced from time to time;

"**Trustee**" has the meaning given to such term in the Trust Agreement; and

"**Trust Property**" has the meaning given to such term in the Trust Agreement.

1.2 Rules of Interpretation

In this Agreement the following rules shall apply to the interpretation thereof:

(a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders;

(b) the words "include", "includes" and "including" and other similar words and expressions shall in all cases be deemed to be followed by the words "without limitation";

(c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute thereto, unless otherwise expressly provided;

(d) when calculating the period of time within which or following which any act is to be done or step taken, the date which is the reference day in calculating such period shall be excluded;

(e) unless otherwise specifically noted herein, all dollar amounts are expressed in Canadian currency;

(f) the division of this Agreement into separate Articles, Sections, subsections and Schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement; and

(g) except as otherwise specifically defined or provided for in this Agreement, words or abbreviations which have well known or trade meanings are used in accordance with their recognized meanings.

[*Remainder of page intentionally left blank*.]

1.3 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in Ontario. For the purpose of any legal actions or proceedings brought by either Party in respect of this Agreement, each Party irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario.

1.4 Entire Agreement

This Agreement and all appendices, exhibits, attachments, and addenda contemplated herein or specifically referred to herein constitute the entire agreement among the Parties pertaining to all the matters herein, and supersede all prior agreements, understandings, negotiations, discussions and other communications, whether oral or written, of the Parties.

1.5 Severability

If any provision of this Agreement or portion thereof or the application thereof to any Person or circumstance shall to any extent be invalid or unenforceable or contravene any Applicable Laws, then (a) the remainder of this Agreement or the application of such provision or portion thereof to any other Party or circumstance shall not be affected thereby, and (b) the Parties will negotiate in good faith to amend this Agreement to implement the intentions set forth herein. Each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

1.6 Order of Priority

In the event of any inconsistency between any of the provisions of the main terms and conditions of this Agreement and the Appendices and the Open Bill Manual, the inconsistency will be resolved by reference to the following descending order of priority:

(a) the terms and conditions of this Agreement (excluding the Appendices); then

(b) the Appendices; and

(c) the Open Bill Manual.

1.7 Ontario Energy Board Act

The Parties acknowledge that this Agreement shall be subject to any rule or order applicable to the Company or the Biller enacted by the OEB pursuant to the *Ontario Energy Board Act*, S.O. 1998, c.15, Schedule B., s.44.

ARTICLE II– BASIC AGREEMENT

2.1 Billing Services

The Company shall perform for the benefit of the Biller the Billing Services in accordance with this Agreement and all Applicable Laws.

[*Remainder of page intentionally left blank*.]

2.2 Transfer of Distribution Entitlements

In the manner and to the extent provided for herein, the Company hereby agrees to purchase the Biller's Distribution Entitlement from the Biller and to pay to the Biller the Settlement Amount in consideration thereof and upon, and subject to, receipt thereof, and on the terms and subject to the conditions contained herein, the Biller hereby agrees to transfer to the Company its Distribution Entitlement for each Business Day.

2.3 No Liabilities to Customers

The Biller acknowledges and agrees that in agreeing to purchase the Distribution Entitlements in the manner contemplated by this Agreement, the Company does not, will not and shall not be deemed to, assume any liabilities or other obligations of the Biller or any other Person to any of the Customers under any Customer Services Agreement.

2.4 Expenses

Except as specifically provided otherwise herein, the Company shall bear and pay all expenses incurred by it in the performance of the Billing Services. The Company shall bear no responsibility for expenses which may be incurred as a direct result of the failure of the Biller to fulfill any of its obligations under this Agreement, and the Company shall incur no costs or expenses as a result of, or in connection with, a Customer Billing Dispute, except in the manner and to the extent specifically provided for herein.

2.5 Forecast of Services

2.5.1 Subject to Subsection 2.5.4, the Biller shall provide to the Company, by no later than June 30 and December 31 in each year, a forecast of the number of Service Bills to be sent to the Customers by the Company, on a month-by-month basis, for the next following 12-month period (the "**Annual Forecast**").

2.5.2 The Biller shall notify the Company, as promptly as is reasonable in the circumstances, of any expected or anticipated variance in a particular month (or months) of 20% or more (a "**Material Variation**") from the volumes set out in the then most current Annual Forecast provided to the Company. In the event of a negative Material Variation for a particular month (or months), and notwithstanding any reduced volume of Service Bills distributed by the Company as a result of such negative Material Variation, the Biller shall be liable to pay to the Company, on the terms herein specified, 80% of the charges that would have been payable by it to the Company for the relevant month(s) had such Annual Forecast been accurate, and the volume of Service Bills contemplated by such Annual Forecast been circulated. In the event of a positive Material Variation, the Company shall use commercially reasonable efforts to accommodate such increased volume of Service Bills, provided that such accommodations shall in no manner require, or be interpreted so as to require, the Company to alter or revise its regular billing cycle.

2.5.3 The initial Annual Forecast of the Biller, if applicable, as of the date of execution of this Agreement is set forth on *Appendix "E"*.

2.5.4 The requirement in Section 2.5.1 to provide an Annual Forecast shall not apply to any Biller if the total number of Service Bills for which the Company provided Billing Services in the six completed Billing Periods prior to, but not including, the date referred to in that Section, was less than thirty thousand (30,000). On the execution of this Agreement, a Biller who anticipates that its annual Service Bills in the first year will not exceed sixty thousand (60,000) is not required to prepare an initial Annual Forecast. For certainty, Section 2.5.2 will apply to a Biller only during a period to which a required Annual Forecast applies.

2.6 Obligations of the Biller

In addition to and without limiting any of its obligations set forth elsewhere in this Agreement, the Biller hereby covenants and agrees that it shall:

(a) comply with all of the obligations and requirements of a Biller set out in this Agreement and the Open Bill Manual, and without limitation provide to the Company billing information for each Customer in accordance with the content, format and timing requirements set forth in the Open Bill Manual;

(b) comply with the Company name restrictions set forth in Appendix F – 'Company Name Restrictions' of the Open Bill Manual;

(c) ensure that (i) there is in place at all times a Customer Service Agreement with each Customer to whom the Biller provides any Customer Services or in respect of whom the Biller requests that the Company provide any Billing Services, and (ii) such Customer Service Agreement is, and has been entered into, in compliance with all Applicable Laws, including the Consumer Protection Act, and (iii) it delivers a copy of such Customer Service Agreement to the Customer as required by Applicable Laws, including the *Consumer Protection Act*;

(d) use commercially reasonable efforts to avoid being in default, and to not knowingly remain in default, under any Customer Services Agreement;

(e) provide to the Company the Financial Assurances, if any, in accordance with Article IX hereof;

(f) act in compliance with all Applicable Laws;

(g) comply with its privacy obligations under the *Personal Information Protection and Electronic Documents Act* (Canada) and under any and all equivalent and applicable provincial legislation;

(h) notify each Customer that (i) the charges for Customer Services under the Customer Services Agreements shall appear on the Service Bill, and (ii) the Company shall be receiving payments in respect of such charges in accordance with the terms set forth on the Service Bill and in accordance with Applicable Laws, including amounts owing in respect of Customer Services;

(i) ensure each Customer is provided current and accurate Biller contact information including: a telephone number and address for service, a fax number and an email address and/or internet website address through which Customer queries can be directed, and, ensure that such methods of communication are capable of receiving Customer queries during regular hours on each Business Day, and, promptly respond to all such queries made by Customers;

(j) perform the Customer Services in accordance with good customer service practices reflected by current market standards; provided that this covenant of the Biller shall not create a separate obligation of the Biller to the Company in respect of the performance of the Customer Services, and where there is a Customer Billing Dispute pursuant to which the Customer has stated that the Biller's breach of this covenant is the subject of all or a part of that Customer Billing Dispute, then the Company may rely on this covenant solely for purposes of Section 7.6;

(k) use commercially reasonable efforts to facilitate the transactions contemplated by this Agreement, including by supplying the Company with all information and assistance that may be necessary or helpful to the Company in verifying the accuracy of any Customer account information or in correcting any errors; and

(l) ensure that each Customer has a credit rating at or above the Minimum Credit Rating where: (i) such Customer has a Financing Plan; or (ii) an existing Customer's aggregate charges for Customer Services over any twelve (12) month period (whether or not pursuant to a Financing Plan) on a Service Bill are in excess of one thousand eight hundred dollars ($1,800.00), unless otherwise agreed by the Company in its sole discretion.

2.7 Obligations of the Company

2.7.1 General Obligations – In addition to and without limiting any of its obligations set forth elsewhere in this Agreement, the Company hereby covenants and agrees that it shall:

(a) act in compliance with Applicable Laws;

(b) comply with its privacy obligations under the *Personal Information Protection and Electronic Documents Act* (Canada) and under any and all equivalent and applicable provincial legislation;

(c) perform the Billing Services in accordance with this Agreement;

(d) pay to the Biller, in accordance with the terms of this Agreement, the Settlement Amount; and

(e) use commercially reasonable efforts to facilitate the transactions contemplated by this Agreement.

2.7.2 Service Levels – In addition to and without limiting any of its obligations set forth elsewhere in this Agreement, the Company shall perform the Billing Services in accordance with the Service Levels. The Company shall report on its performance and the provision of the Billing Services in accordance with the requirements set out in *Appendix "C"*. If the Company fails to perform any of the Billing Services in accordance with an applicable Service Level, as disclosed in any such report, then the Company shall perform an analysis to identify the cause of such failure and shall take reasonable steps to correct such failure and to comply with the relevant Service Level thereafter.

2.7.3 Subcontractors – The Biller acknowledges and agrees that the Company may subcontract the performance of all or a portion of the Billing Services to a third party subcontractor, or subcontractors. Notwithstanding the Company's use of any subcontractor, the Company shall retain responsibility for performing the Billing Services and for carrying out its obligations under this Agreement.

2.8 Business Continuity Plans

The Biller shall have the right, at its own cost and upon reasonable prior notice to the Company during the usual business hours of the Company and, in any event, no more than once per twelve (12) month period during the Term, to review at the Company's premises a copy of the Company's then current Business Continuity Plan relating to the delivery of the Billing Services, provided that: (A) the Biller shall be bound by obligations of confidentiality in respect of such plan(s), and that such plan(s) shall not be copied, reproduced or summarized in any form, or stored in a retrieval system or database, by the Biller without the prior written consent of the Company; and (B) the Company may redact such part or parts of such Business Continuity Plan as it considers necessary or advisable, in its sole discretion, in order to protect the security or confidentiality thereof. The Company shall thereafter provide to the Biller details of any material change in its then current Business Continuity Plan relating to the delivery of the Billing Services which may occur during the Term. For certainty, the Company shall ensure that every third-party service provider providing a material component of the Billing Services shall have in place a business continuity plan, and the Company shall so notify the Biller of the existence of each such plan.

ARTICLE III- BILLING

3.1 Timing

Prior to the delivery of any Service Bill to a Customer, the Biller shall provide to the Company billing information for such Customer in accordance with the content, format and timing requirements set forth in the Open Bill Manual. The Company will then render a Service Bill for each Cycle Day in accordance with the Company's regular Cycle Day billing schedule in effect from time to time to those Customers for which the Biller has provided such requisite information.

3.2 Service Bill Content and Format

The Company shall format the Service Bill so as to present the content of the Biller portion of the Service Bill in a manner consistent with the terms of this Agreement and the Open Bill Manual.

3.3 License to Use Intellectual Property

3.3.1 The Biller hereby grants to the Company during the Term a royalty-free, limited, non-exclusive license to use the Biller's intellectual property set out in *Appendix "F"* hereto, on the terms set out therein.

3.3.2 The Biller acknowledges that, in connection with the performance by the Company of Billing Services, and in particular the provision to the Company by the Biller of billing information for each Customer, the Biller at its option may utilize certain software provided by the Company, from time to time, and any such use of same by the Biller shall constitute the Biller's acceptance of, and agreement to strictly comply with, the license terms, use restrictions and limitations set forth in Appendix H – 'Terms of Use for the OBA Transaction Tool' of the Open Bill Manual. The Biller's use or non-use of such software shall not alter either the Biller's or the Company's obligations under this Agreement. However, the Biller acknowledges that the Company's ability to deliver Billing Services is dependent upon the Biller's delivery of transaction interface files which meet the technical specifications described in the Open Bill Manual.

3.4 Customer Information

The Company shall:

(a) not use any Customer proprietary or personal information and/or data provided by the Biller that it obtains solely as a result of the provision of Billing Services (the "**Customer Data**") other than as contemplated by, and as necessary to fulfill its obligations under, this Agreement;

(b) not disclose any Customer Data other than (i) any disclosure that is authorized by the Biller, (ii) as required by Applicable Laws, (iii) to the extent reasonably necessary to collect in respect of Distribution Entitlements which have been transferred to the Company hereunder, or (iv) to any third party sub-contracted by the Company to assist in provision of the Billing Services;

(c) refer any Customers with inquiries or complaints about, or seeking access to or correction of, their personal information to the Biller and promptly notify the Biller about such complaint or request upon receiving same; and

(d) use reasonable security measures to protect the Customer Data against loss, theft, unauthorized access, disclosure, copying, use or modification.

For certainty, nothing in this Agreement shall preclude the Company from utilizing, for any purpose, in accordance with Applicable Laws, any Customer information acquired by the Company in association with or as a result of its provision of services to its customers.

3.5 Software and Proprietary Know-How

Except for Customer Data supplied by the Biller to the Company pursuant to this Article III, or as otherwise provided herein or agreed upon by the Parties, the Company acknowledges and agrees that it is responsible for developing or acquiring (by purchase or license) at its cost, all software and proprietary know-how which may be required to provide the Billing Services in the manner and to the extent set out in this Agreement. For certainty, the Company's obligation hereunder shall commence at the Company's demarcation point, being the interface at which the Customer billing information to be provided by the Biller in accordance with Section 3.1 enters the Company's customer information system.

ARTICLE IV- COLLECTION AND SETTLEMENT

4.1 Collection of Amounts from Customers

The Company shall render a Service Bill to each Customer, which Service Bill shall be prepared, delivered and payable in compliance with this Agreement, the Open Bill Manual and the Company's customary billing procedures. The Service Bill may be comprised of charges for Customer Services, Distribution Charges and any other amounts payable by the Customer to the Company or any other party with which the Company has an agreement therefor. Each Customer shall be required by the Company to pay the aggregate amount shown as payable (including all Taxes thereon) in each Service Bill in accordance with the payment terms set out therein.

4.2 Acquisition of Distribution Entitlements

4.2.1 Subject to and in accordance with the other terms and conditions of this Agreement, the Company shall acquire the Distribution Entitlements of the Biller in respect of each Business Day on which a Service Bill is rendered during the Term. To this end, the Company shall acquire the Distribution Entitlement of the Biller in respect of a particular Related Calculation Day by paying to the Biller, on or before 9:00 a.m. (Toronto time) on the twenty-first (21^{st}) day immediately following such Related Calculation Day (the "**Payment Date**") the Settlement Amount for such Related Calculation Day, all in accordance with the Trust Agreement. The '**Settlement Amount**' shall be an amount equal to: (a) the Actual Billed Amount for such Related Calculation Day, multiplied by (b) the Scheduled Settlement, as adjusted in accordance with the terms of this Agreement.

4.2.2 Upon, and subject to, the Biller's receipt of the Settlement Amount, the Biller shall immediately thereafter transfer to the Company all of its Beneficial Interest relating to the Biller Receivables billed on such Related Calculation Day. In order to effect the transfer of such Beneficial Interest to the Company from a Biller, the Company shall, unless the Company has received from a Biller no later than the close of business on the Business Day immediately following the relevant Payment Date a statutory declaration delivered pursuant to Section 4.5(b) of the Trust Agreement, concurrently and irrevocably re-direct the Trustee to pay any Scheduled Payment Amount otherwise payable to the Biller in respect of its Beneficial Interest for the relevant Related Calculation Day to the Company on or before the close of business on the relevant Payment Date. In the event of delivery of such a statutory declaration, the provisions of the Trust Agreement shall apply to the payment of the applicable Scheduled Payment Amount. Notwithstanding the foregoing, if the Payment Date is not a Business Day, payment shall be made on the first Business Day next following such day.

[*Remainder of page intentionally left blank*.]

4.3 Billing Fee

Amounts payable by the Biller to the Company pursuant to, and in accordance with, this Agreement include, without limitation, the following:

(a) for Billing Services rendered by the Company to the Biller hereunder, the Billing Fee;

(b) the Pre-Payment Amount, which will be payable by the Biller to the Company contemporaneously with the entering into of this Agreement, and the Company shall setoff all Billing Fees invoiced to the Biller hereunder against such Pre-Payment Amount until the Pre-Payment amount has been reduced to zero; and

(c) Corrective Costs.

The Billing Fee may be amended from time to time in the manner contemplated in this Agreement.

4.4 Monthly Reconciliation

On or before the fifth (5^{th}) Cycle Day of each Billing Period, the Company shall perform a reconciliation of the Actual Billed Amounts for the immediately preceding Billing Period (a "**Reconciliation**"), taking into account any adjustments required as a result of (i) any At-Issue Amounts for which the Company has not previously taken into account an adjustment pursuant to this Section 4.4 and (ii) any Deemed Proceeds that are allocated to the Biller Receivables of the Biller during such Billing Period. To the extent the Reconciliation indicates that the aggregate Settlement Amount paid to the Biller during the Billing Period is greater than the Adjusted Settlement (as defined below) for such Billing Period, the Company shall be entitled to deduct or net out such overpayment from the Settlement Amount otherwise to be paid to the Biller in accordance with this Agreement. For purposes of this Section 4.4, "**Adjusted Settlement**" shall be an amount equal to the aggregate Settlement Amount for the relevant Billing Period adjusted, where applicable (without duplication) (i) in accordance with Section 7.6.1(c)(i) hereof to account for any At-Issue Amount (ii) to account for any Deemed Proceeds allocated to the Biller Receivables of the Biller during such Billing Period (iii) to account for any amounts owing by the Biller pursuant to Section 4.6 hereof.

4.5 Monthly Statements

On or before the sixth (6^{th}) Cycle Day of each Billing Period, the Company shall issue to the Biller a statement (the "**Monthly Statement**") for the immediately preceding Billing Period which sets forth any amounts owed to the Company by the Biller resulting from the Reconciliation, which amounts shall, on the third (3^{rd}) Business Day following the date of the Monthly Statement, be set-off against the Settlement Amount to be paid by the Company to the Biller on such Business Day. In the event that the amount to be set-off pursuant to the preceding sentence is greater than the Settlement Amount to be paid on such Business Day, the Company shall set-off any such residual amount against the Settlement Amount to be paid by the Company to the Biller on the Business Day immediately following, and so on, until all such amounts owed to the Company by the Biller as a result of such Reconciliation are recovered. For certainty, the Monthly Statement shall also include the basis of calculation of any At-Issue Amount and any Adjusted Settlement.

4.6 Billing Fee Invoices

On or before the sixth (6^{th}) Cycle Day of each Billing Period, the Company shall issue to the Biller an invoice (the "**Billing Fee Invoice**") which sets forth any amounts owed to the Company by the Biller in respect of the Billing Fees or any other charges payable by the Biller pursuant to this Agreement, together with all Taxes payable by the Biller thereon, or otherwise payable by the Biller pursuant to Section 5.1, for the immediately preceding Billing Period. For certainty, the Billing Fee Invoice shall include details of the basis of calculation of the Billing Fee including (a) the number of Service Bills that included Distribution Charges delivered in the relevant month, and (b) the number of Service Bills that did not include Distribution Charges delivered in such month. Any Billing Fees, Corrective Costs and any other charges payable by the Biller pursuant to this Agreement, together with Taxes payable by the Biller thereon, as set forth on any Billing Fee Invoice that are not paid by the Biller within thirty (30) days of the date of such invoice may be set-off against the Settlement Amount otherwise to be paid by the Company to the Biller during the next following payment period.

4.7 Method of Payment

4.7.1 By Bank Transfer – Except as otherwise provided herein or agreed by the Parties, all payments made under this Agreement by the Company to the Biller or by the Biller to the Company shall be made by bank transfer (by electronic or other means) to an account designated from time to time by the Biller to the Company or the Company to the Biller, as applicable and, other than as expressly set forth herein, shall be made in full, without set-off or counterclaim, and free of and without deduction or withholding.

4.7.2 Optional Set-Off – Notwithstanding the provisions of Section 4.7.1, if the Biller provides to the Company: (A) a notice that the Company is to set-off payment of the Billing Fee Invoice against payment to the Biller of the Settlement Amount; and (B) such direction or authorization addressed to the Company and the Trustee; then the Company will take steps to effect such set-off as soon as is reasonably practicable, and any such set-off shall be considered to be an adjustment to the Settlement Amount otherwise required to be paid by the Company.

4.8 Management Reports

The Company shall provide the Biller with the management and operating reports regarding the performance of the Billing Services in the format and frequency set out in the Open Bill Manual. The Parties shall meet to discuss such reports on an as-required basis. The Biller may request additional reports and, if the Company agrees to prepare same, such reports shall be prepared at the expense of the Biller. Any additional reports which the Company, may, in its discretion, produce from time to time in connection with its provision of billing services generally may be provided to the Biller at no additional charge to the Biller.

4.9 Biller's Examination of Books and Records

Subject to Applicable Laws, the Biller shall have the right, at its own cost and upon reasonable prior notice to the Company during the usual business hours of the Company and, in any event, no more than twice per calendar year, to examine and review the books and records (in any form whatsoever) of the Company that relate solely to the delivery of Billing Services hereunder (the "**Company Records**") to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. For these purposes, the Biller shall have the right, at its own cost, to use such external advisers and representatives to perform such examination, provided that such advisers and representatives must first agree to be bound by a confidentiality agreement in respect of the Company Records, which agreement shall contain such terms as the Company may reasonably require. Such Company Records shall be maintained in accordance with the records retention policies of the Company from time to time in effect and in accordance with Canadian generally accepted accounting principles. Any Company Records provided by the Company shall not be copied, reproduced or summarized in any form, or stored in a retrieval system or database, by the Biller or its external advisers or representatives without the prior written consent of the Company.

4.10 Company's Request for Documentation

Subject to Applicable Laws, (A) if the Company determines, acting reasonably and in good faith, that the Biller has failed or may have failed to perform or observe any of the obligations referred to below in this Section 4.10, or (B) if there occurs a Customer Billing Dispute as contemplated in Section 7.6, or (C) if, at any time , the Company elects to audit or to verify that the Biller has complied with or is complying with any of its covenants, obligations, representations or warranties in Section 2.6 or Section 7.1, then the Company shall have the right to examine and review, and the Biller shall, within five (5) Business Days of a receipt of a request from the Company therefore, deliver to the Company, such evidence (the "**Biller Records**") as the Company considers necessary to verify the Biller's compliance with such covenants, obligations, representations or warranties. Such Biller Records shall be maintained by the Biller in accordance with commercially reasonable records retention policies of parties in similar circumstances. Any Biller Records provided by the Biller shall not be copied, reproduced or summarized in any form, or stored in a retrieval system or database, by the Company or its external advisors or representatives without the prior written consent of the Biller. In fulfillment of its rights under this Section 4.10, the Company shall also be entitled to contact and communicate with: (i) any Customer or former Customer with respect to any matter in issue between the Biller and such Customer or former Customer, or (ii) any person who has made a complaint to the Company, if such matter relates to the Customer Services, the Billing Services, the Biller’s covenants, obligations, representations or warranties under this Agreement, or is otherwise the subject of this Agreement.

4.11 Scheduled Cycle Days

The Company shall provide the Biller and Trustee with a copy of its scheduled Cycle Days for each fiscal year of the Company during the Term, prior to the commencement of such fiscal year. For certainty, the Company reserves the right in its sole discretion to amend any such schedule at any time and from time to time during the Term, provided that it will deliver an updated schedule to the Biller and the Trustee as soon as reasonably practicable but in any event prior to the effective date of any such amendment and provided it amends such schedule for all parties under contact with the Company for the provision of services similar to the Billing Services.

ARTICLE V– TAXES AND RECOURSE FOR NON-PAYMENT

5.1 Taxes and Other Charges

Any Taxes which may become payable on services provided and amounts invoiced pursuant to this Agreement shall be borne and paid by the Biller. The Company shall not make any refund or credit to the Biller of GST/HST in respect of any subsequent reductions to the Billing Fee. The

Biller shall be responsible to remit to the relevant Governmental Authority as and when required by Applicable Laws, any Taxes payable by Customers in respect of Customer Services including GST/HST. For certainty, in the absence of specific provisions providing to the contrary, the payor (be it the Company or the Biller) of any payment (including payments effected through set-off and/or discount) will pay, in addition to the payment, any applicable GST/HST imposed on the payor. If, as a result of an amendment or proposed amendment to applicable commodity tax legislation or a Governmental Authority's change in administrative practices regarding same, the sales tax implications of any of the payments under the Agreement are materially altered, the Parties will work together in good faith to restructure the billing and collection arrangements under this Agreement to optimize the sales tax consequences for both Parties.

5.2 Interest on Overdue Amounts

5.2.1 By Customers - Any amount owing pursuant to a Service Bill by a Customer that is not paid on or before the date on which it is due shall be subject to the Company's standard late payment provisions as approved by the OEB from time to time and as recited in the Service Bill. The Parties hereby acknowledge and agree that any amounts received by the Trustee from Customers in respect of interest or other penalty charges levied in accordance with such late payment provisions of the Company shall not comprise part of the Actual Billed Amount nor the Trust Property, but rather shall be the exclusive property of the Company to be distributed to the Company in accordance with the Trust Agreement.

5.2.2 By the Company or the Biller - Any amount to be paid by the Company to the Biller or to be paid by the Biller to the Company that is not paid on or before the date on which it is due shall thereafter bear interest at an annual rate equal to the prime rate of interest of the Toronto Dominion Bank (Toronto, Main Branch) on the due date plus one per cent (1%), from the date on which it is due until payment in full. For certainty, the Company agrees that no interest shall accrue where the Company fails to set-off against the Settlement Amount (in the manner contemplated in this Agreement) any amounts owing to the Company by the Biller under this Agreement.

5.3 Non-Recourse Against the Biller

The Company acknowledges that its recourse with respect to the payment of any amounts by a Customer pursuant to a Service Bill shall, except as specifically contemplated in this Section 5.3, be limited to it or the Trustee making and enforcing a claim against the Customer. Subject to the Trust Agreement, Section 7.6 hereof and the following sentence, the Company shall have no recourse against the Biller with respect to the payment of any amounts by a Customer pursuant to a Service Bill. If the Biller, upon receipt of a request from the Company therefore, is unable or unwilling to provide to the Company satisfactory evidence of a valid credit check for any Customer, and the Company is unable, after exercising its normal or usual degree of diligence, to collect any amount owing by such Customer in respect of any Customer Services within sixty (60) days of the date of the relevant original invoice to such Customer, then the Company shall be entitled to claim against the Biller for such amount, and the Biller hereby authorizes the Company to set off, appropriate and apply any amount owing by the Company to the Biller pursuant to this Agreement against the amount owing by such Customer.

5.4 Authority to Recover Payment

The Biller has irrevocably appointed the Trustee as the Biller's lawful attorney, with full authority in the name and on behalf of the Biller, its successors and assigns, but for the benefit of the Biller, its successors and assigns, to sue for and to recover from each Customer the amounts owing under each Service Bill delivered to such Customer. Such authority shall be in addition to, and not in substitution for, any rights the Company may have in law to enforce or recover payment, including the right to suspend gas deliveries.

ARTICLE VI– CHANGES AND MODIFICATIONS

6.1 Changes to Billing Services

The Open Bill Manual may be amended from time to time by the Company, in its sole discretion and acting reasonably, on not less than sixty (60) days prior notice to the Biller detailing the nature and extent of the change, provided that:

(a) each such amendment is applicable to all third parties under contract with the Company for the provision of services similar to the Billing Services,

(b) the implementation of such amendment will have no material adverse effect on the Billing Services or the Service Levels, or, in the case of any amendment to the list of Billing Services, will have no adverse effect on the Biller,

(c) in the case of a proposed change to the products and/or services included as Customer Services, a Customer Service will not be removed from the list of Customer Services, if such Customer Service is being offered by any Biller to any of its Customers, without six (6) months prior notice from the Company, and

(d) in the case of a proposed amendment to the Financial Assurances Policy, the implementation of such amendment will have no material adverse effect on the Biller.

Any such amendment for which the Biller has been provided such notice shall, for all purposes of this Agreement be, and be deemed to be, a part of the Open Bill Manual effective as of the date set forth in such notice and the rights and obligations of the Biller and the Company hereunder shall be amended accordingly and the Biller covenants and agrees to comply with such amendments thereafter. The Company may, in its sole discretion, expand the list of Customer Services upon the request of a Biller.

6.2 Charges Payable by Customers

Subject to the following terms of this Section 6.2, the Biller may increase or decrease charges for the Customer Services which are to be billed by the Company to Customers pursuant to this Agreement. Where the Biller has provided to the Company a 'rate ready' list of standard rental or similar charges to be billed to its Customers, then each increase or decrease in such charges shall become effective not later than the date of the Customer's second Service Bill after the Company receives such notice or, if a later date is specified, then such later date.

6.3 Changes to Billing Fee

The Billing Fee may, at Company's sole discretion, be adjusted in the manner and by the amount described in the Billing Fee Adjustment.

6.4 Most Favoured Customer

Where (A) the Company enters, or has entered, into an Open Bill Access Billing and Collections Services Agreement with any other third party receiving the Billing Services (a "**Third Party Open Bill Agreement**"), and (B) the Billing Fee in such Third Party Open Bill Agreement is lower than the then current Billing Fee set out in this Agreement, then (C) the Billing Fee set out in this Agreement shall be downwardly adjusted by the Company to equal such lower Billing Fee, effective as of the later of (i) the effective date of this Agreement and (ii) the effective date of such Third Party Open Bill Agreement.

ARTICLE VII– REPRESENTATIONS, INDEMNITIES AND DISPUTES

7.1 Representations and Warranties by the Biller

The Biller hereby represents and warrants to the Company, on a continuous basis, as follows and acknowledges that the Company is relying upon the accuracy of each of such representations and warranties in connection with the execution of this Agreement by the Company and the acceptance of its rights and obligations hereunder:

(a) at the date hereof and at all times during the Term all necessary action has been taken by the Biller to authorize the execution, delivery and performance by the Biller of this Agreement and the Trust Agreement and each of this Agreement and the Trust Agreement constitutes a legal, valid and binding obligation enforceable against the Biller in accordance with its terms;

(b) the Biller has all necessary right, power and authority to transfer to the Company all of its Distribution Entitlements in the manner contemplated hereby;

(c) in all material respects, each Customer Services Agreement has been entered into in accordance with, and complies with, the *Consumer Protection Act* and, to the Biller's knowledge, is a valid and binding on all of the parties thereto, and each such Customer Services Agreement shall be in full force and effect, for as long as the Company provides Billing Services in respect of such Customer Services Agreement;

(d) the Biller has clearly and unambiguously established the charges for the Customer Services being, or to be, billed to each Customer pursuant to the relevant Customer Services Agreement as required by Applicable Law, including the *Consumer Protection Act*;

(e) all Customer account and other information provided or made available to the Company by the Biller from time to time shall be correct and complete in every material respect;

(f) at the time of any transfer to the Company by the Biller of any Distribution Entitlements of the Biller or Beneficial Interest relating to Biller Receivables as contemplated in this Agreement, including pursuant to Section 4.2, the Biller has good title thereto and is entitled to so transfer such Distribution Entitlements or Beneficial Interest, as the case may be, without notice to or consent of the relevant Customer or any other party, and each such transfer shall be made free and clear of all Liens (other than Permitted Liens);

(g) the Biller is solely responsible to provide the Company all the necessary and correct information required by the Company in respect of each Customer to permit the Company to fulfill its obligations under this Agreement and the Company is entitled to rely solely on such information in that regard;

(h) each Customer Services Agreement (i) does not expressly contemplate or permit any right of deduction or set-off pursuant to invoices; (ii) does not allow for any grace period in making payments thereunder; and (iii) includes the obligation of the Customer to make regular payments during the period and at the rate set out therein and communicated to the Company as contemplated herein; and

(i) the Biller will remit to the relevant Governmental Authority all Taxes payable by Customers in respect of Customer Services in accordance with Section 5.1 of this Agreement.

7.2 Representations and Warranties by the Company

The Company hereby represents and warrants to the Biller, on a continuous basis, as follows and acknowledges that the Biller is relying upon the accuracy of each of such representations and warranties in connection with the execution of this Agreement by the Biller and the acceptance of its rights and obligations hereunder:

(a) at the date hereof and at all times during the Term all necessary action has been taken by the Company to authorize the execution, delivery and performance by the Company of this Agreement and the Trust Agreement and each of this Agreement and the Trust Agreement constitutes a legal, valid and binding obligation enforceable against the Company in accordance with its terms;

(b) the Company has all necessary right, power and authority to purchase from the Biller the Distribution Entitlements and to render accounts to and receive payments from the Customers in accordance with the provisions of this Agreement;

(c) subject to the terms and conditions hereof, the Company shall be solely responsible for obtaining, at its own expense, rights to use the necessary customer information and billing services systems as required to provide the Billing Services contemplated herein; and

(d) the employees, agents or subcontractors of the Company who will be providing the Billing Services shall possess such skills and qualifications as are necessary or desirable for the performance of the Billing Services.

7.3 Indemnity

7.3.1 Indemnification of the Company - The Biller hereby agrees to save harmless and indemnify the Company, its directors, officers, employees and agents (the "**Company Indemnified Parties**") from and against all damage, loss, deficiency, cost, liability and expense to the Company, howsoever caused, which the Company may suffer or incur as a result of, in respect of or arising out of:

(a) any material breach of this Agreement by the Biller;

(b) any breach by the Biller of any of the covenants set out in Section 2.6 or Section 5.1 or any of the representations and warranties set out in Section 7.1;

(c) the failure by the Biller to satisfy its obligations to Customers in connection with any of the Customer Services;

(d) the negligence or wilful misconduct of the Biller, or any of the Biller's employees or agents or other persons acting on the authority or with the permission of the Biller;

(e) a Customer Billing Dispute, including any At-Issue Amount; and

(f) any breach by the Biller whatsoever of any confidentiality and/or privacy obligations set forth in this Agreement.

Notwithstanding the foregoing or any provision of this Agreement to the contrary, in no event shall the Biller have any duty to indemnify, defend or hold harmless any Company Indemnified Party for the negligent or intentional act or omission of any Company Indemnified Party.

7.3.2 Indemnification of the Biller - The Company hereby agrees to save harmless and indemnify the Biller, its directors, officers, employees and agents (the "**Biller Indemnified Parties**") from and against all damage, loss, deficiency, cost, liability and expense to the Biller, howsoever caused, which the Biller may suffer or incur as a result of, in respect of or arising out of:

(a) any material breach of this Agreement by the Company;

(b) any breach by the Company of any of the covenants set out in Section 2.7 or any of the representations and warranties set out in Section 7.2;

(c) the negligence or wilful misconduct of the Company, or any of the Company's employees or agents or other persons acting on the authority or with the permission of the Company; and

(d) any breach by the Company whatsoever of any confidentiality and/or privacy obligations set forth in this Agreement.

[*Remainder of page intentionally left blank*.]

Notwithstanding the foregoing or any provision of this Agreement to the contrary, in no event shall the Company have any duty to indemnify, defend or hold harmless any Biller Indemnified Party for the negligent or intentional act or omission of any Biller Indemnified Party.

7.4 Third Party Claim

If a Company Indemnified Party or a Biller Indemnified Party (in either case, the "**Indemnified Party**") receives notice of the commencement of any claim by any Person who is not a party to this Agreement in respect of which the Indemnified Party intends to make a claim under either Section 7.3.1 or 7.3.2, as applicable, (other than a Customer Billing Dispute, which shall be dealt with in the manner contemplated by Section 7.6 hereof), the Indemnified Party shall promptly notify the other Party (in this instance, the "**Indemnifier**"). Such notice to the Indemnifier must describe in writing the third party claim in reasonable detail and indicate, to the extent reasonably practical, the estimated amount of the loss that has been or may be sustained by the Indemnified Party. The Indemnifier will than have a period of sixty (60) days within which to satisfy such third party claim, upon the prior written approval of the Indemnified Party of such settlement. Failing any settlement of the third party claim, the Indemnifier shall within ten (10) days of the end of such period give notice to the Indemnified Party as to whether it intends to dispute such third party claim and participate in or assume the defense thereof or not so dispute, participate in or assume. If the Indemnifier fails to provide such notice, the Indemnifier will be deemed to have provided notice that it will not so dispute, participate in or assume.

7.5 Limitations

7.5.1 Subject only to Subsection 7.5.2, and notwithstanding any other provision of this Agreement, (A) the liability of each Party and their respective directors, officers, employees and agents to the other Party, whether founded in tort or breach of contract or otherwise, shall be limited to the loss sustained by such other Party as a result of direct damage sustained by such other Party, and (B) each Party's maximum aggregate liability to the other Party under any provision of this Agreement, whether founded in tort or breach of contract or otherwise, shall not exceed an amount equal to the last twelve (12) months of Billing Fees paid under this Agreement, or, where less than twelve (12) months have elapsed, twelve (12) times the average of the monthly fees paid or payable by the Biller during such shorter period.

7.5.2 The limitation in Subsection 7.5.1 shall not apply in respect of: (A) the obligation of the Company to pay any Settlement Amount to the Biller as provided in this Agreement, (B) the liability of either party for a breach of its obligations under ARTICLE X; and (C) the liability of a party for any claim to the extent arising as a result of (i) the fraud, gross negligence or wilful misconduct of such party, or (ii) the misappropriation, unlawful disclosure, or use of a third-party's intellectual property (except that the exception in clause 7.5.2(C)(ii) shall not apply in respect of the Biller's use of certain software made available to the Biller by the Company as contemplated in Subsection 3.3.2).

7.5.3 For certainty, (A) a Party shall not be liable for any indirect or consequential losses, including loss of profits, business interruption losses, or any losses as a result of claims by third parties, and (B) in no event shall a Party be liable for any aggravated or non-compensatory damages, including punitive or exemplary damages, whether by statute, in tort or contract.

7.5.4 The limitation in Subsection 7.5.3, shall not apply in respect of: (A) the liability of either party for a breach of its obligations under ARTICLE X; and (B) the liability of a party for any claim to the extent arising as a result of the misappropriation, unlawful disclosure, or use of a third-party's intellectual property (except that the exception in clause 7.5.4(B) shall not apply in respect of the Biller's use of certain software made available to the Biller by the Company as contemplated in Subsection 3.3.2).

7.6 Disputes between Customer and Biller

Subject to Subsection 7.6(e), the following provisions shall apply if any Customer shall: (A) make any claim in relation to any breach of a Customer Services Agreement by the Biller, or (B) cancel or repudiate a Customer Services Agreement or claim the right to do so, or (C) dispute the existence of a Customer Services Agreement, or (D) assert any counterclaim, defense, or offset against amounts due for the Customer Services, or refuse to pay any amount for which it is invoiced hereunder based on any of the foregoing (each, a "**Customer Billing Dispute**"):

(a) the Company shall forthwith notify the Biller of the existence of the Customer Billing Dispute and advise the Biller whether the Company has elected to remove from the Service Bill for such Customer the relevant Customer Services which are the subject of the Customer Billing Dispute, and to the extent the Biller, rather than the Company, receives notice of the Customer Billing Dispute, the Biller shall forthwith notify the Company of the existence of such Customer Billing Dispute and thereafter the Company shall notify the Biller whether the Company has elected to remove from the Service Bill for such Customer the relevant Customer Services which are the subject of the Customer Billing Dispute;

(b) where the Company elects to remove from the Service Bill for such Customer the relevant Customer Services which are the subject of the Customer Billing Dispute, the Company shall:

    (i) be entitled, at any time thereafter, as part of the monthly Reconciliation pursuant to Section 4.4 hereof, to deduct or net out from the amount otherwise to be paid to the Biller an amount equal to the Customer Services charges (including applicable Taxes) at issue in the dispute (the "**At-Issue Receivable**") multiplied by the Scheduled Settlement (the product being the "**At-Issue Amount**"), which deduction or net-out shall reduce the Company's obligation to pay the Settlement Amount by an amount equal to the At-Issue Amount;

    (ii) advise the Biller of the particulars of each Customer Billing Dispute, including the At-Issue Amount; and

    (iii) be entitled to refund to the relevant Customer the full amount of any At-Issue Receivable.

(c) where the Company elects not to remove the relevant Customer Services from the Service Bill, the Biller shall (i) use commercially reasonable efforts to resolve the Customer Billing Dispute with the Customer within forty-five (45) days provided that, if the Customer Billing Dispute is not resolved within forty-five (45) days of such notification from the Company pursuant to Section 7.6(a), or the shorter time frame set out in Subsection 7.6(d) where applicable, then, pending the resolution of the Customer Billing Dispute the Company shall:

(i) be entitled, at any time thereafter, as part of the monthly Reconciliation pursuant to Section 4.4 hereof, to deduct or net out from the amount otherwise to be paid to the Biller the At-Issue Amount, which deduction or net-out shall reduce the Company's obligation to pay the Settlement Amount by an amount equal to the At-Issue Amount; and

(ii) be entitled, at any time and from time to time thereafter, to request that the Biller fully inform the Company regarding the status of any Customer Billing Dispute (including particulars of the matter at issue, the Biller's position and the reasons therefore, and how the Biller intends to resolve it), and the Biller shall comply with such request forthwith, and in any event within two (2) Business Days of receipt of such request;

(d) if the Customer Billing Dispute is in respect of any matter to which the *Consumer Protection Act* applies, or which the Company determines, in its sole discretion, the *Consumer Protection Act* applies, and the Company elects not to remove the relevant Customer Services from the Service Bill, then the Company shall notify the Biller of such determination and such Customer Billing Dispute must be resolved by the Biller within fifteen (15) days of the initiation of such Customer Billing Dispute by the Customer;

(e) notwithstanding subsections 7.6(c) and (d), the Company shall be entitled, at any time, in its sole discretion to remove from the Service Bill for such Customer the relevant Customer Services which are the subject of the Customer Billing Dispute and the Company shall be entitled to refund to the relevant Customer the full amount of any At-Issue Receivable;

(f) if there is a Customer Billing Dispute, the Company shall be entitled, at any time and from time to time, to contact the Customer directly to discuss the status and particulars of the relevant Customer Billing Dispute;

(g) upon adjusting the Settlement Amount as aforesaid in respect of the At-Issue Amount, the Company shall:

I. have the At-Issue Receivable removed from the relevant Customer bill; and

II. adjust the Company's records accordingly;

(h) if a Customer Billing Dispute is thereafter resolved, then the Biller shall so notify the Company, including the particulars of such resolution, and any amount to be billed to the Customer by the Company as a result of such resolution shall be treated in the usual manner under this Agreement;

(i) a Customer Billing Dispute shall not be considered to have been resolved if the Company is notified by the Biller that a Customer Billing Dispute has been resolved, and the Company is subsequently advised by the Customer, or its representative, that the Customer Billing Dispute has not been resolved; and

(j) in no event, and notwithstanding any action or inaction by the Company in respect thereof, shall the Company have any responsibility or liability with respect to any Customer Billing Dispute or any At-Issue Receivable or any action taken by the Company pursuant to this Section 7.6 or in respect of such Customer Billing Dispute, provided the Company has acted reasonably in the circumstance.

7.7 Disputes Between the Parties

7.7.1 Mechanism for Resolution of Disputes - With the exception of i) the exercise of rights by the Company arising as a result of a dispute between a Customer and Biller pursuant to Section 7.6 or ii) rights of termination arising to pursuant to Sections 8.4 or 8.5, all disputes, claims, questions or differences between the Parties arising out of or in connection with this Agreement or its performance, enforcement or breach (each a “Services Dispute”), shall be resolved in the manner set out in this Section 7.7. For certainty, if the Company exercises its rights under Section 7.6 or if a Party gives to the other Party a notice pursuant to Section 8.6, then the Biller or such other Party, a the case maybe, shall not be entitled to pursue resolution of any Services Dispute related thereto pursuant to this Section 7.7.

7.7.2 Notice of Dispute - A Party claiming that a Services Dispute has arisen must forthwith give written notice (a "**Dispute Notice**") to the other Party specifying the nature of the dispute, the relief sought and the basis for the relief sought.

7.7.3 Meeting between Parties - Within five (5) Business Days following delivery of a Dispute Notice by either Party, the Parties must commence the process of attempting to resolve the Services Dispute by referring such Services Dispute to their respective representatives within their organizations and shall cause their respective representatives to meet, discuss and negotiate in good faith with the intention of reaching a just and equitable solution satisfactory to both Parties.

7.7.4 Binding Arbitration - If the Services Dispute is not resolved to the satisfaction of the Parties within fifteen (15) Business Days after delivery of the Dispute Notice, then either Party may, upon notice to the other Party (the "**Arbitration Notice**"), at any time thereafter require the Services Dispute to be resolved by binding arbitration pursuant to this Section 7.7.4:

(a) The Services Dispute shall be finally settled by arbitration in accordance with the provisions of the *Arbitration Act, 1991* (Ontario) based upon the provisions of this Section 7.7.

(b) The arbitration tribunal shall consist of one arbitrator appointed by mutual agreement of the Parties, acting reasonably, within ten (10) Business Days following delivery of the Arbitration Notice. If the Parties are unable to mutually agree on an arbitrator within such period, either Party may apply to a judge of the Ontario Superior Court of Justice to appoint an arbitrator. The arbitrator shall be qualified by education and training to rule upon the particular matter to be decided, shall be independent of each of the Parties and shall have reasonable experience in arbitrating business disputes;

(c) The arbitrator shall be instructed that time is of the essence in the arbitration proceeding and, in any event, the arbitration award must be made within sixty (60) days of the receipt by one of the Parties of the Arbitration Notice;

(d) The arbitration shall take place in Toronto, Ontario, and the language of the arbitration shall be English;

(e) To the fullest extent permitted by Applicable Laws, any controversy concerning whether a Services Dispute is an arbitral matter or as to the interpretation or enforceability of this Section 7.7 shall be determined by the arbitrator. The arbitration award shall be given in writing and shall be final and binding on the Parties, not subject to any appeal, and shall deal with the question of costs of arbitration and all related matters. The costs of arbitration include the arbitrator's fees and expenses, the provision of a reporter and transcripts, reasonable legal fees and disbursements and reasonable costs of preparation. After completion of the arbitration an action may be initiated by the Parties in court only for the purpose of enforcing the decision of the arbitrator and recovery of the costs incidental to the arbitration;

(f) Subject to ARTICLE X, and except as may lawfully be required in judicial proceedings relating to the arbitration or otherwise or as may be required by Applicable Laws, the Parties agree that the arbitration shall be kept confidential and that the existence of the proceeding and any element of it (including any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions and any awards) shall not be disclosed beyond the arbitrator, the Parties, their counsel and any person necessary to the conduct of the proceeding; and

(g) In no case shall the Company delay, cease or threaten to delay or cease the provision of any Billing Service pending the resolution of a Services Dispute, other than where the estimated aggregate monetary value of the then outstanding Services Disputes exceeds either 20% of the Billing Fee otherwise owing by the Biller to the Company for the relevant Billing Periods or 20% of the Actual Billed Amounts for the relevant Billing Periods, (as applicable, depending on the nature of the Services Disputes(s)). Subject to the foregoing, pending the resolution of any Services Disputes, the Biller shall pay to the Company one-half of the Billing Fee plus applicable Taxes otherwise payable pursuant to Article IV in respect of the Billing Services provided by the Company that relate specifically to the Services Dispute. Following resolution of the Services Dispute, the Biller shall reimburse the Company for any underpayment and the Company shall reimburse the Biller for any overpayment, as the case may be, but in each case the payment shall be subject to interest at the rate provided in Section 5.2 calculated from the due date of the initial payment.

ARTICLE VIII– TERM AND TERMINATION

8.1 Term

Subject to the other terms and conditions of this Agreement, the term of this Agreement (the "**Term**") shall be deemed to have commenced on Cycle Day ●, for the month of ●, 20●● and shall terminate on the earlier of (a) Cycle Day 21, for the month of ●, 20●●, and (b) such earlier date as may be mutually agreed between the Parties, unless terminated prior to such date in accordance with the terms hereof.

8.2 [Intentionally Deleted]

8.3 [Intentionally Deleted]

8.4 Company's Rights of Early Termination

Subject to the other provisions of this Article VIII and in addition to the Company's rights of termination set out elsewhere in this Agreement, the Company shall have the right to terminate this Agreement:

(a) at the expiry of the Term, or the then current Renewal Term, upon not less than six (6) months prior written notice to the Biller, to that effect;

(b) at any time upon the occurrence of an Event of Default of the Biller; or

(c) at any time, upon thirty (30) days prior written notice or such other notice period required by an order of the OEB, upon the occurrence of a regulatory change established by a Governmental Authority which causes, results in, requires or necessitates such termination. In such circumstances the Company shall, where it has determined in its sole discretion that it is in its best interests to do so, make reasonable efforts to co-operate with the Biller to maximize the notice period for any such mandatory termination.

8.5 Biller's Rights of Early Termination

Subject to the other provisions of this Article VIII and in addition to the Biller's rights of termination set out elsewhere in this Agreement, the Biller shall have the right to terminate this Agreement:

(a) at the expiry of the Term, or the then current Renewal Term, upon not less than six (6) months prior written notice to the Company, to that effect;

(b) at any time upon the occurrence of an Event of Default of the Company, provided such Event of Default is continuing at the time the Biller exercises its right; or

(c) at any time upon the termination of the Trust Agreement.

8.6 Events of Default

In addition to any other events set out in this Agreement, the occurrence of any one or more of the following events shall constitute a default by the Biller or the Company, as applicable, under this Agreement and shall be considered an event of default (an "**Event of Default**") if such default is not remedied prior to the expiry of the relevant notice period (if any) or the relevant cure period (if any) applicable to such default as hereinafter set out, or upon the occurrence of the relevant event if there is no notice or cure period applicable:

(a) if (A) a Party fails to perform or observe any of its obligations under this Agreement on its part to be observed or performed, and (B) such failure is capable of being cured using reasonable diligence, and (C) such failure or breach shall continue unremedied following notice thereof (giving particulars of the failure in reasonable detail) from the non-defaulting Party to the defaulting Party: (1) for a period of thirty (30) days; or (2) if such failure or breach is also an obligation of the Party under the Consumer Protection Act, and a shorter period is prescribed by the Consumer Protection Act, then such shorter period as is prescribed, or (3) such longer period as may be reasonably necessary to cure such failure, provided that the defaulting Party has demonstrated that:

(i) it is proceeding with all due diligence to cure or cause to be cured such failure,

(ii) its proceedings can be reasonably expected to cure or cause to be cured such failure within a reasonable time frame acceptable to the non-defaulting Party, acting reasonably, and

(iii) it shall thereafter cure such failure with all due diligence and within the time frame acceptable to the non-defaulting Party, acting reasonably;

(b) if the Biller fails to perform or observe its obligations set out in any one of Sections 2.6(b) [Name Restrictions]. 2.6(e) [Financial Assurances] or 2.6(c) [Customer Service Agreement];

(c) if (A) the Biller fails to perform or observe its obligations set out in any of 2.6(i) [Biller contact information], 2.6(l) [assurance of Minimum Credit Ratings] 4.10 [Company's Request for Documentation] or 7.6 [Disputes between Customer and Biller], and (B) such failure is capable of being cured using reasonable diligence, and (C) such failure or breach shall continue unremedied following notice thereof (giving particulars of the failure in reasonable detail) from the Company to the Biller for a period of ten (10) days; except where such failure is a direct result of a failure of the Company to fulfill any of the Company's obligations hereunder;

(d) if the Biller fails to perform or observe its obligations set out in any of Sections 2.6(f) [compliance with Applicable Laws], 2.6(g) [compliance with privacy obligations], 2.6(i) [Biller contact information], 2.6(l) [assurance of Minimum Credit Ratings], 4.10 [Company's Request for Documentation] or 7.6 [Disputes between Customer and Biller] on three (3) or more occasions in any consecutive twelve (12) month period and in respect of each of which failures the Company has provided a notice to the Biller, pursuant to Section 8.6(b), regardless of whether any of such failures have been remedied as provided in Section 8.6(b) ;

(e) if (A) the Biller fails to perform or observe any of its obligations under this Agreement on its part to be observed and performed, and (B) such failure has or shall have, or could reasonably be expected to have, an adverse effect on the Company (including the public's perception of the Company) or the Company's ability to deliver the Billing Services (in each case, in the sole discretion of the Company), and (C) such failure shall continue unremedied following notice thereof (giving particulars of the failure in reasonable detail) from the Company to the Biller for: (1) a period of ten (10) days; or (2) such longer period as the Company, in its sole discretion, may agree;

(f) if (A) any representation or warranty made by the Biller hereunder or any information provided by Biller in this Agreement shall prove to have been incorrect or misleading in any respect when made, or at any time during the Term;

(g) if the Biller enters into an undertaking of voluntary compliance pursuant to, or a compliance order is issued against or in respect of the Biller or the Biller is the subject of any other order made under, the Consumer Protection Act;

(h) if a Party files a petition in bankruptcy, makes application or files a petition seeking any re-organization, arrangement, composition or similar relief under any law regarding insolvency or relief for debtors or makes an assignment for the benefit of creditors, or if a receiver or receiver and manager, trustee or similar officer is appointed for the business or property of the Party or any part thereof, or if any involuntary petition, application or other proceeding under any bankruptcy or insolvency laws is instituted against the Party and is not stayed, otherwise enjoined or discharged within thirty (30) days;

(i) if any execution, distress or other enforcement process, whether by court order or otherwise, which would have a material adverse effect on the financial viability of a Party becomes enforceable against any property of such Party;

(j) if a Party commits any act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or is wound up;

(k) if a Party ceases 'carrying on business in the ordinary course'; and for this purpose, a Party shall be considered to be 'carrying on business in the ordinary course' if it continues to meet all of its obligations and comply with all of its representations, in all material respects, under this Agreement and each Customer Services Agreement;

(l) if for any reason a Party ceases to be a party to the Trust Agreement; or

(m) if a Party fails to perform or observe any of its obligations under the Trust Agreement on its part to be observed and performed or is in breach of any of its representations or warranties made thereunder and such failure or breach shall continue unremedied following notice thereof (giving particulars of the failure or breach in reasonable detail) from the non-defaulting Party to the defaulting Party, for a period of thirty (30) days, except where such failure is a result of a failure of the other Party to fulfil any of such other Party's obligations thereunder,

provided that each of the above-noted Events of Default have been inserted for the benefit of the non-defaulting Party and may be waived by the non-defaulting Party in whole or in part at any time by notice to the defaulting Party. The non-defaulting Party may, in its sole discretion, extend the period for the remediation of any such Event of Default (if any).

8.7 Effect of Termination

Notwithstanding the expiration or termination of this Agreement, for any reason, each Party shall:

(a) continue to be liable to pay, on the terms herein specified, any amount accrued or accruing and payable by such Party to the other up to the time of termination; and

(b) in good faith use commercially reasonable efforts to assist the other Party to provide for the transition of the Billing Services from the Company to a Person designated by the Biller.

8.8 Additional Rights of Company on Event of Default

Upon the occurrence of an Event of Default of the Biller, in addition to any other rights it may have hereunder, the Company shall have the right to take any one or more of the following actions, as it may in its sole discretion determine necessary or appropriate:

(a) suspension of the Billing Services, in whole or in part;

(b) refusing to accept any new Customers for which Billing Services have been requested; or

(c) making corrections or reversals to charges on Service Bills to correct Billing errors, including duplicate or erroneous charges.

8.9 Transition Plan

8.9.1 Termination Transition

(a) Subject to Subsection 8.9.1(d), in connection with the expiration or termination of this Agreement for any reason or cause, in accordance with this Article VIII the Company will, upon receipt of reasonable advance notice in respect thereof (the "**Transition Notice Period**"), co-operate with the Biller to effect the orderly transition and migration from the Company to the Biller (or a third-party service provider undertaking, on behalf of the Biller, to provide the Billing Services (the "**Third Party Provider**")) of all Billing Services then being performed by the Company (the "**Termination Transition**") provided that (i) all amounts owed by the Biller to the Company under this Agreement have been paid, except for those amounts which are subject to a dispute under Section 7.7, and that (ii) the Company is paid for any additional services as provided in this Section 8.9.1. The Termination Transition will be provided for a reasonable period of time. The Biller will co-operate in good faith with the Company in connection with the Company's obligations under this Section 8.9 and will perform its obligations under the Transition Plan (as such term is defined below) and as set out in this Agreement.

(b) In furtherance of the parties obligations in Subsection 8.9.1(a), the Company and the Biller will work together to develop a transition plan (the "**Transition Plan**") setting forth the respective tasks to be accomplished by each Party in connection with the Termination Transition and a schedule pursuant to which such tasks are to be completed, and the Billing Services to be provided by the Company, including the fees and expenses to be charged by the Company therefor in addition to those payable under this Agreement for Billing Services that continue to be provided or that are otherwise outstanding. In the event the Company and the Biller are unable to agree upon a transition plan during the Transition Notice Period, the Standard Transition Plan will be implemented and the Company will at the time of such implementation notify the Biller as to the fees and expenses to be charged by the Company therefor in addition to those payable under this Agreement for Billing Services that continue to be provided or that are otherwise outstanding.

(c) The Company will assist the Biller at the Biller's expense in the provision of the Biller's data in such formats as the Biller may reasonably require in order to facilitate the transition of such data to another system.

(d) Notwithstanding Subsection 8.9.1(a), if the Company terminates the Agreement as a result of the occurrence of any Event of Default set out in Section 8.6(b) or 8.6(c), then the Company shall only be obligated to provide transition assistance to the Biller for the period from (A) the date on which Company provides Biller notice that services under this Agreement will be terminated, until (B) the Final Billing Date, as provided in the Standard Transition Plan.

8.9.2 Transition Assurances

(a) Prior to the Company providing any termination assistance to a Third Party Provider, as contemplated in Subsection 8.9.1(a), the Biller will cause the Third Party Provider to provide the Company with written assurances, in form and substance satisfactory to the Company acting reasonably, that the Third Party Provider (i) will maintain the confidentiality of any Company proprietary information incidentally or otherwise disclosed or provided to, or learned by, the Third Party Provider in connection with the Termination Transition and (ii) will use such information exclusively for the provision of applicable services for the Biller during the Termination Transition or, where such Third Party Provider is not a competitor of the Company, such longer period of time agreed to by the Company acting reasonably. The Company will provide the Biller with the form of confidentiality agreement which it would find acceptable in order to facilitate the Termination Transition.

(b) For so long as this Agreement remains in effect and during the Termination Transition but subject to the last sentence of this Section 8.9.2(b), the Biller will pay to the Company the charges set forth in this Agreement and in the Transition Plan. If the Termination Transition provided by the Company under this Section 8.9 or the Transition Plan requires personnel or other resources in excess of those resources being provided by the Company under this Agreement at the effective date of expiration or termination, the Biller will pay the Company for such additional personnel and resources at the Company's then current commercial billing rates on such periodic basis as required by the Company.

ARTICLE IX– FINANCIAL ASSURANCES AND INSURANCE

9.1 Requirement for Financial Assurances

Contemporaneously with the execution of this Agreement and at any time during the Term, the Company may, upon notice to the Biller, require the Biller to provide the Company, and the Biller shall provide if the Company so requests, financial assurances in respect of the Biller's obligations hereunder in the amount and of the type required by the Company (the "**Financial Assurances**"), all in accordance with the terms set out in *Appendix "D"*. Initially, the Financial Assurances required by the Company to be provided by the Biller shall be those set out in *Appendix* "*D*".

9.2 Nature of Financial Assurances

Any request for such Financial Assurances shall be based upon the creditworthiness of the Biller, and shall be consistent with the Company's then current 'Financial Assurances Policy for Open Bill Services', and which Policy shall be a part of the Open Bill Manual. Such Financial Assurances may consist of an irrevocable letter of credit in a form and from an issuer acceptable to the Company and/or such other security as the Company may specify. Such Financial Assurances may relate to the Biller's obligations hereunder or to the Biller's requests of the Company for an extension of the Term or for other revisions to the terms hereof.

9.3 Realization Upon Financial Assurances

The Company shall be entitled to realize upon any Financial Assurances in the manner and to the extent provided for and set out in this Agreement, including *Appendix "D"*, and such Financial Assurances.

9.4 Insurance

9.4.1 Biller Insurance – The Biller shall, at its own expense, maintain and keep in full force and effect during the Term commercial general liability insurance having a minimum inclusive coverage limit, including personal injury and property damage, of at least two million dollars ($2,000,000). Subject to the terms of the following sentence, the Company shall be added as an additional insured in the Biller's insurance policy, which should be extended to cover contractual liability, products/completed operations liability, owner's/contractor's protective liability and must also contain a cross-liability clause. The Biller shall, forthwith after entering into this Agreement, and from time to time thereafter at the request of the Company (but no more often than twice per year), furnish to the Company a memorandum of insurance or an insurance certificate setting out the terms and conditions of each policy of insurance (all such policies of insurance being hereinafter described as the "**Biller Insurance Policies**") maintained by the Biller in order to satisfy the requirements of this Section 9.4.1. The Biller shall arrange the Biller Insurance Policies with insurers acceptable to the Company, acting reasonably. The Biller shall not cancel, terminate or materially alter the terms of any of the Biller Insurance Policies without giving prior notice in writing to, and obtaining the consent of, the Company. The Biller shall cause or arrange for each of the insurers under the Biller Insurance Policies to oblige itself contractually in writing to the Company to provide thirty (30) days prior notice in writing before cancelling or terminating the Biller Insurance Policies under which it is an insurer.

9.4.2 Company Insurance – The Company shall, at its own expense, maintain and keep in full force and effect during the Term commercial general liability insurance having a minimum inclusive coverage limit, including personal injury and property damage, of at least two million dollars ($2,000,000). Subject to the terms of the following sentence, the Biller shall be added as an additional insured in the Company's insurance policy, which should be extended to cover contractual liability, products/completed operations liability, owner's/contractor's protective liability and must also contain a cross-liability clause. The Company shall from time to time at the request of the Biller (but no more often than twice per year), furnish to the Biller a memorandum of insurance or an insurance certificate setting out the terms and conditions of each policy of insurance (all such policies of insurance being hereinafter described as the "**Company Insurance Policies**") maintained by the Company in order to satisfy the requirements of this Section 9.4.2. The Company shall not cancel, terminate or materially alter the terms of any of the Company Insurance Policies without giving prior notice in writing to, and obtaining the consent of, the Biller. The Company shall cause or arrange for each of the insurers under the Company Insurance Policies to oblige itself contractually in writing to the Biller to provide thirty (30) days prior notice in writing before cancelling or terminating the Company Insurance Policies under which it is an insurer.

[*Remainder of page intentionally left blank*.]

ARTICLE X– Confidentiality

10.1 Purpose, Title and Use

10.1.1 Purpose - Each Party may disclose to the other Confidential Information for the sole purpose of the Biller being provided with the Billing Services by the Company (collectively the "**Purpose**").

10.1.2 Title - Each Party agrees that all right, title and interest in the Confidential Information disclosed by the Owning Party, including all discoveries, concepts and ideas derived from the Confidential Information, are the exclusive property of the Owning Party.

10.1.3 Use - The disclosure of Confidential Information by the Owning Party is in strictest confidence and thus the Receiving Party agrees:

(a) to use the Confidential Information only for the Purpose and shall not disclose the Confidential Information to any third party other than the employees, officers, directors, contractors or consultants (subject to the obligations of this Section 10.1.3(a)) of the Receiving Party (collectively referred to as the "**Representatives**") who have a need to know the Confidential Information in order to accomplish the Purpose or with the prior written consent of the Owning Party;

(b) to advise each Representative, before he or she receives access to the Confidential Information, of the obligations of the Receiving Party under this Agreement;

(c) with respect to contractors or consultants, to obtain in advance of any disclosure of Confidential Information the prior written agreement of the Owning Party, as well as the written agreement from such contractor or consultant to comply with the terms and conditions set forth in this Agreement; and provided that this provision shall not apply in respect of a Party's legal advisors or auditors;

(d) to be responsible for the breach of any provision of this Agreement by any Representatives;

(e) to use at least the same degree of care to maintain the Confidential Information as confidential as the Receiving Party uses in maintaining its own confidential information, but always at least a reasonable degree of care;

(f) subject to the Parties' potential obligations under Section 10.2, within fifteen (15) days following the request of the Owning Party, to return to the Owning Party all materials to the extent containing any portion of the Confidential Information or confirm to the Owning Party, in writing, the destruction of such materials, except where such Confidential Information is stored electronically or otherwise in a manner which would render the return or destruction of such Confidential Information not reasonably possible, provided it shall remain subject to the confidentiality obligations hereof; and

(g) that the Confidential Information provided by the Owning Party shall not be copied, reproduced or summarized in any form, or stored in a retrieval system or database, by the Receiving Party or its Representatives without the prior written consent of the Owning Party, except for such copies, reproductions, summaries and storage as are strictly required for the Purpose and for evaluating the matters under discussion, it being agreed, however, that such copies, reproductions, summaries and storage shall be accorded the same confidential treatment as the originals thereof.

10.2 No Disclosure to Other Persons

10.2.1 The Parties acknowledge and agree that each of the Parties shall have the right to retain necessary Confidential Information which it may determine acting reasonably (the "**Retained Confidential Information**") is required for use by such Party in connection with any submission made to or proceeding made before the OEB whether through written or oral hearing or technical conference (collectively referred herein as the "**Regulatory Proceedings**"). Each of the Parties further agree that it shall not disclose all or any portion of the Retained Confidential Information in connection with Regulatory Proceedings, whether in order to respond to interrogatories or cross-examination of the Parties' witnesses or otherwise, without first seeking the consent of the Owning Party. If such consent is not provided, the Receiving Party shall seek confidential treatment for the Retained Confidential Information pursuant to the OEB's Practice Direction on Confidential Filings. The Receiving Party shall use all reasonable commercial efforts to promptly notify the Owning Party, prior to disclosing any Confidential Information, including the Retained Confidential Information, pursuant to this Section 10.2.1.

10.2.2 Except as provided in Section 10.2.1, in the event a Receiving Party becomes legally compelled, after having exhausted all reasonable commercial efforts as provided in Section 10.2.1 (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process by court order of a court of competent jurisdiction, or in order to comply with applicable requirements of any stock exchange, government department or agency or other regulatory authority, or by requirements of any Applicable Laws) to disclose any Confidential Information, the Receiving Party will (i) promptly notify the Owning Party of the obligation to make such disclosure and (ii) assert the confidentiality of such Confidential Information, in order to permit the Owning Party to seek an appropriate protective order or other protective remedy. The Receiving Party shall not oppose any action by the Owning Party to obtain an appropriate protective order or other remedy. In the event that either such protective order or other remedy is not obtained by Owning Party or Owning Party waives compliance with the provisions of this Agreement, the Receiving Party will disclose only that portion of the Confidential Information which the Receiving Party is legally obliged (based on advice of legal counsel) to disclose to the appropriate authorities.

10.2.3 For the purpose of Sections 10.2.1 and 10.2.2, a Party who is at the relevant time a member of a trade, professional, or business organization (an "**Association**") that participates in Regulatory Proceedings as representative of or on behalf of such Party may disclose Retained Confidential Information to that Association for the purposes of participating in Regulatory Proceedings as long as that Association becomes bound by the same obligations of confidentiality as such Party has pursuant to this Agreement with respect to that Retained Confidential Information.

10.3 Remedies

10.3.1 Each Party acknowledges and agrees that the Owning Party will suffer irreparable harm if the Receiving Party fails to comply with any of the obligations under this Article X and that monetary damages will be inadequate to compensate the Owning Party for any breach or attempted breach. Accordingly, in addition to any other remedies available to the Owning Party at law or in equity, or under the terms of this Agreement, each Party, as a Receiving Party, agrees that the Owning Party shall be entitled, as a matter of right, and the Receiving Party shall not oppose the Owning Party's right, to seek equitable relief including an interim injunction, specific performance or other similar relief against the Receiving Party. No waiver of any violation shall be deemed or construed to constitute a waiver of any other violation or other breach of any of the terms, provisions, and covenants contained in this Agreement, and forbearance to enforce one or more of the remedies provided on an Event of Default shall not be deemed or construed to constitute a waiver of such default or of any other remedy provided for in this Agreement.

10.3.2 Further, the Receiving Party shall indemnify and hold the Owning Party harmless against all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered, sustained, paid or incurred by the Owning Party as a result of any breach of this Article X by the Receiving Party or any other Person receiving Confidential Information under this Agreement.

10.4 Of Agreement

Except to the extent necessary to perform its obligations hereunder or to comply with any Applicable Laws, no Party shall, without the prior written consent of the other Party, disclose to any third party the terms or conditions of this Agreement; and provided that this provision shall not apply in respect of a Party's legal advisors or auditors.

ARTICLE XI– GENERAL CONTRACT PROVISIONS

11.1 Notice

All notices, directions, documents of any nature required or permitted to be given by one Party to the other pursuant to this Agreement (in each case, a "**Notice**") shall be in writing and shall be delivered personally or by courier or sent by facsimile as follows:

(a) in the case of the Company, to it at:

Enbridge Gas Distribution Inc.
Fax Number: (416) 495-5657

Attention: Director, Customer Care

With a copy to:

Enbridge Gas Distribution Inc.
Fax Number: (416) 495-5994

Attention: Vice President, Law & Information Technology

(b) in the case of the Biller, to it at:

●

With a copy to:

●

or at such other address of which the addressee may from time to time have notified the addressor pursuant to this Section 11.1. A Notice may be delivered by electronic internet communication provided the Parties have agreed in writing in advance to do so and have established in writing in advance their respective addresses for such communication. A Notice shall be deemed to have been sent and received on the day it is delivered personally or by courier or by facsimile or by electronic internet communication. If such day is not a Business Day or if the Notice is received after ordinary office hours (at the time of place of receipt), the Notice shall be deemed to have been sent and received on the next Business Day.

11.2 Further Assurances

The Parties shall do or cause to be done all such further acts and things as may be reasonably necessary or desirable to give full effect to this Agreement. Without limiting the foregoing, each Party will at any time and from time to time execute and deliver or cause to be executed and delivered such further instruments and take such further actions as may be reasonably requested by the other Party in order to cure any defect in the execution and/or delivery of this Agreement.

11.3 Waiver

No waiver of any provision of this Agreement shall be binding unless it is in writing. No indulgence or forbearance by a Party shall constitute a waiver of such Party's right to insist on performance in full and in a timely manner of all covenants in this Agreement. For certainty, and without in any way limiting the foregoing, no default by a Party in fulfilling any of its obligations will be waived or deemed to have been waived by any examination, inspection or review by the other Party. Waiver of any provision shall not be deemed to waive the same provision thereafter, or any other provision of this Agreement at any time.

11.4 Amendments

Unless indicated otherwise in this Agreement, no additions, deletions, extensions or modifications of this Agreement shall be binding on either Party unless made in writing and signed by both Parties.

11.5 Force Majeure

If the Company's performance of any of its obligations under to this Agreement is prevented, hindered or delayed by reason of fire, flood, earthquake, explosion or other casualty or accident or act of God, war or other violence, or any laws or regulations, order, proclamation, regulation, ordinance, demand or requirement of any Governmental Authority or other similar event outside the Company's reasonable control (including, without limitation, labour unrest with respect to the labour force of the Company or a third party) (in each case, a "**Force Majeure Event**"), then the Company will be excused for such non-performance, hindrance or delay, as applicable, of those obligations for as long as such Force Majeure Event continues.

11.6 Relationship between the Parties

Except as expressly and specifically provided for in this Agreement or the Trust Agreement, neither the Company nor the Biller will be deemed by virtue of this Agreement an agent of the other. Any and all joint venture or partnership status between the Parties is hereby expressly denied, and the Parties acknowledge that they have not formed either expressly or impliedly, a joint venture or partnership.

11.7 Successors and Assignment

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, but neither Party shall transfer or assign this Agreement, or any of the rights, duties, or obligations under this Agreement, to any Person without the prior written consent of the other Party, acting reasonably.

11.8 Counterparts

This Agreement may be executed in several counterparts, each of which so executed being deemed to be an original, and such counterparts together shall constitute but one and the same instrument and notwithstanding their date of execution shall be deemed to be made and dated as of the date hereof.

11.9 Time of the Essence

Time is of the essence of this Agreement and of every provision of this Agreement. Extension, waiver or variation of any provision of this Agreement shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

[*Remainder of page intentionally left blank; the next page is the signing page.*]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ENBRIDGE GAS DISTRIBUTION INC.

By: ______________________________
Name:
Title: Vice President, Business Development & Customer Strategy

By: ______________________________
Name:
Title: Vice President, Law & Information Technology

[OPEN BILL PARTICIPANT]

By: ______________________________
Name:
Title:

APPENDIX "A"

BILLING SERVICES

The Company is providing billing services, the scope of which is described below. The Billing Services will produce either a shared monthly bill that includes Distribution Charges or a standalone monthly bill which does not include Distribution Charges for each Customer identified by the Biller in the manner contemplated herein. All Billing Services are provided in accordance with the requirements of the Open Bill Manual. The Biller acknowledges receipt of a copy of the Open Bill Manual as of the date of this Agreement.

Service Function Provided	Description of Service
Account Set Up & Management	Biller will initiate and Company will receive and process requests for the establishment of a customer account (as either shared or standalone) through the use of transaction interface files communicated by Biller to Company, for customer accounts within Company's franchise territory. If, in any twelve (12) month period, the effort to set up Customer accounts (for Customers receiving a standalone Service Bill that does not include Distribution Charges) exceeds one hundred (100) hours, then Biller will be charged by Company for such incremental effort at a rate that is the lesser of: (i) the actual cost to set up such accounts based on an hourly rate of $60.00 (sixty dollars) per hour; and (ii) a flat charge of $20.00 (twenty dollars) per Customer account set up. Company will process updates to the customer record (i.e. names, phone numbers, etc.). Company will support rate ready transactions, financing and rental contracts in Company's CIS system in a rate ready format. Company will support all bill ready transactions in Company's CIS system received from Biller.
Call Centre	Company will provide "core" Customer billing inquiries (e.g. amount billed, when billed, etc). For product/service specific information, Customer will be directed to the Biller for response. Company will handle "core" Customer billing inquiries redirected by Biller to Company. Company will direct customers to call Biller when detailed product information is required by Customer. Company will respond to any written or email inquiries that are "core" Customer billing inquiries (e.g. amount billed, when billed, etc). Any product/service specific inquiries will be directed to Biller for

Service Function Provided	Description of Service
	response.
Billing Hotline	Company will provide Biller with dedicated support for billing inquiries. This service is for use by Biller personnel only and will provide consultation on Customer billing information, account status and account details held within Company's CIS system. Hours of the "hotline" operation will match Company's current billing inquiries hours (8AM - 6PM – during Business Days).
Billing	All transactions must be in the format specified in the Open Bill Manual. All transactions must pass a Company edit in order to be input on a Service Bill. Rejected transactions will be sent back to Biller via an electronic file. All transactions to be presented on the Service Bill will be comprised of charges related only to Customer Services. All Company billing exceptions (i.e. unpostables , no bills, etc.) will be reviewed and resolved. Company will process all adjustment transactions from Biller that are communicated to Company in the form of a transaction interface file that complies with the requirements of the Open Bill Manual and passes the Company's edit requirements. Company will process billing adjustments as a result of a CIS processing or Company error and issue an incremental Service Bill to Customer to correct such billing error, if required. Company will provide Biller with backbilling services, for items such as rate ready rental equipment, for the period the gas meter is turned off due to non payment, when the account is resumed in the same name. Company will randomly review Service Bills on a daily basis to ensure billing accuracy for Biller's rate ready charges. Company will process move transactions initiated by Customer via telephone or written correspondence. All rate ready transactions will be calculated based on rates and charges provided by Biller. The rate change process will be provided in accordance with the Open Bill Manual. If Customer disputes Biller's charge, Company will transfer the dispute to Biller for investigation and resolution. Biller shall be entitled to have aggregated statements (i.e. information relating to multiple account to be presented on one or more Service Bill(s)) rendered and issued each month.

Service Function Provided	Description of Service
Bill Presentment	Biller charges/credits will be displayed on the Biller's portion of the "Charges from Other Companies" section of the Service Bill. Line items to be presented on the Service Bill will be limited to the Customer Services. Company will print Biller specific logos, based on Company's pre-determined printing requirements. Up to six items per Biller may be presented on each Service Bill per month. Bills that exceed the six item limit will be subject to an additional charge. Company will provide Biller with space for a monthly four line bill message, incremental to the product description line, which will be located on the right side of the Service Bill opposite Biller's charges.
Bill Print & Mailing	Company will support all aspects of bill print, including a daily audit of print quality, and will provide corrections if necessary. Company's bill mailing will be compliant with Canada Post standards. Returned mail will be reviewed and information updated, when available.
Rental Equipment	Where rate ready rental equipment is attached to Customer's premises within the CIS system, Company will transfer the rental to the new Customer when a Customer move occurs, and inform Biller.
Finance	Company will purchase the Distribution Entitlements from Biller on the applicable Payment Date.
Settlement	Company will pay the Settlement Amount to Biller in accordance with the Agreement.

APPENDIX "B"

CHARGES

For purposes of the Agreement:

"**Billing Fee**" is (i) if the Term commences in 2009, **eighty-eight cents ($0.88)** for each Service Bill delivered pursuant to the Agreement which includes Distribution Charges, and **two dollars and five cents ($2.05)** for each Service Bill delivered pursuant to the Agreement which does not include Distribution Charges, in each case, as adjusted by the Billing Fee Adjustment, from time to time, or (ii) if the Term commences in 2010 or later, those fees specified in subitem (i) as the same would have been adjusted through application of the Billing Fee Adjustment as if the Term had originally commenced in 2009;

"**Billing Fee Adjustment**" means, an increase to the Billing Fee, to be applied at the Company's sole discretion effective as of January 1 in each calendar year upon delivery of notice to the Biller, in an amount not to exceed an amount equal to one half of the annual change in The Canadian Consumer Price Index, All Items, as published by Statistics Canada to a maximum amount equal to two percent (2%) of the aggregate Billing Fees paid or payable, in each case, for the preceding calendar year, as measured in November of such preceding calendar year, provided that such Billing Fee adjustment is applicable to all third parties under contract with the Company for the provision of services similar to the Billing Services;

"**Corrective Costs**" means the reasonable costs incurred by the Company to investigate, correct or otherwise address breaches or possible breaches by the Biller of any of its covenants, obligations, representations or warranties in Section 2.6 or Section 7.1; and such costs may include, but are not limited to, the cost of outside legal advice, auditors, consultants and investigators engaged by the Company to investigate or follow-up on such breaches;

"**Pre-Payment Amount**" means the Billing Fee pre-payment in the amount of $●. The Pre-Payment Amount is an amount to be paid by the Biller to the Company prior to the initial provision of services by the Company to the Biller under this Agreement in recognition of costs to be incurred by the Company with respect to putting in place the Billing Services. The Pre-Payment amount shall not exceed $10,000. The Company shall set-off the Billing Fee, as invoiced to the Biller from time to time against the Pre-Payment Amount until the Pre-Payment Amount has been reduced to zero. If this Agreement is terminated prior to end of its Term and there remains any unapplied Pre-Payment Amount, then such amount may be retained by the Company.

"**Scheduled Settlement**" is 99.47%, as such percentage may be adjusted at its sole discretion based on the Company's actual bad debt incurred in the prior calendar year, effective as of January 1 in each calendar year, upon delivery of written notification to the Biller; provided that such change is applicable to all third parties under contract with the Company for the provision of services similar to the Billing Services; and provided that in no event shall the Scheduled Settlement be less than 100% minus the sum of: (A) the Company's actual bad debt, expressed as a percentage of the Company's total accounts receivable in the prior calendar year; plus (B) 0.03%.

APPENDIX "C"

SERVICE LEVELS

1 - Bill Delivery for Service Bills	
Objective	To deliver Service Bills in a timely manner to the Biller's customers.
Definition	Service Bills are to be delivered to Canada Post (at the point of entry into the Canada Post system and at the time of day required by Canada Post as defined by Canada Post) on the same day as printed. Service Bills conveyed electronically ("e-bills") are to be posted to the Company's e-bill service provider's website on the same day they are generated.
Data Capture	The Company will track and report the timely delivery to Canada Post of each cycle (or part thereof) of all bills printed by the Company that include Distribution Charges together with printed Service Bills that do not contain Distribution Charges (collectively the "Total Printed Bills") to Canada Post and the timely posting of e-bills to the Company's e-bill service provider's website each day.
Measurement Interval	Bill delivery statistics (volumes and date/time of day) for Total Printed Bills will be monitored and maintained for all billing cycles daily and aggregated on a monthly basis and assessed annually.
Method of Calculation	Delivery Same Day as Printed: For each billing day, (the aggregate number of Total Printed Bills that are delivered to Canada Post same day as printed + the total number of e-bills that are posted to the Company's e-bill service provider's website for same day delivery), divided by (the aggregate number of Total Printed Bills due to be delivered to Canada Post for each billing cycle + the total number of e-bills due to be posted to the Company's e-bill service provider's website), times 100. Delivery Next Business Day: For each billing day, (the aggregate number of Total Printed Bills that are delivered to Canada Post same day as printed + the total number of e-bills that are posted to the Company's e-bill service provider's website for same day delivery + the aggregate number of Total Printed Bills that are delivered to Canada Post by next Business Day + the total number of e-bills posted to the Company's e-bill service provider's website by next Business Day) divided by (the aggregate number of Total Printed Bills due to be delivered to Canada Post for each billing cycle + the total number of e-bills due to be posted to the Company's e-bill service provider's website), times 100.
Reporting Period	Monthly and annual reporting
Service Level	95% of Total Printed Bills delivered to Canada Post and 95% of e-bills posted to the Company's e-bill service provider's website for same day as printed and

	delivery, with 100% being delivered by next Business Day. This must occur 98% of the time for the total annual number of billing cycle days.

2 - Bill Messages for Service Bills	
Objective	To make certain that there are no incorrect bill messages included on the Service Bills.
Definition	An incorrect bill message is any bill message printed on the Service Bill that was delivered to the Customer and not scheduled to appear on the Service Bill or a bill message that was scheduled to appear on the Service Bill that was not printed on the Service Bill.
Data Capture	The Company will track the number of infractions that occur on the Service Bills by physically reviewing a representative sampling of completed mailings and posted e-bills each billing cycle day.
Measurement Interval	Reviewed daily and measured monthly at the end of each Billing Period.
Method of Calculation	The total number of mailing envelope message infractions divided by the total number of mailing envelopes mailed, times 100%
Reporting Period	Monthly
Service Level	Zero infractions 98% of the time.

3 – Billing Exceptions Processing	
Objective	To make certain that all billing exceptions are completed in a timely manner.
Definition	A billing exception is a condition that causes the Service Bill to not be issued for delivery to the Customer as per the Company's meter reading and billing schedule.
Data Capture	The Company will track and report all billing exceptions.
Measurement Interval	All billing exceptions will be identified and measured to determine if they have been resolved on or before the Customer's next regularly scheduled billing cycle day.
Method of Calculation	The total number of billing exceptions that are completed on or before the Customer's next regularly scheduled billing cycle day, divided by the total number of billing exceptions to be completed on or before the Customer's next regularly scheduled billing cycle day, times 100.
Reporting Period	Monthly.
Service Level	Fix 95% of billing exceptions before the Customers' next regular Service Bill is issued for delivery to the Customer as per the Company's meter reading and billing schedule.

APPENDIX "D"

FINANCIAL ASSURANCES

PART 1 - FINANCIAL ASSURANCES

[Note to draft: This Part 1 will be completed for each Biller in accordance with the requirements of the Company's then-current policies relating to customer creditworthiness.]

Pursuant to Section 9.1 of the Agreement, but subject to the following paragraph, [the Biller][the Guarantor] will be required to post and maintain, at all times during the Term and Termination Transition (if applicable) and for a period of twelve (12) Billing Periods thereafter, [a parental guarantee] [an irrevocable Letter of Credit] [cash equivalent satisfactory to the Company], to the benefit of the Company, [substantially on the terms attached hereto]. [Such Letter of Credit to be provided by the Biller shall be for an amount which is not less than the following: $●]

Notwithstanding the following paragraph, the requirement to provide Financial Assurances set out in Section 9.1 of the Agreement shall not apply to any Biller if: (A) during any Billing Period, the total number of Service Bills for which the Company provided Billing Services in the six completed Billing Periods prior to, but not including, such Billing Period, was less than seven thousand two hundred (7,200); and (B) such Biller has provided to the Company a notice pursuant to Section 4.7.2 of the Agreement to set-off payment of the Billing Fee Invoice against payment to the Biller of the Settlement Amount as contemplated therein.

Subject to the preceding paragraph, the requirement to provide Financial Assurances set out in Section 9.1 of the Agreement shall not apply to any Biller if, at the time of execution of this Agreement: (A) the Biller anticipates that the number of Service Bills for which the Company will provide Billing Services during the first twelve (12) Billing Periods of this Agreement will not exceed fourteen thousand four hundred (14,400), and (B) such Biller has provided to the Company a notice pursuant to Section 4.7.2 of the Agreement to set-off payment of the Billing Fee Invoice against payment to the Biller of the Settlement Amount as contemplated therein.

PART 2 - REALIZATION ON FINANCIAL ASSURANCES

In addition to any other rights in respect thereof set out in the Agreement, the Company shall be able to liquidate or exercise all or any part of any Financial Assurances then held by or for the benefit of the Company free from any claim of set-off or otherwise or right of any nature whatsoever of the Biller:

(a) in respect of any obligation of the Biller to pay any amount to the Company, and which obligation has become an Event of Default of the Biller;

(b) in respect of any claim for indemnity made by the Company pursuant to Section 7.3.1 and in respect of which the Biller does not dispute the claim or the claim is the subject of a final and binding arbitration decision made pursuant to Section 7.7 or by a court of competent jurisdiction; or

(c) in respect of any cost or expense incurred by the Company as a result of the Biller's failure to fulfill or comply with any of its obligations pursuant to this Agreement.

PART 3 - ADJUSTMENT OF FINANCIAL ASSURANCES

(a) The amount and type of the Financial Assurances may be adjusted from time to time in accordance with the provisions of Article IX and this *Appendix "D"*. Without in any way limiting the foregoing, if, at any time during the Term: (A) the Company has reasonable grounds to believe that the Biller's creditworthiness or performance under this Agreement has or may become unsatisfactory; (B) there is a material adverse change in market conditions; (C) there occurs a change in OEB policies or requirements; or (D) for any other reason set out in this *Appendix "D"*, the Company may provide the Biller with notice requiring the Biller to post additional or increased Financial Assurances in a form, amount and for a duration identified by the Company in a commercially reasonable manner and agreed upon with the Biller.

(b) Upon receipt of such notice, the Company and the Biller shall have the period of days specified in the notice to settle and agree upon the form, amount and duration of such additional or increased Financial Assurances.

(c) If the additional or increased Financial Assurances are:

(i) not agreed upon, or

(ii) if agreed upon, not provided to the Company

within the specified period, the Biller shall thereupon be deemed to be in default under this Agreement and the Company shall, in addition to any of its other rights hereunder, thereafter have the option to terminate this Agreement in accordance with the terms hereof.

APPENDIX "E"

ANNUAL FORECAST – 20••

Biller's 12 month forecast for Service Bills.
[note to draft: insert Biller forecast for the relevant 12 month period]

	Year X					
Service	**January**	**February**	**March**	**April**	**May**	**June**
Number of Service Bills						
Service	**July**	**August**	**September**	**October**	**November**	**December**
Number of Service Bills						
	Year X + 1					
Service	**January**	**February**	**March**	**April**	**May**	**June**
Number of Service Bills						
Service	**July**	**August**	**September**	**October**	**November**	**December**
Number of Service Bills						

Annual Forecast:

[Note to draft: The table above should contain forecasts, where possible or commercially reasonable, for both shared bills (i.e., those including Company distribution charges) as well as stand-alone bills (those not including EGD distribution charges).]

APPENDIX "F"

BILLER'S INTELLECTUAL PROPERTY

See attached Trademark License Agreement.

APPENDIX "G"

STANDARD TRANSITION PLAN

Definitions

For the purposes of this Standard Transition Plan the following terms shall have the meanings set out below.

"**Notice Date**" means the date on which Company provides Biller notice that services under this Agreement will be terminated.

"Final Billing Date" means either:

(iii) in the case of a Biller for which the Company provides Billing Services with respect to less than an average of 5,000 Services Bills per Billing Period in the three Billing Periods immediately prior to the implementation of the Standard Transition Plan, the earlier of (a) the Notice Date plus sixty (60) calendar days, and (b) the end of the next complete Billing Period after the Notice Date; or

(iv) in the case of a Biller for which the Company provides Billing Services with respect to an average of 5,000 or more but less than 250,000 Services Bills per Billing Period in the three Billing Periods immediately prior to the implementation of the Standard Transition Plan, the earlier of (a) the Notice Date plus ninety (90) calendar days, and (b) the end of the second complete Billing Period after the Notice Date; or

(v) in the case of a Biller for which the Company provides Billing Services with respect to an average of 250,000 or more but less than 500,000 Services Bills per Billing Period in the three Billing Periods immediately prior to the implementation of the Standard Transition Plan, the earlier of (a) the Notice Date plus one hundred and twenty (120) calendar days, and (b) the end of the third complete Billing Period after the Notice Date; or

(vi) in the case of a Biller for which the Company provides Billing Services with respect to 500,000 or more Services Bills per Billing Period in the three Billing Periods immediately prior to the implementation of the Standard Transition Plan, the Notice Date plus one hundred and eighty (180) calendar days.

"**Final Invoice Date**" means the Final Billing Date plus 6 Cycle Days.

Assumptions

- Biller will not require services from Company to migrate their billing data to Biller or to a third party service provider. Should this not be the case Company will respond to any request for the provision of such data on or before [Notice Date + 30 calendar days].

Customer Related Transition Actions to be completed on or before the following dates:

- **Biller's Actions**:
    - On [Notice Date] - No further Customers will be accepted for billing service enrollment as of this date.
    - By [Final Billing Date + 30 calendar days] - Update call centre scripts to communicate that charges will no longer appear on the Service Bill.
    - No later than [15 calendar days prior to the Final Billing Date] – Biller will send letters to all Customers to communicate that their charges will no longer appear on the Service Bill after [Final Billing Date].
    - Until [Final Billing Date + 30 calendar days] – Biller will respond to customer inquiries in a timely and professional manner.
    - By [Notice Date + 7 calendar days] - If required, Biller will extend their Financial Assurances until at least [Final Billing Date + 12 months]
    - By [Final Invoice Date + 30 calendar days] – Payment of all Billing Fees together with actual costs incurred by Company in respect of termination services on a time and materials basis (including applicable Taxes thereon) without mark-up.
- **Company's Actions:**
    - Until [Final Billing Date] - Continue to provide Billing Services for valid charges that were provided before [Notice date].
    - By [Notice date + 7 calendar days] - Update call centre scripts for Biller related calls to communicate that these charges will no longer appear on the Service Bill after [Final Billing Date] and may send letter to Customers advising then that charges will no longer appear on the Service Bill after [Final Billing Date] .
    - By [Final Invoice Date] – Complete invoicing to Biller for all Billing Fees together with actual costs incurred by Company in respect of termination services on a time and materials basis (including applicable Taxes thereon) without mark-up.
    - Throughout the Transition Period - In the event Biller does not fulfill its obligations under this transition plan, Company reserves the right to take such actions, as required, in order to finalize the transition.

Open Bill Operations Transition Actions to be completed on or before the following dates:

- **Company's Actions**:
    - On [Final Billing Date] - Remove Biller's security access to their SFTP Input folder.
    - Until [Final Billing Date + 21 calendar days] – Daily net remittances to Biller continue.

- Until [Final Billing Date] - Reporting continues as required by the Agreement. Biller's access to Company's SFTP Server will be discontinued at the end of this period.

- On [Final Billing Date + 1 calendar day] - Revise all of Company's Biller lists to show that Biller's charges will no longer appear on the Service Bill.

- On [Final Billing Date] - For all remaining rate ready charges, submit rate ready delete transactions for remaining Customers.

~~*October 13, 2009*~~*June 4, 2012*

ENBRIDGE GAS DISTRIBUTION INC.

- and -

[OPEN BILL PARTICIPANT]

OPEN BILL ACCESS
BILLING AND COLLECTION SERVICES AGREEMENT

ver. ~~2.0~~3.0

OPEN BILL ACCESS
BILLING AND COLLECTION SERVICES AGREEMENT

THIS AGREEMENT made as of the ~~●~~● day of ~~●~~●, 20~~●●~~●●

B E T W E E N :

ENBRIDGE GAS DISTRIBUTION INC.,
an Ontario corporation

(the ~~“~~"**Company**~~”~~")

- and -

~~●,~~

●,

a ~~●~~● **[corporation]**

(the ~~“~~"**Biller**~~”~~")

BACKGROUND:

A. The Biller is engaged in the business of providing the Customer Services to the Customers.

B. Each Customer has entered into a Customer Services Agreement whereby such Customer has agreed, among other things, (1) to pay certain stipulated amounts in respect of the Customer Services provided to such Customer under the Customer Services Agreement; and (2) to allow the Biller to share information regarding such Customer with the Company.

C. The Biller desires to engage the Company to provide the Billing Services, including the billing and collecting of amounts payable by each Customer pursuant to the Customer Services Agreements.

D. The Customer Services are in compliance with the requirements set out in the Open Bill Manual and therefore the Company has agreed to provide the Billing Services to the Biller.

E. The Biller and the Company are parties to the Trust Agreement.

NOW THEREFORE IN CONSIDERATION of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

[*Remainder of page intentionally left blank.*]

ARTICLE I – INTERPRETATION

1.1 Definitions

In this Agreement,

~~“~~"**Actual Billed Amount**~~”~~" means the aggregate amount actually billed by the Company to Customers in respect of (a) Customer Services provided to the Customers, or (b) Customer Directed Payments, plus applicable Taxes thereon, as specified in the Service Bill rendered on the relevant Business Day, provided however, for certainty, in no event will an amount specified on a Service Bill that is a re-issuance of a previously billed Actual Billed Amount (for example, the re-issuance to a Customer of a Service Bill for Customer Services following a reversal of a previously issued Service Bill for those same Customer Services and, for further example, the issuance of a Service Bill to a Customer that is about to be ~~“~~"red-locked~~”~~" by the Company for purposes of aggregating amounts that were specified on previously issued Service Bills for the same Customer Services but for which payment had not been made by the Customer) constitute an Actual Billed Amount for purposes hereof and the Trust Agreement, provided, further, that if and to the extent any amount that does not constitute an Actual Billed Amount by virtue of the foregoing proviso is included as a Deemed Proceed hereunder or under the Trust Agreement, and some or all of such amount is subsequently billed on a Service Bill, the amount on such subsequent Service Bill shall constitute an Actual Billed Amount notwithstanding the foregoing proviso;

~~“~~"**Adjusted Settlement**~~”~~" has the meaning given to such term in Section 4.4;

~~“~~"**Agreement**~~”~~", ~~“~~"**hereto**~~”~~", ~~“~~"**hereunder**~~”~~", ~~“~~"**hereby**~~”~~" and similar expressions refer to this Agreement, the Appendices attached hereto and any other documents attached hereto or incorporated herein by reference, each as amended from time to time in accordance with this Agreement, and do not refer to any particular article, section, paragraph or other portion hereof;

~~“~~"**Annual Forecast**~~”~~" has the meaning given to such term in Section 2.5;

~~“~~"**Applicable Laws**~~”~~" means any and all applicable federal, provincial and municipal laws, statutes, by-laws, rules, regulations, orders and ordinances together with all codes, guidelines, policies, notices, directions, directives and standards of any Governmental Authority which are legally binding, affecting the obligations of either of the Parties under this Agreement, from time to time;

~~“~~"**Arbitration Notice**~~”~~" has the meaning given to such term in Section 7.7.4;

~~“~~"**At-Issue Amount**~~”~~" has the meaning given to such term in Section 7.6.1(c)(i);

~~“~~"**At-Issue Receivable**~~”~~" has the meaning given to such term in Section 7.6.1(c)(i);

~~“~~"**Beneficial Interest**~~”~~" has the meaning given to such term in the Trust Agreement;

~~“~~"**Biller Insurance Policies**~~”~~" has the meaning given to such term in Section 9.4.1;

~~“~~"**Biller Proceeds**~~”~~" has the meaning given to such term in the Trust Agreement;

~~“~~"**Biller Receivable**~~”~~" has the meaning given to such term in the Trust Agreement;

"**Biller Records**" has the meaning given to such term in Section 4.10;

"**Billing Fee**" has the meaning given to such term in *Appendix "B"*;

"**Billing Fee Adjustment**" has the meaning given to such term in *Appendix "B"*;

"**Billing Fee Invoice**" has the meaning given to such term in Section 4.6;

"**Billing Period**" in respect of a Customer means each consecutive period of approximately one month established by the Company for such Customer in accordance with the Company's customary billing procedures;

"**Billing Services**" means, collectively, the billing and collection services and associated customer care activities set out on *Appendix "A"*, as the same may be amended, revised, modified, supplemented or superseded by the Company from time to time in accordance with the terms of this Agreement;

"**Business Continuity Plan**" means one or more logistical plans which have been created and validated by an entity setting out how the relevant entity will recover and restore partially or completely interrupted operational functions within a predetermined time after the occurrence of a disaster or similar disruption, and which plan or plans form part of the entity's risk management practices;

"**Business Day**" means a day other than a Saturday, Sunday or statutory or civic holiday in the City of Toronto;

"**Company Insurance Policies**" has the meaning given to such term in Section 9.4.2;

"**Company Records**" has the meaning given to such term in Section 4.9;

"**Confidential Information**" means all information concerning the business, operations or assets of a Party which a Party regards as confidential and proprietary and desires to protect from unauthorized disclosure or use, whether orally transmitted or written (including information in machine readable form), that is disclosed or made available by one Party (the "**Owning Party**") to the other (the "**Receiving Party**") in connection with the Purpose, but for certainty, does not include any information:

(a) that, at the time of disclosure, is in or, after disclosure, becomes part of the public domain, other than by the breach of this Agreement;

(b) that, prior to disclosure by the Owning Party, was already in the lawful possession of the Receiving Party without any obligation of confidentiality, as evidenced by written records kept by the Receiving Party in the ordinary course of its business, or as evidenced by proof of actual prior use by the Receiving Party;

(c) independently developed by the Receiving Party, by persons having no direct or indirect access to the Owning Party's Confidential Information provided that the Receiving Party shall have the burden of so proving on a reasonable basis; or

(d) which, subsequent to disclosure, is obtained from a third party: (i) who is lawfully in possession of the Confidential Information; (ii) who is not, to the best of the knowledge and belief of the Receiving Party, in violation of any contractual, legal, or fiduciary obligation to either Party, as applicable with respect to that Confidential Information; and (iii) who does not prohibit the Receiving Party from disclosing the Confidential Information to others;

"**Consumer Protection Act**" means the *Consumer Protection Act, 2002*, S.O. 2002, c. 30 and the Regulations thereto, as the same may be amended or replaced from time to time;

"**Corrective Costs**" has the meaning given to such term in *Appendix "B"*;

"**Customer**" means an active customer of the Biller receiving Customer Services at a Service Address, and which customer has not had its gas distribution service terminated for non-payment on more than one previous occasion;

"**Customer Billing Dispute**" has the meaning given to such term in Section 7.6.1;

"**Customer Data**" has the meaning given to such term in Section 3.4(a);

"**Customer Directed Payment**" means any payment made by a Customer for which the Biller has received written or recorded instructions from such Customer that such payment is in respect of an amount outstanding pursuant to such Customer's Financing Plan with the Biller;

"**Customer Services**" means any one or more of the products and/or services for which there is a corresponding 'Bill Type Code' in the Open Bill Manual, as the same may be amended in accordance with this Agreement from time to time, provided by the Biller to Customers within the Company's gas distribution franchise area in accordance with the terms of a Customer Services Agreement;

"**Customer Services Agreement**" means an agreement between a Customer and the Biller with respect to the provision of Customer Services;

"**Cycle Day**" means a billing cycle day of the Company;

"**Deemed Proceeds**" has the meaning given to such term in the Trust Agreement;

"**Dispute Notice**" has the meaning given to such term in Section 7.7.2;

"**Distribution Charges**" means all charges of the Company in respect of gas, gas distribution services or related items provided by, or on behalf of, the Company to a Customer from time to time;

"**Distribution Entitlement**" means all of the Beneficial Interest of the Biller relating to the Biller Receivables billed on a particular Business Day;

"**EGD Receivable**" has the meaning given to such term in the Trust Agreement;

"**Event of Default**" has the meaning given to such term in Section 8.6;

~~“~~"**Financial Assurances**~~”~~" has the meaning given to such term in Section 9.1;

~~“~~"**Financing Plan**~~”~~" means an arrangement evidenced by an agreement between the Biller and a Customer pursuant to which the Biller has agreed, *inter alia*, to finance such Customer~~’~~'s acquisition of one or more of the Customer Services and which agreement has been entered into in accordance with, and which complies with, the *Consumer Protection Act*;

~~“~~"**Governmental Authority**~~”~~" means any government, regulatory body or authority, agency, governmental department, board, commission, tribunal, court or other law, rule, or regulation making authority having jurisdiction or control on behalf of Canada or any provincial, regional or local governmental, or other subdivision thereof;

~~“~~"**GST/HST**" means the ~~tax~~taxes (including goods and services tax and harmonized sales tax) imposed under Part IX of the *Excise Tax Act* (Canada);

~~“~~"**Liens**~~”~~" has the meaning given to such term in the Trust Agreement;

~~“~~"**Material Variation**~~”~~" has the meaning given to such term in Section 2.5.2;

~~“~~"**Minimum Credit Rating**~~”~~" for a potential Customer or Customer means a rating of [550] or above based on the BEACON scoring system maintained by Equifax Canada Inc., or a rating of [550] or above based on the Empirica scoring system maintained by TransUnion Canada Inc.;

~~“~~"**Monthly Statement**~~”~~" has the meaning given to such term in Section 4.5;

~~“~~"**Notice**~~”~~" has the meaning given to such term in Section 11.1;

~~“~~"**OEB**~~”~~" means the Ontario Energy Board, or any successor regulatory authority;

~~“~~"**Open Bill Manual**~~”~~" means the manual of rules, technical specifications and requirements, policies and procedures established by the Company and applicable to the Biller and every other Person desiring to avail themselves of any of the Billing Services, and which manual is currently titled ~~“~~"CIS Open Bill Access Biller User Manual~~”~~", as the same may be amended, revised, modified, supplemented or superseded by the Company from time to time in accordance with the terms of this Agreement;

~~“~~"**Owning Party**~~”~~" has the meaning given to such term in the definition of ~~“~~"Confidential Information~~”~~" in Section 1.1;

~~“~~"**Party**~~”~~" means the Company or the Biller, and ~~“~~"**Parties**~~”~~" means both of them;

~~“~~"**Payment Date**~~”~~" has the meaning given to such term in Section 4.2.1;

~~“~~"**Permitted Liens**~~”~~" has the meaning given to such term in the Trust Agreement;

"**Pre-Payment Amount**" has the meaning given to such term in *Appendix "B"*;

~~“~~"**Person**~~”~~" includes an individual, sole proprietorship, partnership, unincorporated association or organization, trust and a body corporate;

~~“~~"**Purpose**~~”~~" has the meaning given to such term in Section 10.1.1;

~~“~~"**Receiving Party**~~”~~" has the meaning given to such term in the definition of ~~“~~"Confidential Information~~”~~" in Section 1.1;

~~“~~"**Reconciliation**~~”~~" has the meaning given to such term in Section 4.4;

~~“~~"**Regulatory Approval**~~”~~" means the approval, consent or agreement of a Governmental Authority, to the extent required under Applicable Laws;

~~“~~"**Regulatory Proceedings**~~”~~" has the meaning given to such term in Section 10.2.1;

~~“~~"**Related Calculation Day**~~”~~" has the meaning given to such term in the Trust Agreement;

~~“**Renewal Term**” has the meaning given to such term in Section 8.2~~"**Renewal Term**" means any renewal term of the Agreement agreed upon by the Parties;

~~“~~"**Representatives**~~”~~" has the meaning given to such term in Section 10.1.3(a);

~~“~~"**Retained Confidential Information**~~”~~" has the meaning given to such term in Section 10.2.1;

~~“~~"**Scheduled Payment Amount**~~”~~" has the meaning given to such term in the Trust Agreement, provided that, for purposes hereof, it shall not include any Unpaid Amounts (as defined in the Trust Agreement);

~~“~~"**Scheduled Settlement**~~”~~" has the meaning given to such term in *Appendix ~~“~~"B~~”~~"*;

~~“~~"**Service Address**~~”~~" means an address located within the Company~~’~~'s franchise area at which the Biller provides Customer Services;

~~“~~"**Service Bill**~~”~~" means the bill that is sent to the Customer by the Company each Billing Period which shall include, among other things, the charges for the Customer Services, and, where applicable, Distribution Charges;

~~“~~"**Service Levels**~~”~~" means the service levels set forth on *Appendix ~~“~~"C~~”~~"*;~~4.2.1~~

~~“**Servicer**” has the meaning given to such term in the Trust Agreement;~~

~~“~~"**Services Dispute**~~”~~" has the meaning given to such term in Section 7.7.1;

~~“~~"**Settlement Amount**~~”~~" has the meaning given to such term in Section 4.2.1;

~~“~~"**Standard Transition Plan**~~”~~" means the transition plan set out in *Appendix ~~“~~"G~~”~~"*;

~~“~~"**Tax**~~”~~" or ~~“~~"**Taxes**~~”~~" means all taxes, assessments, charges, dues, duties, and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any Applicable Laws, including, Canadian federal, provincial, territorial, municipal and local, foreign or other income, capital, capital gains, ~~goods and services,~~ sales, use, consumption, excise, value-added, GST/HST, business, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, customs, import, anti-dumping or countervailing duties, Canada Pension Plan contributions, employment insurance premiums, and provincial workers~~’~~' compensation payments, including any interest, penalties and fines associated therewith, and excluding the Company~~’~~'s income taxes or employment insurance, statutory or other taxes for the benefit of the Company;

~~“~~"**Term**~~”~~" has the meaning given to such term in Section 8.1;

~~“~~"**Termination Transition**~~”~~" has the meaning given to such term in Section 8.9.1(a);

~~“~~"**Third Party Open Bill Agreement**~~”~~" has the meaning given to such term in Section 6.4;

~~“~~"**Third Party Provider**~~”~~" has the meaning given to such term in Section 8.9.1(a);

~~“~~"**Transition Notice Period**~~”~~" has the meaning given to such term in Section 8.9.1(a);

~~“~~"**Transition Plan**~~”~~" has the meaning given to such term in Section 8.9.1(b);

~~“~~"**Trust Agreement**~~”~~" means the Amended and Restated Proceeds Transfer, Servicing and Trust Agreement entered into among the Company, BNY Trust Company of Canada (assignee of CIBC Mellon Trust Company~~, Accenture Business Services for Utilities Inc.~~), the Biller and the other parties set forth on Schedule ~~“~~"F~~”~~" thereto ~~dated March 10, 2008,~~effective as of February 4, 2010, as the same may be amended, modified or replaced from time to time;

~~“~~"**Trustee**~~”~~" has the meaning given to such term in the Trust Agreement; and

~~“~~"**Trust Property**~~”~~" has the meaning given to such term in the Trust Agreement.

1.2 Rules of Interpretation

In this Agreement the following rules shall apply to the interpretation thereof:

(a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders;

(b) the words ~~“~~"include~~”~~", ~~“~~"includes~~”~~" and ~~“~~"including~~”~~" and other similar words and expressions shall in all cases be deemed to be followed by the words ~~“~~"without limitation~~”~~";

(c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute thereto, unless otherwise expressly provided;

(d) when calculating the period of time within which or following which any act is to be done or step taken, the date which is the reference day in calculating such period shall be excluded;

(e) unless otherwise specifically noted herein, all dollar amounts are expressed in Canadian currency;

(f) the division of this Agreement into separate Articles, Sections, subsections and Schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement; and

(g) except as otherwise specifically defined or provided for in this Agreement, words or abbreviations which have well known or trade meanings are used in accordance with their recognized meanings.

[*Remainder of page intentionally left blank.*]

1.3 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in Ontario. For the purpose of any legal actions or proceedings brought by either Party in respect of this Agreement, each Party irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario.

1.4 Entire Agreement

This Agreement and all appendices, exhibits, attachments, and addenda contemplated herein or specifically referred to herein constitute the entire agreement among the Parties pertaining to all the matters herein, and supersede all prior agreements, understandings, negotiations, discussions and other communications, whether oral or written, of the Parties.

1.5 Severability

If any provision of this Agreement or portion thereof or the application thereof to any Person or circumstance shall to any extent be invalid or unenforceable or contravene any Applicable Laws, then (a) the remainder of this Agreement or the application of such provision or portion thereof to any other Party or circumstance shall not be affected thereby, and (b) the Parties will negotiate in good faith to amend this Agreement to implement the intentions set forth herein. Each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

1.6 Order of Priority

In the event of any inconsistency between any of the provisions of the main terms and conditions of this Agreement and the Appendices and the Open Bill Manual, the inconsistency will be resolved by reference to the following descending order of priority:

(a) the terms and conditions of this Agreement (excluding the Appendices); then

(b) the Appendices; and

(c) the Open Bill Manual.

1.7 Ontario Energy Board Act

The Parties acknowledge that this Agreement shall be subject to any rule or order applicable to the Company or the Biller enacted by the OEB pursuant to the *Ontario Energy Board Act*, S.O. 1998, c.15, Schedule B., s.44.

ARTICLE II– BASIC AGREEMENT

2.1 Billing Services

The Company shall perform for the benefit of the Biller the Billing Services in accordance with this Agreement and all Applicable Laws.

[*Remainder of page intentionally left blank.*]

2.2 Transfer of Distribution Entitlements

In the manner and to the extent provided for herein, the Company hereby agrees to purchase the Biller~~’~~'s Distribution Entitlement from the Biller and to pay to the Biller the Settlement Amount in consideration thereof and upon, and subject to, receipt thereof, and on the terms and subject to the conditions contained herein, the Biller hereby agrees to transfer to the Company its Distribution Entitlement for each Business Day.

2.3 No Liabilities to Customers

The Biller acknowledges and agrees that in agreeing to purchase the Distribution Entitlements in the manner contemplated by this Agreement, the Company does not, will not and shall not be deemed to, assume any liabilities or other obligations of the Biller or any other Person to any of the Customers under any Customer Services Agreement.

2.4 Expenses

Except as specifically provided otherwise herein, the Company shall bear and pay all expenses incurred by it in the performance of the Billing Services. The Company shall bear no responsibility for expenses which may be incurred as a direct result of the failure of the Biller to fulfill any of its obligations under this Agreement, and the Company shall incur no costs or expenses as a result of, or in connection with, a Customer Billing Dispute, except in the manner and to the extent specifically provided for herein.

2.5 Forecast of Services

2.5.1 Subject to Subsection 2.5.4, the Biller shall provide to the Company, by no later than June 30 and December 31 in each year, a forecast of the number of Service Bills to be sent to the Customers by the Company, on a month-by-month basis, for the next following 12-month period (the ~~“~~"**Annual Forecast**~~”~~").

2.5.2 The Biller shall notify the Company, as promptly as is reasonable in the circumstances, of any expected or anticipated variance in a particular month (or months) of 20% or more (a ~~“~~"**Material Variation**~~”~~") from the volumes set out in the then most current

Annual Forecast provided to the Company. In the event of a negative Material Variation for a particular month (or months), and notwithstanding any reduced volume of Service Bills distributed by the Company as a result of such negative Material Variation, the Biller shall be liable to pay to the Company, on the terms herein specified, 80% of the charges that would have been payable by it to the Company for the relevant month(s) had such Annual Forecast been accurate, and the volume of Service Bills contemplated by such Annual Forecast been circulated. In the event of a positive Material Variation, the Company shall use commercially reasonable efforts to accommodate such increased volume of Service Bills, provided that such accommodations shall in no manner require, or be interpreted so as to require, the Company to alter or revise its regular billing cycle.

2.5.3 The initial Annual Forecast of the Biller, if applicable, as of the date of execution of this Agreement is set forth on *Appendix ~~"~~"E~~"~~"*.

2.5.4 The requirement in Section 2.5.1 to provide an Annual Forecast shall not apply to any Biller if the total number of Service Bills for which the Company provided Billing Services in the six completed Billing Periods prior to, but not including, the date referred to in that Section, was less than thirty thousand (30,000). On the execution of this Agreement, a Biller who anticipates that its annual Service Bills in the first year will not exceed sixty thousand (60,000) is not required to prepare an initial Annual Forecast. For certainty, Section 2.5.2 will apply to a Biller only during a period to which a required Annual Forecast applies.

2.6 Obligations of the Biller

In addition to and without limiting any of its obligations set forth elsewhere in this Agreement, the Biller hereby covenants and agrees that it shall:

(a) comply with all of the obligations and requirements of a Biller set out in this Agreement and the Open Bill Manual, and without limitation provide to the Company billing information for each Customer in accordance with the content, format and timing requirements set forth in the Open Bill Manual;

(b) comply with the Company name restrictions set forth in Appendix F – ~~"~~'Company Name Restrictions~~"~~' of the Open Bill Manual;

(c) ensure that (i) there is in place at all times a Customer Service Agreement with each Customer to whom the Biller provides any Customer Services or in respect of whom the Biller requests that the Company provide any Billing Services, and (ii) such Customer Service Agreement is, and has been entered into, in compliance with all Applicable Laws, including the Consumer Protection Act, and (iii) it delivers a copy of such Customer Service Agreement to the Customer as required by Applicable Laws, including the *Consumer Protection Act*;

(d) use commercially reasonable efforts to avoid being in default, and to not knowingly remain in default, under any Customer Services Agreement;

(e) provide to the Company the Financial Assurances, if any, in accordance with Article IX hereof;

(f) act in compliance with all Applicable Laws;

(g) comply with its privacy obligations under the *Personal Information Protection and Electronic Documents Act* (Canada) and under any and all equivalent and applicable provincial legislation;

(h) notify each Customer ~~(i)~~ that (i) the charges for Customer Services under the Customer Services Agreements shall appear on the Service Bill, and (ii) ~~that~~ the Company shall be receiving payments in respect of such charges in accordance with the terms set forth on the Service Bill and in accordance with Applicable Laws, including amounts owing in respect of Customer Services;

(i) ensure each Customer is provided current and accurate Biller contact information including: a telephone number and address for service, a fax number and an email address and/or internet website address through which Customer queries can be directed, and, ensure that such methods of communication are capable of receiving Customer queries during regular hours on each Business Day, and, promptly respond to all such queries made by Customers;

(j) perform the Customer Services in accordance with good customer service practices reflected by current market standards; provided that this covenant of the Biller shall not create a separate obligation of the Biller to the Company in respect of the performance of the Customer Services, and where there is a Customer Billing Dispute pursuant to which the Customer has stated that the Biller~~’~~'s breach of this covenant is the subject of all or a part of that Customer Billing Dispute, then the Company may rely on this covenant solely for purposes of Section 7.6;

(k) use commercially reasonable efforts to facilitate the transactions contemplated by this Agreement, including by supplying the Company with all information and assistance that may be necessary or helpful to the Company in verifying the accuracy of any Customer account information or in correcting any errors; and

(l) ensure that each Customer has a credit rating at or above the Minimum Credit Rating where: (i) such Customer has a Financing Plan; or (ii) an existing Customer~~’~~'s aggregate charges for Customer Services over any twelve (12) month period (whether or not pursuant to a Financing Plan) on a Service Bill are in excess of one thousand eight hundred dollars ($1,800.00), unless otherwise agreed by the Company in its sole discretion.

2.7 Obligations of the Company

2.7.1 General Obligations – In addition to and without limiting any of its obligations set forth elsewhere in this Agreement, the Company hereby covenants and agrees that it shall:

(a) act in compliance with Applicable Laws;

(b) comply with its privacy obligations under the *Personal Information Protection and Electronic Documents Act* (Canada) and under any and all equivalent and applicable provincial legislation;

(c) perform the Billing Services in accordance with this Agreement;

(d) pay to the Biller, in accordance with the terms of this Agreement, the Settlement Amount; and

(e) use commercially reasonable efforts to facilitate the transactions contemplated by this Agreement.

2.7.2 Service Levels – In addition to and without limiting any of its obligations set forth elsewhere in this Agreement, the Company shall perform the Billing Services in accordance with the Service Levels. The Company shall report on its performance and the provision of the Billing Services in accordance with the requirements set out in *Appendix ~~“~~"C~~”~~"*. If the Company fails to perform any of the Billing Services in accordance with an applicable Service Level, as disclosed in any such report, then the Company shall perform an analysis to identify the cause of such failure and shall take reasonable steps to correct such failure and to comply with the relevant Service Level thereafter.

2.7.3 Subcontractors – The Biller acknowledges and agrees that the Company may subcontract the performance of all or a portion of the Billing Services to a third party subcontractor, or subcontractors. Notwithstanding the Company~~’~~'s use of any subcontractor, the Company shall retain responsibility for performing the Billing Services and for carrying out its obligations under this Agreement.

2.8 Business Continuity Plans

The Biller shall have the right, at its own cost and upon reasonable prior notice to the Company during the usual business hours of the Company and, in any event, no more than once per twelve (12) month period during the Term, to review at the Company~~’~~'s premises a copy of the Company~~’~~'s then current Business Continuity Plan relating to the delivery of the Billing Services, provided that: (A) the Biller shall be bound by obligations of confidentiality in respect of such plan(s), and that such plan(s) shall not be copied, reproduced or summarized in any form, or stored in a retrieval system or database, by the Biller without the prior written consent of the Company; and (B) the Company may redact such part or parts of such Business Continuity Plan as it considers necessary or advisable, in its sole discretion, in order to protect the security or confidentiality thereof. The Company shall thereafter provide to the Biller details of any material change in its then current Business Continuity Plan relating to the delivery of the Billing Services which may occur during the Term. For certainty, the Company shall ensure that every third-party service provider providing a material component of the Billing Services shall have in place a business continuity plan, and the Company shall so notify the Biller of the existence of each such plan.

ARTICLE III- BILLING

3.1 Timing

Prior to the delivery of any Service Bill to a Customer, the Biller shall provide to the Company billing information for such Customer in accordance with the content, format and timing requirements set forth in the Open Bill Manual. The Company will then render a Service Bill for each Cycle Day in accordance with the Company's regular Cycle Day billing schedule in effect from time to time to those Customers for which the Biller has provided such requisite information.

3.2 Service Bill Content and Format

The Company shall format the Service Bill so as to present the content of the Biller portion of the Service Bill in a manner consistent with the terms of this Agreement and the Open Bill Manual.

3.3 License to Use Intellectual Property

3.3.1 The Biller hereby grants to the Company during the Term a royalty-free, limited, non-exclusive license to use the Biller's intellectual property set out in *Appendix "F"* hereto, on the terms set out therein.

3.3.2 The Biller acknowledges that, in connection with the performance by the Company of Billing Services, and in particular the provision to the Company by the Biller of billing information for each Customer, the Biller at its option may utilize certain software provided by the Company, from time to time, and any such use of same by the Biller shall constitute the Biller's acceptance of, and agreement to strictly comply with, the license terms, use restrictions and limitations set forth in Appendix H – 'Terms of Use for the OBA Transaction Tool' of the Open Bill Manual. The Biller's use or non-use of such software shall not alter either the Biller's or the Company's obligations under this Agreement. However, the Biller acknowledges that the Company's ability to deliver Billing Services is dependent upon the Biller's delivery of transaction interface files which meet the technical specifications described in the Open Bill Manual.

3.4 Customer Information

The Company shall:

(a) not use any Customer proprietary or personal information and/or data provided by the Biller that it obtains solely as a result of the provision of Billing Services (the "**Customer Data**") other than as contemplated by, and as necessary to fulfill its obligations under, this Agreement;

(b) not disclose any Customer Data other than (i) any disclosure that is authorized by the Biller, (ii) as required by Applicable Laws, (iii) to the extent reasonably necessary to collect in respect of Distribution Entitlements which have been transferred to the Company hereunder, or (iv) to any third party sub-contracted by the Company to assist in provision of the Billing Services;

(c) refer any Customers with inquiries or complaints about, or seeking access to or correction of, their personal information to the Biller and promptly notify the Biller about such complaint or request upon receiving same; and

(d) use reasonable security measures to protect the Customer Data against loss, theft, unauthorized access, disclosure, copying, use or modification.

For certainty, nothing in this Agreement shall preclude the Company from utilizing, for any purpose, in accordance with Applicable Laws, any Customer information acquired by the Company in association with or as a result of its provision of services to its customers.

3.5 Software and Proprietary Know-How

Except for Customer Data supplied by the Biller to the Company pursuant to this Article III, or as otherwise provided herein or agreed upon by the Parties, the Company acknowledges and agrees that it is responsible for developing or acquiring (by purchase or license) at its cost, all software and proprietary know-how which may be required to provide the Billing Services in the manner and to the extent set out in this Agreement. For certainty, the Company~~’~~'s obligation hereunder shall commence at the Company~~’~~'s demarcation point, being the interface at which the Customer billing information to be provided by the Biller in accordance with Section 3.1 enters the Company~~’~~'s customer information system.

ARTICLE IV- COLLECTION AND SETTLEMENT

4.1 Collection of Amounts from Customers

The Company shall render a Service Bill to each Customer, which Service Bill shall be prepared, delivered and payable in compliance with this Agreement, the Open Bill Manual and the Company~~’~~'s customary billing procedures. The Service Bill may be comprised of charges for Customer Services, Distribution Charges and any other amounts payable by the Customer to the Company or any other party with which the Company has an agreement therefor. Each Customer shall be required by the Company to pay the aggregate amount shown as payable (including all Taxes thereon) in each Service Bill in accordance with the payment terms set out therein.

4.2 Acquisition of Distribution Entitlements

4.2.1 Subject to and in accordance with the other terms and conditions of this Agreement, the Company shall acquire the Distribution Entitlements of the Biller in respect of each Business Day on which a Service Bill is rendered during the Term. To this end, the Company shall acquire the Distribution Entitlement of the Biller in respect of a particular Related Calculation Day by paying to the Biller, on or before 9:00 a.m. (Toronto time) on the twenty-first (21st) day immediately following such Related Calculation Day (the ~~“~~"**Payment Date**~~”~~") the Settlement Amount for such Related Calculation Day, all in accordance with the Trust Agreement. The ~~‘~~'**Settlement Amount**~~’~~' shall be an amount equal to: (a) the Actual Billed Amount for such Related Calculation Day, multiplied by (b) the Scheduled Settlement, as adjusted in accordance with the terms of this Agreement.

4.2.2 Upon, and subject to, the Biller~~’~~'s receipt of the Settlement Amount, the Biller shall immediately thereafter transfer to the Company all of its Beneficial Interest relating to the Biller Receivables billed on such Related Calculation Day. In order to effect the transfer of such Beneficial Interest to the Company from a Biller, the ~~Servicer shall, unless it has received from a Biller no earlier than 9:00 a.m. (Toronto time) but no later than 9:15 a.m. (Toronto time) on the relevant Payment Date written confirmation that such Biller has not received the Settlement Amount in accordance with the preceding paragraph~~Company shall, unless the Company has received from a Biller no later than the close of business on the Business Day immediately following the relevant Payment Date a statutory declaration delivered pursuant to Section 4.5(b) of the Trust Agreement, concurrently and irrevocably re-direct the Trustee to pay any Scheduled Payment Amount otherwise payable to the Biller in respect of its Beneficial Interest for the relevant Related Calculation Day to the Company on or before the close of business on the relevant Payment Date. In the event of delivery of such a statutory declaration, the provisions of the Trust Agreement shall apply to the payment of the applicable Scheduled Payment Amount. Notwithstanding the foregoing, if the Payment Date is not a Business Day, payment shall be made on the first Business Day next following such day.

[*Remainder of page intentionally left blank.*]

4.3 Billing Fee

~~For the Billing Services rendered by the Company to the Biller hereunder, the Biller shall pay to the Company the Billing Fee. The Billing Fee, together with all Taxes payable by the Biller thereon, shall be paid~~Amounts payable by the Biller to the Company pursuant to~~ the terms of this Agreement. Subject to Regulatory Approval, if required, the~~, and in accordance with, this Agreement include, without limitation, the following:

(a) for Billing Services rendered by the Company to the Biller hereunder, the Billing Fee;

(b) the Pre-Payment Amount, which will be payable by the Biller to the Company contemporaneously with the entering into of this Agreement, and the Company shall setoff all Billing Fees invoiced to the Biller hereunder against such Pre-Payment Amount until the Pre-Payment amount has been reduced to zero; and

(c) Corrective Costs.

The Billing Fee may be amended from time to time in the manner contemplated in this Agreement.

4.4 Monthly Reconciliation

On or before the fifth (5^{th}) Cycle Day of each Billing Period, the Company shall perform a reconciliation of the Actual Billed Amounts for the immediately preceding Billing Period (a ~~“~~"**Reconciliation**~~”~~"), taking into account any adjustments required as a result of (i) any At-Issue Amounts for which the Company has not previously taken into account an adjustment pursuant to this Section 4.4 and (ii) any Deemed Proceeds that are allocated to the Biller Receivables of the Biller during such Billing Period. To the extent the Reconciliation indicates that the aggregate Settlement Amount paid to the Biller during the Billing Period is greater than the Adjusted Settlement (as defined below) for such Billing Period, the Company shall be entitled to deduct or net out such overpayment from the Settlement Amount otherwise to be paid to the Biller in accordance with this Agreement. For purposes of this Section 4.4, ~~“~~"**Adjusted Settlement**~~”~~" shall be an amount equal to the aggregate Settlement Amount for the relevant Billing Period adjusted, where applicable (without duplication) (i) in accordance with Section 7.6.1(c)(i) hereof to account for any At-Issue Amount (ii) to account for any Deemed Proceeds allocated to the Biller Receivables of the Biller during such Billing Period (iii) to account for any amounts owing by the Biller pursuant to Section 4.6 hereof.

4.5 Monthly Statements

On or before the sixth (6th) Cycle Day of each Billing Period, the Company shall issue to the Biller a statement (the ~~“~~"**Monthly Statement**~~”~~") for the immediately preceding Billing Period which sets forth any amounts owed to the Company by the Biller resulting from the Reconciliation, which amounts shall, on the third (3rd) Business Day following the date of the Monthly Statement, be set-off against the Settlement Amount to be paid by the Company to the Biller on such Business Day. In the event that the amount to be set-off pursuant to the preceding sentence is greater than the Settlement Amount to be paid on such Business Day, the Company shall set-off any such residual amount against the Settlement Amount to be paid by the Company to the Biller on the Business Day immediately following, and so on, until all such amounts owed to the Company by the Biller as a result of such Reconciliation are recovered. For certainty, the Monthly Statement shall also include the basis of calculation of any At-Issue Amount and any Adjusted Settlement.

4.6 Billing Fee Invoices

On or before the sixth (6th) Cycle Day of each Billing Period, the Company shall issue to the Biller an invoice (the ~~“~~"**Billing Fee Invoice**~~”~~") which sets forth any amounts owed to the Company by the Biller in respect of the Billing Fees or any other charges payable by the Biller pursuant to this Agreement, together with all Taxes payable by the Biller thereon, or otherwise payable by the Biller pursuant to Section 5.1, for the immediately preceding Billing Period. For certainty, the Billing Fee Invoice shall include details of the basis of calculation of the Billing Fee including (a) the number of Service Bills that included Distribution Charges delivered in the relevant month, and (b) the number of Service Bills that did not include Distribution Charges delivered in such month. Any Billing Fees, Corrective Costs and any other charges payable by the Biller pursuant to this Agreement, together with Taxes payable by the Biller thereon, as set forth on any Billing Fee Invoice that are not paid by the Biller within thirty (30) days of the date of such invoice may be set-off against the Settlement Amount otherwise to be paid by the Company to the Biller during the next following payment period.

4.7 Method of Payment

4.7.1 By Bank Transfer – Except as otherwise provided herein or agreed by the Parties, all payments made under this Agreement by the Company to the Biller or by the Biller to the Company shall be made by bank transfer (by electronic or other means) to an account designated from time to time by the Biller to the Company or the Company to the Biller, as applicable and, other than as expressly set forth herein, shall be made in full, without set-off or counterclaim, and free of and without deduction or withholding.

4.7.2 Optional Set-Off – Notwithstanding the provisions of Section 4.7.1, if the Biller provides to the Company: (A) a notice that the Company is to set-off payment of the Billing Fee Invoice against payment to the Biller of the Settlement Amount; and (B) such direction or authorization addressed to the ~~Servicer or~~Company and the Trustee~~ as the Company reasonably requests~~; then the Company will take steps to effect such set-off as soon as is reasonably practicable, and any such set-off shall be considered to be an adjustment to the Settlement Amount otherwise required to be paid by the Company.

4.8 Management Reports

The Company shall provide the Biller with the management and operating reports regarding the performance of the Billing Services in the format and frequency set out in the Open Bill Manual. The Parties shall meet to discuss such reports on an as-required basis. The Biller may request additional reports and, if the Company agrees to prepare same, such reports shall be prepared at the expense of the Biller. Any additional reports which the Company, may, in its discretion, produce from time to time in connection with its provision of billing services generally may be provided to the Biller at no additional charge to the Biller.

4.9 Biller~~’~~'s Examination of Books and Records

Subject to Applicable Laws, the Biller shall have the right, at its own cost and upon reasonable prior notice to the Company during the usual business hours of the Company and, in any event, no more than twice per calendar year, to examine and review the books and records (in any form whatsoever) of the Company that relate solely to the delivery of Billing Services hereunder (the ~~“~~"**Company Records**~~”~~") to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. For these purposes, the Biller shall have the right, at its own cost, to use such external advisers and representatives to perform such examination, provided that such advisers and representatives must first agree to be bound by a confidentiality agreement in respect of the Company Records, which agreement shall contain such terms as the Company may reasonably require. Such Company Records shall be maintained in accordance with the records retention policies of the Company from time to time in effect and in accordance with Canadian generally accepted accounting principles. Any Company Records provided by the Company shall not be copied, reproduced or summarized in any form, or stored in a retrieval system or database, by the Biller or its external advisers or representatives without the prior written consent of the Company.

4.10 Company~~’~~'s Request for Documentation

Subject to Applicable Laws, ~~if~~ (A) if the Company determines, acting reasonably and in good faith, that the Biller has failed or may have failed to perform or observe ~~either~~any of the obligations referred to below in this Section ~~4.10~~4.10, or (B) if there occurs a Customer Billing Dispute as contemplated in Section ~~7.6.1(d),~~7.6, or (C) if, at any time , the Company elects to audit or to verify that the Biller has complied with or is complying with any of its covenants, obligations, representations or warranties in Section 2.6 or Section 7.1, then the Company shall have the right~~,~~ to examine and review, and the Biller shall, within five (5) Business Days of a receipt of a request from the Company therefore, deliver to the Company, such evidence~~, which must be satisfactory to the Company, acting~~

~~reasonably, (the "~~ (the "**Biller Records**~~"~~") as the Company considers necessary to verify the Biller~~'s compliance with the obligations referred to below in this Section 4.10; and for certainty, if the Company's request is in respect of a Customer Billing Dispute, then such Biller Records shall relate only to such Customer Billing Dispute and the Customer to which the Customer Billing Dispute applies. For these purposes, the obligations in respect of which the Biller is required to provide such Biller Records to the Company are the Biller's obligations: (A) to have a Customer Service Agreement with each Customer, and (B) to ensure that as applicable, Customers have a Minimum Credit Rating~~'s compliance with such covenants, obligations, representations or warranties. Such Biller Records shall be maintained by the Biller in accordance with commercially reasonable records retention policies of parties in similar circumstances. Any Biller Records provided by the Biller shall not be copied, reproduced or summarized in any form, or stored in a retrieval system or database, by the Company or its external advisors or representatives without the prior written consent of the Biller. In fulfillment of its rights under this Section 4.10, the Company shall also be entitled to contact and communicate with: (i) any Customer or former Customer with respect to any matter in issue between the Biller and such Customer or former Customer, or (ii) any person who has made a complaint to the Company, if such matter relates to the Customer Services, the Billing Services, the Biller's covenants, obligations, representations or warranties under this Agreement, or is otherwise the subject of this Agreement.

4.11 Scheduled Cycle Days

The Company shall provide the Biller~~, Servicer~~ and Trustee with a copy of its scheduled Cycle Days for each fiscal year of the Company during the Term, prior to the commencement of such fiscal year. For certainty, the Company reserves the right in its sole discretion to amend any such schedule at any time and from time to time during the Term, provided that it will deliver an updated schedule to the Biller~~, the Servicer~~ and the Trustee as soon as reasonably practicable but in any event prior to the effective date of any such amendment and provided it amends such schedule for all parties under contact with the Company for the provision of services similar to the Billing Services.

ARTICLE V– TAXES AND RECOURSE FOR NON-PAYMENT

5.1 Taxes and Other Charges

Any Taxes which may become payable on ~~the Billing Services or the Billing Fee~~services provided and amounts invoiced pursuant to this Agreement shall be borne and paid by the Biller. The Company shall not make any refund or credit to the Biller of GST/HST in respect of any subsequent reductions to the Billing Fee. The Biller shall be responsible to remit to the relevant Governmental Authority as and when required by Applicable Laws, any Taxes payable by Customers in respect of Customer Services including GST/HST. For certainty, in the absence of specific provisions providing to the contrary, the payor (be it the Company or the Biller) of any payment (including payments effected through set-off and/or discount) will pay, in addition to the payment, any applicable GST/HST imposed on the payor. If, as a result of an amendment or proposed amendment to applicable commodity tax legislation or a Governmental Authority~~'~~'s change in administrative practices regarding same, the sales tax implications of any of the payments under the Agreement are materially altered, the Parties will work together in good faith to restructure the billing and collection arrangements under this Agreement to optimize the sales tax consequences for both Parties.

5.2 Interest on Overdue Amounts

5.2.1 By Customers - Any amount owing pursuant to a Service Bill by a Customer that is not paid on or before the date on which it is due shall be subject to the Company~~'~~'s standard late payment provisions as approved by the OEB from time to time and as recited in the Service Bill. The Parties hereby acknowledge and agree that any amounts received by the Trustee~~ or the Servicer~~ from Customers in respect of interest or other penalty charges levied in accordance with such late payment provisions of the Company shall not comprise part of the Actual Billed Amount nor the Trust Property, but rather shall be the exclusive property of the Company to be distributed to the Company in accordance with the Trust Agreement.

5.2.2 By the Company or the Biller - Any amount to be paid by the Company to the Biller or to be paid by the Biller to the Company that is not paid on or before the date on which it is due shall thereafter bear interest at an annual rate equal to the prime rate of interest of the Toronto Dominion Bank (Toronto, Main Branch) on the due date plus one per cent (1%), from the date on which it is due until payment in full. For certainty, the Company agrees that no interest shall accrue where the Company fails to set-off against the Settlement Amount (in the manner contemplated in this Agreement) any amounts owing to the Company by the Biller under this Agreement.

5.3 Non-Recourse Against the Biller

The Company acknowledges that its recourse with respect to the payment of any amounts by a Customer pursuant to a Service Bill shall, except as specifically contemplated in this Section 5.3, be limited to it or the Trustee making and enforcing a claim against the Customer. Subject to the Trust Agreement~~ and~~, Section 7.6 hereof and the following sentence, the Company shall have no recourse against the Biller with respect to the payment of any amounts by a Customer pursuant to a Service Bill. If the Biller, upon receipt of a request from the Company therefore, is unable or unwilling to provide to the Company satisfactory evidence of a valid credit check for any Customer, and the Company is unable, after exercising its normal or usual degree of diligence, to collect any amount owing by such Customer in respect of any Customer Services within sixty (60) days of the date of the relevant original invoice to such Customer, then the Company shall be entitled to claim against the Biller for such amount, and the Biller hereby authorizes the Company to set off, appropriate and apply any amount owing by the Company to the Biller pursuant to this Agreement against the amount owing by such Customer.

5.4 Authority to Recover Payment

The Biller has irrevocably appointed the Trustee as the Biller~~'~~'s lawful attorney, with full authority in the name and on behalf of the Biller, its successors and assigns, but for the benefit of the Biller, its successors and assigns, to sue for and to recover from each Customer the amounts owing under each Service Bill delivered to such Customer. Such authority shall be in addition to, and not in substitution for, any rights the Company may have in law to enforce or recover payment, including the right to suspend gas deliveries.

ARTICLE VI– CHANGES AND MODIFICATIONS

6.1 Changes to Billing Services

The Open Bill Manual may be amended from time to time by the Company, in its sole discretion and acting reasonably, on not less than sixty (60) days prior notice to the Biller detailing the nature and extent of the change, provided that:

(a) each such amendment is applicable to all third parties under contract with the Company for the provision of services similar to the Billing Services,

(b) the implementation of such amendment will have no material adverse effect on the Billing Services or the Service Levels, or, in the case of any amendment to the list of Billing Services, will have no adverse effect on the Biller,

(c) in the case of a proposed change to the products and/or services included as Customer Services, a Customer Service will not be removed from the list of Customer Services, if such Customer Service is being offered by any Biller to any of its Customers, without six (6) months prior notice from the Company, and

(d) in the case of a proposed amendment to the Financial Assurances Policy, the implementation of such amendment will have no material adverse effect on the Biller.

Any such amendment for which the Biller has been provided such notice shall, for all purposes of this Agreement be, and be deemed to be, a part of the Open Bill Manual effective as of the date set forth in such notice and the rights and obligations of the Biller and the Company hereunder shall be amended accordingly and the Biller covenants and agrees to comply with such amendments thereafter. The Company may, in its sole discretion, expand the list of Customer Services upon the request of a Biller.

6.2 Charges Payable by Customers

Subject to the following terms of this Section 6.2, the Biller may increase or decrease charges for the Customer Services which are to be billed by the Company to Customers pursuant to this Agreement. Where the Biller has provided to the Company a ~~“~~'rate ready~~”~~' list of standard rental or similar charges to be billed to its Customers, then each increase or decrease in such charges shall become effective not later than the date of the Customer~~’~~'s second Service Bill after the Company receives such notice or, if a later date is specified, then such later date.

6.3 Changes to Billing Fee

The Billing Fee may, at Company~~’~~'s sole discretion, be adjusted in the manner and by the amount described in the Billing Fee Adjustment.

6.4 Most Favoured Customer

Where (A) the Company enters, or has entered, into an Open Bill Access Billing and Collections Services Agreement with any other third party receiving the Billing Services (a ~~“~~"**Third Party**

Open Bill Agreement~~”~~"), and (B) the Billing Fee in such Third Party Open Bill Agreement is lower than the then current Billing Fee set out in this Agreement, then (C) the Billing Fee set out in this Agreement shall be downwardly adjusted by the Company to equal such lower Billing Fee, effective as of the later of (i) the effective date of this Agreement and (ii) the effective date of such Third Party Open Bill Agreement.

ARTICLE VII– REPRESENTATIONS, INDEMNITIES AND DISPUTES

7.1 Representations and Warranties by the Biller

The Biller hereby represents and warrants to the Company, on a continuous basis, as follows and acknowledges that the Company is relying upon the accuracy of each of such representations and warranties in connection with the execution of this Agreement by the Company and the acceptance of its rights and obligations hereunder:

(a) at the date hereof and at all times during the Term all necessary action has been taken by the Biller to authorize the execution, delivery and performance by the Biller of this Agreement and the Trust Agreement and each of this Agreement and the Trust Agreement constitutes a legal, valid and binding obligation enforceable against the Biller in accordance with its terms;

(b) the Biller has all necessary right, power and authority to transfer to the Company all of its Distribution Entitlements in the manner contemplated hereby;

(c) in all material respects, each Customer Services Agreement has been entered into in accordance with, and complies with, the *Consumer Protection Act* and, to the Biller~~’~~'s knowledge, is a valid and binding on all of the parties thereto, and each such Customer Services Agreement shall be in full force and effect, for as long as the Company provides Billing Services in respect of such Customer Services Agreement;

(d) the Biller has clearly and unambiguously established the charges for the Customer Services being, or to be, billed to each Customer pursuant to the relevant Customer Services Agreement as required by Applicable Law, including the *Consumer Protection Act*;

(e) all Customer account and other information provided or made available to the Company by the Biller from time to time shall be correct and complete in every material respect;

(f) at the time of any transfer to the Company by the Biller of any Distribution Entitlements of the Biller or Beneficial Interest relating to Biller Receivables as contemplated in this Agreement, including pursuant to Section 4.2, the Biller has good title thereto and is entitled to so transfer such Distribution Entitlements or Beneficial Interest, as the case may be, without notice to or consent of the relevant Customer or any other party, and each such transfer shall be made free and clear of all Liens (other than Permitted Liens);

(g) the Biller is solely responsible to provide the Company all the necessary and correct information required by the Company in respect of each Customer to permit the Company to fulfill its obligations under this Agreement and the Company is entitled to rely solely on such information in that regard;

(h) each Customer Services Agreement (i) does not expressly contemplate or permit any right of deduction or set-off pursuant to invoices; (ii) does not allow for any grace period in making payments thereunder; and (iii) includes the obligation of the Customer to make regular payments during the period and at the rate set out therein and communicated to the Company as contemplated herein; and

(i) the Biller will remit to the relevant Governmental Authority all Taxes payable by Customers in respect of Customer Services in accordance with Section 5.1 of this Agreement.

7.2 Representations and Warranties by the Company

The Company hereby represents and warrants to the Biller, on a continuous basis, as follows and acknowledges that the Biller is relying upon the accuracy of each of such representations and warranties in connection with the execution of this Agreement by the Biller and the acceptance of its rights and obligations hereunder:

(a) at the date hereof and at all times during the Term all necessary action has been taken by the Company to authorize the execution, delivery and performance by the Company of this Agreement and the Trust Agreement and each of this Agreement and the Trust Agreement constitutes a legal, valid and binding obligation enforceable against the Company in accordance with its terms;

(b) the Company has all necessary right, power and authority to purchase from the Biller the Distribution Entitlements and to render accounts to and receive payments from the Customers in accordance with the provisions of this Agreement;

(c) subject to the terms and conditions hereof, the Company shall be solely responsible for obtaining, at its own expense, rights to use the necessary customer information and billing services systems as required to provide the Billing Services contemplated herein; and

(d) the employees, agents or subcontractors of the Company who will be providing the Billing Services shall possess such skills and qualifications as are necessary or desirable for the performance of the Billing Services.

7.3 Indemnity

7.3.1 Indemnification of the Company - The Biller hereby agrees to save harmless and indemnify the Company, its directors, officers, employees and agents (the ~~“~~"**Company Indemnified Parties**~~”~~") from and against all damage, loss, deficiency, cost, liability and expense to the Company, howsoever caused, which the Company may suffer or incur as a result of, in respect of or arising out of:

(a) any material breach of this Agreement by the Biller;

(b) any breach by the Biller of any of the covenants set out in Section 2.6 or Section 5.1 or any of the representations and warranties set out in Section 7.1;

(c) the failure by the Biller to satisfy its obligations to Customers in connection with any of the Customer Services;

(d) the negligence or wilful misconduct of the Biller, or any of the Biller~~’~~'s employees or agents or other persons acting on the authority or with the permission of the Biller;

(e) a Customer Billing Dispute, including any At-Issue Amount; and

(f) any breach by the Biller whatsoever of any confidentiality and/or privacy obligations set forth in this Agreement.

Notwithstanding the foregoing or any provision of this Agreement to the contrary, in no event shall the Biller have any duty to indemnify, defend or hold harmless any Company Indemnified Party for the negligent or intentional act or omission of any Company Indemnified Party.

7.3.2 Indemnification of the Biller - The Company hereby agrees to save harmless and indemnify the Biller, its directors, officers, employees and agents (the ~~“~~"**Biller Indemnified Parties**~~”~~") from and against all damage, loss, deficiency, cost, liability and expense to the Biller, howsoever caused, which the Biller may suffer or incur as a result of, in respect of or arising out of:

(a) any material breach of this Agreement by the Company;

(b) any breach by the Company of any of the covenants set out in Section 2.7 or any of the representations and warranties set out in Section 7.2;

(c) the negligence or wilful misconduct of the Company, or any of the Company~~’~~'s employees or agents or other persons acting on the authority or with the permission of the Company; and

(d) any breach by the Company whatsoever of any confidentiality and/or privacy obligations set forth in this Agreement.

[*Remainder of page intentionally left blank.*]

Notwithstanding the foregoing or any provision of this Agreement to the contrary, in no event shall the Company have any duty to indemnify, defend or hold harmless any Biller Indemnified Party for the negligent or intentional act or omission of any Biller Indemnified Party.

7.4 Third Party Claim

If a Company Indemnified Party or a Biller Indemnified Party (in either case, the ~~“~~"**Indemnified Party**~~”~~") receives notice of the commencement of any claim by any Person who is not a party to this Agreement in respect of which the Indemnified Party intends to make a claim under either Section 7.3.1 or 7.3.2, as applicable, (other than a Customer Billing Dispute, which shall be dealt with in the manner contemplated by Section 7.6 hereof), the Indemnified Party shall promptly notify the other Party (in this instance, the ~~“~~"**Indemnifier**~~”~~"). Such notice to the Indemnifier must describe in writing the third party claim in reasonable detail and indicate, to the extent reasonably practical, the estimated amount of the loss that has been or may be sustained by the Indemnified Party. The Indemnifier will than have a period of sixty (60) days within which to satisfy such third party claim, upon the prior written approval of the Indemnified Party of such settlement. Failing any settlement of the third party claim, the Indemnifier shall within ten (10) days of the end of such period give notice to the Indemnified Party as to whether it intends to dispute such third party claim and participate in or assume the defense thereof or not so dispute, participate in or assume. If the Indemnifier fails to provide such notice, the Indemnifier will be deemed to have provided notice that it will not so dispute, participate in or assume.

7.5 Limitations

7.5.1 Subject only to Subsection 7.5.2, and notwithstanding any other provision of this Agreement, (A) the liability of each Party and their respective directors, officers, employees and agents to the other Party, whether founded in tort or breach of contract or otherwise, shall be limited to the loss sustained by such other Party as a result of direct damage sustained by such other Party, and (B) each Party~~’~~'s maximum aggregate liability to the other Party under any provision of this Agreement, whether founded in tort or breach of contract or otherwise, shall not exceed an amount equal to the last twelve (12) months of Billing Fees paid under this Agreement, or, where less than twelve (12) months have elapsed, twelve (12) times the average of the monthly fees paid or payable by the Biller during such shorter period.

7.5.2 The limitation in Subsection 7.5.1 shall not apply in respect of: (A) the obligation of the Company to pay any Settlement Amount to the Biller as provided in this Agreement, (B) the liability of either party for a breach of its obligations under ARTICLE X; and (C) the liability of a party for any claim to the extent arising as a result of (i) the fraud, gross negligence or wilful misconduct of such party, or (ii) the misappropriation, unlawful disclosure, or use of a third-party~~’~~'s intellectual property (except that the exception in clause 7.5.2(C)(ii) shall not apply in respect of the Biller~~’~~'s use of certain software made available to the Biller by the Company as contemplated in Subsection 3.3.2).

7.5.3 For certainty, (A) a Party shall not be liable for any indirect or consequential losses, including loss of profits, business interruption losses, or any losses as a result of claims by third parties, and (B) in no event shall a Party be liable for any aggravated or non-compensatory damages, including punitive or exemplary damages, whether by statute, in tort or contract.

7.5.4 The limitation in Subsection 7.5.3, shall not apply in respect of: (A) the liability of either party for a breach of its obligations under ARTICLE X; and (B) the liability of a party for any claim to the extent arising as a result of the misappropriation, unlawful disclosure, or use of a third-party~~’~~'s intellectual property (except that the exception in clause 7.5.4(B) shall not apply in respect of the Biller~~’~~'s use of certain software made available to the Biller by the Company as contemplated in Subsection 3.3.2).

7.6 Disputes between Customer and Biller

~~7.6.1~~ Subject to Subsection ~~7.6.2,~~7.6(e), the following provisions shall apply if any Customer shall: (A) make any claim in relation to any breach of a Customer Services Agreement by the Biller, or (B) cancel or repudiate a Customer Services Agreement or claim the right to do so, or (C) dispute the existence of a Customer Services Agreement, or (D) assert any counterclaim, defense, or offset against amounts due for the Customer Services, or refuse to pay any amount for which it is invoiced hereunder based on any of the foregoing (each, a ~~“~~"**Customer Billing Dispute**~~”~~"):

(a) the Company shall forthwith notify the Biller of the existence of the Customer Billing Dispute and advise the Biller whether the Company has elected to remove from the Service Bill for such Customer the relevant Customer Services which are the subject of the Customer Billing Dispute, and to the extent the Biller, rather than the Company, receives notice of the Customer Billing Dispute, the Biller shall forthwith notify the Company of the existence of such Customer Billing Dispute and thereafter the Company shall notify the Biller whether the Company has elected to remove from the Service Bill for such Customer the relevant Customer Services which are the subject of the Customer Billing Dispute;

(b) ~~thereafter, the Biller shall: (i) use commercially reasonable efforts to resolve the Customer Billing Dispute with the Customer; and (ii) if the Customer Billing Dispute is resolved, notify the Company of the resolution of the Customer Billing Dispute, and the particulars thereof;~~where the Company elects to remove from the Service Bill for such Customer the relevant Customer Services which are the subject of the Customer Billing Dispute, the Company shall:

(i) be entitled, at any time thereafter, as part of the monthly Reconciliation pursuant to Section 4.4 hereof, to deduct or net out from the amount otherwise to be paid to the Biller an amount equal to the Customer Services charges (including applicable Taxes) at issue in the dispute (the "**At-Issue Receivable**") multiplied by the Scheduled Settlement (the product being the "**At-Issue Amount**"), which deduction or net-out shall reduce the Company's obligation to pay the Settlement Amount by an amount equal to the At-Issue Amount;

(ii) advise the Biller of the particulars of each Customer Billing Dispute, including the At-Issue Amount; and

(iii) be entitled to refund to the relevant Customer the full amount of any At-Issue Receivable.

(c) ~~subject to Subsection 7.6.1(d)~~where the Company elects not to remove the relevant Customer Services from the Service Bill, the Biller shall (i) use commercially reasonable efforts to resolve the Customer Billing Dispute with the Customer within forty-five (45) days provided that, if the Customer Billing

Dispute is not resolved within ~~sixty~~forty-five (~~60~~45) days of such notification from the Company pursuant to Section ~~7.6.1~~7.6(a), or the shorter time frame set out in Subsection 7.6(d) where applicable, then, pending the resolution of the Customer Billing Dispute the Company shall:

(i) be entitled, at any time thereafter, as part of the monthly Reconciliation pursuant to Section 4.4 hereof, to deduct or net out from the amount otherwise to be paid to the Biller ~~an amount equal to the Customer Services charges (including applicable Taxes) at issue in the dispute (the "**At-Issue Receivable**") multiplied by the Scheduled Settlement (the product being the "**At-Issue Amount**")~~the At-Issue Amount, which deduction or net-out shall reduce the Company~~'~~'s obligation to pay the Settlement Amount by an amount equal to the At-Issue Amount;

~~(ii) include on the Monthly Statement the particulars of each Customer Billing Dispute, including the At-Issue Amount, which arose in the relevant month;~~ and

(ii) ~~(iii)~~ be entitled, at any time and from time to time thereafter, to request that the Biller fully inform the Company regarding the status of any Customer Billing Dispute (including particulars of the matter at issue, the Biller~~'~~'s position and the reasons therefore, and how the Biller intends to resolve it), and the Biller shall comply with such request forthwith, and in any event within two (2) Business Days of receipt of such request;

(d) if the Customer Billing Dispute is in respect of any matter to which the *Consumer Protection Act* applies, or which the Company determines, in its sole discretion, the *Consumer Protection Act* applies, and the Company elects not to remove the relevant Customer Services from the Service Bill, then the Company shall notify the Biller of such determination and such Customer Billing Dispute must be resolved by the Biller within fifteen (15) days of the initiation of such Customer Billing Dispute by the Customer;

(e) notwithstanding subsections 7.6(c) and (d), the Company shall be entitled, at any time, in its sole discretion to remove from the Service Bill for such Customer the relevant Customer Services which are the subject of the Customer Billing Dispute and the Company shall be entitled to refund to the relevant Customer the full amount of any At-Issue Receivable;

(f) ~~(e)~~ if ~~a Customer contacts the Company in respect of~~there is a Customer Billing Dispute ~~at any time after the notification to be provided pursuant to Section 7.6.1(a), then~~, the Company shall be entitled, at any time and from time to time ~~thereafter~~, to contact the Customer directly to discuss the status and particulars of the relevant Customer Billing Dispute;

(g) ~~(f)~~ upon adjusting the Settlement Amount as aforesaid in respect of the At-Issue Amount, the Company shall:

I. ~~(i)~~ have the At-Issue Receivable removed from the relevant Customer bill; and

II. ~~(ii)~~ adjust the Company~~'~~'s records accordingly;

(h) ~~(g)~~ if a Customer Billing Dispute is thereafter resolved, then the Biller shall so notify the Company, including the particulars of such resolution, and any amount to be billed to the Customer by the Company as a result of such resolution shall be treated in the usual manner under this Agreement;

(i) ~~(h)~~ a Customer Billing Dispute shall not be considered to have been resolved if the Company is notified by the Biller that a Customer Billing Dispute has been resolved, and the Company is subsequently advised by the Customer, or its representative, that the Customer Billing Dispute has not been resolved; and

(j) ~~(i)~~ in no event, and notwithstanding any action or inaction by the Company in respect thereof, shall the Company have any responsibility or liability with respect to any Customer Billing Dispute or any At-Issue Receivable or any action taken by the Company pursuant to this Section 7.6 or in respect of such Customer Billing Dispute, provided the Company has acted reasonably in the circumstance.

~~7.6.2 Notwithstanding the foregoing, if (A) there occurs a Customer Billing Dispute, and (B) the Biller instructs the Company to (i) refund to the relevant Customer the full amount of any At Issue Receivable and (ii) remove from the Service Bill for such Customer the relevant Customer Services which are the subject of the Customer Billing Dispute, then the provisions of Subsection 7.6.1 shall not apply in respect of such Customer Billing Dispute.~~

7.7 Disputes Between the Parties

7.7.1 Mechanism for Resolution of Disputes - With the exception of ~~(A) disputes arising in respect of any distribution of Trust Property in accordance with the Allocation Formula or any other payment to be made pursuant to the Trust Agreement (which disputes shall be settled in accordance with Section 8.3 of the Trust Agreement), and (B~~i) the exercise of rights by the Company arising as a result of a dispute between a Customer and Biller pursuant to Section 7.6 or ii) rights of termination arising to pursuant to Sections 8.4 or 8.5, all disputes, claims, questions or differences between the Parties arising out of or in connection with this Agreement or its performance, enforcement or breach (each a "Services Dispute"), shall be resolved in the manner set out in this Section 7.7. ~~For certainty,~~ For certainty, if the Company exercises its rights under Section 7.6 or if a Party gives to the other Party a notice pursuant to Section 8.6, then the Biller or such other Party, a the case maybe, shall not be entitled to pursue resolution of any ~~Service~~Services Dispute related thereto pursuant to this Section 7.7.

7.7.2 Notice of Dispute - A Party claiming that a Services Dispute has arisen must forthwith give written notice (a ~~“~~"**Dispute Notice**~~”~~") to the other Party specifying the nature of the dispute, the relief sought and the basis for the relief sought.

7.7.3 Meeting between Parties - Within five (5) Business Days following delivery of a Dispute Notice by either Party, the Parties must commence the process of attempting to resolve the Services Dispute by referring such Services Dispute to their respective representatives within their organizations and shall cause their respective representatives to meet, discuss and negotiate in good faith with the intention of reaching a just and equitable solution satisfactory to both Parties.

7.7.4 Binding Arbitration - If the Services Dispute is not resolved to the satisfaction of the Parties within fifteen (15) Business Days after delivery of the Dispute Notice, then either Party may, upon notice to the other Party (the ~~“~~"**Arbitration Notice**~~”~~"), at any time thereafter require the Services Dispute to be resolved by binding arbitration pursuant to this Section 7.7.4:

(a) The Services Dispute shall be finally settled by arbitration in accordance with the provisions of the *Arbitration Act, 1991* (Ontario) based upon the provisions of this Section 7.7.

(b) The arbitration tribunal shall consist of one arbitrator appointed by mutual agreement of the Parties, acting reasonably, within ten (10) Business Days following delivery of the Arbitration Notice. If the Parties are unable to mutually agree on an arbitrator within such period, either Party may apply to a judge of the Ontario Superior Court of Justice to appoint an arbitrator. The arbitrator shall be qualified by education and training to rule upon the particular matter to be decided, shall be independent of each of the Parties and shall have reasonable experience in arbitrating business disputes;

(c) The arbitrator shall be instructed that time is of the essence in the arbitration proceeding and, in any event, the arbitration award must be made within sixty (60) days of the receipt by one of the Parties of the Arbitration Notice;

(d) The arbitration shall take place in Toronto, Ontario, and the language of the arbitration shall be English;

(e) To the fullest extent permitted by Applicable Laws, any controversy concerning whether a Services Dispute is an arbitral matter or as to the interpretation or enforceability of this Section 7.7 shall be determined by the arbitrator. The arbitration award shall be given in writing and shall be final and binding on the Parties, not subject to any appeal, and shall deal with the question of costs of arbitration and all related matters. The costs of arbitration include the arbitrator~~’~~'s fees and expenses, the provision of a reporter and transcripts, reasonable legal fees and disbursements and reasonable costs of preparation. After completion of the arbitration an action may be initiated by the Parties in court only for the purpose of enforcing the decision of the arbitrator and recovery of the costs incidental to the arbitration;

(f) Subject to ARTICLE X, and except as may lawfully be required in judicial proceedings relating to the arbitration or otherwise or as may be required by Applicable Laws, the Parties agree that the arbitration shall be kept confidential and that the existence of the proceeding and any element of it (including any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions and any awards) shall not be disclosed beyond the arbitrator, the Parties, their counsel and any person necessary to the conduct of the proceeding; and

(g) In no case shall the Company delay, cease or threaten to delay or cease the provision of any Billing Service pending the resolution of a Services Dispute, other than where the estimated aggregate monetary value of the then outstanding Services Disputes exceeds either 20% of the Billing Fee otherwise owing by the Biller to the Company for the relevant Billing Periods or 20% of the Actual Billed Amounts for the relevant Billing Periods, (as applicable, depending on the nature of the Services Disputes(s)). Subject to the foregoing, pending the resolution of any Services Disputes, the Biller shall pay to the Company one-half of the Billing Fee plus applicable Taxes otherwise payable pursuant to Article IV in respect of the Billing Services provided by the Company that relate specifically to the Services Dispute. Following resolution of the Services Dispute, the Biller shall reimburse the Company for any underpayment and the Company shall reimburse the Biller for any overpayment, as the case may be, but in each case the payment shall be subject to interest at the rate provided in Section 5.2 calculated from the due date of the initial payment.

ARTICLE VIII– TERM AND TERMINATION

8.1 Term

Subject to the other terms and conditions of this Agreement, the term of this Agreement (the ~~“~~"**Term**~~”~~") shall be deemed to have commenced on Cycle Day ~~●~~●, for the month of ~~●~~●, 20~~●●~~●● and shall terminate on the earlier of (a) Cycle Day 21, for the month of ~~●~~●, 20~~●●~~●●, and (b) such earlier date as may be mutually agreed between the Parties, ~~unless terminated prior to such date in accordance with the terms hereof.~~

~~8.2 **Renewal**Subject to the other terms and conditions of this Agreement including Section 8.3, this Agreement shall be automatically renewed for successive periods of one year (each a “**Renewal Term**”), each Renewal Term commencing on Cycle Day 1, for the month of ● of the then current year and terminating on Cycle Day 21, for the month of ● of the next following calendar year,~~ unless terminated prior to such date in accordance with the terms hereof.

8.2 [Intentionally Deleted]

8.3 ~~Conditions of Renewal~~[Intentionally Deleted]

~~This Agreement shall not be renewed automatically pursuant to Section 8.2 if:~~

~~(a) the Biller is not in good standing under (i) the Financial Assurances, if any, to be provided by the Biller pursuant to this Agreement or (ii) the Trust Agreement;~~

~~(b) the Biller is not in material compliance with all of its obligations, or the Biller is in material breach of any of its representations or warranties, set out in this Agreement or the Open Bill Manual; or~~

~~(c) the Biller has not provided to the Company the Annual Forecast in accordance with this Agreement, where required to do so; provided that if the Biller has not so provided such Annual Forecast, where required, the Company shall notify the Biller and the Biller shall have seven (7) days following delivery of such notice to provide such Annual Forecast to the Company, and if the Biller does so, it shall be considered to have complied with such requirement.~~

8.4 Company~~’~~'s Rights of Early Termination

Subject to the other provisions of this Article VIII and in addition to the Company~~’~~'s rights of termination set out elsewhere in this Agreement, the Company shall have the right to terminate this Agreement:

(a) at the expiry of the Term, or the then current Renewal Term, upon not less than six (6) months prior written notice to the Biller, to that effect;

(b) at any time upon the occurrence of an Event of Default of the Biller~~, provided such Event of Default is continuing at the time the Company exercises its right~~; or

(c) at any time, upon thirty (30) days prior written notice or such other notice period required by an order of the OEB, upon the occurrence of a regulatory change established by a Governmental Authority which causes, results in, requires or necessitates such termination. In such circumstances the Company shall, where it has determined in its sole discretion that it is in its best interests to do so, make reasonable efforts to co-operate with the Biller to maximize the notice period for any such mandatory termination.

8.5 Biller~~’~~'s Rights of Early Termination

Subject to the other provisions of this Article VIII and in addition to the Biller~~’~~'s rights of termination set out elsewhere in this Agreement, the Biller shall have the right to terminate this Agreement:

(a) at the expiry of the Term, or the then current Renewal Term, upon not less than six (6) months prior written notice to the Company, to that effect;

(b) at any time upon the occurrence of an Event of Default of the Company, provided such Event of Default is continuing at the time the Biller exercises its right; or

(c) at any time upon the termination of the Trust Agreement.

8.6 Events of Default

In addition to any other events set out in this Agreement, the occurrence of any one or more of the following events shall constitute a default by the Biller or the Company, as applicable, under this Agreement and shall be considered an event of default (an ~~"~~"**Event of Default**~~"~~") if such default is not remedied prior to the expiry of the relevant notice period (if any) or the relevant cure period (if any) applicable to such default as hereinafter set out, or upon the occurrence of the relevant event if there is no notice or cure period applicable:

(a) if (A) a Party fails to perform or observe any of its obligations under this Agreement on its part to be observed or performed, and (B) such failure is capable of being cured using reasonable diligence, and (C) such failure or breach shall continue unremedied following notice thereof (giving particulars of the failure in reasonable detail) from the non-defaulting Party to the defaulting Party: (1) for a period of thirty (30) days; or (2) if such failure or breach is also an obligation of the Party under the Consumer Protection Act, and a shorter period is prescribed by the Consumer Protection Act, then such shorter period as is prescribed, or (3) such longer period as may be reasonably necessary to cure such failure, provided that the defaulting Party has demonstrated that:

(i) it is proceeding with all due diligence to cure or cause to be cured such failure,

(ii) its proceedings can be reasonably expected to cure or cause to be cured such failure within a reasonable time frame acceptable to the non-defaulting Party, acting reasonably, and

(iii) it shall thereafter cure such failure with all due diligence and within the time frame acceptable to the non-defaulting Party, acting reasonably;

(b) if the Biller fails to perform or observe its obligations set out in any one of Sections 2.6(b) [Name Restrictions]. 2.6(e) [Financial Assurances] or 2.6(c) [Customer Service Agreement];

(c) if (A) the Biller fails to perform or observe its obligations set out in any of ~~Sections 2.6(b) (Name Restrictions); 2.6(c) (Customer Service Agreement); 2.6(i) (Biller Contact Information), 4.10 (~~2.6(i) [Biller contact information], 2.6(l) [assurance of Minimum Credit Ratings] 4.10 [Company~~'~~'s Request for Documentation~~)~~] or 7.6 ~~(~~[Disputes between Customer and Biller~~)~~], and (B) such failure is capable of being cured using reasonable diligence, and (C) such failure or breach shall continue unremedied following notice thereof (giving particulars of the failure in reasonable detail) from the Company to the Biller for a period of ten (10) days; except where such failure is a direct result of a failure of the Company to fulfill any of the Company~~'~~'s obligations hereunder;

(d) if the Biller fails to perform or observe its obligations set out in any of Sections 2.6(f) [compliance with Applicable Laws], 2.6(g) [compliance with privacy obligations], 2.6(i) [Biller contact information], 2.6(l) [assurance of Minimum Credit Ratings], 4.10 [Company's Request for Documentation] or 7.6 [Disputes between Customer and Biller] on three (3) or more occasions in any consecutive twelve (12) month period and in respect of each of which failures the Company has provided a notice to the Biller, pursuant to Section 8.6(b), regardless of whether any of such failures have been remedied as provided in Section 8.6(b) ;

(e) ~~(c)~~ if (A) the Biller fails to perform or observe any of its obligations under this Agreement on its part to be observed and performed, and (B) such failure has or shall have ~~a material~~, or could reasonably be expected to have, an adverse effect on the Company (including the public's perception of the Company) or the Company~~'~~'s ability to deliver the Billing Services (in each case, in the sole discretion of the Company), and (C) such failure shall continue unremedied following notice thereof (giving particulars of the failure in reasonable detail) from the Company to the Biller for: (1) a period of ten (10) days; or (2) such longer period as the Company, in its sole discretion, may agree;

(f) ~~(d)~~ if (A) any representation or warranty made by the Biller hereunder or any information provided by Biller in this Agreement shall prove to have been incorrect or misleading in any ~~material~~ respect when made, or at any time during the Term~~, and (B) the same has or shall have an adverse effect on the Company or the Company's ability to deliver the Billing Services~~;

(g) if the Biller enters into an undertaking of voluntary compliance pursuant to, or a compliance order is issued against or in respect of the Biller or the Biller is the subject of any other order made under, the Consumer Protection Act;

(h) ~~(e)~~ if a Party files a petition in bankruptcy, makes application or files a petition seeking any re-organization, arrangement, composition or similar relief under any law regarding insolvency or relief for debtors or makes an assignment for the benefit of creditors, or if a receiver or receiver and manager, trustee or similar officer is appointed for the business or property of the Party or any part thereof, or if any involuntary petition, application or other proceeding under any bankruptcy or insolvency laws is instituted against the Party and is not stayed, otherwise enjoined or discharged within thirty (30) days;

(i) ~~(f)~~ if any execution, distress or other enforcement process, whether by court order or otherwise, which would have a material adverse effect on the financial viability of a Party becomes enforceable against any property of such Party;

(j) ~~(g)~~ if a Party commits any act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or is wound up;

(k) ~~(h)~~ if a Party ceases ~~‘~~'carrying on business in the ordinary course~~’~~'; and for this purpose, a Party shall be considered to be ~~‘~~'carrying on business in the ordinary course~~’~~' if it continues to meet all of its obligations and comply with all of its representations, in all material respects, under this Agreement and each Customer Services Agreement;

(l) ~~(i)~~ if for any reason a Party ceases to be a party to the Trust Agreement; or

(m) ~~(j)~~ if a Party fails to perform or observe any of its obligations under the Trust Agreement on its part to be observed and performed or is in breach of any of its representations or warranties made thereunder and such failure or breach shall continue unremedied following notice thereof (giving particulars of the failure or breach in reasonable detail) from the non-defaulting Party to the defaulting Party, for a period of thirty (30) days, except where such failure is a result of a failure of the other Party to fulfil any of such other Party~~’~~'s obligations thereunder,

provided that each of the above-noted Events of Default have been inserted for the benefit of the non-defaulting Party and may be waived by the non-defaulting Party in whole or in part at any time by notice to the defaulting Party. The non-defaulting Party may, in its sole discretion, extend the period for the remediation of any such Event of Default (if any).

8.7 Effect of Termination

Notwithstanding the expiration or termination of this Agreement, for any reason, each Party shall:

(a) continue to be liable to pay, on the terms herein specified, any amount accrued or accruing and payable by such Party to the other up to the time of termination; and

(b) in good faith use commercially reasonable efforts to assist the other Party to provide for the transition of the Billing Services from the Company to a Person designated by the Biller.

8.8 Additional Rights of Company on Event of Default

Upon the occurrence of an Event of Default of the Biller, in addition to any other rights it may have hereunder, the Company shall ~~consider, and may discuss with the Biller, the appropriateness of the Company taking~~have the right to take any one or more of the following actions, as it may in its sole discretion determine necessary or appropriate:

(a) suspension of the Billing Services, in whole or in part;

(b) refusing to accept any new Customers for which Billing Services have been requested; or

(c) making corrections or reversals to charges on Service Bills to correct Billing errors, including duplicate or erroneous charges~~, provided that the Company~~

~~shall not take any of such action or actions without the prior consent of the Biller~~.

8.9 Transition Plan

8.9.1 Termination Transition

(a) Subject to Subsection 8.9.1(d), in connection with the expiration or termination of this Agreement for any reason or cause, in accordance with this Article VIII the Company will, upon receipt of reasonable advance notice in respect thereof (the ~~“~~"**Transition Notice Period**~~”~~"), co-operate with the Biller to effect the orderly transition and migration from the Company to the Biller (or a third-party service provider undertaking, on behalf of the Biller, to provide the Billing Services (the ~~“~~"**Third Party Provider**~~”~~")) of all Billing Services then being performed by the Company (the ~~“~~"**Termination Transition**~~”~~") provided that (i) all amounts owed by the Biller to the Company under this Agreement have been paid, except for those amounts which are subject to a dispute under Section 7.7, and that (ii) the Company is paid for any additional services as provided in this Section 8.9.1. The Termination Transition will be provided for a reasonable period of time. The Biller will co-operate in good faith with the Company in connection with the Company~~’~~'s obligations under this Section 8.9 and will perform its obligations under the Transition Plan (as such term is defined below) and as set out in this Agreement.

(b) In furtherance of the parties obligations in Subsection 8.9.1(a), the Company and the Biller will work together to develop a transition plan (the ~~“~~"**Transition Plan**~~”~~") setting forth the respective tasks to be accomplished by each Party in connection with the Termination Transition and a schedule pursuant to which such tasks are to be completed, and the Billing Services to be provided by the Company, including the fees and expenses to be charged by the Company therefor in addition to those payable under this Agreement for Billing Services that continue to be provided or that are otherwise outstanding. In the event the Company and the Biller are unable to agree upon a transition plan during the Transition Notice Period, the Standard Transition Plan will be implemented and the Company will at the time of such implementation notify the Biller as to the fees and expenses to be charged by the Company therefor in addition to those payable under this Agreement for Billing Services that continue to be provided or that are otherwise outstanding.

(c) The Company will assist the Biller at the Biller~~’~~'s expense in the provision of the Biller~~’~~'s data in such formats as the Biller may reasonably require in order to facilitate the transition of such data to another system.

(d) Notwithstanding Subsection 8.9.1(a), if the Company terminates the Agreement as a result of the occurrence of any Event of Default set out in Section 8.6(b) or 8.6(c), then the Company shall only be obligated to provide transition assistance to the Biller for the period from (A) the date on which Company provides Biller notice that services under this Agreement will be terminated, until (B) the Final Billing Date, as provided in the Standard Transition Plan.

8.9.2 Transition Assurances

(a) Prior to the Company providing any termination assistance to a Third Party Provider, as contemplated in Subsection 8.9.1(a), the Biller will cause the Third Party Provider to provide the Company with written assurances, in form and substance satisfactory to the Company acting reasonably, that the Third Party Provider (i) will maintain the confidentiality of any Company proprietary information incidentally or otherwise disclosed or provided to, or learned by, the Third Party Provider in connection with the Termination Transition and (ii) will use such information exclusively for the provision of applicable services for the Biller during the Termination Transition or, where such Third Party Provider is not a competitor of the Company, such longer period of time agreed to by the Company acting reasonably. The Company will provide the Biller with the form of confidentiality agreement which it would find acceptable in order to facilitate the Termination Transition.

(b) For so long as this Agreement remains in effect and during the Termination Transition but subject to the last sentence of this Section 8.9.2(b), the Biller will pay to the Company the charges set forth in this Agreement and in the Transition Plan. If the Termination Transition provided by the Company under this Section 8.9 or the Transition Plan requires personnel or other resources in excess of those resources being provided by the Company under this Agreement at the effective date of expiration or termination, the Biller will pay the Company for such additional personnel and resources at the Company~~’~~'s then current commercial billing rates on such periodic basis as required by the Company.

ARTICLE IX– FINANCIAL ASSURANCES AND INSURANCE

9.1 Requirement for Financial Assurances

Contemporaneously with the execution of this Agreement and at any time during the Term, the Company may, upon notice to the Biller, require the Biller to provide the Company, and the Biller shall provide if the Company so requests, financial assurances in respect of the Biller~~’~~'s obligations hereunder in the amount and of the type required by the Company (the ~~“~~"**Financial Assurances**~~”~~"), all in accordance with the terms set out in *Appendix ~~“~~"D~~”~~"*. Initially, the Financial Assurances required by the Company to be provided by the Biller shall be those set out in *Appendix ~~“~~"D~~”~~"*.

9.2 Nature of Financial Assurances

Any request for such Financial Assurances shall be based upon the creditworthiness of the Biller, and shall be consistent with the Company~~’~~'s then current ~~‘~~'Financial Assurances Policy for Open Bill Services~~’~~', and which Policy shall be a part of the Open Bill Manual. Such Financial Assurances may consist of an irrevocable letter of credit in a form and from an issuer acceptable to the Company and/or such other security as the Company may specify. Such Financial Assurances may relate to the

Biller's obligations hereunder or to the Biller's requests of the Company for an extension of the Term or for other revisions to the terms hereof.

9.3 Realization Upon Financial Assurances

The Company shall be entitled to realize upon any Financial Assurances in the manner and to the extent provided for and set out in this Agreement, including *Appendix "D"*, and such Financial Assurances.

9.4 Insurance

9.4.1 Biller Insurance – The Biller shall, at its own expense, maintain and keep in full force and effect during the Term commercial general liability insurance having a minimum inclusive coverage limit, including personal injury and property damage, of at least two million dollars ($2,000,000). Subject to the terms of the following sentence, the Company shall be added as an additional insured in the Biller's insurance policy, which should be extended to cover contractual liability, products/completed operations liability, owner's/contractor's protective liability and must also contain a cross-liability clause. The Biller shall, forthwith after entering into this Agreement, and from time to time thereafter at the request of the Company (but no more often than twice per year), furnish to the Company a memorandum of insurance or an insurance certificate setting out the terms and conditions of each policy of insurance (all such policies of insurance being hereinafter described as the "**Biller Insurance Policies**") maintained by the Biller in order to satisfy the requirements of this Section 9.4.1. The Biller shall arrange the Biller Insurance Policies with insurers acceptable to the Company, acting reasonably. The Biller shall not cancel, terminate or materially alter the terms of any of the Biller Insurance Policies without giving prior notice in writing to, and obtaining the consent of, the Company. The Biller shall cause or arrange for each of the insurers under the Biller Insurance Policies to oblige itself contractually in writing to the Company to provide thirty (30) days prior notice in writing before cancelling or terminating the Biller Insurance Policies under which it is an insurer.

9.4.2 Company Insurance – The Company shall, at its own expense, maintain and keep in full force and effect during the Term commercial general liability insurance having a minimum inclusive coverage limit, including personal injury and property damage, of at least two million dollars ($2,000,000). Subject to the terms of the following sentence, the Biller shall be added as an additional insured in the Company's insurance policy, which should be extended to cover contractual liability, products/completed operations liability, owner's/contractor's protective liability and must also contain a cross-liability clause. The Company shall from time to time at the request of the Biller (but no more often than twice per year), furnish to the Biller a memorandum of insurance or an insurance certificate setting out the terms and conditions of each policy of insurance (all such policies of insurance being hereinafter described as the "**Company Insurance Policies**") maintained by the Company in order to satisfy the requirements of this Section 9.4.2. The Company shall not cancel, terminate or materially alter the terms of any of the Company Insurance Policies without giving prior notice in writing to, and obtaining the consent of, the Biller. The Company shall cause or arrange for each of the insurers under the Company Insurance Policies to oblige itself contractually in writing to the Biller to provide thirty (30) days prior notice in writing before cancelling or terminating the Company Insurance Policies under which it is an insurer.

[*Remainder of page intentionally left blank*.]

ARTICLE X– Confidentiality

10.1 Purpose, Title and Use

10.1.1 Purpose - Each Party may disclose to the other Confidential Information for the sole purpose of the Biller being provided with the Billing Services by the Company (collectively the ~~“~~"**Purpose**~~”~~").

10.1.2 Title - Each Party agrees that all right, title and interest in the Confidential Information disclosed by the Owning Party, including all discoveries, concepts and ideas derived from the Confidential Information, are the exclusive property of the Owning Party.

10.1.3 Use - The disclosure of Confidential Information by the Owning Party is in strictest confidence and thus the Receiving Party agrees:

(a) to use the Confidential Information only for the Purpose and shall not disclose the Confidential Information to any third party other than the employees, officers, directors, contractors or consultants (subject to the obligations of this Section 10.1.3(a)) of the Receiving Party (collectively referred to as the ~~“~~"**Representatives**~~”~~") who have a need to know the Confidential Information in order to accomplish the Purpose or with the prior written consent of the Owning Party;

(b) to advise each Representative, before he or she receives access to the Confidential Information, of the obligations of the Receiving Party under this Agreement;

(c) with respect to contractors or consultants, to obtain in advance of any disclosure of Confidential Information the prior written agreement of the Owning Party, as well as the written agreement from such contractor or consultant to comply with the terms and conditions set forth in this Agreement; and provided that this provision shall not apply in respect of a Party~~’~~'s legal advisors or auditors;

(d) to be responsible for the breach of any provision of this Agreement by any Representatives;

(e) to use at least the same degree of care to maintain the Confidential Information as confidential as the Receiving Party uses in maintaining its own confidential information, but always at least a reasonable degree of care;

(f) subject to the Parties~~’~~' potential obligations under Section 10.2, within fifteen (15) days following the request of the Owning Party, to return to the Owning Party all materials to the extent containing any portion of the Confidential Information or confirm to the Owning Party, in writing, the destruction of such materials, except where such Confidential Information is stored electronically or otherwise in a manner which would render the return or destruction of such Confidential Information not reasonably possible, provided it shall remain subject to the confidentiality obligations hereof; and

(g) that the Confidential Information provided by the Owning Party shall not be copied, reproduced or summarized in any form, or stored in a retrieval system or database, by the Receiving Party or its Representatives without the prior written consent of the Owning Party, except for such copies, reproductions, summaries and storage as are strictly required for the Purpose and for evaluating the matters under discussion, it being agreed, however, that such copies, reproductions, summaries and storage shall be accorded the same confidential treatment as the originals thereof.

10.2 No Disclosure to Other Persons

10.2.1 The Parties acknowledge and agree that each of the Parties shall have the right to retain necessary Confidential Information which it may determine acting reasonably (the ~~“~~"**Retained Confidential Information**~~”~~") is required for use by such Party in connection with any submission made to or proceeding made before the OEB whether through written or oral hearing or technical conference (collectively referred herein as the ~~“~~"**Regulatory Proceedings**~~”~~"). Each of the Parties further agree that it shall not disclose all or any portion of the Retained Confidential Information in connection with Regulatory Proceedings, whether in order to respond to interrogatories or cross-examination of the Parties~~’~~' witnesses or otherwise, without first seeking the consent of the Owning Party. If such consent is not provided, the Receiving Party shall seek confidential treatment for the Retained Confidential Information pursuant to the OEB~~’~~'s Practice Direction on Confidential Filings. The Receiving Party shall use all reasonable commercial efforts to promptly notify the Owning Party, prior to disclosing any Confidential Information, including the Retained Confidential Information, pursuant to this Section 10.2.1.

10.2.2 Except as provided in Section 10.2.1, in the event a Receiving Party becomes legally compelled, after having exhausted all reasonable commercial efforts as provided in Section 10.2.1 (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process by court order of a court of competent jurisdiction, or in order to comply with applicable requirements of any stock exchange, government department or agency or other regulatory authority, or by requirements of any Applicable Laws) to disclose any Confidential Information, the Receiving Party will (i) promptly notify the Owning Party of the obligation to make such disclosure and (ii) assert the confidentiality of such Confidential Information, in order to permit the Owning Party to seek an appropriate protective order or other protective remedy. The Receiving Party shall not oppose any action by the Owning Party to obtain an appropriate protective order or other remedy. In the event that either such protective order or other remedy is not obtained by Owning Party or Owning Party waives compliance with the provisions of this Agreement, the Receiving Party will disclose only that portion of the Confidential Information which the Receiving Party is legally obliged (based on advice of legal counsel) to disclose to the appropriate authorities.

10.2.3 For the purpose of Sections 10.2.1 and 10.2.2, a Party who is at the relevant time a member of a trade, professional, or business organization (an ~~“~~"**Association**~~”~~") that participates in Regulatory Proceedings as representative of or on behalf of such Party may disclose Retained Confidential Information to that Association for the purposes of participating in Regulatory Proceedings as long as that Association becomes bound by the same obligations of confidentiality as such Party has pursuant to this Agreement with respect to that Retained Confidential Information.

10.3 Remedies

10.3.1 Each Party acknowledges and agrees that the Owning Party will suffer irreparable harm if the Receiving Party fails to comply with any of the obligations under this Article X and that monetary damages will be inadequate to compensate the Owning Party for any breach or attempted breach. Accordingly, in addition to any other remedies available to the Owning Party at law or in equity, or under the terms of this Agreement, each Party, as a Receiving Party, agrees that the Owning Party shall be entitled, as a matter of right, and the Receiving Party shall not oppose the Owning Party~~’~~'s right, to seek equitable relief including an interim injunction, specific performance or other similar relief against the Receiving Party. No waiver of any violation shall be deemed or construed to constitute a waiver of any other violation or other breach of any of the terms, provisions, and covenants contained in this Agreement, and forbearance to enforce one or more of the remedies provided on an Event of Default shall not be deemed or construed to constitute a waiver of such default or of any other remedy provided for in this Agreement.

10.3.2 Further, the Receiving Party shall indemnify and hold the Owning Party harmless against all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered, sustained, paid or incurred by the Owning Party as a result of any breach of this Article X by the Receiving Party or any other Person receiving Confidential Information under this Agreement.

10.4 Of Agreement

Except to the extent necessary to perform its obligations hereunder or to comply with any Applicable Laws, no Party shall, without the prior written consent of the other Party, disclose to any third party the terms or conditions of this Agreement; and provided that this provision shall not apply in respect of a Party~~’~~'s legal advisors or auditors.

ARTICLE XI– GENERAL CONTRACT PROVISIONS

11.1 Notice

All notices, directions, documents of any nature required or permitted to be given by one Party to the other pursuant to this Agreement (in each case, a ~~"~~"**Notice**~~"~~") shall be in writing and shall be delivered personally or by courier or sent by facsimile as follows:

(a) in the case of the Company, to it at:

Enbridge Gas Distribution Inc.
~~500 Consumers Road~~
~~North York, ON M2J 1P8~~
Fax Number: (416) 495-5657

Attention: Director, Customer Care

With a copy to:

Enbridge Gas Distribution Inc.
Fax Number: (416) 495-5994

Attention: Vice President, ~~Gas Distribution Law & Deputy General Counsel~~Law & Information Technology

(b) in the case of the Biller, to it at:

~~●~~

●

With a copy to:

~~●~~

●

or at such other address of which the addressee may from time to time have notified the addressor pursuant to this Section 11.1. A Notice may be delivered by electronic internet communication provided the Parties have agreed in writing in advance to do so and have established in writing in advance their respective addresses for such communication. A Notice shall be deemed to have been sent and received on the day it is delivered personally or by courier or by facsimile or by electronic internet communication. If such day is not a Business Day or if the Notice is received after ordinary office hours (at the time of place of receipt), the Notice shall be deemed to have been sent and received on the next Business Day.

11.2 Further Assurances

The Parties shall do or cause to be done all such further acts and things as may be reasonably necessary or desirable to give full effect to this Agreement. Without limiting the foregoing, each Party will at any time and from time to time execute and deliver or cause to be executed and delivered such further instruments and take such further actions as may be reasonably requested by the other Party in order to cure any defect in the execution and/or delivery of this Agreement.

11.3 Waiver

No waiver of any provision of this Agreement shall be binding unless it is in writing. No indulgence or forbearance by a Party shall constitute a waiver of such Party~~'~~'s right to insist on performance in full and in a timely manner of all covenants in this Agreement. For certainty, and without in any way limiting the foregoing, no default by a Party in fulfilling any of its obligations will be waived or deemed to have been waived by any examination, inspection or review by the other Party. Waiver of any provision shall not be deemed to waive the same provision thereafter, or any other provision of this Agreement at any time.

11.4 Amendments

Unless indicated otherwise in this Agreement, no additions, deletions, extensions or modifications of this Agreement shall be binding on either Party unless made in writing and signed by both Parties.

11.5 ~~Amended and Restated Trust Agreement~~Force Majeure

~~Following delivery of a notice by EGD to the Biller, and effective as of the date set out in such notice, (A) this Agreement shall automatically be amended in the manner and to the extent set forth on *Appendix "H"* hereto, and (B) the Trust Agreement shall automatically be replaced by the Amended and Restated Trust Agreement attached as *Appendix "I"* hereto without creating a new trust or otherwise resulting in a novation of the Trust Agreement. From and after the effective date of such amendments, this Agreement shall be and shall be deemed to be amended as set forth on *Appendix "H"* and all other provisions hereof shall remain in full force and effect, unamended. For certainty, no further action is required by any party hereunder in order for the amendments set forth on *Appendix "H"* to become effective other than the delivery of such notice by EGD.~~

If the Company's performance of any of its obligations under to this Agreement is prevented, hindered or delayed by reason of fire, flood, earthquake, explosion or other casualty or accident or act of God, war or other violence, or any laws or regulations, order, proclamation, regulation, ordinance, demand or requirement of any Governmental Authority or other similar event outside the Company's reasonable control (including, without limitation, labour unrest with respect to the labour force of the Company or a third party) (in each case, a "**Force Majeure Event**"), then the Company will be excused for such non-performance, hindrance or delay, as applicable, of those obligations for as long as such Force Majeure Event continues.

11.6 Relationship between the Parties

Except as expressly and specifically provided for in this Agreement or the Trust Agreement, neither the Company nor the Biller will be deemed by virtue of this Agreement an agent of the other. Any and all joint venture or partnership status between the Parties is hereby expressly denied, and the Parties acknowledge that they have not formed either expressly or impliedly, a joint venture or partnership.

11.7 Successors and Assignment

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, but neither Party shall transfer or assign this Agreement, or any of the rights, duties, or obligations under this Agreement, to any Person without the prior written consent of the other Party, acting reasonably.

11.8 Counterparts

This Agreement may be executed in several counterparts, each of which so executed being deemed to be an original, and such counterparts together shall constitute but one and the same instrument and notwithstanding their date of execution shall be deemed to be made and dated as of the date hereof.

11.9 Time of the Essence

Time is of the essence of this Agreement and of every provision of this Agreement. Extension, waiver or variation of any provision of this Agreement shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

[*Remainder of page intentionally left blank; the next page is the signing page.*]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ENBRIDGE GAS DISTRIBUTION INC.

By: ______________________________
Name: ~~Arunas Pleckaitis~~
Title: Vice President, Business Development & Customer Strategy

By: ______________________________
Name: ~~Mark Boyce~~
Title: Vice President, ~~Gas Distribution Law & Deputy General Counsel~~Law & Information Technology

[OPEN BILL PARTICIPANT]

By: ______________________________
Name:
Title:

APPENDIX ~~“~~"A~~”~~"

BILLING SERVICES

The Company is providing billing services, the scope of which is described below. The Billing Services will produce either a shared monthly bill that includes Distribution Charges or a standalone monthly bill which does not include Distribution Charges for each Customer identified by the Biller in the manner contemplated herein. ALL BILLING SERVICES ARE PROVIDED IN ACCORDANCE WITH THE REQUIREMENTS OF THE OPEN BILL MANUAL. THE BILLER ACKNOWLEDGES RECEIPT OF A COPY OF THE OPEN BILL MANUAL AS OF THE DATE OF THIS AGREEMENT.

Service Function Provided	Description of Service
Account Set Up & Management	Biller will initiate and Company will receive and process requests for the establishment of a customer account (as either shared or standalone) through the use of transaction interface files communicated by Biller to Company, for customer accounts within Company~~’~~'s franchise territory. If, in any twelve (12) month period, the effort to set up Customer accounts (for Customers receiving a standalone Service Bill that does not include Distribution Charges) exceeds one hundred (100) hours, then Biller will be charged by Company for such incremental effort at a rate that is the lesser of: (i) the actual cost to set up such accounts based on an hourly rate of $60.00 (sixty dollars) per hour; and (ii) a flat charge of $20.00 (twenty dollars) per Customer account set up. Company will process updates to the customer record (i.e. names, phone numbers, etc.). Company will support rate ready transactions, financing and rental contracts in Company~~’~~'s CIS system in a rate ready format. Company will support all bill ready transactions in Company~~’~~'s CIS system received from Biller.
Call Centre	Company will provide ~~“~~"core~~”~~" Customer billing inquiries (e.g. amount billed, when billed, etc). For product/service specific information, Customer will be directed to the Biller for response. Company will handle ~~“~~"core~~”~~" Customer billing inquiries redirected by Biller to Company. Company will direct customers to call Biller when detailed product information is required by Customer. Company will respond to any written or email inquiries that are ~~“~~"core~~”~~" Customer billing inquiries (e.g. amount billed, when billed, etc). Any product/service specific inquiries will be directed to Biller for

Service Function Provided	Description of Service
	response.
Billing Hotline	Company will provide Biller with dedicated support for billing inquiries. This service is for use by Biller personnel only and will provide consultation on Customer billing information, account status and account details held within Company~~’~~'s CIS system. Hours of the ~~“~~"hotline~~”~~" operation will match Company~~’~~'s current billing inquiries hours (8AM - 6PM – during Business Days).
Billing	All transactions must be in the format specified in the Open Bill Manual. All transactions must pass a Company edit in order to be input on a Service Bill. Rejected transactions will be sent back to Biller via an electronic file. All transactions to be presented on the Service Bill will be comprised of charges related only to Customer Services. All Company billing exceptions (i.e. unpostables , no bills, etc.) will be reviewed and resolved. Company will process all adjustment transactions from Biller that are communicated to Company in the form of a transaction interface file that complies with the requirements of the Open Bill Manual and passes the Company~~’~~'s edit requirements. Company will process billing adjustments as a result of a CIS processing or Company error and issue an incremental Service Bill to Customer to correct such billing error, if required. Company will provide Biller with backbilling services, for items such as rate ready rental equipment, for the period the gas meter is turned off due to non payment, when the account is resumed in the same name. Company will randomly review Service Bills on a daily basis to ensure billing accuracy for Biller~~’~~'s rate ready charges. Company will process move transactions initiated by Customer via telephone or written correspondence. All rate ready transactions will be calculated based on rates and charges provided by Biller. The rate change process will be provided in accordance with the Open Bill Manual. If Customer disputes Biller~~’~~'s charge, Company will transfer the dispute to Biller for investigation and resolution. Biller shall be entitled to have aggregated statements (i.e. information relating to multiple account to be presented on one or more Service Bill(s)) rendered and issued each month.

Service Function Provided	Description of Service
Bill Presentment	Biller charges/credits will be displayed on the Biller's portion of the "Charges from Other Companies" section of the Service Bill. Line items to be presented on the Service Bill will be limited to the Customer Services. Company will print Biller specific logos, based on Company's pre-determined printing requirements. Up to six items per Biller may be presented on each Service Bill per month. Bills that exceed the six item limit will be subject to an additional charge. Company will provide Biller with space for a monthly four line bill message, incremental to the product description line, which will be located on the right side of the Service Bill opposite Biller's charges.
Bill Print & Mailing	Company will support all aspects of bill print, including a daily audit of print quality, and will provide corrections if necessary. Company's bill mailing will be compliant with Canada Post standards. Returned mail will be reviewed and information updated, when available.
Rental Equipment	Where rate ready rental equipment is attached to Customer's premises within the CIS system, Company will transfer the rental to the new Customer when a Customer move occurs, and inform Biller.
Finance	Company will purchase the Distribution Entitlements from Biller on the applicable Payment Date.
Settlement	Company will pay the Settlement Amount to Biller in accordance with the Agreement.

APPENDIX "B"

CHARGES

For purposes of the Agreement:

"**Billing Fee**" is (i) if the Term commences in 2009, **eighty-eight cents ($0.88)** for each Service Bill delivered pursuant to the Agreement which includes Distribution Charges, and **two dollars and five cents ($2.05)** for each Service Bill delivered pursuant to the Agreement which does not include Distribution Charges, in each case, as adjusted by the Billing Fee Adjustment, from time to time, or (ii) if the Term commences in 2010 or later, those fees specified in subitem (i) as the same would have been adjusted through application of the Billing Fee Adjustment as if the Term had originally commenced in 2009;

"**Billing Fee Adjustment**" means, an increase to the Billing Fee, to be applied at the Company's sole discretion effective as of January 1 in each calendar year upon delivery of notice to the Biller, in an amount not to exceed an amount equal to one half of the annual change in The Canadian Consumer Price Index, All Items, as published by Statistics Canada to a maximum amount equal to two percent (2%) of the aggregate Billing Fees paid or payable, in each case, for the preceding calendar year, as measured in November of such preceding calendar year, provided that such Billing Fee adjustment is applicable to all third parties under contract with the Company for the provision of services similar to the Billing Services;

"**Corrective Costs**" means the reasonable costs incurred by the Company to investigate, correct or otherwise address breaches or possible breaches by the Biller of any of its covenants, obligations, representations or warranties in Section 2.6 or Section 7.1; and such costs may include, but are not limited to, the cost of outside legal advice, auditors, consultants and investigators engaged by the Company to investigate or follow-up on such breaches;

"**Pre-Payment Amount**" means the Billing Fee pre-payment in the amount of $●. The Pre-Payment Amount is an amount to be paid by the Biller to the Company prior to the initial provision of services by the Company to the Biller under this Agreement in recognition of costs to be incurred by the Company with respect to putting in place the Billing Services. The Pre-Payment amount shall not exceed $10,000. The Company shall set-off the Billing Fee, as invoiced to the Biller from time to time against the Pre-Payment Amount until the Pre-Payment Amount has been reduced to zero. If this Agreement is terminated prior to end of its Term and there remains any unapplied Pre-Payment Amount, then such amount may be retained by the Company.

"**Scheduled Settlement**" is 99.47%, as such percentage may be adjusted at its sole discretion based on the Company's actual bad debt incurred in the prior calendar year, effective as of January 1 in each calendar year, upon delivery of written notification to the Biller; provided that such change is applicable to all third parties under contract with the Company for the provision of services similar to the Billing Services; and provided that in no event shall the Scheduled Settlement be less than 100% minus the sum of: (A) the Company's actual bad debt, expressed as a percentage of the Company's total accounts receivable in the prior calendar year; plus (B) 0.03%.

APPENDIX "C"

SERVICE LEVELS

1 - Bill Delivery for Service Bills	
Objective	To deliver Service Bills in a timely manner to the Biller's customers.
Definition	Service Bills are to be delivered to Canada Post (at the point of entry into the Canada Post system and at the time of day required by Canada Post as defined by Canada Post) on the same day as printed. Service Bills conveyed electronically ("e-bills") are to be posted to the Company's e-bill service provider's website on the same day they are generated.
Data Capture	The Company will track and report the timely delivery to Canada Post of each cycle (or part thereof) of all bills printed by the Company that include Distribution Charges together with printed Service Bills that do not contain Distribution Charges (collectively the "Total Printed Bills") to Canada Post and the timely posting of e-bills to the Company's e-bill service provider's website each day.
Measurement Interval	Bill delivery statistics (volumes and date/time of day) for Total Printed Bills will be monitored and maintained for all billing cycles daily and aggregated on a monthly basis and assessed annually.
Method of Calculation	Delivery Same Day as Printed: For each billing day, (the aggregate number of Total Printed Bills that are delivered to Canada Post same day as printed + the total number of e-bills that are posted to the Company's e-bill service provider's website for same day delivery), divided by (the aggregate number of Total Printed Bills due to be delivered to Canada Post for each billing cycle + the total number of e-bills due to be posted to the Company's e-bill service provider's website), times 100. Delivery Next Business Day: For each billing day, (the aggregate number of Total Printed Bills that are delivered to Canada Post same day as printed + the total number of e-bills that are posted to the Company's e-bill service provider's website for same day delivery + the aggregate number of Total Printed Bills that are delivered to Canada Post by next Business Day + the total number of e-bills posted to the Company's e-bill service provider's website by next Business Day) divided by (the aggregate number of Total Printed Bills due to be delivered to Canada Post for each billing cycle + the total number of e-bills due to be posted to the Company's e-bill service provider's website), times 100.
Reporting Period	Monthly and annual reporting
Service Level	95% of Total Printed Bills delivered to Canada Post and 95% of e-bills posted to the Company's e-bill service provider's website for same day as printed

	and delivery, with 100% being delivered by next Business Day. This must occur 98% of the time for the total annual number of billing cycle days.

2 - Bill Messages for Service Bills	
Objective	To make certain that there are no incorrect bill messages included on the Service Bills.
Definition	An incorrect bill message is any bill message printed on the Service Bill that was delivered to the Customer and not scheduled to appear on the Service Bill or a bill message that was scheduled to appear on the Service Bill that was not printed on the Service Bill.
Data Capture	The Company will track the number of infractions that occur on the Service Bills by physically reviewing a representative sampling of completed mailings and posted e-bills each billing cycle day.
Measurement Interval	Reviewed daily and measured monthly at the end of each Billing Period.
Method of Calculation	The total number of mailing envelope message infractions divided by the total number of mailing envelopes mailed, times 100%
Reporting Period	Monthly
Service Level	Zero infractions 98% of the time.

3 – Billing Exceptions Processing	
Objective	To make certain that all billing exceptions are completed in a timely manner.
Definition	A billing exception is a condition that causes the Service Bill to not be issued for delivery to the Customer as per the Company~~'~~'s meter reading and billing schedule.
Data Capture	The Company will track and report all billing exceptions.
Measurement Interval	All billing exceptions will be identified and measured to determine if they have been resolved on or before the Customer~~'~~'s next regularly scheduled billing cycle day.
Method of Calculation	The total number of billing exceptions that are completed on or before the Customer~~'~~'s next regularly scheduled billing cycle day, divided by the total number of billing exceptions to be completed on or before the Customer~~'~~'s next regularly scheduled billing cycle day, times 100.
Reporting Period	Monthly.
Service Level	Fix 95% of billing exceptions before the Customers~~'~~' next regular Service Bill is issued for delivery to the Customer as per the Company~~'~~'s meter reading and billing schedule.

APPENDIX ~~“~~"D~~”~~"

FINANCIAL ASSURANCES

PART 1 - FINANCIAL ASSURANCES

[Note to draft: This Part 1 will be completed for each Biller in accordance with the requirements of the Company~~’~~'s then-current policies relating to customer creditworthiness.]

Pursuant to Section 9.1 of the Agreement, but subject to the following paragraph, [the Biller][the Guarantor] will be required to post and maintain, at all times during the Term and Termination Transition (if applicable) and for a period of ~~three~~twelve (~~3~~12) Billing Periods thereafter, [a parental guarantee] [an irrevocable Letter of Credit] [cash equivalent satisfactory to the Company], to the benefit of the Company, [substantially on the terms attached hereto]. [Such Letter of Credit to be provided by the Biller shall be for an amount which is not less than the following: $~~●~~●]

Notwithstanding the following paragraph, the requirement to provide Financial Assurances set out in Section 9.1 of the Agreement shall not apply to any Biller if: (A) during any Billing Period, the total number of Service Bills for which the Company provided Billing Services in the six completed Billing Periods prior to, but not including, such Billing Period, was less than seven thousand two hundred (7,200); and (B) such Biller has provided to the Company a notice pursuant to Section 4.7.2 of the Agreement to set-off payment of the Billing Fee Invoice against payment to the Biller of the Settlement Amount as contemplated therein.

Subject to the preceding paragraph, the requirement to provide Financial Assurances set out in Section 9.1 of the Agreement shall not apply to any Biller if, at the time of execution of this Agreement: (A) the Biller anticipates that the number of Service Bills for which the Company will provide Billing Services during the first twelve (12) Billing Periods of this Agreement will not exceed fourteen thousand four hundred (14,400), and (B) such Biller has provided to the Company a notice pursuant to Section 4.7.2 of the Agreement to set-off payment of the Billing Fee Invoice against payment to the Biller of the Settlement Amount as contemplated therein.

PART 2 - REALIZATION ON FINANCIAL ASSURANCES

In addition to any other rights in respect thereof set out in the Agreement, the Company shall be able to liquidate or exercise all or any part of any Financial Assurances then held by or for the benefit of the Company free from any claim of set-off or otherwise or right of any nature whatsoever of the Biller:

(a) in respect of any obligation of the Biller to pay any amount to the Company, and which obligation has become an Event of Default of the Biller;

(b) in respect of any claim for indemnity made by the Company pursuant to Section 7.3.1 and in respect of which the Biller does not dispute the claim or the claim is the subject of a final and binding arbitration decision made pursuant to Section 7.7 or by a court of competent jurisdiction; or

(c) in respect of any cost or expense incurred by the Company as a result of the Biller~~'~~'s failure to fulfill or comply with any of its obligations pursuant to this Agreement.

PART 3 - ADJUSTMENT OF FINANCIAL ASSURANCES

(a) ~~**(d)**~~ The amount and type of the Financial Assurances may be adjusted from time to time in accordance with the provisions of Article IX and this *Appendix ~~"~~"D~~"~~"*. Without in any way limiting the foregoing, if, at any time during the Term: (A) the Company has reasonable grounds to believe that the Biller~~'~~'s creditworthiness or performance under this Agreement has or may become unsatisfactory; (B) there is a material adverse change in market conditions; (C) there occurs a change in OEB policies or requirements; or (D) for any other reason set out in this *Appendix ~~"~~"D~~"~~"*, the Company may provide the Biller with notice requiring the Biller to post additional or increased Financial Assurances in a form, amount and for a duration identified by the Company in a commercially reasonable manner and agreed upon with the Biller.

(b) ~~**(e)**~~ Upon receipt of such notice, the Company and the Biller shall have the period of days specified in the notice to settle and agree upon the form, amount and duration of such additional or increased Financial Assurances.

(c) ~~**(f)**~~ If the additional or increased Financial Assurances are:

(i) not agreed upon, or~~,~~

(ii) if agreed upon, not provided to the Company

within the specified period, the Biller shall thereupon be deemed to be in default under this Agreement and the Company shall, in addition to any of its other rights hereunder, thereafter have the option to terminate this Agreement in accordance with the terms hereof.

APPENDIX ~~“~~"E~~”~~"

ANNUAL FORECAST – 20~~●●~~●●

Biller~~’~~'s 12 month forecast for Service Bills.
[note to draft: insert Biller forecast for the relevant 12 month period]

Year X

Service	**January**	**February**	**March**	**April**	**May**	**June**
Number of Service Bills						
Service	**July**	**August**	**September**	**October**	**November**	**December**
Number of Service Bills						

Year X + 1

Service	**January**	**February**	**March**	**April**	**May**	**June**
Number of Service Bills						
Service	**July**	**August**	**September**	**October**	**November**	**December**
Number of Service Bills						

Annual Forecast:

[Note to draft: The table above should contain forecasts, where possible or commercially reasonable, for both shared bills (i.e., those including Company distribution charges) as well as stand-alone bills (those not including EGD distribution charges).]

APPENDIX ~~“~~"F~~”~~"

BILLER~~’~~'S INTELLECTUAL PROPERTY

See attached Trademark License Agreement.

APPENDIX ~~“~~"G~~”~~"

STANDARD TRANSITION PLAN

Definitions

For the purposes of this Standard Transition Plan the following terms shall have the meanings set out below.

~~“~~"**Notice Date**~~”~~" means the date on which Company provides Biller notice that services under this Agreement will be terminated.

~~“~~"Final Billing Date~~”~~" means either:

(iii) ~~(i)~~ in the case of a Biller for which the Company provides Billing Services with respect to less than an average of 5,000 Services Bills per Billing Period in the three Billing Periods immediately prior to the implementation of the Standard Transition Plan, the earlier of (a) the Notice Date plus sixty (60) calendar days, and (b) the end of the next complete Billing Period after the Notice Date; or

(iv) ~~(ii)~~ in the case of a Biller for which the Company provides Billing Services with respect to an average of 5,000 or more but less than 250,000 Services Bills per Billing Period in the three Billing Periods immediately prior to the implementation of the Standard Transition Plan, the earlier of (a) the Notice Date plus ninety (90) calendar days, and (b) the end of the second complete Billing Period after the Notice Date; or

(v) ~~(iii)~~ in the case of a Biller for which the Company provides Billing Services with respect to an average of 250,000 or more but less than 500,000 Services Bills per Billing Period in the three Billing Periods immediately prior to the implementation of the Standard Transition Plan, the earlier of (a) the Notice Date plus one hundred and twenty (120) calendar days, and (b) the end of the third complete Billing Period after the Notice Date; or

(vi) ~~(iv)~~ in the case of a Biller for which the Company provides Billing Services with respect to 500,000 or more Services Bills per Billing Period in the three Billing Periods immediately prior to the implementation of the Standard Transition Plan, the Notice Date plus one hundred and eighty (180) calendar days.

~~“~~"**Final Invoice Date**~~”~~" means the Final Billing Date plus 6 Cycle Days.

Assumptions

- Biller will not require services from Company to migrate their billing data to Biller or to a third party service provider. Should this not be the case Company will respond to any request for the provision of such data on or before [Notice Date + 30 calendar days].

Customer Related Transition Actions to be completed on or before the following dates:

- **Biller's Actions**:
  - On [Notice Date] - No further Customers will be accepted for billing service enrollment as of this date.
  - By [Final Billing Date + 30 calendar days] - Update call centre scripts to communicate that charges will no longer appear on the Service Bill.
  - No later than [15 calendar days prior to the Final Billing Date] – Biller will send letters to all Customers to communicate that their charges will no longer appear on the Service Bill after [Final Billing Date].
  - Until [Final Billing Date + 30 calendar days] – Biller will respond to customer inquiries in a timely and professional manner.
  - By [Notice Date + 7 calendar days] - If required, Biller will extend their Financial Assurances until at least [Final Billing Date + ~~60 calendar days~~12 months]
  - By [Final Invoice Date + 30 calendar days] – Payment of all Billing Fees together with actual costs incurred by Company in respect of termination services on a time and materials basis (including applicable Taxes thereon) without mark-up.
- **Company's Actions:**
  - Until [Final Billing Date] - Continue to provide Billing Services for valid charges that were provided before [Notice date].
  - By [Notice date + 7 calendar days] - Update call centre scripts for Biller related calls to communicate that these charges will no longer appear on the Service Bill after [Final Billing Date] and may send letter to Customers advising then that charges will no longer appear on the Service Bill after [Final Billing Date] .
  - By [Final Invoice Date] – Complete invoicing to Biller for all Billing Fees together with actual costs incurred by Company in respect of termination services on a time and materials basis (including applicable Taxes thereon) without mark-up.
  - Throughout the Transition Period - In the event Biller does not fulfill its obligations under this transition plan, Company reserves the right to take such actions, as required, in order to finalize the transition.

Open Bill Operations Transition Actions to be completed on or before the following dates:

- **Company's Actions**:
  - On [Final Billing Date] - Remove Biller's security access to their SFTP Input folder.

- ~~o~~ Until [Final Billing Date + 21 calendar days] – Daily net remittances to Biller continue.

- ~~o~~ Until [Final Billing Date] - Reporting continues as required by the Agreement. Biller~~’~~'s access to Company~~’~~'s SFTP Server will be discontinued at the end of this period.

- ~~o~~ On [Final Billing Date + 1 calendar day] - Revise all of Company~~’~~'s Biller lists to show that Biller~~’~~'s charges will no longer appear on the Service Bill.

- ~~o~~ On [Final Billing Date] - For all remaining rate ready charges, submit rate ready delete transactions for remaining Customers.

~~**APPENDIX "H"**~~

~~**FURTHER AMENDMENTS TO AGREEMENT**~~

~~Pursuant to Section 11.5, effective as of the date specified by EGD in accordance with Section 11.5, this Agreement shall be automatically amended as follows:~~

~~2. In Section 1.1, the definition of "Trust Agreement" is hereby deleted and replaced with the following:~~

> ~~" 'Trust Agreement' means the Amended and Restated Proceeds Transfer, Servicing and Trust Agreement entered into among the Company, CIBC Mellon Trust Company, the Biller and the other parties set forth on Schedule "F" thereto effective as of [● ●, ●], as the same may be amended, modified or replaced from time to time; "~~

~~For certainty, the date above in square brackets will be changed to the actual date of such Trust Agreement.~~

~~3. In Section 1.1, the definition of "Servicer" is hereby deleted.~~

~~4. Section 4.2.1 is hereby amended by deleting the words "on or before 9:00 a.m. (Toronto time)" from the fifth line thereof and replacing them with the words "on or before the close of business (Toronto time)".~~

~~5. Section 4.2.2 is hereby deleted in its entirety and the following substituted in its place:~~

> ~~4.2.2 Upon, and subject to, the Biller's receipt of the Settlement Amount, the Biller shall immediately thereafter transfer to the Company all of its Beneficial Interest relating to the Biller Receivables billed on such Related Calculation Day. In order to effect the transfer of such Beneficial Interest to the Company from a Biller, the Company shall, unless the Company has received from a Biller no later than the close of business on the Business Day immediately following the relevant Payment Date a statutory declaration delivered pursuant to Section 4.5(b) of the Trust Agreement, concurrently and irrevocably re-direct the Trustee to pay any Scheduled Payment Amount otherwise payable to the Biller in respect of its Beneficial Interest for the relevant Related Calculation Day to the Company on or before the close of business on the relevant Payment Date. In the event of delivery of such a statutory declaration, the provisions of the Trust Agreement shall apply to the payment of the applicable Scheduled Payment Amount. Notwithstanding the foregoing, if the Payment Date is not a Business Day, payment shall be made on the first Business Day next following such day.~~

~~6. Section 4.7.2 is hereby amended by deleting the words "addressed to the Servicer or the Trustee as the Company reasonable requests" from the fourth line thereof and replacing them with the words "addressed to the Company and the Trustee".~~

~~7. Section 4.11 is hereby amended by deleting the words ", the Servicer" from each of the first and fifth lines thereof.~~

~~8. Section 5.2.1 is hereby amended by deleting the words "or the Servicer" from the fourth and fifth lines thereof.~~

~~9. Section 7.7.1 is hereby deleted in its entirety and the following substituted in its place:~~

> ~~7.7.1 Mechanism for Resolution of Disputes - With the exception of the exercise of rights of termination arising pursuant to Sections 8.4 or 8.5, all disputes, claims, questions or differences between the Parties arising out of or in connection with this Agreement or its performance, enforcement or breach (each a "**Services Dispute**"), shall be resolved in the manner set out in this Section 7.7. For certainty, if a Party gives to the other Party a notice pursuant to Section 8.6, then such other Party shall not be entitled to pursue resolution of any Services Dispute related thereto pursuant to this Section 7.7.~~

~~APPENDIX "I"~~

~~AMENDED AND RESTATED TRUST AGREEMENT~~

Document comparison by Workshare Professional on Tuesday, June 05, 2012 2:31:34 PM

Input:	
Document 1 ID	file://C:/Documents and Settings/annisa/Desktop/Open Bill Access Billing and Collection Services Agreement (FINAL) 091013.doc
Description	Open Bill Access Billing and Collection Services Agreement (FINAL) 091013
Document 2 ID	file://C:/Documents and Settings/annisa/Desktop/Revised Open Bill Agreement - revised June 5, 2012 (FMC with SM Comments).doc.docx
Description	Revised Open Bill Agreement - revised June 5, 2012 (FMC with SM Comments).doc
Rendering set	standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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Insertions	645
Deletions	652
Moved from	8
Moved to	8
Style change	0
Format changed	0
Total changes	1313

2013 COST ALLOCATION METHODOLOGY

1. The purpose of this evidence is to present the Company's Fully Allocated Cost Study ("the Study") found at Exhibit G2, Tabs 1 to 7. The Study allocates the test year revenue requirement to the customer rate classes acting as a guide to rate design. The Company is proposing to maintain its cost allocation methodology for the 2013 Test Year.

2. The Study is organized in Exhibit G2 in the following manner:
   a) Tab 1 describes the underlying principles of the Board approved study;
   b) Tab 2 is a summary of the key results of the Study. The proposed revenues are compared to the allocated costs per rate class, generating an over or under contribution, and revenue to cost ratios for each rate class;
   c) Tab 3 shows the functionalization of rate base, net investments costs, and O&M expenses;
   d) Tab 4 shows the classification of the functionalized rate base, net investments, and O&M costs;
   e) Tab 5 shows the allocation of the classified rate base, return and taxes, and the cost of service;
   f) Tab 6 contains the functionalization, classification and allocation factors used in the Study; and,
   g) Tab 7 exhibits provide functionalization and classification of costs for Tecumseh storage. These results are used to charge back storage service costs to the Company's in-franchise customers and to derive ex-franchise storage rates.

3. Although the Study is based on Board approved principles and conventions, the Company would like to highlight the treatment of the Customer Care / CIS revenue

requirement within the Study. This is discussed in the paragraphs below.

Customer Care and CIS

4. As shown at Exhibit A2, Tab 4, Schedule 1, page 6, the 2013 Customer Care / CIS rate base equals $70.5 million and the 2013 revenue requirement equals $110.2 million after a $4.6 million smoothing adjustment.

5. The derivation of this revenue requirement reflects the Customer Care / CIS Settlement Agreement (EB-2011-0226) dated September 2, 2011 and is independent from the derivation of the Company's other 2013 revenue requirement components. As such, the 2013 Customer Care / CIS revenue requirement is shown as a stand-alone item at Exhibit A2. The individual components of the Customer Care / CIS revenue requirement are reproduced in Table 1 below:

Table 1

Customer Care / CIS Item	**$ Million**	**Reference**
O&M	89.4	A2/T4/S1/P6/L4/C3
Depreciation	12.7	A2/T4/S1/P6/L5/C3
Return	4.6	A2/T4/S1/P6/L2/C3
Tax	8.1	A2/T4/S1/P6/L14/C3
Smoothing Adjustment	(4.6)	A2/T4/S1/P6/L18/C3
Total	110.2	A2/T4/S1/P6/L19/C3

6. The reference for the location of each component of the Customer Care / CIS revenue requirement within the Study is provided in Table 2 below. Note that for the purpose of the cost allocation study the Company applied smoothing adjustment to the O&M component of the revenue requirement.

Witnesses: A. Kacicnik
M. Kirk

Table 2

Customer Care / CIS Item	**$ Million**	**Reference**
O&M (less Smoothing Adjustment)	84.8	G2/T3/S4/P3/L5.1–5.7/C1
Depreciation	12.7	G2/T3/S3/P1/L1.1/C13
Return	4.6	G2/T5/S3/P1/L6.3/C1
Tax	8.1	G2/T5/S3/P1/L6.4/C1
Total	110.2	

7. The Customer Care / CIS O&M component, less smoothing adjustment, consists of the following functions:

Table 3

Customer Care / CIS O&M	**$ Million**	**Reference**
Billing	39.4	G2/T3/S4/P3/L5.1/C1
Service & Billing Enquiry	9.0	G2/T3/S4/P3/L5.2/C1
Meter Reading	9.6	G2/T3/S4/P3/L5.3/C1
Credit & Collection	14.6	G2/T3/S4/P3/L5.4/C1
Supervision	9.7	G2/T3/S4/P3/L5.6/C1
LV Customer Care	2.5	G2/T3/S4/P3/L5.7/C1
Total O&M	84.8	

8. All components of the Customer Care / CIS revenue requirement are allocated to the customer classes based on the number of customers in each class. The only exception is the LV Customer Care function, which does not serve residential customers, and is consequently only allocated to commercial and industrial customer classes, again based on the number of customers in each class.

Witnesses: A. Kacicnik
M. Kirk

FULLY ALLOCATED COST STUDY
ENBRIDGE GAS DISTRIBUTION
2013 TEST YEAR

Table of Contents

FULLY ALLOCATED COST STUDY

1. Summary

The 2013 Fully Allocated Cost Study is found in Exhibit G2, Tabs 2 to 7. The key results, including cost of service for each rate class, and revenue to cost ratios are summarized in Table 1, and are shown in further detail in Tab 2. Table 1 compares the allocated cost of service (Col. 2) to the proposed revenue (Col. 1), over / under contribution (Col. 3), and revenue to cost ratio (Col. 4) for all rate classes.

Table 1

FULLY ALLOCATED COST STUDY RESULTS

	Col. 1 Revenue *$Millions*	Col. 2 Cost of Service *$Millions*	Col. 3 Over/Under Contributions *$Millions*	Col. 4 Revenue to Cost
Rate 1	1,466.58	1,461.16	5.41	1.00
Rate 6	856.29	857.09	(0.80)	1.00
Rate 9	0.52	1.32	(0.80)	0.40
Rate 100	0.00	0.00	0.00	0.00
Rate 110	26.30	29.21	(2.91)	0.90
Rate 115	7.78	7.50	0.28	1.04
Rate 125	11.42	11.51	(0.09)	0.99
Rate 135	1.74	1.93	(0.19)	0.90
Rate 145	7.79	9.46	(1.67)	0.82
Rate 170	7.84	7.84	0.00	1.00
Rate 200	23.85	22.94	0.91	1.04
Rate 300	0.21	0.40	(0.19)	0.54
Rate 325 & 330	1.81	1.81	0.00	1.00
Direct Purchase	2.15	2.15	0.00	1.00
Total	2,414.28	2,414.28	0.00	1.00

FULLY ALLOCATED COST STUDY

2. Introduction

The Study allocates test year rate base and revenue requirement to the various rate classes.

The Study's results represent the best estimate of the forecast costs to serve each rate class based on the conventions that underpin the study. An approach using different conventions would produce different results. However, it is the consistent year-to-year relationship between costs and revenues that is important for rate impacts, rather than the absolute level of allocated costs.

3. Conventions and Principles

The relative accuracy of any study can only be understood through the examination of the effects of the conventions employed. The major costs the Company incurs for providing service are associated with common facilities, such as gas distribution mains. To identify costs for each rate class for facilities that are shared by all customers, conventions that are based on principles and judgements are employed. These conventions have been reviewed and approved by the Ontario Energy Board, and together, they determine:

- the approach
- the degree of accuracy
- comparability and consistency over time

3.1 Approach

The Study first identifies two distinct cost entities: Enbridge Gas Distribution Inc ("EGDI") and Tecumseh Gas Storage Division ("Tecumseh Gas"). It is necessary to ensure the proper separation of costs between storage and distribution services so as to remove any potential for cross-subsidization between distinct services. Each entity is pro rated a share of corporate-related overhead costs: administrative and general, fringe benefits, and average return on rate base.

FULLY ALLOCATED COST STUDY

The Study next allocates the forecasted embedded costs for each entity that collectively form the revenue requirements in the test year. These costs are broken down, or unbundled, into cost components by rate class for each service provided to customers.

Due to the comprehensive nature of utility operations, a three-step process to *functionalize*, *classify*, and *allocate* costs, is necessary to facilitate costing of the variety of services required that are identifiable with each customer class. The consistent application of these steps results in an approach that allocates to each rate class the average costs associated with specific, shared, and common facilities used to provide services required by customers.

The rate classes themselves are set to reflect homogeneity of customer characteristics. Costs by class are more reflective of costs the customers in the class impose on the system if customers have similar characteristics of service. As a result of homogeneous classes, services provided to each class is costed at the customer class average and results in minimal distortions.

3.1.1 Average Embedded Costs

The Company operates an integrated system employing pipeline, storage, curtailment, and distribution facilities to deliver gas to customers in three geographical regions of Ontario. Due to this integration, the Board has directed the use of *postage stamp rates*. That is, customers on a given rate in St. Catharines are subject to the same charges as customers using the rate in Ottawa.

The use of postage stamp rates in such an integrated system is supported by the costing of each service at the customer class average. As an example, all customers share in the mix of investment vintages. The administration of an accounting system and setting of rates that are differentiated on the basis of specific investments would not be viable. Therefore, a rate class, such as Rate 1, which has a considerable number of older vintage services, has a delivery rate designed based on the average cost for service lines for all customers served under Rate 1.

FULLY ALLOCATED COST STUDY

3.1.2 Three-Step Process in the Assignment of Revenue Requirement

The three steps of functionalization, classification and allocation of costs are designed to apportion rate base, net investment costs and operating and maintenance (O&M) costs for each class of customers in a fair and equitable manner.

Functionalization

The first step, functionalization, groups costs into operating functions to facilitate identification of costs associated with a distinct functional aspect of the Company, and allows for similar treatment of like costs.

The O&M costs, net investment costs, and rate base are grouped by the major functional centres of the Company listed in Table 2. Further refinement into sub-functions occurs when needed. Such an extensive list is necessary to: a) be as accurate as possible, and b) identify differences in cost behaviour when viewed at the rate class level.

Table 2 **FUNCTIONS**
Gas Supply
Storage
Sales Pressure Regulators
Distribution Pressure Regulators
Services
Mains
Meters
Rental Equipment
Sales/Marketing
Customer Accounting
Unidentifiable

For example, costs associated with pressure regulators are broken down to identify costs for regulators used in the distribution system (costs all customers share), separately from costs for pressure regulators used in sales stations, which are specific to large volume customers. The last item in the table, Unidentifiable, collects miscellaneous items too small and numerous to be significant, and those which affect all functions, and cannot be broken out. These costs are spread back over the existing costs, pro rata.

FULLY ALLOCATED COST STUDY

Separate from the distribution system are Tecumseh Gas' costs. These costs are simply functionalized to either transmission and compression or storage.

A review of cost centers is carried out with every cost-of-service application to ensure continuity in functionalizing budgeted O&M costs, net investments, and rate base.

Classification

In the second step of classification, functionalized costs are grouped into categories that vary between rate classes by an identifiable factor or classifier. The costs are classified into three general cost groups based on whether costs vary with commodity (i.e. – volumes), capacity, or other customer specific factors.

Commodity related costs are those that directly relate to the usage or consumption of natural gas. They are variable costs associated with each volume of gas sold or delivered in a given period. Capacity-related costs are those which are fixed over a given period and they include the costs of distribution mains, pipeline transportation capacity, and storage facilities. As the distribution system is sized to meet peak demand, capacity related costs are assigned on the basis of the rate class contribution to peak demand. Customer-related costs are investment and operating costs associated with customer meters, pressure regulators, and service lines, as well as customer accounting, billing, marketing and service operations costs.

In order to unbundle the Company's costing of services further, there are a number of sub-classifications within these three broad categories of classification. In total, there are 26 cost classifications and they are described in Appendix A (p. 24-25). New developments in providing customer service, operating practices, capital expansion, and gas supply, for example, are regularly monitored and cost classifications systematically reviewed each year. This ensures that cost classifications reflect cost incurrence and that similar costs are consistently treated.

The classification of costs for Tecumseh Gas is based on the demand and commodity rationale. Using the demand rationale, costs are borne in relationship to each class' demand on days colder than the average winter day. The commodity rationale assigns costs based on an annual volume. For Tecumseh Gas, costs are identified based on whether they are for peak day (i.e. – deliverability), annual space, or variable. These classifications are referred to as daily demand, annual demand, and commodity.

Allocation

The allocation of classified costs is the process of spreading similarly incurred costs to each rate class on a common factor that can be identified by each class. For example, the costs of issuing a monthly bill to each customer are allocated on the basis of the number of customers in each rate class. Since the activities for printing and mailing the bill are the same for all customers, the allocated unit costs for these activities are equal to all customers.

Appendix B (p. 26) lists the allocators used in the Study. A review of actual customer numbers, profiles, and planned consumption is performed each year to ensure that allocators are reflective of the incurrence of costs.

The classified costs of Tecumseh Gas are not allocated to different rate classes as in the gas distribution study. Rather, the results are used to charge storage service costs to the Company's in-franchise customers and to derive ex-franchise storage rates.

3.2 Accuracy

The overriding principle for proper classification and allocation of costs is to do so based on the causation of costs. Customers should pay the costs incurred by the company to provide service to them. However, for Enbridge Gas Distribution Inc., a large utility providing a multitude of services, sometimes such principles are not easily applied as causation is not easily identifiable.

FULLY ALLOCATED COST STUDY

In general, the further costs are incurred from the burner tip, the less they can be directly related to a specific customer or class of customers. Where required, methodology is rationalized to explain cost relationships so that costs are apportioned to reflect relative rather than absolute costs.

For commodity costs, since their classification and allocation can be easily determined, the accuracy of the cost and ultimately the rate is largely dependent upon the forecasted cost of gas supply. To mitigate this, the Purchase Gas Variance Account (PGVA) captures actual gas cost variances from the forecast to keep both the Company and customers whole.

Not directly identifiable with the three general classifications are the administration and general costs and return and taxes. Administration and general costs are functionalized on the basis of the proportion of operating and maintenance costs forecast for each operating function. Return and taxes are guided by the allocation of rate base to the different rate classes. These costs are not customer-specific, and considering their relative magnitude, different means for classification and allocation would result in significantly different rate class costs.

The accuracy of the Study is enhanced through cost unbundling, which facilitates specific identification of certain costs as greater detail is required. If sufficiently accurate, these costs can then be considered as cost-based rate components and used to eliminate cross subsidization. The Company treats the commodity component of gas supply in such a manner. This cost, through appropriate classification and allocation, is passed through directly into rates.

Cost unbundling can also better reflect avoided costs of service. Customers that do not need or want gas supply and transportation service can opt for a rate that is designed without gas supply and transportation costs. However, it must be noted that the rates that are cost-based are determined based on conventions that reflect cost causality, but are not in themselves directly measurable.

3.3 Consistency

In assessing the Study's accuracy, one must keep in mind that the calculated costs are dependent upon the principles and methodologies used in classifying and allocating them. The consistent application of these steps results in an approach that allocates to each rate class the average costs associated with specific, shared, and common facilities used to provide services required by customers. By applying common factors that are identifiable by class and that are related directly to incurrence, accuracy and consistency are optimized each test year.

Further, as cost relationships are maintained among revenues, costs, and net investments, and among customer classes through the consistent application of the methodology, fairness and rate stability are natural outcomes. Because the rate impact occurs relative to an underlying level of historical cost, rate changes can then be explained by drivers that are transparent. This approach provides for appropriate price signals to customers.

4. Classification of Major Common Facilities

The following explains the rationale behind principles affecting the classification and allocation of certain fixed costs, specifically, upstream transportation charges, Union Gas' transmission costs, and gas distribution mains.

4.1 Upstream Transportation Costs

Upstream transportation costs are driven by the need to meet average annual demand. As a result, the Company contracts for upstream capacity at 100% load factor. In RP-2003-0203, the Company proposed and received approval for the annual demand classification of pipeline transportation charges.

Consequently, upstream transportation charges are classified as annual demand in the Study and allocated to the rate classes volumetrically. This treatment ensures that all bundled customers, regardless of their rate class, pay the same unit rate for fixed upstream transportation costs.

4.2 Union Gas Transmission Costs

The Company contracts for service with Union Gas to move gas in and out of storage and to move gas delivered at Dawn. Such costs include Union's transmission demand charges and transmission fuel.

A portion (approx. 5%) of this transmission capacity is required to move gas from Vector Tranche 3 to meet firm service supplies. These costs are classified to upstream transportation charges as annual demand and allocated volumetrically, consistent with the treatment of upstream transportation costs.

The remaining capacity on Union's transmission service is used to move gas from the Company's storage operations at Tecumseh, and from storage that the Company has contracted for with Union Gas. This capacity is further classified between storage space and storage deliverability. As storage space is used to meet average winter requirements in excess of annual average demand, this transmission capacity attributable to storage space equals average daily withdrawals from Tecumseh and Union storage (approx. 40%). The balance (approx. 60%) is attributed to storage deliverability which is used to meet demand on days colder than the average winter day. This is allocated based on the rate class contribution of the excess of peak day requirements over average winter demand.

4.3Distribution Mains

The mains network is sized to meet peak demand capacity on the distribution system. It is divided into three systems based on operating pressure: transmission pressure, high pressure and low pressure.

The first two groups are facilities for moving gas from upstream transportation facilities to the low pressure distribution grid mains network. It is essentially the grid network that ultimately provides access to gas for the Company's customers. Since the transmission and high pressure systems feed the grid mains, they have a very limited customer component and are classified entirely as capacity-related.

The low pressure grid system (1) provides natural gas access to customers or potential customers on the system, and (2) meets the volumetric demands of various customers. As a result, the low pressure system has both a capacity-related and a customer-related component. These cost components are estimated by isolating the distribution infrastructure that is needed to exist to provide customers access to natural gas service. In this Study, about 43% of the low pressure mains are classified as customer related, resulting in about 32% of total mains classified as customer-related, these proportions have remained fairly consistent over the years since the Board's EBRO 487 Decision with Reasons.

5. The Study

The study can be found in the tabs following this report. They are:

- Tab 2 - Revenue to Cost Comparisons;
- Tab 3 – Functionalization;
- Tab 4 – Classification;
- Tab 5 – Allocation;

- Tab 6 - Classification and Allocation Factors; and,
- Tab 7 - Tecumseh Cost Study.

The costs can be followed as they flow through the study. For example, the input items in the total column in Tab 4, Classification, are the aggregated functionalized items from Tab 3, Functionalization. Similarly, Tab 5, Allocation, flows directly from Tab 4.

The costs from the Tecumseh Cost Study, Tab 7, flow to four schedules: Tab 3, Schedules 1, 3, and 4, representing functionalization of rate base, net investments and O&M respectively, and Tab 6, Schedule 2, Page 2 , Classification of Storage and Transportation.

The following sections detail the significant aspects of the proposed Fully Allocated Cost Study.

5.1 Functionalization

Functionalization of costs is performed on the four schedules of Tab 3.

Schedule 1: Rate Base

The functionalization of rate base and net investments is aided by the Uniform System of Accounts for Gas Utilities (Ont. Reg. 245/66). For example, in Tab 3, Schedule 1, the net rate base for Item 2.3, Mains, is functionalized to Col. 7, Mains. Other direct costs are similarly functionalized. The following explains the functionalizations that are not immediately obvious.

- Item 2.1, Land, is functionalized based on an analysis of land use.
- Items 2.2 and 3.2, Structures and Improvements, are functionalized based on an analysis of space utilization.
- Item 3.3, Office Furniture and Equipment, is functionalized based on use of the office space.
- Items 3.4 and 3.5, Transportation Equipment and Heavy Work Equipment, are functionalized on the basis of records showing equipment utilization.

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- Item 3.6, Tools and Work Equipment, is mostly utilized by the construction and service departments and is, consequently, functionalized 50% to each of the mains and services functions respectively.
- Item 3.8, Communication Equipment, is functionalized based on an analysis of communication equipment.
- Item 3.9, Compressors, is the cost of NGV equipment for Company use and is functionalized based on transportation equipment from above.
- Items 3.10 and 3.11, Computer Equipment and Software Acquired/Developed, are functionalized based on an analysis of computer equipment use.
- Item 3.12, CIS, is functionalized as a separate function because the Board determined the derivation of annual cost for this item over a certain time period through a prior Decision.
- Item 4, Plant Held for Future Use, represents inactive services and is functionalized to services.

Schedule 2: Working Capital Requirement

Working Capital Allowance, Schedule 1, Item 6.1, is functionalized in detail on Tab 3, Schedule 2. On this schedule, Prepaid Expenses, and Materials and Supplies are functionalized on the basis of accounting records. In addition to this:

- Item 3, Mortgages Receivable, arises from employee relocations, and is not a result of any specific function, and is, therefore, unidentifiable.
- Item 4, Rebillable Construction Work, is functionalized to mains, which is the key focus of this work.
- Item 5, Gas In Inventory, is functionalized as gas supply because the carrying cost of gas in inventory is a gas supply related cost.
- Item 6, Customer Security Deposits, is functionalized to Customer Accounting, offsetting the amounts associated with this function.

- Item 7.1, Working Cash Allowance, is functionalized based on the Company's test year working cash requirement
- Item 7.2, HST, is similarly functionalized based on the Company's test year working case requirement, with the HST associated with revenues functionalized to HST revenues

Schedules 3: Net Investment Costs + Depreciation

Functionalization of depreciation expense is based on functionalization of the corresponding rate base items. Municipal Taxes, Item 1.2, are functionalized based on an analysis of assessed property.

Rental Revenues are functionalized to Rental Equipment. Revenues associated with Transactional Services are functionalized to Gas Supply and Storage. The Miscellaneous Revenues are not readily identifiable and are functionalized as such. Late Payment Penalties and Open Bill revenues are functionalized to Customer Accounting, offsetting the costs associated with that function. The same approach is applied to Meter and Service Alteration Charges.

Schedule 4: Operating and Maintenance (O&M) Costs

O&M expenses are determined by operating account in the accounting system. As mentioned previously, the accounting system is sufficiently uniform and detailed that O&M costs for each function can be identified. Overheads are costs that cannot be directly assigned or functionalized, and are treated separately.

Fringe Benefits, Item 6, include the costs of employee benefits. In Col. 2, these costs are apportioned to the operating functions based on labour costs in each of the functions.

Supervision costs, Col. 4, are apportioned to the operating functions based on Sub-Totals in Col. 3. Such a treatment recognizes that supervision involves not only management of personnel resources but also integration of all other resources.

Administrative and General (A&G) Overheads, Item 7, are allocated to the operating functions based on Sub-Totals in Col. 5, except for Gas Supply. 3% of the gas supply function costs are used for allocation of A&G overhead costs. Completely functionalized O&M costs are shown in Col. 7.

5.2 Classification

Classification of functionalized costs is performed in the three schedules in Tab 4.

Schedule 1: Rate Base

The rate base functionalized to Item 1, Gas Supply at Tab 4, Schedule 2, represents gas in inventory, working cash requirement for gas purchases, nominal recognition of land and structures, office furniture and equipment, and computer and communications costs. Working cash, land, structures, office related costs, and computer and communications facilities are required for daily management of the gas supply function and are classified as annual commodity costs. The working capital investment in gas inventory is, as directed by the Board, a winter season cost and is classified as seasonal cost.

For Item 2, Gas Storage, the Company identifies two factors to determine rate class responsibilities for this function. Storage facilities, coupled with other Company contract arrangements, either perform or are capable of performing the following operations:

1. Accepting gas during the summer (surplus to system's summer gas requirements) enabling the Company to contract for its gas requirements at a very high load factor, and receive the most advantageous / cost effective rate from upstream transporters.
2. Delivering gas from storage to the Company's market areas at times when demand exceeds contracted deliveries from pipelines.

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Classification of Tecumseh Gas' costs and costs based on contract arrangements between Union Gas and the Company identifies three distinct types of service:

1. an annual component for space (volume) reserved for storage of gas for the Company's account;
2. a variable component for each cubic metre either injected into or withdrawn from storage; and,
3. a peak component for the maximum daily rate (i.e. – deliverability) at which the gas may be withdrawn from storage facilities.

Charges for space, injection and withdrawal, appear under the "Space" heading in Col. 9. Charges for peak day service, plus the costs of the Company's storage facilities appear under the "Deliverability" heading in Col. 8.

In addition to the storage costs described above, the Company uses Union Gas' transmission system to move gas to and from storage fields. These costs include Union's transmission demand charges and transmission fuel. The classification of these costs is described in Section 4.2 (Page 11) of the Study.

Item 3, Mains, is classified as approximately 32% customer-related and 69% capacity-related. Capacity-related costs are further sub-classified as transmission, high and low pressure capacity based on analysis of investments in each pressure category of mains.

Classification of Item 4, Distribution Regulation is based on the classification of mains as this function measures and regulates the flow of gas from upstream pipelines to the Company's gas distribution system and within the system.

Items 5 to 7, Sales Stations, Meters, and Services, respectively, represent customer related investments and are classified directly to sales stations, meters and services.

FULLY ALLOCATED COST STUDY

Item 8, Rental Equipment, is classified to Specific Classes and to Rentals. The NGV component of the rental equipment costs is classified as specific costs and is further analyzed to identify the rate classes for whom NGV-related costs were incurred. The remainder of the costs are classified to Rentals and subsequently allocated to the rate classes based on the Rental Equipment allocation factors.

Item 9, Sales and Marketing, is classified to Specific Classes, Distribution Costs and Number of Customers. NGV-related sales and marketing costs are classified as specific costs. The remainder is equally classified / split between Distribution Costs and Number of Customers.

Item 10, Customer Accounting, represents costs incurred for customer care, such as call centre, issuing bills to customers, etc. and is classified to Number of Customers.

Schedule 2: Net Investment Costs

Classification of net investment costs follows the classification of the corresponding rate base items on Schedule 1 discussed above.

Schedule 3: Operating and Maintenance (O&M) Costs

Classification of Item 1.1, Gas Purchased, is based on results of the detailed Classification of Gas Costs to Operations found at Exhibit G2, Tab 6, Schedule 2, Page 1, Line 10.2. The following paragraphs discuss the Classification of Gas Costs to Operations schedule.

The variable unit rate for commodity costs is based on a 12 month average of projected AECO/NIT prices inclusive of fuel plus NOVA/Empress transportation tolls and reflects commodity price at Empress. This unit rate is reflective of commodity price in the marketplace and is consistent with direct purchase requirements. The proposed Empress reference price for the test year is $92.0194 per $10^3 m^3$. All Purchases and Receipts are costed at this level as shown in Items 1.1 to 1.7, Col. 3.

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Items 2 and 3 on the Classification of Gas Costs to Operations schedule are based on Classification of Transportation Costs found at Exhibit G2, Tab 6, Schedule 2, Page 3.

Item 4, Total Delivered Supply, is the sum of Items 1 to 3.

Item 5, Storage Fluctuation, represents the difference between purchases and sendout, or in other words, inter-year additions or depletions of gas inventory. Accordingly, Storage Fluctuation is classified in the same manner as total gas purchases. Item 6, Gas Costs to Operations, is the sum of Total Delivered Supply and Storage Fluctuation.

Item 7, Storage and Transportation, is classified based on Classification of Storage and Transportation, Exhibit G2, Tab 6, Schedule 2, Page 2.

Item 9.1, UUF Adjustment, recognizes that there are commodity losses on the gas distribution system that need to be replaced and is classified based on gas costs in Item 8.

Item 9.2, LUF Adjustment, represents gas losses for storage operations at Tecumseh Gas. This cost is removed from gas costs in Item 8 and placed in Tecumseh Gas Classification of Cost of Service, Exhibit G2, Tab 7, Schedule 3, Item 2.1.1 where it is classified to transmission and compression and storage space based on functional allocation of Tecumseh Gas costs.

Item 1.2, Stored Gas, is the next item, on Tab 4, Schedule 3, Classification of O&M Costs. It represents costs associated with storage and transmission activities at Tecumseh and Union Gas. These costs are classified based on forecasted costs for deliverability and space demand as discussed in the description for classification of rate base and are the costs identified in Item 7 of the Classification of Storage and Transmission above.

Item 1.3, A&G, represents apportioned administrative and general overhead costs to the Gas Supply function. These costs do not vary with annual or seasonal throughput, are essentially fixed, and are incurred for the benefit of all customers, irrespective of their type of supply arrangements. Consequently, they are classified to Distribution Costs, TP Capacity.

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Items 1.4, System Gas Management, and 1.5, Direct Purchase Management, are classified to System Gas and Direct Purchase respectively.

Classification of Distribution related items, specifically Items 2.2, 2.3, and 2.5 to 2.9 follow classification of corresponding rate base items.

Item 2.1, Chart Processing, is classified to Readings Processed, Col. 26.
Item 2.4, Gas Dispatched, is classified to Distribution Costs, TP Capacity, reflecting costs associated with daily dispatch activities to optimize system operation.

Classification of some Customer Service related items can be directly attributed to specific classifiers. This is true for Item 3.7, Service Lines, which is classified to Customer Related Investments, Services. Cost responsibility for Items 3.2, Appliance Inspections, and 3.3, Locks/Unlocks/Exchanges, cannot be readily determined. Hence, these costs are classified to Total Number of Customers to be shared by all rate classes based on the number of customers in each class.

Classification of many Sales/Marketing related items can also be directly attributed to specific classifiers. Item 4.5, General Promotion, represents marketing and sales costs associated with general promotion of natural gas resulting in increased utilization of the gas distribution system. Accordingly, this expense is classified as capacity related.
Item 4.6, NGV Operation, represents the cost of the NGV program. An analysis based on investments in the various NGV assets is used to determine allocation of these costs to appropriate rate classes.

Classification of Customer Accounting related items is discussed below. Items 5.1, Billing, 5.2, Enquiry, and 5.4, Credit, are classified to Total Number of Customers to be shared by all rate classes based on the number of customers in each class. Item 5.3, Readings, is classified to Readings Processed.

Uncollectibles in Item 5.5 represent bad debt expense. It is classified as Bad Debt Commodity and Bad Debt Distribution based on the proportion of commodity revenues relative to total revenues.

5.3 Allocation

Allocation of classified costs is performed in the three schedules in Tab 5.

Tab 5 exhibits allocate classified costs to each rate class based on allocation factors that are referenced on the exhibits. On the right hand side of Schedules 1 and 3 is a column titled "Allocation Factors Exhibit G2.6.3". The numbers in this column indicate the allocation factor used as identified by its item number in Exhibit G2, Tab 6, Schedule 3.

Allocation factors are explained in Appendix B. For example, Item 1.1, Annual Commodity, Exhibit G2, Tab 5, Schedule 1 is the Company's rate base investment classified as commodity-related. This amount is allocated to the rate classes based on the Annual Sales allocation factor found at Item 1.1, Exhibit G2, Tab 6, Schedule 3. Appendix B defines this allocation factor as annual volumes of gas sales customers. Therefore, only sales customers are allocated rate base costs of system supply, which mainly consists of working cash requirement for payment of gas purchases prior to receipt of revenues from customers.

Allocation of return and income taxes is pro-rated to rate base. Income earned attracts income tax. The requested return is set by reference to the rate base. Therefore, allocation of both return and income taxes is based on the Rate Base allocation factor found at Item 5, Exhibit G2, Tab 6, Schedule 3.

FULLY ALLOCATED COST STUDY

5.4 Storage and Transportation

Tab 7 is the Fully Allocated Cost Study for Tecumseh Gas.

Schedule 1 shows functionalization and classification of Tecumseh Gas rate base. The detail provided in the accounting system is sufficient to separate costs specific to transmission and compression from storage costs, facilitating functionalization. Classification is based on investment required to meet peak day demand relative to investment required to satisfy annual demand.

Functional Allocation of Tecumseh Gas Cost of Service, found on Schedule 2, is also facilitated by the accounting system. Functional allocation of Items 2.1 to 2.3, Operation, Maintenance and Administrative and General (A&G) costs, respectively, is determined based on consultations with Tecumseh Gas management.

Other items are functionalized as follows:

- Item 1.1, Utility Return, follows functionalization of rate base;
- Item 2.4.1, Depreciation, based on functionalization of depreciation expense;
- Item 2.4.2, Amortization, represents amortization of storage rights and is accordingly allocated to Pool Storage ;
- Item 2.5.1, Municipal Taxes, based on functionalized tax base.

Functionalized transmission and compression costs, Column 4, are classified on Tab 7, Schedule 3, starting in Column 1. Functionalized storage costs, Column 5, are classified beginning in Column 7 of Schedule 3. Classification of return on rate base follows classification of rate base. Classification of other costs is based on cost incurrence or management's judgement.

Column 8 of Schedule 3 represents transfer of costs to Union Gas based on the sharing agreement between the Company and Union Gas for the Dow-Moore Pool. These costs do not form a part of the revenue requirement for Tecumseh Gas.

Classified costs from above are included in Item 1.2, Gas Storage, in Functionalization of Utility O&M, Exhibit G2, Tab 3, Schedule 4, Page 1. They are also reflected in development of Storage Classification Factors found at Exhibit G2, Tab 6, Schedule 2, Page 1, Item 11.1.

FULLY ALLOCATED COST STUDY

APPENDICES

FULLY ALLOCATED COST STUDY

Appendix A
DEFINITIONS *of* CLASSIFICATIONS

Classifier	Description
Gas Supply; Product Costs	
Annual Commodity	Costs of annual supply.
System Gas	Costs of system gas management.
Bad Debt Commodity	Costs of bad debt expense classified as commodity related.
Gas Supply; Load Balancing	
Peak Transportation	Costs of gas transportation to the Company on peak.
Seasonal Transportation	Costs for moving seasonal supplies.
Annual Transportation	Costs for transporting annual supply to the Company.
Storage Costs	
Deliverability	Costs of meeting demand on days colder than average winter demand.
Space	Costs of meeting average winter demand in excess of average annual demand.
Distribution Costs	
TP Capacity	Costs of transmission pressure distribution capacity.
HP Capacity	Costs of high pressure distribution capacity.
LP Capacity	Costs of low pressure distribution capacity.
Commodity	Cost of supply for UUF.
Bad Debt Distribution	Costs of bad debt expense classified as distribution related.
DSM	Costs associated with DSM program and general costs.

FULLY ALLOCATED COST STUDY

Appendix A cont'd
DEFINITIONS *of* CLASSIFICATIONS

Classifier	Description
Customer Related Investments	
Meters	Costs of customer meters.
Sales Stations	Costs of customer sales stations.
Services	Costs of service lines.
Customer Plant	Costs of customer component of gas distribution mains.
Rentals	Costs of rental equipment.
Number of Customers	
Commercial/Industrial	Costs of sales and marketing for commercial and industrial markets.
Contracts	Costs of contract administration.
Direct Purchase	Costs of direct purchase management.
Total	Costs of customer service and customer accounting that are shared by all customers.
Other	
Specific Classes	Customer class specific costs that are assigned to specific rate classes.
HST Revenue	Reduction in working cash requirement arising from collection of HST.
Readings Processed	Costs for meter reading and processing customer bills.

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Appendix B
ALLOCATION FACTORS

Allocator	Col. 1 Units	Col. 2 Description
Volumetric Factors:		
Annual Sales	10^6 m^3	Annual volumes of gas sales customers.
Bundled Annual Deliveries	10^6 m^3	Annual throughput of bundled service customers.
Total Annual Deliveries	10^6 m^3	Annual throughput of all customers.
Bundled Transportation Deliveries	10^6 m^3	Annual transportation volume for bundled customers.
Distribution Factors		
TP Demand	10^3 m^3 /d	Peak throughput on the transmission pressure system.
HP Demand	10^3 m^3 /d	Peak throughput on the high pressure system.
LP Demand	10^3 m^3 /d	Peak throughput on the low pressure system.
Customer Related	Customer count	Total number of customers.
Storage Factors		
Deliverability	10^6 m^3 /d	Demand in excess of average winter demand.
Space	10^6 m^3	Average winter requirement in excess of average annual demand.
Customer Factors		
Meters	$millions	Investment in meters.
Sales Stations	$millions	Investment in customer sales stations.
Services	$millions	Investment in services.
Rental Equipment	$millions	Rental equipment revenues.
Total Customer Count	Customer count	Average number of customers.
Comm/Ind Customer Count	Customer count	Average number of comm/industrial customers.
Contracts	Customer count	Number of contracts to be administered.
Chart Readings	Chart reads	Number of charts read each year.
Meter Readings	Meter reads	Number of meter readings per year.
Direct Purchase Customers	Unity	Direct purchase management costs.

REVENUE TO COST/
RATE OF RETURN COMPARISONS
DEC. 31, 2013

(millions of dollars)

ITEM NO.	DESCRIPTION	Col. 1 TOTAL	Col. 2 RATE 1	Col. 3 RATE 6	Col. 4 RATE 9	Col. 5 RATE 100	Col. 6 RATE 110	Col. 7 RATE 115	Col. 8 RATE 125	Col. 9 RATE 135	Col.10 RATE 145	Col. 11 RATE 170	Col. 12 RATE 200	Col. 13 RATE 300	Col. 14 RATE 325 & 330	Col. 15 DIRECT PURCHASE
1.	Sales and Trans. Revenue	2,409.00	1,462.84	854.81	0.52	0.00	26.26	7.78	11.42	1.74	7.77	7.84	23.85	0.21	1.81	2.15
2.	Unbilled Revenues	5.28	3.74	1.48	0.00	0.00	0.04	(0.01)	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00
3.	Total Revenues	2,414.28	1,466.58	856.29	0.52	0.00	26.30	7.78	11.42	1.74	7.79	7.84	23.85	0.21	1.81	2.15
4.	Cost of Service	2,414.28	1,461.16	857.09	1.32	0.00	29.21	7.50	11.51	1.93	9.46	7.84	22.94	0.40	1.81	2.15
5.	Over/Under Contribution	0.00	5.41	(0.80)	(0.80)	(0.00)	(2.91)	0.28	(0.09)	(0.19)	(1.67)	0.00	0.91	(0.19)	(0.00)	0.00
6.	Revenue to Cost Ratio	1.00	1.00	1.00	0.40	0.00	0.90	1.04	0.99	0.90	0.82	1.00	1.04	0.54	1.00	1.00
7.	Revenue to Cost Ratio 2012 Final Rate Order	1.00	1.00	1.00	0.76	0.00	0.98	1.10	0.98	0.90	0.95	0.96	1.00	0.83	1.00	1.00

**REVENUE TO COST/
RATE OF RETURN COMPARISONS
EXCLUDING GAS SUPPLY COMMODITY
DEC. 31, 2013**

(millions of dollars)

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15
ITEM NO.	DESCRIPTION	TOTAL	RATE 1	RATE 6	RATE 9	RATE 100	RATE 110	RATE 115	RATE 125	RATE 135	RATE 145	RATE 170	RATE 200	RATE 300	RATE 325 & 330	DIRECT PURCHASE
1.	Sales and Trans. Revenue	1,753.94	1,089.92	598.46	0.35	0.00	20.03	7.52	11.42	1.68	5.42	2.72	12.25	0.21	1.81	2.15
2.	Unbilled Revenues	5.28	3.74	1.48	0.00	0.00	0.04	(0.01)	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00
3.	Total Revenues	1,759.22	1,093.66	599.94	0.35	0.00	20.07	7.52	11.42	1.68	5.44	2.72	12.25	0.21	1.81	2.15
4.	Cost of Service	1,759.22	1,088.25	600.74	1.15	0.00	22.97	7.24	11.51	1.87	7.11	2.72	11.34	0.40	1.81	2.15
5.	Over/Under Contribution	(0.00)	5.41	(0.80)	(0.80)	(0.00)	(2.91)	0.28	(0.09)	(0.19)	(1.67)	0.00	0.91	(0.19)	(0.00)	0.00
6.	Revenue to Cost Ratio	1.00	1.00	1.00	0.31	0.00	0.87	1.04	0.99	0.90	0.76	1.00	1.08	0.54	1.00	1.00
7.	Revenue to Cost Ratio 2012 Final Rate Order	1.00	1.00	1.00	0.66	0.00	0.98	1.10	0.98	0.90	0.92	0.85	1.00	0.83	1.00	1.00

Functionalization of
Ontario Utility Rate Base
Year Ended Dec. 31, 2013
(millions of dollars)

		Col. 1 Net Rate Base	Col. 2 Gas Supply	Col. 3 Storage	Col. 4 Sales Stations	Col. 5 Distribution Measurement	Col. 6 Services	Col. 7 Mains	Col. 8 Meters	Col. 9 Rental Equipment	Col. 10 Sales/ Marketing	Col. 11 Customer Accounting	Col. 12 Unidenti-fiable	Col. 13 CIS	Col. 14 HST Revenue
1.	**Gas Supply**	1.74	0.00	1.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Distribution Plant														
2.1	Land (incl offers to buy)	32.94	0.32	0.00	0.16	0.08	3.91	3.17	0.08	0.00	5.31	14.05	5.89	0.00	0.00
2.2	Structures & Improvements	103.36	1.01	0.00	0.49	0.24	12.26	9.94	0.24	0.00	16.65	44.07	18.47	0.00	0.00
2.3	Mains	1,656.10	0.00	0.00	0.00	0.00	0.00	1,656.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.4	Meas. Reg. & Telemetering	173.30	0.00	0.00	87.20	86.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.5	Services	1,224.70	0.00	0.00	0.00	0.00	1,224.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.6	Meters	290.50	0.00	0.00	0.00	0.00	0.00	0.00	290.50	0.00	0.00	0.00	0.00	0.00	0.00
2.	Total Distribution Plant	3,480.90	1.33	0.00	87.85	86.41	1,240.87	1,669.20	290.81	0.00	21.96	58.12	24.35	0.00	0.00
	General Plant														
3.1	Land (incl offers to buy)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2	Structures & Improvements	3.00	0.00	0.00	0.00	0.00	1.01	0.14	0.00	0.00	0.38	1.06	0.42	0.00	0.00
3.3	Office Furniture & Equip.	9.12	0.01	0.01	0.01	1.12	1.47	1.82	0.42	0.15	0.22	0.29	3.59	0.00	0.00
3.4	Transportation Equipment	35.30	0.00	0.00	0.00	0.08	10.47	23.60	0.00	0.00	1.15	0.00	0.00	0.00	0.00
3.5	Heavy Work Equipment	13.20	0.00	0.00	0.00	0.03	3.91	8.82	0.00	0.00	0.43	0.00	0.00	0.00	0.00
3.6	Tools & Work Equip.	22.60	0.00	0.00	0.00	0.00	11.30	11.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.7	Rental Equip.	5.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.30	0.00	0.00	0.00	0.00	0.00
3.8	Communication Equip.	2.60	0.04	0.00	0.02	0.74	0.22	0.33	0.00	0.00	0.24	0.44	0.57	0.00	0.00
3.9	Compressors	0.70	0.00	0.00	0.00	0.00	0.21	0.47	0.00	0.00	0.02	0.00	0.00	0.00	0.00
3.10	Computer Equipment	22.70	0.54	0.08	0.53	1.93	3.66	5.93	1.93	0.03	0.20	5.24	2.63	0.00	0.00
3.11	Software Acquired/Developed	69.10	1.66	0.23	1.61	5.87	11.15	18.04	5.87	0.10	0.61	15.96	7.99	0.00	0.00
3.12	CIS	70.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70.50	0.00
3.	Total General Plant	254.12	2.25	0.32	2.17	9.77	43.40	70.45	8.22	5.59	3.26	22.99	15.19	70.50	0.00
4.	**Plant Held for Future Use**	0.60	0.00	0.00	0.00	0.00	0.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Items														
5.1	Working Capital Allowance	212.13	262.57	12.03	(0.51)	(0.56)	15.20	21.19	0.00	0.00	(0.99)	(75.78)	1.47	0.00	(22.50)
5.	Total Other Items	212.13	262.57	12.03	(0.51)	(0.56)	15.20	21.19	0.00	0.00	(0.99)	(75.78)	1.47	0.00	(22.50)
6.	**Total Rate Base**	3,949.49	266.15	14.09	89.51	95.62	1,300.07	1,760.84	299.03	5.59	24.23	5.33	41.01	70.50	(22.50)

Functionalization of
Ontario Utility Working Capital
Year Ended Dec. 31, 2013
(millions of dollars)

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11
		Total Requirement	Gas Supply	Storage	Sales Stations	Distribution Measurement	Services	Mains	Sales/ Marketing	Customer Accounting	Unidenti- fiable	HST Revenue
	Working Capital Allowance											
1.	Prepaid Expenses	1.80	0.00	0.00	0.00	0.00	0.22	0.22	0.02	0.00	1.34	0.00
	Materials & Supplies											
2.1	NGV Inventory	0.60	0.00	0.00	0.00	0.00	0.00	0.00	0.60	0.00	0.00	0.00
2.2	Pipe	4.87	0.00	0.00	0.00	0.00	1.11	3.76	0.00	0.00	0.00	0.00
2.3	Warehouse Inventory	3.44	0.00	0.00	0.00	0.00	1.72	1.72	0.00	0.00	0.00	0.00
2.4	Holding Account	20.53	0.00	0.00	0.00	0.00	10.27	10.27	0.00	0.00	0.00	0.00
3.	Mortgages Receivable	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.00
4.	Rebilled Construction Work	1.30	0.00	0.00	0.00	0.00	0.00	1.30	0.00	0.00	0.00	0.00
5.	Gas in Inventory	249.30	249.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	Customer Security Deposits	(68.70)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(68.70)	0.00	0.00
	Working Cash Allowance											
7.1	Gas Costs/O&M	(3.03)	12.80	0.96	(0.63)	(0.70)	(1.46)	(3.03)	(2.00)	(8.87)	(0.10)	0.00
7.2	HST	1.82	0.46	11.07	0.13	0.14	3.35	6.95	0.41	1.80	0.02	(22.50)
8.	**Total Working Capital**	212.13	262.57	12.03	(0.51)	(0.56)	15.20	21.19	(0.99)	(75.78)	1.47	(22.50)

Functionalization of
Ontario Utility Net Investments
Year Ended Dec. 31, 2013

(millions of dollars)

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13
		Investment and Revenues	Gas Supply	Storage	Sales Stations	Distribution Measurement	Services	Mains	Meters	Rental Equipment	Sales/ Marketing	Customer Accounting	Unidenti-fiable	CIS
	Investment Costs													
1.1	Depreciation	294.65	1.00	0.13	4.81	7.43	88.00	117.51	40.66	1.49	1.88	12.35	6.69	12.70
1.2	Municipal Taxes	37.84	0.02	0.00	0.15	0.15	10.68	25.33	0.00	0.00	0.32	0.83	0.35	0.00
1.3	Capital Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.	Total Investments	332.49	1.02	0.13	4.96	7.59	98.68	142.85	40.66	1.49	2.19	13.19	7.03	12.70
	Miscellaneous Revenues													
2.1	Rentals	(0.80)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.80)	0.00	0.00	0.00	0.00
2.2	Transactional Services	(3.00)	(3.12)	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.3	Miscellaneous Income	(0.70)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.70)	0.00
2.4	Late Payment Penalties	(12.90)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(12.90)	0.00	0.00
2.5	Open Bill Revenue	(5.40)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(5.40)	0.00	0.00
2.6	Customer Accounting Charge	(9.05)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(9.05)	0.00	0.00
2.7	Meter Charge	(0.81)	0.00	0.00	0.00	0.00	0.00	0.00	(0.81)	0.00	0.00	0.00	0.00	0.00
2.8	Service Alteration Charge	(0.94)	0.00	0.00	0.00	0.00	(0.94)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	Total Revenues	(33.60)	(3.12)	0.12	0.00	0.00	(0.94)	0.00	(0.81)	(0.80)	0.00	(27.35)	(0.70)	0.00
3.	**Net Investments Total**	298.89	(2.10)	0.25	4.96	7.59	97.74	142.85	39.85	0.69	2.19	(14.17)	6.33	12.70

Functionalization of
Ontario Utility O&M
Year Ended Dec. 31, 2013

(millions of dollars)

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7
		Cost of Service	Fringe Benefits	Sub-Total	Supervision	Sub-Total	A&G Overhead	Total
	Gas Supply							
1.1	Gas Purchased	1,189.56	0.00	1,189.56	0.00	1,189.56	0.00	1,189.56
1.2	Gas Storage	152.95	3.44	156.39	0.00	156.39	0.00	156.39
1.3	A&G	0.00	0.00	0.00	0.00	0.00	10.11	10.11
1.4	System Gas Management	0.98	0.88	1.86	0.00	1.86	0.00	1.86
1.5	Direct Purchase Management	1.39	0.76	2.15	0.00	2.15	0.00	2.15
1.	Total Gas Supply	1,344.88	5.09	1,349.96	0.00	1,349.96	10.11	1,360.07
	Distribution Costs							
	Operating Costs							
2.1.1	Chart Processing	0.04	0.00	0.04	0.02	0.06	0.02	0.08
2.1.2	Distribution Sta.	1.18	0.99	2.17	1.36	3.53	0.88	4.41
2.1.3	Sub-total	1.22	0.99	2.21	1.38	3.60	0.90	4.50
2.1.4	Supervision M&R	0.43	0.35	0.78	(0.78)	0.00	0.00	0.00
2.1.5	System Operation	42.29	14.78	57.07	11.44	68.51	17.13	85.64
2.1.6	Sub-total	43.94	16.13	60.07	12.04	72.11	18.03	90.13
2.1.7	Supervision Dist Op	6.61	5.43	12.04	(12.04)	0.00	0.00	0.00
2.1.8	Gas Dispatched	4.46	2.88	7.34	0.00	7.34	1.83	9.17
2.1	Total Operating Costs	55.01	24.43	79.44	0.00	79.44	19.86	99.30
	Maintenance Costs							
2.2.1	Distribution Sys Reg	1.08	0.10	1.18	3.88	5.06	1.26	6.32
2.2.2	Sales Meters	0.75	0.49	1.24	4.07	5.30	1.33	6.63
2.2.3	Other Meters	1.70	1.32	3.02	9.94	12.96	3.24	16.20
2.2.4	Instruments	0.79	0.53	1.32	4.35	5.67	1.42	7.08
2.2.5	Sub-total M&R	4.32	2.43	6.75	22.23	28.98	7.25	36.23
2.2.6	Supervision M&R	5.63	3.62	9.25	(9.25)	0.00	0.00	0.00
2.2.7	Mains	8.43	3.81	12.24	9.93	22.17	5.54	27.71
2.2.8	Structures	0.28	0.23	0.51	0.42	0.93	0.23	1.16
2.2.9	Sub-total Mntce	18.66	10.09	28.75	23.33	52.08	13.02	65.10
2.2.10	Supervision Dist Mntce	13.71	9.62	23.33	(23.33)	0.00	0.00	0.00
2.2	Total Maintenance Costs	32.37	19.71	52.08	0.00	52.08	13.02	65.10
2.	Total Distribution Costs	87.38	44.15	131.53	0.00	131.53	32.88	164.40

Functionalization of
Ontario Utility O&M
Year Ended Dec. 31, 2013

(millions of dollars)

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7
		Cost of Service	Fringe Benefits	Sub-Total	Supervision	Sub-Total	A&G Overhead	Total
	Customer Service Costs							
	Operating Costs							
3.1.1	Heating Equipment Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.1.2	Inspect Appl Inst.	2.08	0.75	2.83	1.21	4.04	1.01	5.05
3.1.3	Sub-total Service Work	2.08	0.75	2.83	1.21	4.04	1.01	5.05
3.1.4	Mtr Locks,Unlks,Exchanges	8.97	1.19	10.16	4.35	14.51	3.63	18.14
3.1.5	Jobbing Contracts Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.1.6	Sub-total	11.05	1.94	12.99	5.56	18.55	4.64	23.19
3.1.7	Training & Supervision	4.79	3.65	8.44	(8.44)	0.00	0.00	0.00
3.1	Total Operating Costs	15.84	5.58	21.42	(2.87)	18.55	4.64	23.19
	Maintenance Costs							
3.2.1	Co Equip on Cust. Premises	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.2	Service Lines	4.27	2.43	6.70	2.87	9.57	2.39	11.97
3.2	Total Maintenance Costs	4.27	2.43	6.70	2.87	9.57	2.39	11.97
3.	Total Customer Service Costs	20.11	8.02	28.13	0.00	28.13	7.03	35.16
	Sales/Marketing Costs							
4.1	Residential Promotion	2.49	0.93	3.42	1.23	4.64	1.16	5.80
4.2	Commercial Promotion	1.01	1.65	2.66	0.96	3.62	0.90	4.52
4.3	Industrial Promotion	0.74	1.16	1.90	0.68	2.58	0.64	3.22
4.4	Res/Comm Promotions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.4	General Sales Promotion	2.52	2.25	4.77	1.71	6.48	1.62	8.10
4.5	Merchandising Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.6	NGV Operation	0.70	0.54	1.24	0.44	1.68	0.42	2.10
4.7	Contract Administration Costs	1.78	1.79	3.57	1.28	4.85	1.21	6.06
4.8	Sub-total	9.24	8.31	17.55	6.30	23.85	5.96	29.81
4.9	General Supervision	3.60	2.70	6.30	(6.30)	0.00	0.00	0.00
4.10	DSM - Program	25.60	0.00	25.60	0.00	25.60	6.40	32.00
4.11	DSM - General	5.84	4.83	10.67	0.00	10.67	2.67	13.33
4.	Total Sales	44.28	15.83	60.11	0.00	60.11	15.03	75.14

Functionalization of
Ontario Utility O&M
Year Ended Dec. 31, 2013

(millions of dollars)

		Col. 1 Cost of Service	Col. 2 Fringe Benefits	Col. 3 Sub-Total	Col. 4 Supervision	Col. 5 Sub-Total	Col. 6 A&G Overhead	Col. 7 Total
	Customer Accounting Costs							
5.1	Billing	39.39	1.61	41.00	5.58	46.59	11.65	58.23
5.2	Service & Billing Enquiry	9.04	0.00	9.04	1.23	10.27	2.57	12.84
5.3	Meter Reading	9.58	0.00	9.58	1.30	10.88	2.72	13.61
5.4	Credit & Collection	14.61	0.00	14.61	1.99	16.60	4.15	20.75
5.5	Sub-total	72.62	1.61	74.23	10.11	84.34	21.08	105.43
5.6	Supervision	9.74	0.37	10.11	(10.11)	0.00	0.00	0.00
5.7	Large Volume Customer Care	2.48	0.00	2.48	0.00	2.48	0.00	2.48
5.8	Uncollectible Accounts	17.04	0.00	17.04	0.00	17.04	4.26	21.30
5.	Total Customer Accounting	101.88	1.98	103.86	0.00	103.86	25.34	129.21
6.	**Fringe Benefits**	102.51	(102.51)	0.00	0.00	0.00	0.00	0.00
7.	**Admin & Gen Overhead**	62.95	27.44	90.39	0.00	90.39	(90.39)	0.00
8.	Sub-total A&G and F/B	165.46	(75.07)	90.39	0.00	90.39	(90.39)	0.00
9.	**Total Operating & Maintenance**	1,763.98	0.00	1,763.98	(0.00)	1,763.98	0.00	1,763.98
10.	Fixed Financing Costs	2.30	0.00	2.30	0.00	2.30	0.00	2.30
11.	**TOTAL O&M EXPENSE**	1,766.28	0.00	1,766.28	(0.00)	1,766.28	0.00	1,766.28

CLASSIFICATION OF RATE BASE
DEC. 31, 2013

(millions of dollars)

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14
				GAS SUPPLY											
				PRODUCT COSTS		LOAD BALANCING			STORAGE COSTS			DISTRIBUTION COSTS			
Item No.	Description	Total	Specific Classes	Winter Commodity	Annual Commodity	Peak	Seasonal	Annual	Deliverability	Space	Winter	TP Capacity	HP Capacity	LP Capacity	Commodity
	GAS SUPPLY														
1.	Gas Supply	266.15	0.00	0.00	16.70	0.00	249.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15
2.	Storage	14.09	0.00	0.00	0.00	0.00	0.00	0.00	8.58	5.51	0.00	0.00	0.00	0.00	0.00
	DISTRIBUTION														
3.	Mains	1,760.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	333.97	141.55	726.97	0.00
4.	Distribution Reg.	95.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.56	11.26	57.81	0.00
	CUSTOMER														
5.	Sales Station	89.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	Meters	299.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7.	Services	1,300.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8.	Rental Equipment	5.59	2.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9.	Sales/Marketing	24.23	0.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.24	1.37	7.06	0.00
10.	Customer Accounting	5.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11.	HST Revenue	(22.50)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12.	**Sub-total**	3,837.96	3.14	0.00	16.70	0.00	249.30	0.00	8.58	5.51	0.00	363.77	154.18	791.84	0.15
13.	Unidentifiable	41.01	0.03	0.00	0.18	0.00	2.65	0.00	0.09	0.06	0.00	3.86	1.64	8.41	0.00
15.	CIS	70.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16.	**Total Classified**	3,949.48	3.17	0.00	16.87	0.00	251.95	0.00	8.67	5.57	0.00	367.64	155.82	800.25	0.16

CLASSIFICATION OF RATE BASE
DEC. 31, 2013

(millions of dollars)

		Col. 15	Col. 16	Col. 17	Col. 18	Col. 19	Col. 20	Col. 21	Col. 22	Col. 23	Col. 24	Col. 25	Col. 26
		CUSTOMER RELATED INVESTMENTS					NUMBER OF CUSTOMERS						
Item No.	Description	Meters	Sales Stations	Services	Customer Plant	Rentals	Commercial/ Industrial	Contracts	Direct Purchase	Total	Readings Processed	CIS	HST Revenue
	GAS SUPPLY												
1.	Gas Supply	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	Storage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	DISTRIBUTION												
3.	Mains	0.00	0.00	0.00	558.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Distribution Reg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	CUSTOMER												
5.	Sales Station	0.00	89.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	Meters	299.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7.	Services	0.00	0.00	1,300.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8.	Rental Equipment	0.00	0.00	0.00	0.00	3.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9.	Sales/Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.67	0.00	0.00	0.00
10.	Customer Accounting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.33	0.00	0.00	0.00
11.	HST Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(22.50)
12.	**Sub-total**	299.03	89.51	1,300.07	558.34	3.34	0.00	0.00	0.00	17.00	0.00	0.00	(22.50)
13.	Unidentifiable	3.18	0.95	13.81	5.93	0.04	0.00	0.00	0.00	0.18	0.00	0.00	0.00
15.	CIS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70.50	0.00
16.	**Total Classified**	302.21	90.46	1,313.88	564.27	3.37	0.00	0.00	0.00	17.19	0.00	70.50	(22.50)

CLASSIFICATION OF NET INVESTMENT
DEC. 31, 2013

(millions of dollars)

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15	Col. 16
				GAS SUPPLY													
				PRODUCT COSTS		LOAD BALANCING					STORAGE COSTS			DISTRIBUTION COSTS			
Item No.	Description	Total	Specific Classes	Winter Commodity	Annual Commodity	Peak	Seasonal	Annual	DSM Peak	DSM Annual	Deliverability	Space	Winter	TP Capacity	HP Capacity	LP Capacity	Commodity
	GAS SUPPLY																
1.	Gas Supply	(2.10)	0.00	0.00	0.07	0.00	0.97	(3.12)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.02)
2.	Storage	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.10	0.00	0.00	0.00	0.00	0.00
	DISTRIBUTION																
3.	Mains	142.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.09	11.48	58.97	0.00
4.	Distribution Reg.	7.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.11	0.89	4.59	0.00
	CUSTOMER																
5.	Sales Station	4.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	Meters	39.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7.	Services	97.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8.	Rental Equipment	0.69	0.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9.	Sales/Marketing	2.19	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.29	0.12	0.64	0.00
10.	Customer Accounting	(14.17)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11.	**Sub-total**	279.85	0.41	0.00	0.07	0.00	0.97	(3.12)	0.00	0.00	0.15	0.10	0.00	29.49	12.50	64.20	(0.02)
12.	Unidentifiable	6.33	0.01	0.00	0.03	0.00	0.41	0.00	0.00	0.00	0.01	0.01	0.00	0.60	0.25	1.30	0.00
13	CIS	12.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14.	**Total Classified**	298.88	0.42	0.00	0.09	0.00	1.38	(3.12)	0.00	0.00	0.17	0.11	0.00	30.09	12.75	65.50	(0.02)

CLASSIFICATION OF NET INVESTMENT
DEC. 31, 2013

(millions of dollars)

		Col. 17	Col. 18	Col. 19	Col. 20	Col. 21	Col. 22	Col. 23	Col. 24	Col. 25	Col.26	Col.27
		CUSTOMER RELATED INVESTMENTS					NUMBER OF CUSTOMERS					
Item No.	Description	Meters	Sales Stations	Services	Customer Plant	Rentals	Commercial/ Industrial	Contracts	Direct Purchase	Total	Readings Processed	CIS
	GAS SUPPLY											
1.	Gas Supply	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	Storage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	DISTRIBUTION											
3.	Mains	0.00	0.00	0.00	45.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Distribution Reg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	CUSTOMER											
5.	Sales Station	0.00	4.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	Meters	39.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7.	Services	0.00	0.00	97.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8.	Rental Equipment	0.00	0.00	0.00	0.00	0.36	0.00	0.00	0.00	0.00	0.00	0.00
9.	Sales/Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.06	0.00	0.00
10.	Customer Accounting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(14.17)	0.00	0.00
11.	**Sub-total**	39.85	4.96	97.74	45.29	0.36	0.00	0.00	0.00	(13.11)	0.00	0.00
12.	Unidentifiable	0.49	0.15	2.13	0.92	0.01	0.00	0.00	0.00	0.03	0.00	0.00
13	CIS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.70
14.	**Total Classified**	40.34	5.11	99.88	46.21	0.36	0.00	0.00	0.00	(13.08)	0.00	12.70

CLASSIFICATION OF O&M COSTS
DEC. 31, 2013

(millions of dollars)

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col.8	Col. 9	Col. 10	Col. 11	Col. 12
				GAS SUPPLY									
				PRODUCT COSTS				LOAD BALANCING			STORAGE COSTS		
Item No.	Description	Total	Specific Classes	Winter Commodity	Annual Commodity	System Gas	Bad Debt Commodity	Peak	Seasonal	Transportation Annual	Deliverability	Space	Winter
	GAS SUPPLY												
1.1	Gas Purchased	1,189.56	0.00	0.00	645.65	0.00	0.00	57.97	4.92	469.82	0.00	0.00	0.00
1.2	Stored Gas	156.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	95.27	61.13	0.00
1.3	A&G	10.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.4	System Gas Management	1.86	0.00	0.00	0.00	1.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.5	Direct Purchase Management	2.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.	Total Gas Supply	1,360.07	0.00	0.00	645.65	1.86	0.00	57.97	4.92	469.82	95.27	61.13	0.00
	DISTRIBUTION												
	OPERATING COSTS												
2.1	Chart Processing	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.2	District Stations	4.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.3	System Operations	85.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.4	Gas Dispatched	9.17	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	MAINTENANCE COSTS												
2.5	Dist. System Reg.	6.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.6	Sales Meters	6.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.7	Other Meters	16.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.8	Instruments	7.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.9	Mains	27.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.10	Structures	1.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	Total Distribution Costs	164.40	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	CUSTOMER SERVICE												
	OPERATING COSTS												
3.1	Appliance Inspection	5.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2	Locks/Unlocks/Exchanges	18.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	MAINTENANCE COSTS												
3.3	Service Lines	11.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	Total Customer Service	35.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	SALES/MARKETING												
4.1	Residential	5.80	5.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.2	Commercial	4.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.3	Industrial	3.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.4	Residential/Commercial	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.5	General Promotion	8.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.6	NGV Operation	2.10	2.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.7	Contract Administration	6.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.8	DSM - Program	32.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.9	DSM - General	13.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Total Promotions	75.14	7.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	CUSTOMER ACCOUNTING												
5.1	Billing	58.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.2	Enquiry	12.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.3	Readings	13.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.4	Credit	20.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.5	Large Volume Customer Care	2.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.6	Uncollectibles	21.30	0.00	0.00	0.00	0.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00
5.	Total Customer Accounting	126.72	0.00	0.00	0.00	0.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	**Total O&M**	1,761.50	8.00	0.00	645.65	1.86	6.00	57.97	4.92	469.82	95.27	61.13	0.00
7.	Fixed Financing Costs	2.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8.	**Total O&M Expense**	1,766.28	8.00	0.00	645.65	1.86	6.00	57.97	4.92	469.82	95.27	61.13	0.00

CLASSIFICATION OF O&M COSTS
DEC. 31, 2013
(millions of dollars)

		Col. 13	Col. 14	Col. 15	Col. 16	Col. 17	Col. 18	Col. 19	Col. 20	Col. 21	Col. 22	Col. 23
		DISTRIBUTION COSTS						CUSTOMER RELATED INVESTMENTS				
Item No.	Description	TP Capacity	HP Capacity	LP Capacity	Commodity	Bad Debt Distribution	DSM	Meters	Sales Stations	Services	Customer Plant	Rentals
	GAS SUPPLY											
1.1	Gas Purchased	0.00	0.00	0.00	11.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.2	Stored Gas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.3	A&G	10.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.4	System Gas Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.5	Direct Purchase Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.	Total Gas Supply	10.11	0.00	0.00	11.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	DISTRIBUTION											
	OPERATING COSTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.1	Chart Processing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.2	District Stations	1.23	0.52	2.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.3	System Operations	16.24	6.88	35.36	0.00	0.00	0.00	0.00	0.00	0.00	27.15	0.00
2.4	Gas Dispatched	9.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	MAINTENANCE COSTS											
2.5	Dist. System Reg.	1.76	0.74	3.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.6	Sales Meters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.63	0.00	0.00	0.00
2.7	Other Meters	0.00	0.00	0.00	0.00	0.00	0.00	16.20	0.00	0.00	0.00	0.00
2.8	Instruments	7.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.9	Mains	3.09	1.31	13.19	0.00	0.00	0.00	0.00	0.00	0.00	10.13	0.00
2.10	Structures	0.26	0.01	0.06	0.01	0.00	0.00	0.01	0.00	0.17	0.04	0.00
2.	Total Distribution Costs	38.72	9.47	55.09	0.01	0.00	0.00	16.21	6.63	0.17	37.33	0.00
	CUSTOMER SERVICE											
	OPERATING COSTS											
3.1	Appliance Inspection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2	Locks/Unlocks/Exchanges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	MAINTENANCE COSTS											
3.3	Service Lines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.97	0.00	0.00
3.	Total Customer Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.97	0.00	0.00
	SALES/MARKETING											
4.1	Residential	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.2	Commercial	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.3	Industrial	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.4	Residential/Commercial	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.5	General Promotion	8.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.6	NGV Operation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.7	Contract Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.8	DSM - Program	0.00	0.00	0.00	0.00	0.00	32.00	0.00	0.00	0.00	0.00	0.00
4.9	DSM - General	0.00	0.00	0.00	0.00	0.00	13.33	0.00	0.00	0.00	0.00	0.00
4.	Total Promotions	8.10	0.00	0.00	0.00	0.00	45.33	0.00	0.00	0.00	0.00	0.00
	CUSTOMER ACCOUNTING											
5.1	Billing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.2	Enquiry	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.3	Readings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.4	Credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.5	Large Volume Customer Care	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.6	Uncollectibles	0.00	0.00	0.00	0.00	15.30	0.00	0.00	0.00	0.00	0.00	0.00
5.	Total Customer Accounting	0.00	0.00	0.00	0.00	15.30	0.00	0.00	0.00	0.00	0.00	0.00
6.	**Total O&M**	56.93	9.47	55.09	11.22	15.30	45.33	16.21	6.63	12.14	37.33	0.00
7.	Fixed Financing Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8.	**Total O&M Expense**	56.93	9.47	55.09	11.22	15.30	45.33	16.21	6.63	12.14	37.33	0.00

CLASSIFICATION OF O&M COSTS
DEC. 31, 2013

(millions of dollars)

		Col. 24	Col. 25	Col. 26	Col. 27	Col. 28	Col. 29	Col.30
		NUMBER OF CUSTOMERS						
Item No.	Description	Commercial/ Industrial	Contracts	Direct Purchase	Total	Readings Processed	LV CC	Fixed Financing
	GAS SUPPLY							
1.1	Gas Purchased	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.2	Stored Gas	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.3	A&G	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.4	System Gas Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.5	Direct Purchase Management	0.00	0.00	2.15	0.00	0.00	0.00	0.00
1.	Total Gas Supply	0.00	0.00	2.15	0.00	0.00	0.00	0.00
	DISTRIBUTION							
	OPERATING COSTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.1	Chart Processing	0.00	0.00	0.00	0.00	0.08	0.00	0.00
2.2	District Stations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.3	System Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.4	Gas Dispatched	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	MAINTENANCE COSTS							
2.5	Dist. System Reg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.6	Sales Meters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.7	Other Meters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.8	Instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.9	Mains	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.10	Structures	0.00	0.00	0.00	0.61	0.00	0.00	0.00
2.	Total Distribution Costs	0.00	0.00	0.00	0.61	0.08	0.00	0.00
	CUSTOMER SERVICE							
	OPERATING COSTS							
3.1	Heating Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2	Locks/Unlocks/Exchanges	0.00	0.00	0.00	18.14	0.00	0.00	0.00
	MAINTENANCE COSTS							
3.3	Service Lines	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	Total Customer Service	0.00	0.00	0.00	23.19	0.00	0.00	0.00
	SALES/MARKETING							
4.1	Residential	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.2	Commercial	4.52	0.00	0.00	0.00	0.00	0.00	0.00
4.3	Industrial	3.22	0.00	0.00	0.00	0.00	0.00	0.00
4.4	Residential/Commercial	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.5	General Promotion	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.6	NGV Operation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.7	Contract Administration	0.00	6.06	0.00	0.00	0.00	0.00	0.00
4.8	DSM - Program	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.9	DSM - General	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Total Promotions	7.75	6.06	0.00	0.00	0.00	0.00	0.00
	CUSTOMER ACCOUNTING							
5.1	Billing	0.00	0.00	0.00	58.23	0.00	0.00	0.00
5.2	Enquiry	0.00	0.00	0.00	12.84	0.00	0.00	0.00
5.3	Readings	0.00	0.00	0.00	0.00	13.61	0.00	0.00
5.4	Credit	0.00	0.00	0.00	20.75	0.00	0.00	0.00
5.5	Large Volume Customer Care	0.00	0.00	0.00	0.00	0.00	2.48	0.00
5.6	Uncollectibles	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.	Total Customer Accounting	0.00	0.00	0.00	91.82	13.61	0.00	0.00
6.	**Total O&M**	7.75	6.06	2.15	115.62	13.69	0.00	0.00
7.	Fixed Financing Costs	0.00	0.00	0.00	0.00	0.00	0.00	2.30
8.	**Total O&M Expense**	7.75	6.06	2.15	115.62	13.69	2.48	2.30

ALLOCATION OF RATE BASE
DEC. 31, 2013
(millions of dollars)

ITEM NO.	DESCRIPTION	Col. 1 RATE BASE	Col. 2 RATE 1	Col. 3 RATE 6	Col. 4 RATE 9	Col. 5 RATE 100	Col. 6 RATE 110	Col. 7 RATE 115	Col. 8 RATE 125	Col. 9 RATE 135	Col. 10 RATE 145	Col. 11 RATE 170	Col. 12 RATE 200	Col. 13 RATE 300	Col. 14 RATE 300 Int	Col. 15 FACTORS EXHIBIT G2.6.3 *
	SUPPLY COST															
	PRODUCT COSTS															
1.1	Annual Commodity	16.87	9.62	6.58	0.00	0.00	0.16	0.01	0.00	0.00	0.06	0.13	0.30	0.00	0.00	1.1
1	Total Gas Cost	16.87	9.62	6.58	0.00	0.00	0.16	0.01	0.00	0.00	0.06	0.13	0.30	0.00	0.00	
	PIPELINE TRANS.															
2.1	Peak	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.1
2.2	Seasonal	251.95	117.40	120.22	0.00	0.00	2.96	0.89	0.00	0.00	2.39	4.51	3.57	0.00	0.00	3.2
2.3	Annual	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.2
2	Total Pipeline Trans. Cost	251.95	117.40	120.22	0.00	0.00	2.96	0.89	0.00	0.00	2.39	4.51	3.57	0.00	0.00	
	FACILITIES' COSTS															
	STORAGE FACILITIES															
3.1	Deliverability	8.67	4.79	3.70	0.00	0.00	0.07	0.03	0.00	0.00	0.00	0.00	0.08	0.00	0.00	3.1
3.2	Space	5.57	2.59	2.66	0.00	0.00	0.07	0.02	0.00	0.00	0.05	0.10	0.08	0.00	0.00	3.2
3	Total Storage	14.24	7.38	6.36	0.00	0.00	0.14	0.05	0.00	0.00	0.05	0.10	0.16	0.00	0.00	
	DISTRIBUTION FACILITIES															
4.1	Capacity TP	367.64	168.35	147.10	0.01	0.00	6.70	5.74	33.47	0.02	1.32	0.81	4.03	0.08	0.00	2.1
4.2	Capacity HP	155.82	79.38	69.36	0.01	0.00	3.16	2.70	0.00	0.01	0.62	0.38	0.00	0.04	0.15	2.2
4.3	Capacity LP	800.25	411.23	359.32	0.03	0.00	16.36	7.05	0.00	0.06	3.23	1.99	0.00	0.21	0.77	2.3
4.4	Commodity	0.16	0.06	0.06	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.01	0.00	0.00	0.00	1.3
4.5	Customer Plant	564.27	519.90	44.25	0.00	0.00	0.06	0.01	0.00	0.01	0.03	0.01	0.00	0.00	0.00	2.4
4	Total Distribution	1,888.14	1,178.93	620.10	0.06	0.00	26.28	15.51	33.47	0.11	5.21	3.20	4.03	0.33	0.92	
	CUSTOMER RELATED															
5.1	Meters	302.21	171.80	126.09	0.02	0.00	1.22	0.18	1.74	0.23	0.64	0.23	0.00	0.04	0.01	4.1
5.2	Sales Stations	90.46	6.80	77.29	0.03	0.00	2.66	0.54	0.00	1.29	0.72	1.02	0.00	0.06	0.06	4.2
5.3	Services	1,313.88	1,173.11	138.78	0.01	0.00	0.69	0.17	0.07	0.17	0.44	0.40	0.00	0.03	0.01	4.3
5.4	Rentals	3.37	0.67	2.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.4
5.5	Comm./Ind. Customers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.6
5.6	Contracts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.7
5.7	Direct Purchase	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.11
5.8	Total Customers	17.19	15.83	1.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.5
5.9	Specific Classes	3.17	1.11	0.65	1.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5.10	Readings Processed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.8 & 4.9
5.11	HST Revenue	(22.50)	(12.83)	(8.78)	(0.01)	0.00	(0.22)	(0.01)	0.00	(0.00)	(0.08)	(0.18)	(0.40)	0.00	0.00	1.1
5	Total Customer Related	1,707.78	1,356.49	338.08	1.47	0.00	4.36	0.88	1.81	1.68	1.73	1.47	(0.40)	0.13	0.08	
6	**Total Rate Base**	3,878.98	2,669.82	1,091.34	1.53	0.00	33.90	17.33	35.28	1.79	9.45	9.42	7.66	0.46	1.00	
7	CIS	70.50	64.96	5.53	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.5
8	**Total Rate Base + CIS**	3,949.48	2,734.77	1,096.87	1.53	0.00	33.90	17.33	35.28	1.79	9.45	9.43	7.66	0.46	1.00	

* G2.6.3 refers to Exhibit G2, Tab 6, Schedule 3.

ALLOCATION OF RETURN & TAXES
DEC. 31, 2013

(millions of dollars)

ITEM NO.	DESCRIPTION	Col. 1 RATE BASE	Col. 2 RETURN & TAXES	Col. 3 RATE 1	Col. 4 RATE 6	Col. 5 RATE 9	Col. 6 RATE 100	Col. 7 RATE 110	Col. 8 RATE 115	Col. 9 RATE 125	Col. 10 RATE 135	Col. 11 RATE 145	Col. 12 RATE 170	Col. 13 RATE 200	Col. 14 RATE 300	Col. 15 RATE 300 Int
	SUPPLY COST															
	PRODUCT COSTS															
1.1	Annual Commodity	16.87	1.46	0.83	0.57	0.00	0.00	0.01	0.00	0.00	0.00	0.01	0.01	0.03	0.00	0.00
1	Total Gas Cost	16.87	1.46	0.83	0.57	0.00	0.00	0.01	0.00	0.00	0.00	0.01	0.01	0.03	0.00	0.00
	PIPELINE TRANS.															
2.1	Peak	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.2	Seasonal	251.95	21.73	10.13	10.37	0.00	0.00	0.26	0.08	0.00	0.00	0.21	0.39	0.31	0.00	0.00
2.3	Annual	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Total Pipeline Trans. Cost	251.95	21.73	10.13	10.37	0.00	0.00	0.26	0.08	0.00	0.00	0.21	0.39	0.31	0.00	0.00
	FACILITIES' COSTS															
	STORAGE FACILITIES															
3.1	Deliverability	8.67	0.75	0.41	0.32	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
3.2	Space	5.57	0.48	0.22	0.23	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00
3	Total Storage	14.24	1.23	0.64	0.55	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00
	DISTRIBUTION FACILITIES															
4.1	Capacity TP	367.64	31.71	14.52	12.69	0.00	0.00	0.58	0.49	2.89	0.00	0.11	0.07	0.35	0.01	0.00
4.2	Capacity HP	155.82	13.44	6.85	5.98	0.00	0.00	0.27	0.23	0.00	0.00	0.05	0.03	0.00	0.00	0.01
4.3	Capacity LP	800.25	69.03	35.48	31.00	0.00	0.00	1.41	0.61	0.00	0.01	0.28	0.17	0.00	0.02	0.07
4.4	Commodity	0.16	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.5	Customer Plant	564.27	48.68	44.85	3.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Total Distribution	1,888.14	162.88	101.70	53.49	0.00	0.00	2.27	1.34	2.89	0.01	0.45	0.28	0.35	0.03	0.08
	CUSTOMER RELATED															
5.1	Meters	302.21	26.07	14.82	10.88	0.00	0.00	0.11	0.02	0.15	0.02	0.06	0.02	0.00	0.00	0.00
5.2	Sales Stations	90.46	7.80	0.59	6.67	0.00	0.00	0.23	0.05	0.00	0.11	0.06	0.09	0.00	0.01	0.01
5.3	Services	1,313.88	113.34	101.20	11.97	0.00	0.00	0.06	0.01	0.01	0.01	0.04	0.03	0.00	0.00	0.00
5.4	Rentals	3.37	0.29	0.06	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.5	Comm./Ind. Customers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.6	Contracts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.7	Direct Purchase	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.8	Total Customers	17.19	1.48	1.37	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.9	Specific Classes	3.17	0.27	0.10	0.06	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.10	Readings Processed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.11	HST Revenue	(22.50)	(1.94)	(1.11)	(0.76)	(0.00)	0.00	(0.02)	(0.00)	0.00	(0.00)	(0.01)	(0.02)	(0.03)	0.00	0.00
5	Total Customer Related	1,707.78	147.32	117.02	29.16	0.13	0.00	0.38	0.08	0.16	0.15	0.15	0.13	(0.03)	0.01	0.01
6	CIS	70.50	12.70	11.70	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	**Total Facilities**	3,949.48	347.32	242.02	95.14	0.13	0.00	2.93	1.50	3.04	0.15	0.82	0.81	0.66	0.04	0.09

Updated: 2012-06-08
EB-2011-0354
Exhibit G2
Tab 5
Schedule 3
Page 1 of 1

ALLOCATION OF TOTAL COST OF SERVICE
DEC. 31, 2013

(millions of dollars)

ITEM NO.	DESCRIPTION	Col. 1 O&M COSTS	Col. 2 NET INV. COSTS	Col. 3 TOTAL	Col. 4 RATE 1	Col. 5 RATE 6	Col. 6 RATE 9	Col. 7 RATE 100	Col. 8 RATE 110	Col. 9 RATE 115	Col. 10 RATE 125	Col. 11 RATE 135	Col. 12 RATE 145	Col. 13 RATE 170	Col. 14 RATE 200	Col. 15 RATE 300 firm	Col. 16 RATE 300Int	Col. 17 DIRECT PURCHASE	ALLOCATION FACTORS EXHIBIT G2.6.3 *
	SUPPLY COSTS																		
	PRODUCT COSTS																		
1.1	Annual Commodity	645.65	0.09	645.74	368.12	251.99	0.17	0.00	6.20	0.26	0.00	0.06	2.31	5.09	11.54	0.00	0.00	0.00	1.1
1.2	Bad Debt Commodity	6.00	0.00	6.00	2.90	3.07	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	
1.3	System Gas Fee	1.86	0.00	1.86	1.06	0.73	0.00	0.00	0.02	0.00	0.00	0.00	0.01	0.01	0.03	0.00	0.00	0.00	1.5
1	Total Gas Cost	653.51	0.09	653.60	372.09	255.78	0.17	0.00	6.22	0.26	0.00	0.06	2.35	5.11	11.57	0.00	0.00	0.00	
	PIPELINE TRANS.																		
2.1	Peak	57.97	0.00	65.22	36.01	27.85	0.00	0.00	0.55	0.20	0.00	0.00	0.00	0.00	0.62	0.00	0.00	0.00	3.1
2.2	Seasonal	4.92	1.38	6.30	2.94	3.01	0.00	0.00	0.07	0.02	0.00	0.00	0.06	0.11	0.09	0.00	0.00	0.00	3.2
2.3	Annual - Transportation	469.82	0.00	469.82	247.07	199.12	0.11	0.00	7.64	0.76	0.00	1.21	2.49	4.11	7.31	0.00	0.00	0.00	1.2
2.4	Interruptible Credit	0.00	0.00	(7.26)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.84)	(6.23)	(0.20)	0.00	0.00	0.00	
2.5	TS Revenue	0.00	(3.12)	(3.12)	(1.29)	(1.29)	(0.00)	0.00	(0.14)	(0.15)	0.00	(0.02)	(0.04)	(0.14)	(0.05)	0.00	0.00	0.00	1.2
2	Total Pipeline Trans. Cost	532.71	(1.73)	530.98	284.72	228.68	0.11	0.00	8.13	0.84	0.00	1.19	1.67	(2.14)	7.78	0.00	0.00	0.00	
	FACILITIES' COSTS																		
	STORAGE FACILITIES																		
3.1	Deliverability	95.27	0.17	95.90	52.94	40.94	0.00	0.00	0.81	0.30	0.00	0.00	0.00	0.00	0.91	0.00	0.00	0.00	3.1
3.2	Space	61.13	0.11	61.23	28.53	29.22	0.00	0.00	0.72	0.22	0.00	0.00	0.58	1.10	0.87	0.00	0.00	0.00	3.2
3.3	Seasonal Credit	0.00	0.00	(0.47)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.47)	0.00	0.00	0.00	0.00	0.00	0.00	
3	Total Storage	156.39	0.27	156.67	81.48	70.16	0.00	0.00	1.53	0.51	0.00	(0.47)	0.58	1.10	1.77	0.00	0.00	0.00	
	DISTRIBUTION FACILITIES																		
4.1	Capacity TP	56.93	30.09	87.02	39.85	34.82	0.00	0.00	1.59	1.36	7.92	0.01	0.31	0.19	0.95	0.02	0.00	0.00	2.1
4.2	Capacity HP	9.47	12.75	22.22	11.32	9.89	0.00	0.00	0.45	0.39	0.00	0.00	0.09	0.05	0.00	0.01	0.02	0.00	2.2
4.3	Capacity LP	55.09	65.50	120.59	61.97	54.15	0.00	0.00	2.47	1.06	0.00	0.01	0.49	0.30	0.00	0.03	0.12	0.00	2.3
4.4	Commodity	11.22	(0.02)	11.20	4.64	4.65	0.00	0.00	0.49	0.54	0.00	0.06	0.15	0.52	0.16	0.00	0.00	0.00	1.2
4.5	Bad Debt Distribution	15.30	0.00	15.30	7.43	7.80	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00	
4.6	Customer Plant	37.33	46.21	83.54	76.97	6.55	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.4
4.7	DSM - Program	32.00	0.00	32.00	12.86	15.70	0.00	0.00	1.32	0.36	0.06	0.10	0.79	0.79	0.02	0.00	0.00	0.00	
4.8	DSM - General	13.33	0.00	13.33	5.02	6.80	0.00	0.00	0.59	0.16	0.02	0.04	0.35	0.35	0.01	0.00	0.00	0.00	
4	Total Distribution	230.67	154.53	385.20	220.06	140.35	0.01	0.00	6.90	3.86	8.00	0.22	2.25	2.21	1.14	0.06	0.14	0.00	
	CUSTOMER RELATED																		
5.1	Meters	16.21	40.34	56.54	32.14	23.59	0.00	0.00	0.23	0.03	0.33	0.04	0.12	0.04	0.00	0.01	0.00	0.00	4.1
5.2	Sales Stations	6.63	5.11	11.74	0.88	10.03	0.00	0.00	0.34	0.07	0.00	0.17	0.09	0.13	0.00	0.01	0.01	0.00	4.2
5.3	Services	12.14	99.88	112.01	100.01	11.83	0.00	0.00	0.06	0.01	0.01	0.01	0.04	0.03	0.00	0.00	0.00	0.00	4.3
5.4	Rentals	0.00	0.36	0.36	0.07	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.4
5.5	Comm./Ind. Customers	7.75	0.00	7.75	0.00	7.72	0.00	0.00	0.01	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	4.6
5.7	Direct Purchase	2.15	0.00	2.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.15	4.11
5.8	Total Customers	115.62	(13.08)	102.54	94.47	8.04	0.00	0.00	0.01	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	4.5
5.9	Specific Classes	8.00	0.42	8.41	6.00	1.44	0.89	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5.10	Readings Processed	13.69	0.00	13.69	12.54	1.13	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.8 & 4.9
5.11	Large Volume Customer Care	2.48	0.00	2.48	0.00	2.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.5
5.12	Financing Costs	2.30	0.00	2.30	1.59	0.64	0.00	0.00	0.02	0.01	0.02	0.00	0.01	0.01	0.00	0.00	0.00	0.00	5
5.13	CIS Depreciation	0.00	12.70	12.70	11.70	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5	Total Customer Related	193.01	145.72	338.73	259.41	68.19	0.90	0.00	3.56	0.56	0.52	0.77	1.82	0.76	0.02	0.05	0.02	2.15	
6.1	Return	278.11	0.00	278.11	192.57	77.24	0.11	0.00	2.39	1.22	2.48	0.13	0.67	0.66	0.54	0.03	0.07	0.00	5
6.2	Taxes	56.52	0.00	56.52	39.13	15.70	0.02	0.00	0.49	0.25	0.50	0.03	0.14	0.13	0.11	0.01	0.01	0.00	5
6.3	CIS Return	4.60	0.00	4.60	4.24	0.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.5
6.4	CIS Tax	8.10	0.00	8.10	7.46	0.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.5
6	Return and Taxes	347.32	0.00	347.32	243.41	93.93	0.13	0.00	2.87	1.47	2.99	0.15	0.80	0.80	0.65	0.04	0.08	0.00	
7	Total Facilities	927.39	300.53	1,227.92	804.36	372.63	1.04	0.00	14.85	6.41	11.51	0.68	5.45	4.87	3.58	0.15	0.25	2.15	
8	**Total Cost of Service**	2,113.61	298.88	2,412.49	1,461.16	857.09	1.32	0.00	29.21	7.50	11.51	1.93	9.46	7.84	22.94	0.15	0.25	2.15	

RATE BASE
FUNCTIONALIZATION FACTORS
DECEMBER 31, 2013

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13
Item No.		Total	Gas Supply	Storage	Sales Stations	Distribution Measurement	Services	Mains	Meters	Rental Equipment	Sales Promotion	Customer Accounting	Unidenti-fiable	CIS
	Gas Supply													
1.1	Gas Supply	1.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Distribution Plant													
2.1	Land (incl offers to buy)	1.000	0.010	0.000	0.005	0.002	0.119	0.096	0.002	0.000	0.161	0.426	0.179	0.000
2.2	Structures & Improvements	1.000	0.010	0.000	0.005	0.002	0.119	0.096	0.002	0.000	0.161	0.426	0.179	0.000
2.3	Mains	1.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000
2.4	Meas. Reg. & Telemtrng	1.000	0.000	0.000	0.503	0.497	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2.5	Services	1.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2.6	Meters	1.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000
	General Plant													
3.1	Land (incl offers to buy)	1.000	0.000	0.000	0.000	0.000	0.336	0.045	0.000	0.000	0.126	0.353	0.140	0.000
3.2	Structures & Improvements	1.000	0.000	0.000	0.000	0.000	0.336	0.045	0.000	0.000	0.126	0.353	0.140	0.000
3.3	Office Furniture & Equip.	1.000	0.001	0.001	0.001	0.123	0.161	0.200	0.046	0.017	0.024	0.031	0.394	0.000
3.4	Transportation Equipment	1.000	0.000	0.000	0.000	0.002	0.297	0.669	0.000	0.000	0.033	0.000	0.000	0.000
3.5	Heavy Work Equipment	1.000	0.000	0.000	0.000	0.002	0.297	0.669	0.000	0.000	0.033	0.000	0.000	0.000
3.6	Tools & Work Equip.	1.000	0.000	0.000	0.000	0.000	0.500	0.500	0.000	0.000	0.000	0.000	0.000	0.000
3.7	Rental Equip.	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000
3.8	Communication Equip.	1.000	0.014	0.000	0.008	0.283	0.086	0.125	0.000	0.001	0.094	0.171	0.218	0.000
3.9	Compressors	1.000	0.000	0.000	0.000	0.002	0.297	0.669	0.000	0.000	0.033	0.000	0.000	0.000
3.10	Computer Equip.	1.000	0.024	0.003	0.023	0.085	0.161	0.261	0.085	0.002	0.009	0.231	0.116	0.000
3.11	Software Acquired/Developed	1.000	0.024	0.003	0.023	0.085	0.161	0.261	0.085	0.002	0.009	0.231	0.116	0.000
3.12	CIS	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000
4.	Other Plant	1.000	0.000	0.000	0.000	0.000	0.436	0.564	0.000	0.000	0.000	0.000	0.000	0.000
5.	Plant Held for Future Use	1.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

WORKING CAPITAL AND
NET INVESTMENT
FUNCTIONALIZATION FACTORS
DECEMBER 31, 2013

Item No.		Col. 1 Total	Col. 2 Gas Supply	Col. 3 Storage	Col. 4 Sales Stations	Col. 5 Distribution Measurement	Col. 6 Services	Col. 7 Mains	Col. 8 Meters	Col. 9 Rental Equipment	Col. 10 Sales/ Marketing	Col. 11 Customer Accounting	Col. 12 Unidenti-fiable	Col. 13 HST Revenue
1.	**Prepaid Expenses**	1.000	0.000	0.000	0.000	0.000	0.123	0.123	0.000	0.000	0.009	0.000	0.746	0.000
	Materials & Supplies													
2.1	Pipe	1.000	0.000	0.000	0.000	0.000	0.227	0.773	0.000	0.000	0.000	0.000	0.000	0.000
2.2	Tools	1.000	0.000	0.000	0.000	0.000	0.500	0.500	0.000	0.000	0.000	0.000	0.000	0.000
2.3	Construction Supplies	1.000	0.000	0.000	0.000	0.000	0.500	0.500	0.000	0.000	0.000	0.000	0.000	0.000
	Net Investments													
3.	Municipal Taxes	1.000	0.001	0.000	0.004	0.004	0.282	0.669	0.000	0.000	0.008	0.022	0.009	0.000
4.	Capital Taxes	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

CLASSIFICATION OF GAS COSTS TO OPERATIONS

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11
		System Commodity			Load Balancing							
					Storage			Pipeline				
Item No.	Description	Annual Volumes (10³m³)	Variable Unit Rate $/(10³m³)	Variable Cost $(000)	Deliver-ability $(000)	Seasonal Space $(000)	Winter $(000)	Peak $(000)	Seasonal $(000)	Annual $(000)	Dist'n. Commodity $(000)	Total $(000)
	Purchases and Receipts											
1.1	Long-Term	730.0	92.019	67.2	0.0	0.0	0.0	0.0	0.0	60.2	0.0	127.4
1.2	Western Buy/Sell	1,849.7	92.019	170.2	0.0	0.0	0.0	0.0	0.0	11.5	0.0	181.8
1.3	Ontario Buy.Sell	0.0	92.019	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4	Short-Term Annual	0.0	92.019	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.5	Short-Term Peak	37,998.7	92.019	3,496.6	0.0	0.0	0.0	4,947.1	0.0	0.0	0.0	8,443.7
1.6	Discretionary Western & US	5,594,966.0	92.019	514,845.4	0.0	0.0	0.0	0.0	0.0	68,175.2	0.0	583,020.6
1.7	Discretionary - Ontario	1,471,212.5	92.019	135,380.1	0.0	0.0	0.0	0.0	4,984.9	27,726.7	0.0	168,091.7
1.	Total Purchases & Receipts	7,106,756.9	92.019	653,959.5	0.0	0.0	0.0	4,947.1	4,984.9	95,973.6	0.0	759,865.1
	Transportation											
2.1	TCPL FT-Demand System	0.0	0.0	0.0	0.0	0.0	0.0	50,953.2	0.0	268,000.5	0.0	318,953.8
2.2	Unutilized Transport Costs	0.0	0.0	0.0	0.0	0.0	0.0	2,833.8	0.0	0.0	0.0	2,833.8
2.3	Alliance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	41,105.6	0.0	41,105.6
2.4	Vector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	64,623.8	0.0	64,623.8
2.5	Union - M13	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.6	U.S. Transportation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.7	Nova	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6,757.8	0.0	6,757.8
2.8	Michcon/ANR/Link	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.	Total Transportation	0.0	0.0	0.0	0.0	0.0	0.0	53,787.0	0.0	380,487.7	0.0	434,274.8
	Other Costs											
3.1	Fuel	0.0	0.0	7,571.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,571.7
3.2	Delivery Pressure Charge	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.3	Upstream Differential	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.	Total Other Variable Costs	0.0	0.0	7,571.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,571.7
4.	**Total Delivered Supply**	7,106,756.9	0.0	661,531.2	0.0	0.0	0.0	58,734.1	4,984.9	476,461.4	0.0	1,201,711.6
5.	**Storage Fluctuation**	(53,333.2)	92.019	(6,287.5)	0.0	0.0	0.0	(229.3)	(19.5)	(1,860.1)	0.0	(8,396.3)
6.	**Gas Costs to Operations**	7,053,423.7	0.0	655,243.7	0.0	0.0	0.0	58,504.8	4,965.4	474,601.3	0.0	1,193,315.2
7.	**Storage and Transportation**	0.0	0.0	0.0	93,008.3	59,679.7	0.0	0.0	0.0	0.0	0.0	152,688.0
8.	**Gas Costs-Storage & Trans.**	7,053,423.7	0.0	655,243.7	93,008.3	59,679.7	0.0	58,504.8	4,965.4	474,601.3	0.0	1,346,003.2
9.1	UUF Adjustment			(7,390.9)	0.0	0.0	0.0	(414.9)	(35.2)	(3,365.6)	11,206.6	0.0
9.2	LUF Adjustment			(2,207.6)	0.0	0.0	0.0	(123.0)	(10.4)	(1,410.8)	0.0	(3,751.8)
9.	**Total Classified Costs**			645,645.2	93,008.3	59,679.7	0.0	57,966.9	4,919.8	469,824.9	11,206.6	1,342,251.3
	GAS COSTS											
10.1	Classification Factors			645,645.2	0.0	0.0	0.0	57,966.9	4,919.8	469,824.9	11,206.6	1,189,563.4
10.2	Classification Percentages			54.276%	0.000%	0.000%	0.000%	4.873%	0.414%	39.496%	0.942%	100.000%
	STORAGE											
11.1	Classification Factors				93,008.3	59,679.7	0.0	0.0	0.0	0.0	0.0	152,688.0
11.2	Classification Percentages				60.914%	39.086%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%

CLASSIFICATION OF
TRANSPORTATION COSTS

($000)

Item No.	Description	Col. 1 Total	Col. 2 Peak	Col. 3 Seasonal	Col. 4 Annual Delivery	Col. 5 Annual Commodity
	FT TCPL					
1.1	Demand	295,650.6	47,732.9	0.0	247,917.8	0.0
1.2	Commodity	23,303.1	3,220.4	0.0	20,082.8	0.0
1.3	Unutilized Transport. Cost	2,833.8	2,833.8	0.0	0.0	0.0
	Alliance					
2.1	Demand	41,105.6	0.0	0.0	41,105.6	0.0
2.2	Commodity	0.0	0.0	0.0	0.0	0.0
3	**Vector Demand**	64,623.8	0.0	0.0	64,623.8	0.0
4	**US Transportation**	0.0	0.0	0.0	0.0	0.0
5	**NOVA Demand**	6,757.8	0.0	0.0	6,757.8	0.0
6	**Michcon/ANR/Link**	0.0	0.0	0.0	0.0	0.0
	OTHER					
7.1	Fuel	7,571.7	0.0	0.0	0.0	7,571.7
7.2	Delivery Pr. Diff	0.0	0.0	0.0	0.0	0.0
7.3	Upstream Diff.	0.0	0.0	0.0	0.0	0.0
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8	**Total**	441,846.5	53,787.0	0.0	380,487.7	7,571.7

CLASSIFICATION OF
STORAGE AND TRANSPORTATION

($000)

Item No.	Description	Col. 1 Tecumseh O&M	Col. 2 Annual Cost	Col. 3 Deliver-ability	Col. 4 Seasonal Space	Col. 5 Winter	Col. 6 Annual Commodity
	TECUMSEH						
	TRANSMISSION						
1.1	Annual Demand	6,446.5	6,446.5	0.0	6,446.5	0.0	0.0
1.2	Daily Demand	11,791.8	11,791.8	11,791.8	0.0	0.0	0.0
1.3	In/out	4,379.5	4,379.5	0.0	4,379.5	0.0	0.0
1.4	Fuel	3,606.0	3,606.0	0.0	3,606.0	0.0	0.0
1.5	Transactional Services Revenues	(1,684.2)	(1,684.2)	(1,010.5)	(673.7)	0.0	0.0
1.	Total Transmission	24,539.6	24,539.6	10,781.3	13,758.3	0.0	0.0
	STORAGE						
2.1	Annual Demand	6,228.4	6,228.4	0.0	6,228.4	0.0	0.0
2.2	Daily Demand	11,513.7	11,513.7	11,513.7	0.0	0.0	0.0
2.3	In/out	722.8	722.8	0.0	722.8	0.0	0.0
2.4	Transactional Services Revenues	(1,315.8)	(1,315.8)	(789.5)	(526.3)	0.0	0.0
2.	Total Storage	17,149.1	17,149.1	10,724.2	6,424.9	0.0	0.0
3.	Total Tecumseh	41,688.7	41,688.7	21,505.5	20,183.2	0.0	0.0
	UNION GAS						
	STORAGE						
4.1	Space		9,119.3	0.0	9,119.3	0.0	0.0
4.2	Peak		11,145.8	11,145.8	0.0	0.0	0.0
4.3	Injection		125.4	0.0	125.4	0.0	0.0
4.4	Withdrawal		114.2	0.0	114.2	0.0	0.0
	Chatham D		131.9	0.0	131.9	0.0	0.0
4.	Total Storage		20,636.5	11,145.8	9,490.8	0.0	0.0
	TRANSMISSION						
5.1	Demand with comp.		62,221.5	38,769.7	23,451.9	0.0	0.0
5.2	Company Production M13		0.0	0.0	0.0	0.0	0.0
5.3	US Trns. C1		0.0	0.0	0.0	0.0	0.0
5.4	Fuel		16,897.1	10,528.4	6,368.7	0.0	0.0
5.5	Interruptible Margin Rebate		0.0	0.0	0.0	0.0	0.0
5.	Total Transportation		79,118.6	49,298.1	29,820.5	0.0	0.0
6.	SNG Premium		0.0	0.0	0.0	0.0	0.0
	DEHYDRATION						
7.1	Demand		997.6	997.6	0.0	0.0	0.0
7.2	Commodity		185.2	0.0	185.2	0.0	0.0
7.	Total Dehydration		1,182.8	997.6	185.2	0.0	0.0
8.	Total Union		100,937.9	61,441.5	39,496.5	0.0	0.0
	TRANSCANADA						
9.1	STS and Other		10,061.3	10,061.3	0.0	0.0	0.0
9.	Total TransCanada		10,061.3	10,061.3	0.0	0.0	0.0
10.	**TOTAL STORAGE & TRANSP.**	41,688.7	152,688.0	93,008.3	59,679.7	0.0	0.0
11.	**Less Union M13**		0.0	0.0	0.0	0.0	0.0
12.	**Less Union C1**		0.0	0.0	0.0	0.0	0.0
13.	**COST TO OPERATIONS**	41,688.7	152,688.0	93,008.3	59,679.7	0.0	0.0

ALLOCATION FACTORS
DEC. 31, 2013

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15
	FACTOR TOTAL	RATE 1	RATE 6	RATE 9	RATE 100	RATE 110	RATE 115	RATE 125	RATE 135	RATE 145	RATE 170	RATE 200	RATE 300 Firm	RATE 300 Int	Direct Purchase
COMMODITY RESPONSIBILITY															
1.1 Annual Sales	6,950.9	3,962.6	2,712.5	1.8	0.0	66.8	2.8	0.0	0.6	24.9	54.8	124.2	0.0	0.0	0.0
1.2 Bundled Annual Deliveries	11,199.6	4,637.5	4,645.7	2.0	0.0	487.6	539.4	0.0	55.2	152.8	516.4	163.1	0.0	0.0	0.0
1.3 Total Annual Deliveries	11,230.6	4,637.5	4,645.7	2.0	0.0	487.6	539.4	0.0	55.2	152.8	516.4	163.1	0.0	31.0	0.0
1.4 Bundled Peak Delivery	99,183.5	49,980.9	43,671.8	1.0	0.0	1,988.5	1,703.0	0.0	7.1	392.7	241.7	1,196.7	0.0	0.0	0.0
1.5 System Gas Sales	6,950.9	3,962.6	2,712.5	1.8	0.0	66.8	2.8	0.0	0.6	24.9	54.8	124.2	0.0	0.0	0.0
DISTRIBUTION CAPACITY RESPONSIBILITY															
2.1 Delivery Demand TP	109,147.1	49,980.9	43,671.8	4.0	0.0	1,988.5	1,703.0	9,935.4	7.1	392.7	241.7	1,196.7	25.2	0.0	0.0
2.2 Delivery Demand HP	98,108.5	49,980.9	43,671.8	4.0	0.0	1,988.5	1,703.0	0.0	7.1	392.7	241.7	0.0	25.2	93.5	0.0
2.3 Delivery Demand LP	97,262.2	49,980.9	43,671.8	4.0	0.0	1,988.5	856.7	0.0	7.1	392.7	241.7	0.0	25.2	93.5	0.0
2.4 Cust. Rel Plant	2,020,962	1,862,034	158,495	9	0	201	30	5	38	108	38	1	2	1	0.0
STORAGE RESPONSIBILITY															
3.1 Deliverability	52.2	28.8	22.3	0.0	0.0	0.4	0.2	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0
3.2 Space	2,737.7	1,275.7	1,306.3	0.0	0.0	32.2	9.7	0.0	0.0	26.0	49.0	38.8	0.0	0.0	0.0
CUSTOMER RESPONSIBILITY															
4.1 Meters	404,900.0	230,175.0	168,938.8	27.5	0.0	1,633.0	244.5	2,335.8	309.8	860.8	309.8	0.0	56.9	8.2	0.0
4.2 Sales Stations	182,150.0	13,691.7	155,622.1	56.0	0.0	5,349.0	1,090.2	0.0	2,593.1	1,452.3	2,049.2	0.0	124.0	122.4	0.0
4.3 Services	2,246,400.0	2,005,708.3	237,283.0	20.5	0.0	1,187.1	284.0	121.8	283.6	760.3	688.4	0.0	44.9	18.1	0.0
4.4 Rental Equipment	0.3	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.5 Total Customer Count	2,020,962	1,862,034	158,495	9	0	201	30	5	38	108	38	1	2	1	0.0
4.6 Comm/Ind. Customer Count	158,928	0	158,495	9	0	201	30	5	38	108	38	1	2	1	0.0
4.7 Contracts	424	0	0	0	0	201	30	5	38	108	38	1	2	1	0.0
4.8 Chart Readings non AMR per Year	74,351	0	72,166	120	0	156	0	0	60	389	365	0	730	365	0.0
4.9 Chart Readings AMR per Year	2,613	0	2,150	7	0	199	35	5	37	134	46	0	0	0	0.0
4.10 Meter Readings per Year	12,123,162	11,172,204	950,958	0	0	0	0	0	0	0	0	0	0	0	0.0
4.11 Direct Purchase Customers	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1.0
5. Rate Base	3,949.5	2,734.8	1,096.9	1.5	0.0	33.9	17.3	35.3	1.8	9.5	9.4	7.7	0.5	1.0	0.0

ALLOCATION PERCENTAGES
DEC. 31, 2013

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15
	FACTOR TOTAL	RATE 1	RATE 6	RATE 9	RATE 100	RATE 110	RATE 115	RATE 125	RATE 135	RATE 145	RATE 170	RATE 200	RATE 300	RATE 300 Int	Direct Purchase
COMMODITY RESPONSIBILITY															
1.1 Annual Sales	1.0000	0.5701	0.3902	0.0003	0.0000	0.0096	0.0004	0.0000	0.0001	0.0036	0.0079	0.0179	0.0000	0.0000	0.0000
1.2 Bundled Annual Deliveries	1.0000	0.4141	0.4148	0.0002	0.0000	0.0435	0.0482	0.0000	0.0049	0.0136	0.0461	0.0146	0.0000	0.0000	0.0000
1.3 Total Annual Deliveries	1.0000	0.4129	0.4137	0.0002	0.0000	0.0434	0.0480	0.0000	0.0049	0.0136	0.0460	0.0145	0.0000	0.0028	0.0000
1.4 Bundled Peak Delivery	1.0000	0.5039	0.4403	0.0000	0.0000	0.0200	0.0172	0.0000	0.0001	0.0040	0.0024	0.0121	0.0000	0.0000	0.0000
1.5 System Gas Sales	1.0000	0.5701	0.3902	0.0003	0.0000	0.0096	0.0004	0.0000	0.0001	0.0036	0.0079	0.0179	0.0000	0.0000	0.0000
DISTRIBUTION CAPACITY RESPONSIBILITY															
2.1 Delivery Demand TP	1.0000	0.4579	0.4001	0.0000	0.0000	0.0182	0.0156	0.0910	0.0001	0.0036	0.0022	0.0110	0.0002	0.0000	0.0000
2.2 Delivery Demand HP	1.0000	0.5094	0.4451	0.0000	0.0000	0.0203	0.0174	0.0000	0.0001	0.0040	0.0025	0.0000	0.0003	0.0010	0.0000
2.3 Delivery Demand LP	1.0000	0.5139	0.4490	0.0000	0.0000	0.0204	0.0088	0.0000	0.0001	0.0040	0.0025	0.0000	0.0003	0.0010	0.0000
2.4 Cust. Rel Plant	1.0000	0.9214	0.0784	0.0000	0.0000	0.0001	0.0000	0.0000	0.0000	0.0001	0.0000	0.0000	0.0000	0.0000	0.0000
STORAGE RESPONSIBILITY															
3.1 Deliverability	1.0000	0.5521	0.4269	0.0000	0.0000	0.0084	0.0031	0.0000	0.0000	0.0000	0.0000	0.0094	0.0000	0.0000	0.0000
3.2 Space	1.0000	0.4660	0.4772	0.0000	0.0000	0.0117	0.0035	0.0000	0.0000	0.0095	0.0179	0.0142	0.0000	0.0000	0.0000
CUSTOMER RESPONSIBILITY															
4.1 Meters	1.0000	0.5685	0.4172	0.0001	0.0000	0.0040	0.0006	0.0058	0.0008	0.0021	0.0008	0.0000	0.0001	0.0000	0.0000
4.2 Sales Stations	1.0000	0.0752	0.8544	0.0003	0.0000	0.0294	0.0060	0.0000	0.0142	0.0080	0.0113	0.0000	0.0007	0.0007	0.0000
4.3 Services	1.0000	0.8929	0.1056	0.0000	0.0000	0.0005	0.0001	0.0001	0.0001	0.0003	0.0003	0.0000	0.0000	0.0000	0.0000
4.4 Rental Equipment	1.0000	0.2000	0.8000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4.5 Total Customer Count	1.0000	0.9214	0.0784	0.0000	0.0000	0.0001	0.0000	0.0000	0.0000	0.0001	0.0000	0.0000	0.0000	0.0000	0.0000
4.6 Comm/Ind. Customer Count	1.0000	0.0000	0.9973	0.0001	0.0000	0.0013	0.0002	0.0000	0.0002	0.0007	0.0002	0.0000	0.0000	0.0000	0.0000
4.7 Contracts	1.0000	0.0000	0.0000	0.0000	0.0000	0.4741	0.0708	0.0118	0.0896	0.2547	0.0896	0.0024	0.0047	0.0024	0.0000
4.8 Chart Readings non AMR per Year	1.0000	0.0000	0.9706	0.0016	0.0000	0.0021	0.0000	0.0000	0.0008	0.0052	0.0049	0.0000	0.0098	0.0049	0.0000
4.9 Chart Readings AMR per Year	1.0000	0.0000	0.8228	0.0027	0.0000	0.0762	0.0134	0.0019	0.0142	0.0513	0.0176	0.0000	0.0000	0.0000	0.0000
4.10 Meter Readings per Year	1.0000	0.9216	0.0784	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4.11 Separation Expense Allocator	1.0000	0.7750	0.2250	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4.12 Direct Purchase Customers	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.0000
5. Rate Base	1.0000	0.6924	0.2777	0.0004	0.0000	0.0086	0.0044	0.0089	0.0005	0.0024	0.0024	0.0019	0.0001	0.0003	0.0000

Allocation of DSM Program and General Costs Including Fringe Benefits and A&G

DEC. 31, 2013

(millions of dollars)

	Total	RATE 1	RATE 6	RATE 9	RATE 100	RATE 110	RATE 115	RATE 125	RATE 135	RATE 145	RATE 170	RATE 200	RATE 300
DSM Program and General Costs	24.19	7.56	13.50	0.00	0.00	1.24	0.32	0.00	0.09	0.74	0.75	0.00	0.00
DSM Low Income Program and General Costs	7.25	4.93	2.04	0.00	0.00	0.07	0.04	0.05	0.01	0.05	0.04	0.02	0.00
Fringe Benefits	4.83	1.82	2.46	0.00	0.00	0.21	0.06	0.01	0.02	0.13	0.13	0.00	0.00
A&G	9.07	3.58	4.50	0.00	0.00	0.38	0.10	0.02	0.03	0.23	0.23	0.01	0.00
Total Fully-Allocated DSM Costs	45.33	17.89	22.50	0.00	0.00	1.90	0.52	0.08	0.14	1.13	1.15	0.03	0.01
Breakdown of DSM Program and General Costs:													
DSM Program Costs	19.37	6.06	10.81	0.00	0.00	0.99	0.25	0.00	0.08	0.59	0.60	0.00	0.00
DSM Low Income Program Costs	6.23	4.23	1.75	0.00	0.00	0.06	0.03	0.05	0.00	0.04	0.03	0.02	0.00
Program Costs Subtotal	25.60	10.29	12.56	0.00	0.00	1.05	0.29	0.05	0.08	0.63	0.63	0.02	0.00
A&G	6.40	2.57	3.14	0.00	0.00	0.26	0.07	0.01	0.02	0.16	0.16	0.00	0.00
Total	32.00	12.86	15.70	0.00	0.00	1.32	0.36	0.06	0.10	0.79	0.79	0.02	0.00
DSM General Costs	4.82	1.51	2.69	0.00	0.00	0.25	0.06	0.00	0.02	0.15	0.15	0.00	0.00
DSM Low Income General Costs	1.02	0.69	0.29	0.00	0.00	0.01	0.01	0.01	0.00	0.01	0.01	0.00	0.00
General Costs Subtotal	5.84	2.20	2.98	0.00	0.00	0.26	0.07	0.01	0.02	0.15	0.16	0.00	0.00
Fringe Benefits	4.83	1.82	2.46	0.00	0.00	0.21	0.06	0.01	0.02	0.13	0.13	0.00	0.00
A&G	2.67	1.00	1.36	0.00	0.00	0.12	0.03	0.00	0.01	0.07	0.07	0.00	0.00
Total	13.34	5.02	6.80	0.00	0.00	0.59	0.16	0.02	0.04	0.35	0.35	0.01	0.00
	45.33	17.89	22.50	0.00	0.00	1.90	0.52	0.08	0.14	1.13	1.15	0.03	0.01

TECUMSEH GAS
FUNCTIONALIZATION AND CLASSIFICATION OF RATE BASE
2013 TEST YEAR

($000)

		FUNCTIONALIZATION					CLASSIFICATION: Transmission & Compression					CLASSIFICATION: Pool Storage Space				
				Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13
Item No.	Description	Functional Allocation T/C	Pool	Net Investment Avg. of Mnthly Avg.	Transmission & Compression	Pool Storage Space	Net Investment Avg. of Mnthly Avg.			Annual Demand	Daily Demand	Net Investment Avg. of Mnthly Avg.			Annual Demand	Daily Demand
1.1	Transmission Lines	100%	0%	6,907.7	6,907.7		6,907.7	40%	60%	2,763.1	4,144.6		40%	60%	0.0	0.0
1.2	Compressor Equipment	100%	0%	63,895.8	63,895.8		63,895.8	40%	60%	25,558.3	38,337.5		40%	60%	0.0	0.0
1.3	Structures & Improvements	100%	0%	10,563.4	10,563.4		10,563.4	40%	60%	4,225.4	6,338.0		40%	60%	0.0	0.0
1.4	Office and Plant Equipment	100%	0%	1,615.8	1,615.8		1,615.8	40%	60%	646.3	969.5		40%	60%	0.0	0.0
1.5	Land	100%	0%	2,982.4	2,982.4		2,982.4	40%	60%	1,193.0	1,789.4		40%	60%	0.0	0.0
1.6.1	Allowance for - Mat'ls & Supplies	100%	0%	2,460.3	2,460.3		2,460.3	40%	60%	984.1	1,476.2		40%	60%	0.0	0.0
1.6.2	Working Capital - Working Cash Allow.	100%	0%	1,400.0	1,400.0		1,400.0	40%	60%	560.0	840.0		40%	60%	0.0	0.0
1.7	Provision for LUF	69%	31%		0.0	0.0	0.0	40%	60%	0.0	0.0	0.0	40%	60%	0.0	0.0
1.				89,825.4	89,825.4		89,825.4			35,930.2	53,895.2					
2.1	Field Lines	0%	100%	32,400.2		32,400.2		40%	60%	0.0	0.0	32,400.2	40%	60%	12,960.1	19,440.1
2.2	Wells	0%	100%	30,989.3		30,989.3		40%	60%	0.0	0.0	30,989.3	40%	60%	12,395.7	18,593.6
2.3	Well Equipment	0%	100%	4,284.4		4,284.4		40%	60%	0.0	0.0	4,284.4	40%	60%	1,713.8	2,570.6
2.4	Measuring & Regulating	0%	100%	8,023.2		8,023.2		40%	60%	0.0	0.0	8,023.2	40%	60%	3,209.3	4,813.9
2.5	Gas Storage Rights	0%	100%	18,189.9		18,189.9		40%	60%	0.0	0.0	18,189.9	40%	60%	7,276.0	10,913.9
2.6	Petroleum and Natural Gas Leases	0%	100%			0.0		40%	60%	0.0	0.0	0.0	40%	60%	0.0	0.0
2.7	Base Pressure Gas	0%	100%	40,898.9		40,898.9		40%	60%	0.0	0.0	40,898.9	40%	60%	16,359.6	24,539.3
2.8	Other	0%	100%			0.0	0.0	40%	60%	0.0	0.0	0.0	40%	60%	0.0	0.0
2.				134,785.9		134,785.9						134,785.9			53,914.4	80,871.5
3.	Total			224,611.3	89,825.4	134,785.9	89,825.4			35,930.2	53,895.2	134,785.9			53,914.4	80,871.5
4.	Percentage Allocation			1,742.1	39.991%	60.009%				40.000%	60.000%				40.000%	60.000%

TECUMSEH GAS
FUNCTIONAL ALLOCATION OF COST OF SERVICE
2013 TEST YEAR

Item No.		Col.1 Functional Allocation T/C	Col.2 Pool	Col.3 Utility Return & Expenses	Col.4 Transmission & Compression	Col.5 Pool Storage
	RATE BASE RETURN AMOUNT			($000)	($000)	($000)
1.1	Utility Return	45%	55%	19,376.3	8,719.3	10,656.9
1.	Total Return	0%	0%	19,376.3	8,719.3	10,656.9
	EXPENSES - OPERATION					
2.1.1	Labour	75%	25%	1,358.3	1,018.7	339.6
2.1.2	Supplies & Other		10%	565.5	509.0	56.6
2.1.3	Hydro	100%	0%	358.0	358.0	
2.1.4	Lease Rentals	0%	100%	1,576.0		1,576.0
2.1.5	Surface Rentals	0%	100%	338.0		338.0
2.1.6	Provision for LUF	87%	13%	3,751.8	3,264.1	487.7
2.1	Subtotal			7,947.7	5,149.8	2,797.9
	MAINTENANCE					
2.2.1	Company	80%	20%	1,470.6	1,176.5	294.1
2.2.2	Contractor	55%	45%	1,515.5	833.5	682.0
2.2	Subtotal			2,986.2	2,010.0	976.1
	ADMINISTRATIVE & GENERAL					
2.3.1	General Office	75%	25%	2,924.9	2,193.7	731.2
2.3.2	Service Fees	75%	25%	2,650.1	1,987.6	662.5
2.3.3	Overhead Capitalized	75%	25%	(908.9)	(681.7)	(227.2)
2.3	Subtotal			4,666.1	3,499.6	1,166.5
	DEPRECIATION AND AMORTIZATION					
2.4.1	Depreciation	56%	44%	5,502.4	3,086.3	2,416.1
2.4.2	Amortization	0%	100%	497.9		497.9
2.4	Subtotal			6,000.3	3,086.3	2,914.0
	TAXES - OTHER THAN INCOME					
2.5.1	Municipal	80%	20%	2,261.1	1,808.9	452.2
2.5.2	Capital	45%	55%			
2.5	Subtotal			2,261.1	1,808.9	452.2
2.	**TOTAL EXPENSES**			23,861.4	15,554.6	8,306.7
3.	**REVENUE REQUIREMENT BEFORE TAXES**			43,237.6	24,273.9	18,963.6

TECUMSEH GAS
CLASSIFICATION OF COST OF SERVICE
2013 TEST YEAR

($000)

Item No.		Functional Allocation T/C	Pool	Utility Return & Expenses	Transmission & Compression	Storage Space	Col. 1 Total	Col. 2 Alloc'tn Ann	Col. 3 Dly	Col. 4 Annual Demand	Col. 5 Daily Demand	Col. 6 Commodity	Col. 7 Storage Total	Col. 8 Union Transfer	Col. 9 Net Tecumseh	Col. 10 Alloc'tn Ann	Col. 11 Dly	Col. 12 Annual Demand	Col. 13 Daily Demand	Col. 14 Commodity
							Transmission & Compression						Pool Storage							
	RATE BASE RETURN AMOUNT																			
1.1	Utility Return	45%	55%	19,376.3	8,719.3	10,656.9	8,719.3	35%	65%	3,051.8	5,667.6		10,656.9	0.0	10,656.9	35%	65%	3,729.9	6,927.0	
1.	Total Return			19,376.3	8,719.3	10,656.9	8,719.3			3,051.8	5,667.6		10,656.9	0.0	10,656.9			3,729.9	6,927.0	
	EXPENSES - OPERATION																			
2.1.1	Labour	75%	25%	1,358.3	1,018.7	339.6	1,018.7	35%	65%	356.5	662.2		339.6	19.9	319.7	35%	65%	111.9	207.8	
2.1.2	Supplies & Other	90%	10%	565.5	509.0	56.6	509.0	20%	30%	101.8	152.7	254.5	56.6	3.3	53.3	30%	45%	16.0	24.0	13.3
2.1.3	Hydro	100%	0%	358.0	358.0		358.0	20%	30%	71.6	107.4	179.0				0%	0%			
2.1.4	Lease Rentals	0%	100%	1,576.0		1,576.0		35%	65%				1,576.0		1,576.0	35%	65%	551.6	1,024.4	
2.1.5	Surface Rentals	0%	100%	338.0		338.0		35%	65%				338.0	19.8	318.2	35%	65%	111.4	206.9	
2.1.6	Provision for LUF	87%	13%	3,751.8	3,264.1	487.7	3,264.1	0%	0%			3,264.1	487.7	0.0	487.7	0%	0%			487.7
2.1	Subtotal			7,947.7	5,149.8	2,797.9	5,149.8			529.9	922.3	3,697.6	2,797.9	42.9	2,755.0			790.9	1,463.1	501.0
	MAINTENANCE																			
2.2.1	Company	80%	20%	1,470.6	1,176.5	294.1	1,176.5	20%	30%	235.3	353.0	588.2	294.1	17.2	276.9	30%	45%	83.1	124.6	69.2
2.2.2	Contractor	55%	45%	1,515.5	833.5	682.0	833.5	20%	30%	166.7	250.1	416.7	682.0	39.9	642.1	30%	45%	192.6	289.0	160.5
2.2	Subtotal			2,986.2	2,010.0	976.1	2,010.0			402.0	603.1	1,004.9	976.1	57.1	919.0			275.7	413.6	229.7
	ADMINISTRATIVE & GENERAL																			
2.3.1	General Office	75%	25%	2,924.9	2,193.7	731.2	2,193.7	35%	65%	767.8	1,425.9		731.2	42.7	688.5	35%	65%	241.0	447.5	
2.3.2	Service Fees	75%	25%	2,650.1	1,987.6	662.5	1,987.6	35%	65%	695.7	1,291.9		662.5	38.7	623.8	35%	65%	218.3	405.5	
2.3.3	Overhead Capitalized	75%	25%	(908.9)	(681.7)	(227.2)	(681.7)	35%	65%	(238.6)	(443.1)		(227.2)	0.0	(227.2)	35%	65%	(79.5)	(147.7)	
2.3	Subtotal			4,666.1	3,499.6	1,166.5	3,499.6			1,224.9	2,274.7		1,166.5	81.5	1,085.0			379.8	705.3	0.0
	DEPRECIATION AND AMORTIZATION																			
2.4.1	Depreciation	56%	44%	5,502.4	3,086.3	2,416.1	3,086.3	35%	65%	1,080.2	2,006.1		2,416.1	138.4	2,277.7	35%	65%	797.2	1,480.5	0.0
2.4.2	Amortization	0%	100%	497.9		497.9		35%	65%				497.9	0.0	497.9	35%	65%	174.3	323.6	0.0
2.4	Subtotal			6,000.3	3,086.3	2,914.0	3,086.3			1,080.2	2,006.1		2,914.0	138.4	2,775.6			971.5	1,804.1	
	TAXES - OTHER THAN INCOME																			
2.5.1	Municipal	80%	20%	2,261.1	1,808.9	452.2	1,808.9	35%	65%	633.1	1,175.8		452.2	26.4	425.8	35%	65%	149.0	276.7	
2.5.2	Capital Rate Base Ratio	45%	55%	0.0	0.0	0.0	0.0	35%	65%				0.0			35%	65%			
2.5	Subtotal			2,261.1	1,808.9	452.2	1,808.9			633.1	1,175.8		452.2	26.4	425.8			149.0	276.7	
2.	**TOTAL EXPENSES**			23,861.4	15,554.6	8,306.7	15,554.6			3,870.1	6,982.0	4,702.5	8,306.7	346.3	7,960.4			2,566.9	4,662.8	730.7
3.	**REVENUE REQUIREMENT**			43,237.6	24,273.9	18,963.6	24,273.9			6,921.9	12,649.6	4,702.5	18,963.6	346.3	18,617.3			6,296.8	11,589.8	730.7
4.1	**GROSS REVENUE REQUIREMENT (incl. fuel)**			43,237.6	24,273.9	18,963.6	24,273.9			6,921.9	12,649.6	4,702.5	18,963.6	346.3	18,617.3			6,296.8	11,589.8	730.7
4.2	**GROSS REVENUE REQUIREMENT (excl. fuel)**			43,237.6	24,273.9	18,963.6	24,273.9			6,921.9	12,649.6	4,702.5	18,963.6	346.3	18,617.3			6,296.8	11,589.8	730.7
3.1.1	Less: UNION GAS									404.6	779.9	274.9						0.0	0.0	0.0
3.1.2	Less: CENTRA GAS									70.8	77.9	48.1						68.4	76.1	7.9
3.1.3	Less: ST. LAWRENCE									0.0	0.0	0.0						0.0	0.0	0.0
3.1	**Net: CONSUMERS GAS**									6,446.5	11,791.8	4,379.5						6,228.4	11,513.7	722.8

TECUMSEH GAS
RATE DERIVATION
2013 TEST YEAR

		Col.1	Col.2	Col.3
Item No.	**Transmission and Compression**	**Annual Demand**	**Daily Demand**	**Commodity**
1.1	Cost of service	6,921.9	12,649.6	4,702.5
1.2	Forecasted Gas Volumes	2,771,173.1	45,985.2	5,541,951.2
1.3.1	Unit Cost - Annual ($/$10^3m^3$)	2.498	275.080	0.849
1.3.2	Unit Cost - Monthly ($/$10^3m^3$/month)	0.208	22.923	0.000
1.3.3	Unit Cost - Rounded ($/$10^3m^3$)	0.208	22.923	0.849
1.4	Fuel Ratio (%)			0.35
	Pool Storage	**Annual Demand**	**Daily Demand**	**Commodity**
2.1	Cost of Service Analysis ($000's)	6,296.8	11,589.8	730.7
2.2	Forecasted Gas Volumes (10^3m^3)	2,609,173.1	43,150.2	5,217,951.2
2.3.1	Unit Cost - Annual ($/$10^3m^3$)	2.4133	268.5918	0.1400
2.3.2	Unit Cost - Monthly ($/$10^3m^3$/month)	0.2011	22.3826	0.0000
2.3.3	Unit Cost - Rounded ($/$10^3m^3$)	0.2011	22.3826	0.1400

TECUMSEH GAS
ISOLATION OF TRANSMISSION RELATED RATE BASE
2013 TEST YEAR

($000)

				Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7
		FUNCTIONALIZATION TOTAL COSTS					ELIMINATION OF COMPRESSION COSTS		TRANSMISSION COSTS	
Item No.	Description	Functional Allocation T/C	Pool	Net Investment Avg. of Mnthly Avg.	Transmission & Compression	Pool Storage Space	Compression	Pool Storage Space	Transmission	Pool Storage Space
1.1	Transmission Lines	100%	0%	6,907.7	6,907.7	0.0	0.0	0.0	6,907.7	0.0
1.2	Compressor Equipment	100%	0%	63,895.8	63,895.8	0.0	(58,039.6)	0.0	5,856.2	0.0
1.3	Structures & Improvements	100%	0%	10,563.4	10,563.4	0.0	(10,399.2)	0.0	164.2	0.0
1.4	Office and Plant Equipment	100%	0%	1,615.8	1,615.8	0.0	(1,136.6)	0.0	479.2	0.0
1.5	Land	100%	0%	2,982.4	2,982.4	0.0	(188.7)	0.0	2,793.7	0.0
1.6.1	Allowance for - Mat'ls & Supplies	100%	0%	2,460.3	2,460.3	0.0	(2,465.0)	0.0	(4.7)	0.0
1.6.2	- Working Cash Allow.	100%	0%	1,400.0	1,400.0	0.0	(1,372.3)	0.0	27.7	0.0
1.7	Provision for LUF	69%	31%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.				89,825.4	89,825.4	0.0	(73,601.4)	0.0	16,224.0	0.0
2.1	Field Lines	0%	100%	32,400.2	0.0	32,400.2	0.0	(32,400.2)	0.0	0.0
2.2	Wells	0%	100%	30,989.3	0.0	30,989.3	0.0	(30,989.3)	0.0	0.0
2.3	Well Equipment	0%	100%	4,284.4	0.0	4,284.4	0.0	(4,284.4)	0.0	0.0
2.4	Measuring & Regulating	0%	100%	8,023.2	0.0	8,023.2	0.0	(8,023.2)	0.0	0.0
2.5	Gas Storage Rights	0%	100%	18,189.9	0.0	18,189.9	0.0	(18,189.9)	0.0	0.0
2.6	Petroleum and Natural Gas Leases	0%	100%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.7	Base Pressure Gas	0%	100%	40,898.9	0.0	40,898.9	0.0	(40,898.9)	0.0	0.0
2.8	Other	0%	100%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.				134,785.9	0.0	134,785.9	0.0	(134,785.9)	0.0	0.0
3.	Total			224,611.3	89,825.4	134,785.9	(73,601.4)	(134,785.9)	16,224.0	0.0

TECUMSEH GAS
ISOLATION OF TRANSMISSION RELATED COST OF SERVICE
2013 TEST YEAR

		Col.1	Col.2	Col.3	Col.4	Col.5	Col.6	Col.7	Col.8	Col.9
		TOTAL COST OF SERVICE					**ELIMINATION OF COMPRESSION COSTS**		**TRANSMISSION COSTS**	
Item No.		Functional Allocation T/C	Pool	Utility Return & Expenses	Transmission & Compression	Pool Storage	Compression	Pool Storage	Transmission	Pool Storage
	RATE BASE RETURN AMOUNT			($000)	($000)	($000)				
1.1	Utility Return (net of fuel)	40%	60%	19,376.3	7,750.5	11,625.8	(6,350.9)	(11,625.8)	1,399.6	0.0
1.	Total Return	0%	0%	19,376.3	7,750.5	11,625.8	(6,350.9)	(11,625.8)	1,399.6	0.0
	EXPENSES - OPERATION									
2.1.1	Labour	80%	20%	1,358.3	1,086.6	271.7	(1,086.6)	(271.7)	0.0	0.0
2.1.2	Supplies & Other	90%	10%	565.5	509.0	56.6	(509.0)	(56.6)	0.0	0.0
2.1.3	Compressor Station Fuel	100%	0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.4	Compressor Station Fuel	100%	0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.5	Other Fuel	100%	0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.6	Other Fuel	100%	0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.7	Hydro	100%	0%	358.0	358.0	0.0	(358.0)	0.0	0.0	0.0
2.1.8	Lease Rentals	0%	100%	1,576.0	0.0	1,576.0	0.0	(1,576.0)	0.0	0.0
2.1.9	Surface Rentals	0%	100%	338.0	0.0	338.0	0.0	(338.0)	0.0	0.0
2.1.10	Provision for LUF	69%	31%	3,751.8	2,588.8	1,163.1	(2,588.8)	(1,163.1)	0.0	0.0
2.1	Subtotal			7,947.7	4,542.4	3,405.3	(4,542.4)	(3,405.3)	0.0	0.0
	MAINTENANCE									
2.2.1	Company	90%	10%	1,470.6	1,323.6	147.1	(1,307.8)	(147.1)	15.8	0.0
2.2.2	Contractor	80%	20%	1,515.5	1,212.4	303.1	(1,180.4)	(303.1)	32.0	0.0
2.2	Subtotal			2,986.2	2,536.0	450.2	(2,488.2)	(450.2)	47.8	0.0
	ADMINISTRATIVE & GENERAL									
2.3.1	General Office	80%	20%	2,924.9	2,339.9	585.0	(2,316.5)	(585.0)	23.4	0.0
2.3.2	Service Fees	80%	20%	2,650.1	2,120.1	530.0	(2,116.4)	(530.0)	3.7	0.0
2.3.3	Overhead Capitalized	80%	20%	(908.9)	(727.1)	(181.8)		181.8	(65.7)	0.0
2.3	Subtotal			4,666.1	3,732.9	933.2	(4,432.9)	(933.2)	(38.5)	0.0
	DEPRECIATION AND AMORTIZATION									
2.4.1	Depreciation	56%	44%	5,502.4	3,086.3	2,416.1	(2,901.8)	(2,416.1)	184.5	0.0
2.4.2	Amortization	0%	100%	497.9	0.0	497.9	0.0	(497.9)	0.0	0.0
2.4	Subtotal			6,000.3	3,086.3	2,914.0	(2,901.8)	(2,914.0)	184.5	0.0
	TAXES - OTHER THAN INCOME									
2.5.1	Municipal	80%	20%	2,261.1	1,808.9	452.2	(1,508.9)	(452.2)	300.0	0.0
2.5.2	Capital	40%	60%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.5	Subtotal			2,261.1	1,808.9	452.2	(1,508.9)	(452.2)	300.0	0.0
2.	**TOTAL EXPENSES**			23,861.4	15,706.5	8,154.9	(15,874.2)	(8,154.9)	493.8	0.0
3.	**REVENUE REQUIREMENT BEFORE TAXES**			43,237.6	23,457.0	19,780.6	(22,225.1)	(19,780.6)	1,893.3	0.0

FUNCTIONALIZATION OF SHORT CYCLE
NET REVENUES TO IN/EX FRANCHISE CUSTOMERS
2013 TEST YEAR
($000)

		Col. 1	Col. 2	Col. 3 (Col. 1*Col. 2)	Col. 4	Col. 5	Col. 6 (Col. 3*Col. 4)	Col. 7 (Col. 3*Col. 5)
Item No.	Description	Net Revenues ($000)	Sharing	Net Revenues Shared ($000)	T/C	Storage	T/C ($000)	Storage ($000)
1.	Short Cycle	3,000.0	100%	3,000.0	56%	44%	1,684.2	1,315.8

CLASSIFICATION AND ALLOCATION OF NET REVENUES TO IN/EX FRANCHISE CUSTOMERS

		Col. 1	Col. 2 (Col. 1*60%)	Col. 3 (Col 1*40%)	Col. 4	Col. 5	Col. 6 (Col. 4*Col. 2)	Col. 7 (Col. 5*Col. 3)	Col. 8 (Col. 6+Col. 7)
			NET REVENUES		VOLUMES		ALLOCATION		
Item No.	Description	Total ($000)	Daily ($000)	Annual ($000)	Daily	Annual	Daily ($000)	Annual ($000)	Total ($000)
	T/C								
1.1	In Franchise				100%	100%	1,010.5	673.7	1,684.2
1.2	Rate 325				0%	0%	0.0	0.0	0.0
1.3	Rate 330				0%	0%	0.0	0.0	0.0
1.4	Rate 331				0%	0%	0.0	0.0	0.0
1.	TOTAL	1,684.2	1,010.5	673.7	100%	100%	1,010.5	673.7	1,684.2
	Storage								
2.1	In Franchise				100%	100%	789.5	526.3	1,315.8
2.2	Rate 325				0%	0%	0.0	0.0	0.0
2.3	Rate 330				0%	0%	0.0	0.0	0.0
2.4	Rate 331				0%	0%	0.0	0.0	0.0
2.	TOTAL	1,315.8	789.5	526.3	100%	100%	789.5	526.3	1,315.8
	Total T/C and Storage								
3.1	In Franchise						1,800.0	1,200.0	3,000.0
3.2	Rate 325						0.0	0.0	0.0
3.3	Rate 330						0.0	0.0	0.0
3.4	Rate 331						0.0	0.0	0.0
3.	TOTAL	3,000.0	1,800.0	1,200.0			1,800.0	1,200.0	3,000.0

2013 PROPOSED RATES

1. This evidence outlines the development of the Company's 2013 rates and the recovery of the 2013 revenue requirement from the customer rate classes. The Company is proposing no changes to its rate design methodology or to the provisions of the Rate Handbook for the 2013 Test Year.

2. The Company is seeking Board approval of each of the following:
   a. recovery of the 2013 revenue requirement from all elements of the Company's rates;
   b. the proposed rates for each customer class; and
   c. the Rate Handbook filed under Exhibit H2, Tab 6, Schedule 1.

Components of the 2013 Revenues

3. The derivation of the Company's 2013 revenue requirement based on a cost of service application is presented at Exhibit M1, Tab 2, Schedule 2, page 1, Row 24 and equal's $2,412.2 million for the 2013 Test Year. The $2,412.2 million is comprised of EGD's distribution revenue requirement and Gas Cost to Operations forecast. The 2013 Gas Cost to Operations reflects pass-through of gas supply costs such as commodity, upstream transportation, load balancing and contracted storage. The Gas Cost to Operations evidence is filed at Updated Exhibit D3, Tab 3, Schedule 1.

4. The proposed 2013 revenue deficiency as outlined in Exhibit M1, Tab 2, Schedule 2 at Row 30 is $92.6 million.

Witnesses: J. Collier
A. Kacicnik

5. The proposed revenue deficiency as stated in the rate design exhibits can be found at Updated Exhibit H2, Tab 2, Schedule 1 and is reproduced below.

2013 Revenue at Existing Rate including DPAC	$2,321.8
2013 Revenue Requirement Including DPAC	$2,414.3
2013 Gross Revenue Deficiency	$ 92.5

Recovery of Forecast Revenue Requirement

6. The Company has designed rates to recover the proposed 2013 revenues of $2,414.3 million including DPAC. Table 1 below provides a summary of the resulting average rate impacts by rate class. Rate impacts for customers taking service under bundled rates are expressed on a T-service basis (i.e., total bill excluding gas supply charges). Rate impacts for customers taking service under unbundled rates are expressed on a delivery rate basis.

7. The proposed rate impacts are relative to the April 1, 2012 QRAM rates approved under EB-2012-0054 and reflect the proposed 2013 revenue requirement, the proposed 2013 volumetric forecast, and the proposed 2013 Gas Cost to Operations forecast.

Witnesses: J. Collier
A. Kacicnik

Table 1: Proposed 2013 Average Rate Impacts

Rate Class	T-Service Rate Impacts
1	4.9%
6	5.0%
9	3.4%
100	2.6%
110	3.2%
115	0.8%
135	1.7%
145	2.2%
170	0.5%
200	0.8%
	Delivery Rate Impact
125	4.8%
300	4.8%

Rate Design Exhibits

8. Rate design exhibits are filed at Exhibit H2, Tabs 1 to 7. The exhibits present the proposed recovery of the 2013 revenues. The schedules are organized in the following manner:

   a) Schedule 1 of Exhibit H2, Tab 1, page 1 summarizes, by rate class, and rate component, revenues at existing EB-2012-0054 (April 1, 2012 QRAM) rates and at proposed 2013 rates. Page 2 displays the revenues by rate class and component and by unit rate in conjunction with the associated volumes.

Witnesses: J. Collier
A. Kacicnik

b) Tab 2, Schedule 1 summarizes the revenues shown in Tab 1, Schedule 1 and presents the unbilled revenues at existing and proposed rates.

c) Tab 3 compares the unit rates from EB-2012-0054 (April 1, 2012 QRAM) to the proposed 2013 unit rates.

d) Tab 4, Schedule 1, pages 1 and 2 shows the derivation of gas supply commodity, transportation and load balancing rates from the costs allocated to the rate classes in the Fully Allocated Cost Study ("FACS") which is found at Exhibits G2. Page 3 depicts the generation of the seasonal and interruptible credits.

e) The schedules under Tab 5 show the detailed revenue calculations by rate class.

f) Tab 6 contains the proposed Rate Handbook

g) Annual bill comparisons indicating the impact of the Company's proposed 2013 rates on typical rate class customers relative to the EB-2012-0054 (April 1, 2012 QRAM) rates are shown at Tab 7.

9. The following paragraphs outline the process the Company used to design its commodity, transportation, load balancing, and delivery rates.

<u>Rate Design: Gas Supply Revenues</u>

10. The gas supply revenues reflect the 2013 forecast of Gas Cost to Operations (at the EB-2012-0054 reference price) in the amount of $1,307.9 million including changes to the Company's 2013 gas supply portfolio relative to the 2012 gas supply portfolio, as well as, storage and storage associated transportation costs. Changes to these elements are not captured through the Company's QRAM methodology which adjusts rates in each quarter of a fiscal year to reflect changes in gas supply

and upstream transportation costs. The 2013 gas supply portfolio includes unutilized transportation costs of $2.8 million shown at Updated Exhibit D3, Tab 3, Schedule 2, Line 1.5, the cost consequences of which are reflected in the proposed 2013 rate impacts.

11. The Company's April 1, 2012 QRAM EB-2012-0054 rates have a Purchased Gas Variance Account ("PGVA") reference price of $157.882 10^3m^3. The PGVA reference price is comprised of commodity, transportation and load balancing costs. Applying the individual price elements underpinning this reference price to the forecast gas supply mix for 2013 yields a PGVA reference price of $157.432 10^3m^3, which represents a small decrease from the EB-2012-0054 level.

12. The development of the gas commodity, transportation and load balancing unit rates is based on the results of the FACS. The complete development of these unit rates is shown at Exhibit H2, Tab 4, Schedule 1, pages 1 and 2. Storage and unaccounted for gas (i.e., distribution commodity) costs are recovered through the Company's delivery rates. The distribution costs are recovered in the Company's rates primarily from the delivery rates, however, some distribution related costs are recovered from the commodity and load balancing rates.

Rate Design: Distribution Revenues

13. The Company uses the allocation of the 2013 revenue requirement from the FACS as a guide to establish the proposed rates. Next, the allocation of the deficiency/sufficiency between the customer rates classes is carried out in three stages. First, as indicated above, the allocated gas commodity, transportation and load balancing costs are extracted from the FACS and are used to develop, for each rate class, the new gas supply commodity, transportation and load balancing

unit rates. The development of these unit rates is shown at Exhibit H2, Tab 4, Schedules 1 and 2.

14. The revenue generated by the new gas supply commodity, load balancing and transportation unit rates (Columns 12, 13 and 14 of Exhibit H2, Tab 1, Schedule 1), is compared to the revenue produced under the current rates, (Columns 2, 3 and 4 of Exhibit H2, Tab 1, Schedule 1), and the difference (i.e., deficiency/sufficiency) is determined. The distribution deficiency/sufficiency is the difference between the total deficiency/sufficiency and the sum of the gas supply commodity, transportation and load balancing deficiency/sufficiency components. At the second stage, the distribution deficiency/sufficiency is allocated to the rate classes based on the amount of rate base costs allocated to each rate class. At the third stage, the allocated deficiency/sufficiency is reviewed and may be adjusted based on various rate design objectives. These objectives include rate stability, continuity, revenue to cost ratios, market acceptance, avoidance of rate shock and continuance of competitive position.

Witnesses: J. Collier
A. Kacicnik

REVENUE COMPARISON - CURRENT METHODOLOGY vs PROPOSED METHODOLOGY BY RATE CLASS AND COMPONENT ($000)

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15
		REVENUE -EB 2012-0054 RATES					(SUFFICIENCY) / DEFICIENCY					REVENUE -PROPOSED EB-2011-0354 UPDATE RATES				
ITEM NO.	RATE NO.	DISTRIB'TN	TRANSPORT	GAS SUPPLY LOAD BAL	GAS SUPPLY COMMODITY	TOTAL	DISTRIB'TN	TRANSPORT	GAS SUPPLY LOAD BAL	GAS SUPPLY COMMODITY	TOTAL	DISTRIB'TN	TRANSPORT	GAS SUPPLY LOAD BAL	GAS SUPPLY COMMODITY	TOTAL
1.	1	740,489	246,319	50,568	373,076	1,410,452	54,930	(892)	(1,494)	(159)	52,386	795,419	245,427	49,074	372,918	1,462,838
2.	6	325,160	198,517	42,201	256,661	822,539	34,275	(719)	(976)	(312)	32,269	359,435	197,798	41,225	256,349	854,808
3.	9	232	108	0	171	511	12	(0)	(0)	0	12	244	108	0	172	523
4.	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5.	110	10,263	7,621	797	6,220	24,901	1,292	(28)	82	13	1,359	11,554	7,594	879	6,233	26,260
6.	115	6,033	761	301	258	7,353	430	(3)	(0)	1	428	6,463	759	301	258	7,781
7.	125	10,894	0	0	0	10,894	526	0	0	0	526	11,419	0	0	0	11,419
8.	135	876	1,203	(465)	58	1,671	74	(4)	0	0	70	950	1,199	(465)	58	1,741
9.	145	3,220	2,480	(562)	2,357	7,495	301	(9)	(9)	(7)	276	3,520	2,471	(571)	2,350	7,771
10.	170	4,074	4,102	(5,698)	5,106	7,585	279	(15)	(25)	11	250	4,353	4,088	(5,723)	5,117	7,835
11.	200	3,928	7,292	900	11,575	23,696	238	(26)	(83)	25	154	4,166	7,266	817	11,600	23,849
12.	300	205	0	0	0	205	9	0	0	0	9	214	0	0	0	214
13.	SUB-TOTAL	1,105,373	468,404	88,042	655,483	2,317,302	92,366	(1,696)	(2,504)	(427)	87,739	1,197,738	466,709	85,537	655,056	2,405,041
14.	STORAGE	1,574	0	0	0	1,574	234	0	0	0	234	1,808	0	0	0	1,808
15.	DPAC	2,125	0	0	0	2,125	24	0	0	0	24	2,149	0	0	0	2,149
16.	TOTAL	1,109,072	468,404	88,042	655,483	2,321,001	92,623	(1,696)	(2,504)	(427)	87,997	1,201,695	466,709	85,537	655,056	2,408,998

PROPOSED VOLUMES AND REVENUE RECOVERY BY RATE CLASS ($000)

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13
		DISTRIBUTION			GAS SUPPLY TRANSPORTATION			GAS SUPPLY LOAD BALANCING			GAS SUPPLY COMMODITY			** TOTAL
ITEM NO.	RATE NO.	VOLUMES	REVENUES	UNIT RATE	VOLUMES	REVENUES	UNIT RATE	VOLUMES	REVENUES	UNIT RATE	VOLUMES	REVENUES	UNIT RATE	REVENUES
		10^3 m^3	$000	¢/m^3	10^3 m^3	$000	¢/m^3	10^3 m^3	$000	¢/m^3	10^3 m^3	$000	¢/m^3	$000
1.	1	4,637,542	795,419	17.15	4,196,239	245,427	5.85	4,637,542	49,074	1.06	3,962,575	372,918	9.41	1,462,838
2.	6	4,645,704	359,435	7.74	3,381,899	197,798	5.85	4,645,704	41,225	0.89	2,712,463	256,349	9.45	854,808
3.	9	1,988	244	12.29	1,838	108	5.85	1,988	0	0.00	1,838	172	9.34	523
4.	100	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
5.	110	487,553	11,554	2.37	129,834	7,594	5.85	487,553	879	0.18	66,754	6,233	9.34	26,260
6.	115	539,357	6,463	1.20	12,969	759	5.85	539,357	301	0.06	2,765	258	0.00	7,781
7.	125	0	11,419	0.00	0	0	0.00	0	0	0.00	0	0	0.00	11,419
8.	135	55,183	950	1.72	20,498	1,199	5.85	55,183	(465)	(0.84)	613	58	9.40	1,741
9.	145	152,823	3,520	2.30	42,257	2,471	5.85	152,823	(571)	(0.37)	24,855	2,350	9.46	7,771
10.	170	516,365	4,353	0.84	69,887	4,088	5.85	516,365	(5,723)	(1.11)	54,801	5,117	9.34	7,835
11.	200	163,080	4,166	2.55	124,231	7,266	5.85	163,080	817	0.50	124,231	11,600	9.34	23,849
12.	300	31,049	214	0.00	0	0	0.00	0	0	0.00	0	0	0.00	214
13	SUB-TOTAL	11,230,645	1,197,738	10.66	7,979,652	466,709	5.85	11,199,596	85,537	0.76	6,950,895	655,056	9.42	2,405,041
14.	STORAGE	N/A	1,808	N/A	N/A	0	N/A	N/A	0	N/A	N/A	0	N/A	1,808
15.	DPAC	N/A	2,149	N/A	N/A	0	N/A	N/A	0	N/A	N/A	0	N/A	2,149
16.	TOTAL	11,230,645	1,201,695	10.66	7,979,652	466,709	5.85	11,199,596	85,537	0.76	6,950,895	655,056	9.42	2,408,998

** Total Revenue includes T-Service

FISCAL YEAR REVENUE COMPARISON - CURRENT REVENUE vs PROPOSED REVENUE BY RATE CLASS

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
		REVENUE -EB 2012-0054 RATES			REVENUE -PROPOSED EB-2011-0354 UPDATE RATES			
Item No.	Rate No.	Revenue ($000)	Unbilled Revenue ($000)	Total ($000)	Proposed Revenue ($000)	Unbilled Revenue ($000)	Total ($000)	Total Difference ($000)
1.	1	1,410,452	439	1,410,892	1,462,838	3,740	1,466,578	55,686
2.	6	822,539	309	822,848	854,808	1,482	856,290	33,442
3.	9	511	0	511	523	0	523	12
4.	100	0	0	0	0	0	0	0
5.	110	24,901	(0)	24,901	26,260	40	26,301	1,400
6.	115	7,353	0	7,353	7,781	(5)	7,776	423
7.	125	10,894	0	10,894	11,419	0	11,419	526
8.	135	1,671	0	1,671	1,741	0	1,741	70
9.	145	7,495	(0)	7,495	7,771	19	7,791	296
10.	170	7,585	1	7,585	7,835	3	7,838	253
11.	200	23,696	0	23,696	23,849	0	23,849	154
12.	300	205	0	205	214	0	214	9
13.	SUB-TOTAL	2,317,302	749	2,318,050	2,405,041	5,280	2,410,320	92,270
14.	STORAGE	1,574	0	1,574	1,808	0	1,808	234
15.	DPAC	2,125	0	2,125	2,149	0	2,149	24
16.	TOTAL	2,321,001	749	2,321,750	2,408,998	5,280	2,414,277	92,527

SUMMARY OF PROPOSED RATE CHANGE BY RATE CLASS

Item No.	Rate No.	Col. 1	Col. 2 Rate Block m³	Col. 3 EB-2012-0054 cents *	Col. 4 Rate Change cents *	Col. 5 Updated EB-2011-0354 cents *
	RATE 1					
1.01		Customer Charge		$20.00	$0.00	$20.00
1.02		Delivery Charge	first 30	7.0871	1.3256	8.4127
1.03			next 55	6.6305	1.2402	7.8708
1.04			next 85	6.2728	1.1733	7.4461
1.05			over 170	6.0064	1.1235	7.1299
1.06		Gas Supply Load Balancing		1.0904	(0.0322)	1.0582
1.07		Gas Supply Transportation		5.8700	(0.0212)	5.8487
1.08		Gas Supply Commodity - System		9.4150	(0.0040)	9.4110
1.09		Gas Supply Commodity - Buy/Sell		9.3926	(0.0084)	9.3842
	RATE 6					
2.01		Customer Charge		$70.00	$0.00	$70.00
2.02		Delivery Charge	First 500	6.9103	1.2332	8.1434
2.03			Next 1050	5.2825	0.9427	6.2252
2.04			Next 4500	4.1430	0.7393	4.8824
2.05			Next 7000	3.4106	0.6086	4.0192
2.06			Next 15250	3.0851	0.5506	3.6357
2.07			Over 28300	3.0037	0.5360	3.5397
2.08		Gas Supply Load Balancing		0.9084	(0.0210)	0.8874
2.09		Gas Supply Transportation		5.8700	(0.0212)	5.8487
2.10		Gas Supply Commodity - System		9.4623	(0.0115)	9.4508
2.11		Gas Supply Commodity - Buy/Sell		9.4400	(0.0160)	9.4240
	RATE 9					
3.01		Customer Charge		$235.95	$0.00	$235.95
3.02		Delivery Charge	first 20000	10.7307	0.6471	11.3778
3.03			over 20000	10.0442	0.6057	10.6499
3.04		Gas Supply Load Balancing		0.0053	(0.0053)	0.0000
3.05		Gas Supply Transportation		5.8700	(0.0212)	5.8487
3.06		Gas Supply Commodity - System		9.3175	0.0202	9.3377
3.07		Gas Supply Commodity - Buy/Sell		9.2951	0.0158	9.3109
	RATE 100					
4.01		Customer Charge		$122.01	$0.00	$122.01
4.02		Demand Charge (Cents/Month/m³)		8.1900	0.0000	8.1900
4.03		Delivery Charge	first 14,000	4.9934	0.3242	5.3176
4.04			next 28,000	3.6344	0.3242	3.9586
4.05			over 42,000	3.0754	0.3242	3.3996
4.06		Gas Supply Load Balancing		0.5899	(0.0136)	0.5762
4.07		Gas Supply Transportation		5.8700	(0.0212)	5.8487
4.08		Gas Supply Commodity - System		9.3641	(0.0114)	9.3527
		Gas Supply Commodity - Buy/Sell		9.3527	(0.0114)	9.3413
	RATE 110					
5.01		Customer Charge		$587.37	$0.00	$587.37
5.02		Demand Charge (Cents/Month/m³)		22.9100	0.0000	22.9100
5.03		Delivery Charge	first 1,000,000	0.5065	0.2649	0.7715
5.04			over 1,000,000	0.3565	0.2649	0.6215
5.05		Gas Supply Load Balancing		0.1634	0.0168	0.1802
5.06		Gas Supply Transportation		5.8700	(0.0212)	5.8487
5.07		Gas Supply Commodity - System		9.3175	0.0202	9.3377
5.08		Gas Supply Commodity - Buy/Sell		9.2951	0.0158	9.3109

NOTE : * Cents unless otherwise noted.

SUMMARY OF PROPOSED RATE CHANGE BY RATE CLASS (con't)

Item No.	Rate No.	Col.1	Col. 2 Rate Block m³	Col. 3 EB-2012-0054 cents *	Col. 4 Rate Change cents *	Col. 5 Updated EB-2011-0354 cents *
	RATE 115					
1.01		Customer Charge		$622.62	$0.00	$622.62
1.02		Demand Charge (Cents/Month/m³)		24.3600	0.0000	24.3600
1.03		Delivery Charge	first 1,000,000	0.1835	0.0797	0.2633
1.04			over 1,000,000	0.0835	0.0797	0.1633
1.05		Gas Supply Load Balancing		0.0558	(0.0000)	0.0557
1.06		Gas Supply Transportation		5.8700	(0.0212)	5.8487
1.07		Gas Supply Commodity - System		9.3175	0.0202	9.3377
1.08		Gas Supply Commodity - Buy/Sell		9.2951	0.0158	9.3109
	RATE 125					
2.01		Customer Charge		500.00	$ -	$ 500.00
2.02		Delivery Charge (Cents/Month/m³ of Contract Dmnd)		9.1119	0.4411	9.5530
	RATE 135	DEC - MAR				
3.00		Customer Charge		$115.08	$0.00	$115.08
3.01		Delivery Charge	first 14,000	6.6781	0.1340	6.8121
3.02			next 28,000	5.4781	0.1340	5.6121
3.03			over 42,000	5.0781	0.1340	5.2121
3.04		Gas Supply Load Balancing		0.0000	0.0000	0.0000
3.05		Gas Supply Transportation		5.8700	(0.0212)	5.8487
3.06		Gas Supply Commodity - System		9.3937	0.0073	9.4010
3.07		Gas Supply Commodity - Buy/Sell		9.3713	0.0029	9.3742
	RATE 135	APR - NOV				
3.08		Customer Charge		$115.08	$0.00	$115.08
3.09		Delivery Charge	first 14,000	1.9781	0.1340	2.1121
3.10			next 28,000	1.2781	0.1340	1.4121
3.11			over 42,000	1.0781	0.1340	1.2121
3.12		Gas Supply Load Balancing		0.0000	0.0000	0.0000
3.13		Gas Supply Transportation		5.8700	(0.0212)	5.8487
3.14		Gas Supply Commodity - System		9.3937	0.0073	9.4010
3.15		Gas Supply Commodity - Buy/Sell		9.3713	0.0029	9.3742
	RATE 145					
4.00		Customer Charge		$123.34	$0.00	$123.34
4.01		Demand Charge (Cents/Month/m³)		8.2300	-	8.2300
4.02		Delivery Charge	first 14,000	2.7268	0.1966	2.9234
4.03			next 28,000	1.3678	0.1966	1.5644
4.04			over 42,000	0.8088	0.1966	1.0054
4.05		Gas Supply Load Balancing		0.1799	(0.0056)	0.1743
4.06		Gas Supply Transportation		5.8700	(0.0212)	5.8487
4.07		Gas Supply Commodity - System		9.4839	(0.0274)	9.4565
4.08		Gas Supply Commodity - Buy/Sell		9.4615	(0.0318)	9.4297
	RATE 170					
5.00		Customer Charge		$279.31	$0.00	$279.31
5.01		Demand Charge (Cents/Month/m³)		4.0900	0.0000	4.0900
5.02		Delivery Charge	first 1,000,000	0.4629	0.0541	0.5170
5.03			over 1,000,000	0.2629	0.0541	0.3170
5.04		Gas Supply Load Balancing		0.1021	(0.0048)	0.0972
5.05		Gas Supply Transportation		5.8700	(0.0212)	5.8487
5.06		Gas Supply Commodity - System		9.3175	0.0202	9.3377
5.07		Gas Supply Commodity - Buy/Sell		9.2951	0.0158	9.3109

NOTE : * Cents unless otherwise noted.

SUMMARY OF PROPOSED RATE CHANGE BY RATE CLASS (con't)

		Col.1	Col. 2	Col. 3	Col. 4	Col. 5
Item No.	Rate No.		Rate Block m³	EB-2012-0054 cents *	Rate Change cents *	Updated EB-2011-0354 cents *
	RATE 200					
1.00		Customer Charge		$0.00	$0.00	$0.00
1.01		Demand Charge (Cents/Month/m³)		14.7000	0.0000	14.7000
1.02		Delivery Charge		1.1805	0.1461	1.3266
1.03		Gas Supply Load Balancing		0.6722	(0.0510)	0.6212
1.04		Gas Supply Transportation		5.8700	(0.0212)	5.8487
1.05		Gas Supply Commodity - System		9.3175	0.0202	9.3377
1.06		Gas Supply Commodity - Buy/Sell		9.2951	0.0158	9.3109
	RATE 300	FIRM SERVICE				
2.00		Monthly Customer Charge		$500.00	$0.00	$500.00
2.01		Demand Charge (Cents/Month/m³)		25.0151	1.2110	26.2260
		INTERRUPTIBLE SERVICE				
2.02		Minimum Delivery Charge (Cents/Month/m³)		0.3595	0.0174	0.3769
2.03		Maximum Delivery Charge (Cents/Month/m³)		0.9869	0.0478	1.0347
	RATE 315					
		Monthly Customer Charge		$150.00	$0.00	$150.00
3.00		Space Demand Chg (Cents/Month/m³)		0.0567	(0.0027)	0.0540
3.01		Deliverability/Injection Demand Chg (Cents/Month/m³)		16.1123	0.8188	16.9311
3.02		Injection & Withdrawal Chg (Cents/Month/m³)		0.3259	(0.0161)	0.3098
	RATE 316					
		Monthly Customer Charge		$150.00	$0.00	$150.00
4.00		Space Demand Chg (Cents/Month/m³)		0.0567	(0.0027)	0.0540
4.01		Deliverability/Injection Demand Chg (Cents/Month/m³)		5.1445	0.4461	5.5906
4.02		Injection & Withdrawal Chg (Cents/Month/m³)		0.0925	(0.0112)	0.0813
	RATE 320					
5.00		Backstop	All Gas Sold	15.5525	0.0482	15.6007

* Cents unless otherwise noted.

SUMMARY OF PROPOSED RATE CHANGE BY RATE CLASS (con't)

Item No.	Rate No.	Col.1	Col. 2 Rate Block m³	Col. 3 EB-2012-0054 cents *	Col. 4 Change cents *	Col. 5 Updated EB-2011-0354 cents *
	RATE 325					
		Transmission & Compression				
1.00		Demand Charge - ATV ($/Month/10³ m³)		0.1916	0.0166	0.2082
1.01		Demand Charge - Daily Wdrl. ($/Month/10³ m³)		17.3202	5.6031	22.9233
1.02		Commodity Charge		0.8570	(0.0085)	0.8485
		Storage				
1.03		Demand Charge - ATV ($/Month/10*3 m³)		0.2273	(0.0262)	0.2011
1.04		Demand Charge - Daily Wdrl. ($/Month/10³ m³)		20.6179	1.7648	22.3826
1.05		Commodity Charge		0.2730	(0.1330)	0.1400
		(2) Note: These are UNBUNDLED Rates				
	RATE 330	Storage Service - Firm				
		Demand Charge ($/Month/10³ m³ of ATV)				
2.00		Minimum		0.4189	(0.0096)	0.4093
2.01		Maximum		2.0945	(0.0481)	2.0464
		Demand Charge ($/Month/10³ m³ of Daily Withdrawal)				
2.02		Minimum		37.9381	7.3679	45.3059
2.03		Maximum		189.6905	36.8393	226.5297
		Commodity Charge				
2.04		Minimum		1.1300	(0.1414)	0.9886
2.05		Maximum		5.6500	(0.7072)	4.9428
		Storage Service - Interruptible				
		Demand Charge ($/Month/10³ m³ of ATV)				
2.06		Minimum		0.4189	(0.0096)	0.4093
2.07		Maximum		2.0945	(0.0480)	2.0465
		Demand Charge ($/Month/10³ m³ of Daily Withdrawal)				
2.08		Minimum		30.3505	5.8942	36.2449
2.09		Maximum		151.7524	29.4714	181.2238
		Commodity Charge				
2.10		Minimum		1.1300	(0.1414)	0.9886
2.11		Maximum		5.6500	(0.7072)	4.9428
		Storage Service - Off Peak				
		Commodity Charge				
2.12		Minimum		0.6260	(0.2587)	0.3673
2.13		Maximum		38.1550	1.5848	39.7399
	RATE 331	Tecumseh Transmission Service				
		Firm				
		Demand Charge ($/Month/10³ m³ of				
3.00		Maximum Contracted Daily Delivery)		5.3030	0.0000	5.3030
		Interruptible				
3.01		Commodity Charge ($/10³m³ of gas delivered)		0.2090	0.0000	0.2090

NOTE : * Cents unless otherwise noted.

CALCULATION OF GAS SUPPLY CHARGES BY RATE CLASS

Item		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12
		TOTAL	RATE 1	RATE 6	RATE 9	RATE 100	RATE 110	RATE 115	RATE 135	RATE 145	RATE 170	RATE 200	REFERENCE
	DERIVATION OF GAS SUPPLY CHARGE												
	GAS SUPPLY COSTS ($000)												
1.1	Annual Commodity	645,738	368,123	251,988	171	-	6,201	257	57	2,309	5,091	11,541	G2 T5 S3 1.1
1.2	Bad Debt Commodity	6,000	2,904	3,066	-	-	-	-	0	30	-	-	G2 T5 S3 1.2
1.3	System Gas Fee	1,860	1,061	726	0	-	18	1	0	7	15	33	G2 T5 S3 1.3
1.4	Return on Rate Base - Working Cash	1,456	830	568	0	-	14	1	0	5	11	26	G2 T5 S2 1.1
1	Total Commodity Costs	655,054	372,916	256,348	172	-	6,233	258	58	2,350	5,117	11,600	
	VOLUMES (103 m3)												
2.1	System and Buy/Sell Volumes	6,950,895	3,962,575	2,712,463	1,838	-	66,754	2,765	613	24,855	54,801	124,231	
2.2	System Volumes	6,950,895	3,962,575	2,712,463	1,838	-	66,754	2,765	613	24,855	54,801	124,231	
	GAS SUPPLY CHARGE SYSTEM (¢/m^3)												
3.1	Annual Commodity	9.2900	9.2900	9.2900	9.2900	-	9.2900	9.2900	9.2900	9.2900	9.2900	9.2900	1.1 / 2.1
3.2	Bad Debt Commodity	0.0863	0.0733	0.1131	-	-	-	-	0.0633	0.1188	-	-	1.2 / 2.1
3.3	System Gas Fee	0.0268	0.0268	0.0268	0.0268	-	0.0268	-	0.0268	0.0268	0.0268	0.0268	1.3 / 2.2
3.4	Return on Rate Base - Working Cash	0.0209	0.0209	0.0209	0.0209	-	0.0209	-	0.0209	0.0209	0.0209	0.0209	1.4 / 2.1
3	System Gas Supply Charge	9.4240	9.4110	9.4508	9.3377	-	9.3377	9.3377	9.4010	9.4565	9.3377	9.3377	
	GAS SUPPLY CHARGE BUY/SELL(¢/m3)												
4.1	Annual Commodity	9.2900	9.2900	9.2900	9.2900	-	9.2900	9.2900	9.2900	9.2900	9.2900	9.2900	1.1 / 2.1
4.2	Bad Debt Commodity	0.0863	0.0733	0.1131	-	-	-	-	0.0633	0.1188	-	-	1.2 / 2.1
4.3	Return on Rate Base - Working Cash	0.0209	0.0209	0.0209	0.0209	-	0.0209	-	0.0209	0.0209	0.0209	0.0209	1.4 / 2.1
4	Buy/Sell Gas Supply Charge	9.3973	9.3842	9.4240	9.3109	-	9.3109	9.3109	9.3742	9.4297	9.3109	9.3109	

CALCULATION OF GAS SUPPLY LOAD BALANCING & TRANSPORTATION CHARGES BY RATE CLASS

Item		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12
		TOTAL	RATE 1	RATE 6	RATE 9	RATE 100	RATE 110	RATE 115	RATE 135	RATE 145	RATE 170	RATE 200	REFERENCE
	DERIVATION OF LOAD BALANCING CHARGES												
	ANNUAL LOAD BALANCING COSTS ($000)												
5.1	Peak	65,225	36,011	27,848	-	-	549	201	-	-	-	616	G2 T5 S3 2.1
5.2	Seasonal	6,301	2,936	3,007	-	-	74	22	-	60	113	89	G2 T5 S3 2.2
5.3	Return on Rate Base - Gas in Inventory	21,735	10,128	10,371	-	-	255	77	-	207	389	308	G2 T5 S2 2.2
5	Total Load Balancing	93,260	49,074	41,225	-	-	879	301	-	266	502	1,013	
	VOLUMES (10^3 m^3)												
6.1	Annual Deliveries	11,199,596	4,637,542	4,645,704	1,988	-	487,553	539,357	55,183	152,823	516,365	163,080	
7	**ANNUAL LOAD BALANCING CHARGE (¢/m3)** Load Balancing		1.0582	0.8874	-	-	0.1802	0.0557	-	0.1743	0.0972	0.6212	5.0 / 6
	DERIVATION OF TRANSPORTATION CHARGES												
	VOLUMES (10^3 m^3)												
6.1	Annual Transportation Volumes	7,979,652	4,196,239	3,381,899	1,838	-	129,834	12,969	20,498	42,257	69,887	124,231	
7.1	**Annual Transportation Costs ($000)**	466,709	245,427	197,798	108	-	7,594	759	1,199	2,471	4,088	7,266	
7	**PROPOSED TRANSPORTATION CHARGE (¢/m^3)**		5.8487	5.8487	5.8487	5.8487	5.8487	5.8487	5.8487	5.8487	5.8487	5.8487	

CALCULATION OF SEASONAL CREDIT FOR RATE 135, 145, 170 & 200

			Reference
RATE 135			
Seasonal Credits Applicable to Rate 135	**$**	**(465)**	H2T5S1 P5 line 2.3
Annual Volume (103 m3)		55,183	
Mean Daily Volume (103 m3)		151	
Annual Seasonal Credits	$	(3.08)	
Payable from December to March	$	(0.77)	
RATE 145			
Seasonal Credits Applicable to Rate 145	**$**	**(837)**	H2T5S1 P6 line 2.3
Annual Volume (103 m3)		152,823	
Mean Daily Volume (103 m3)			
16 Hours		419	
72 Hours			
Annual Seasonal Credits			
16 Hours	$	(2.00)	
Payable from December to March	$	(0.50)	
Seasonal Credits Applicable to Rate 145			
16 Hours	$	(837)	
RATE 170			
Seasonal Credits Applicable to Rate 170	**$**	**(6,225)**	H2T5S1 P6 line 7.3
Annual Volume (103 m3)		516,365	
Mean Daily Volume (103 m3)		1,415	
Annual Seasonal Credits	$	(4.40)	
Payable from December to March	$	(1.10)	
RATE 200			
Seasonal Credits Applicable to Rate 200	**$**	**(196)**	H2T5S1 P7 line 2.3
Annual Volume (103 m3)		16,257	
Mean Daily Volume (103 m3)		45	
Annual Seasonal Credits	$	(4.40)	
Payable from December to March	$	(1.10)	

DETAILED REVENUE CALCULATION EB-2012-0054 vs EB-2011-0354

Item No.		Col. 1 Rate Block m^3		Col. 2 Bills & Volumes 10^3 m^3	Col. 3 EB-2012-0054 Rate cents*	Col. 4 EB-2012-0054 Revenues $000	Col. 5 Rate Change cents*	Col. 6 Updated EB-2011-0354 Rate cents*	Col. 7 Updated EB-2011-0354 Revenues $000
	RATE 1								
1.1	Customer Charge	Bills		22,344,402	$20.00	446,888	$0.00	$20.00	446,888
1.2	Delivery Charge	first	30	633,620	7.0871	44,905	1.3256	8.4127	53,305
1.3		next	55	899,760	6.6305	59,659	1.2402	7.8708	70,818
1.4		next	85	1,002,730	6.2728	62,899	1.1733	7.4461	74,664
1.5		over	170	2,101,432	6.0064	126,221	1.1235	7.1299	149,830
1.	Total Distribution Charge			4,637,542		740,572			795,505
2.1	Gas Supply Load Balancing			4,637,542	1.0904	50,568	(0.0322)	1.0582	49,074
2.2	Gas Supply Transportation			4,196,239	5.8700	246,319	(0.0212)	5.8487	245,427
3.1	Gas Supply Commodity - System			3,962,575	9.4150	373,076	(0.0040)	9.4110	372,918
3.2	Gas Supply Commodity - Buy/Sell			0	9.3926	0	(0.0084)	9.3842	0
3.	Total Gas Supply Charge			3,962,575		373,076			372,918
4.1	TOTAL DISTRIBUTION			4,637,542		740,572			795,505
4.2	TOTAL GAS SUPPLY LOAD BALANCING			4,637,542		296,887			294,501
4.3	TOTAL GAS SUPPLY COMMODITY			3,962,575		373,076			372,918
4.	TOTAL RATE 1			**4,637,542**		1,410,535			1,462,924
5.	Adj. Factor		0.9999						
6.	ADJUSTED REVENUE					**1,410,452**			**1,462,838**
7.	REVENUE INC./(DEC.)								**52,386**

NOTE: * Cents unless otherwise noted.

DETAILED REVENUE CALCULATION EB-2012-0054 vs EB-2011-0354

Item No.		Col. 1 Rate Block m^3	Col. 2 Bills & Volumes 10^3 m^3	Col. 3 EB-2012-0054 Rate cents*	Col. 4 EB-2012-0054 Revenues \$000	Col. 5 Rate Change cents*	Col. 6 Updated EB-2011-0354 Rate cents*	Col. 7 Updated EB-2011-0354 Revenues \$000
	RATE 6							
1.1	Customer Charge	Bills	1,901,923	$70.00	133,135	$0.00	$70.00	133,135
1.2	Delivery Charge	First 500	549,615	6.9103	37,980	1.2332	8.1434	44,758
1.3		Next 1050	651,934	5.2825	34,439	0.9427	6.2252	40,584
1.4		Next 4500	1,137,614	4.1430	47,131	0.7393	4.8824	55,542
1.5		Next 7000	679,244	3.4106	23,166	0.6086	4.0192	27,300
1.6		Next 15250	588,292	3.0851	18,150	0.5506	3.6357	21,389
1.7		Over 28300	1,039,006	3.0037	31,208	0.5360	3.5397	36,778
1.	Total Distribution Charge		4,645,704		325,209			359,485
2.1	Gas Supply Load Balancing		4,645,704	0.9084	42,201	(0.0210)	0.8874	41,225
2.2	Gas Supply Transportation		3,381,899	5.8700	198,517	(0.0212)	5.8487	197,798
3.1	Gas Supply Commodity - System		2,712,463	9.4623	256,661	(0.0115)	9.4508	256,349
3.2	Gas Supply Commodity - Buy/Sell		0	9.4400	0	(0.0160)	9.4240	0
3.	Total Gas Supply Charge		2,712,463		256,661			256,349
4.1	TOTAL DISTRIBUTION		4,645,704		325,209			359,485
4.2	TOTAL GAS SUPPLY LOAD BALANCING		4,645,704		240,718			239,024
4.3	TOTAL GAS SUPPLY COMMODITY		2,712,463		256,661			256,349
4.	TOTAL RATE 6		**4,645,704**		822,588			854,859
5.	Adj. Factor	1.000						
6.	ADJUSTED REVENUE				**822,539**			**854,808**
7.	REVENUE INC./(DEC.)							**32,268**

NOTE * Cents unless otherwise noted.

DETAILED REVENUE CALCULATION — EB-2012-0054 vs EB-2011-0354

Item No.		Col. 1 Rate Block m³	Col. 2 Bills & Volumes 10³ m³	Col. 3 EB-2012-0054 Rate cents*	Col. 4 EB-2012-0054 Revenues $000	Col. 5 Rate Change cents*	Col. 6 Updated EB-2011-0354 Rate cents*	Col. 7 Updated EB-2011-0354 Revenues $000
	RATE 9							
1.1	Customer Charge	Bills	108	$235.95	25	$0.00	$235.95	25
1.2	Delivery Charge	first 20000	968	10.7307	104	0.6471	11.3778	110
1.3		over 20000	1,020	10.0442	102	0.6057	10.6499	109
1.	Total Distribution Charge		1,988		232			244
2.1	Gas Supply Load Balancing		1,988	0.0053	0	(0.0053)	0.0000	0
2.2	Gas Supply Transportation		1,838	5.8700	108	(0.0212)	5.8487	108
3.1	Gas Supply Commodity - System		1,838	9.3175	171	0.0202	9.3377	172
3.2	Gas Supply Commodity - Buy/Sell		0	9.2951	0	0.0158	9.3109	0
3.	Total Gas Supply Charge		1,838		171			172
4.1	TOTAL DISTRIBUTION		1,988		232			244
4.2	TOTAL GAS SUPPLY LOAD BALANCING		1,988		108			108
4.3	TOTAL GAS SUPPLY COMMODITY		1,838		171			172
4	TOTAL RATE 9		**1,988**		**511**			**523**
5.	REVENUE INC./(DEC.)							**12**

Item No.		Rate Block m³	Contracts & Volumes 10³ m³	EB-2012-0054 Rate cents*	EB-2012-0054 Revenues $000	Rate Change cents*	Updated EB-2011-0354 Rate cents*	Updated EB-2011-0354 Revenues $000
	RATE 100							
1.1	Customer Charge	Contracts	0	$122.01	0	$0.00	$122.01	0
1.2	Demand Charge		0	$8.19	0	-	8.19	0
1.3	Delivery Charge	first 14,000	0	4.9934	0	0.3242	5.3176	0
1.4		next 28,000	0	3.6344	0	0.3242	3.9586	0
1.5		over 42,000	0	3.0754	0	0.3242	3.3996	0
1	Total Distribution Charge		0		0			0
2.1	Gas Supply Load Balancing		0	0.5899	0	(0.0136)	0.5762	0
2.2	Gas Supply Transportation		0	5.8700	0	(0.0212)	5.8487	0
3.1	Gas Supply Commodity - System		0	9.3641	0	(0.0114)	9.3527	0
3.2	Gas Supply Commodity - Buy/Sell		0	9.3527	0	(0.0114)	9.3413	0
3	Total Gas Supply Charge		0		0			0
4.1	TOTAL DISTRIBUTION		0		0			0
4.2	TOTAL GAS SUPPLY LOAD BALANCING		0		0			0
4.3	TOTAL GAS SUPPLY COMMODITY		0		0			0
4	TOTAL RATE 100		**0**		**0**			**0**
5	REVENUE INC./(DEC.)							**0**

NOTE: * Cents unless otherwise noted.

DETAILED REVENUE CALCULATION — EB-2012-0054 vs EB-2011-0354

Item No.		Rate Block m³ (Col. 1)	Contracts & Volumes 10³ m³ (Col. 2)	EB-2012-0054 Rate cents* (Col. 3)	EB-2012-0054 Revenues $000 (Col. 4)	Rate Change cents* (Col. 5)	Updated EB-2011-0354 Rate cents* (Col. 6)	Updated EB-2011-0354 Revenues $000 (Col. 7)
	RATE 110							
1.1	Customer Charge	Contracts	2,436	$587.37	1,431	$0.00	$587.37	1,431
1.2	Demand Charge		28,030	22.9100	6,422	0.0000	22.9100	6,422
1.3	Delivery Charge	first 1,000,000	447,857	0.5065	2,269	0.2649	0.7715	3,455
1.4		over 1,000,000	39,696	0.3565	142	0.2649	0.6215	247
1.	Total Distribution Charge		487,553		10,263			11,554
2.1	Load Balancing Commodity		487,553	0.1634	797	0.0168	0.1802	879
2.2	Gas Supply Transportation		129,834	5.8700	7,621	(0.0212)	5.8487	7,594
2.	Total Gas Supply Load Balancing				8,418			8,472
3.1	Gas Supply Commodity - System		66,754	9.3175	6,220	0.0202	9.3377	6,233
3.2	Gas Supply Commodity - Buy/Sell		0	9.2951	0	0.0158	9.3109	0
3.	Total Gas Supply Charge		66,754		6,220			6,233
4.1	TOTAL DISTRIBUTION		487,553		10,263			11,554
4.2	TOTAL GAS SUPPLY LOAD BALANCING		487,553		8,418			8,472
4.3	TOTAL GAS SUPPLY COMMODITY		66,754		6,220			6,233
4.	TOTAL RATE 110		**487,553**		**24,901**			**26,260**
5.	REVENUE INC./(DEC.)							**1,360**

Item No.		Rate Block m³	Contracts & Volumes 10³ m³	EB-2012-0054 Rate cents*	EB-2012-0054 Revenues $000	Rate Change cents*	Updated EB-2011-0354 Rate cents*	Updated EB-2011-0354 Revenues $000
	RATE 115							
6.6	Customer Charge	Contracts	360	$622.62	224	$0.00	$622.62	224
6.2	Demand Charge		21,356	24.3600	5,202	0.0000	24.3600	5,202
6.3	Delivery Charge	first 1,000,000	156,159	0.1835	287	0.0797	0.2633	411
6.4		over 1,000,000	383,198	0.0835	320	0.0797	0.1633	626
6	Total Distribution Charge		539,357		6,033			6,463
7.1	Load Balancing Commodity		539,357	0.0558	301	(0.0000)	0.0557	301
7.2	Gas Supply Transportation		12,969	5.8700	761	(0.0212)	5.8487	759
7	Total Gas Supply Load Balancing				1,062			1,059
8.1	Gas Supply Commodity - System		2,765	9.3175	258	0.0202	9.3377	258
8.2	Gas Supply Commodity - Buy/Sell		0	9.2951	0	0.0158	9.3109	0
8.	Total Gas Supply Charge		2,765		258			258
9.1	TOTAL DISTRIBUTION		539,357		6,033			6,463
9.2	TOTAL GAS SUPPLY LOAD BALANCING		539,357		1,062			1,059
9.3	TOTAL GAS SUPPLY COMMODITY		2,765		258			258
9.	TOTAL RATE 115		**539,357**		**7,353**			**7,780**
10.	REVENUE INC./(DEC.)							**429**

NOTE: * Cents unless otherwise noted.

DETAILED REVENUE CALCULATION EB-2012-0054 vs EB-2011-0354

Item No.		Rate Block	Contracts & Volumes	EB-2012-0054 Rate	EB-2012-0054 Revenues	Rate Change	Updated EB-2011-0354 Rate	Updated EB-2011-0354 Revenues
		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7
		m³	10³ m³	cents*	$000	cents*	cents*	$000
	RATE 125							
1.1	Customer Charge		60	$ 500.00	30	$ -	$ 500.00	30
1.2	Demand Charge		119,224	9.1119	10,864	0.4411	9.5530	11,389
1.	Total Distribution Charge		119,224		10,894			11,419

Item No.		Rate Block	Contracts & Volumes	EB-2012-0054 Rate	EB-2012-0054 Revenues	Rate Change	Updated EB-2011-0354 Rate	Updated EB-2011-0354 Revenues
		m³	10³ m³	cents*	$000	cents*	cents*	$000
	RATE 135							
	DEC to MAR							
1.1	Customer Charge	Contracts	152	$115.08	17	$0.00	$115.08	17
1.2	Delivery Charge	first 14,000	547	6.6781	37	0.1340	6.8121	37
1.3		next 28,000	865	5.4781	47	0.1340	5.6121	49
1.4		over 42,000	2,700	5.0781	137	0.1340	5.2121	141
1.	Total Distribution Charge		4,112		239			244
2.1	Gas Supply Load Balancing		4,112	0.0000	0	0.0000	0.0000	0
2.2	Gas Supply Transportation		1,472	5.8700	86	(0.0212)	5.8487	86
2.3	Seasonal Credit				(465)			(465)
3.1	Gas Supply Commodity - System		80	9.3937	7	0.0073	9.4010	7
3.2	Gas Supply Commodity - Buy/Sell		0	9.3713	0	0.0029	9.3742	0
3.	Total Gas Supply Charge		80		7			7
4.	SUB-TOTAL WINTER				-133			-127
	APR to NOV							
5.1	Customer Charge	Contracts	304	$115.08	35	$0.00	$115.08	35
5.2	Delivery Charge	first 14,000	4,008	1.9781	79	0.1340	2.1121	85
5.3		next 28,000	7,758	1.2781	99	0.1340	1.4121	110
5.4		over 42,000	39,305	1.0781	424	0.1340	1.2121	476
5.	Total Distribution Charge		51,071		637			706
6.1	Gas Supply Load Balancing		51,071	0.0000	0	0.0000	0.0000	0
6.2	Gas Supply Transportation		19,026	5.8700	1,117	(0.0212)	5.8487	1,113
7.1	Gas Supply Commodity - System		533	9.3937	50	0.0073	9.4010	50
7.2	Gas Supply Commodity - Buy/Sell		0	9.3713	0	0.0029	9.3742	0
7.	Total Gas Supply Charge		533		50			50
8.	SUB-TOTAL SUMMER				1,804			1,868
9.1	TOTAL DISTRIBUTION		55,183		876			950
9.2	TOTAL GAS SUPPLY LOAD BALANCING		55,183		738			734
9.3	TOTAL GAS SUPPLY COMMODITY		613		58			58
9.	TOTAL RATE 135		**55,183**		**1,671**			**1,741**
10.	REVENUE INC./(DEC.)							**70**

NOTE: * Cents unless otherwise noted.

DETAILED REVENUE CALCULATION

EB-2012-0054 vs EB-2011-0354

Item No.		Rate Block m³		Contracts & Volumes 10^3 m³	EB-2012-0054 Rate cents*	EB-2012-0054 Revenues $000	Rate Change cents*	Updated EB-2011-0354 Rate cents*	Updated EB-2011-0354 Revenues $000
		Col. 1		Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7
	RATE 145								
1.1	Customer Charge	Contracts		1,284	$123.34	158	$0.00	$123.34	158
1.2	Demand Charge			16,209	8.2300	1,334	-	8.2300	1,334
1.2	Delivery Charge	first	14,000	16,757	2.7268	457	0.1966	2.9234	490
1.3		next	28,000	30,410	1.3678	416	0.1966	1.5644	476
1.4		over	42,000	105,657	0.8088	855	0.1966	1.0054	1,062
1.	Total Distribution Charge			152,823		3,220			3,520
2.1	Gas Supply Load Balancing			152,823	0.1799	275	(0.0056)	0.1743	266
2.2	Gas Supply Transportation			42,257	5.8700	2,480	(0.0212)	5.8487	2,471
2.3	Curtailment Credit					(837)			(837)
3.1	Gas Supply Commodity - System			24,855	9.4839	2,357	(0.0274)	9.4565	2,350
3.2	Gas Supply Commodity - Buy/Sell			0	9.4615	0	(0.0318)	9.4297	0
3.	Total Gas Supply Charge			24,855		2,357			2,350
4.1	TOTAL DISTRIBUTION			152,823		3,220			3,520
4.2	TOTAL GAS SUPPLY LOAD BALANCING			152,823		1,918			1,901
4.3	TOTAL GAS SUPPLY COMMODITY			24,855		2,357			2,350
4.	TOTAL RATE 145			**152,823**		**7,495**			**7,771**
5.	REVENUE INC./(DEC.)								**277**

Item No.		Rate Block m³		Contracts & Volumes 10^3 m³	EB-2012-0054 Rate cents*	EB-2012-0054 Revenues $000	Rate Change cents*	Updated EB-2011-0354 Rate cents*	Updated EB-2011-0354 Revenues $000
	RATE 170								
6.6	Customer Charge	Contracts		456	$279.31	127	$0.00	$279.31	127
6.2	Demand Charge			47,406	4.0900	1,939	0.0000	4.0900	1,939
6.3	Delivery Charge	first	1,000,000	324,786	0.4629	1,504	0.0541	0.5170	1,679
6.4		over	1,000,000	191,579	0.2629	504	0.0541	0.3170	607
6	Total Distribution Charge			516,365		4,074			4,353
7.1	Gas Supply Load Balancing			516,365	0.1021	527	(0.0048)	0.0972	502
7.7	Gas Supply Transportation			69,887	5.8700	4,102	(0.0212)	5.8487	4,088
7.3	Curtailment Credit					(6,225)			(6,225)
8.1	Gas Supply Commodity - System			54,801	9.3175	5,106	0.0202	9.3377	5,117
8.2	Gas Supply Commodity - Buy/Sell			0	9.2951	0	0.0158	9.3109	0
8.	Total Gas Supply Charge			54,801		5,106			5,117
9.1	TOTAL DISTRIBUTION			516,365		4,074			4,353
9.2	TOTAL GAS SUPPLY LOAD BALANCING			516,365		-1,595			-1,635
9.3	TOTAL GAS SUPPLY COMMODITY			54,801		5,106			5,117
9.	TOTAL RATE 170			**516,365**		**7,585**			**7,835**
10.	REVENUE INC./(DEC.)								**250**

NOTE: * Cents unless otherwise noted.

DETAILED REVENUE CALCULATION EB-2012-0054 vs EB-2011-0354

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7
							Updated	
Item			Contracts &	EB-2012-0054		Rate	EB-2011-0354	
No.		Rate Block	Volumes	Rate	Revenues	Change	Rate	Revenues
		m³	10³ m³	cents*	$000	cents*	cents*	$000
	RATE 200							
1.1	Customer Charge	Contracts	12	$0.00	0	$0.00	$0.00	0
1.2	Demand Charge		13,622	14.7000	2,002	0.0000	14.7000	2,002
1.3	Delivery Charge		163,080	1.1805	1,925	0.1461	1.3266	2,163
1.	Total Distribution Charge		163,080		3,928			4,166
2.1	Gas Supply Load Balancing		163,080	0.6722	1,096	(0.0510)	0.6212	1,013
2.2	Gas Supply Transportation		124,231	5.8700	7,292	(0.0212)	5.8487	7,266
2.3	Curtailment Credit				(196)			(196)
3.1	Gas Supply Commodity - System		124,231	9.3175	11,575	0.0202	9.3377	11,600
3.2	Gas Supply Commodity - Buy/Sell		0	9.2951	0	0.0158	9.3109	0
3.	Total Gas Supply Charge		124,231		11,575			11,600
4.1	TOTAL DISTRIBUTION		163,080		3,928			4,166
4.2	TOTAL GAS SUPPLY LOAD BALANCING		163,080		8,193			8,083
4.3	TOTAL GAS SUPPLY COMMODITY		124,231		11,575			11,600
4.	TOTAL RATE 200		**163,080**		**23,696**			**23,849**
5.	REVENUE INC./(DEC.)							**154**

							Updated	
			Contracts &	EB-2012-0054		Rate	EB-2011-0354	
		Rate Block	Volumes	Rate	Revenues	Change	Rate	Revenues
		m³	10³ m³	cents*	$000	cents*	cents*	$000
	RATE 300							
	Firm							
	Customer Charge		36	$500.00	18	0.0000	$500.00	18
	Demand Charge		302	25.0151	76	1.2110	26.2260	79
	Interruptible							
	Minimum Delivery Charge		31,049	0.3595	112	0.0174	0.3769	117
	Maximum Delivery Charge		0	0.9869	0	0.0478	1.0347	0
8.	TOTAL RATE 300		**0**		**205**			**214**
9.	REVENUE INC./(DEC.)							**9**

NOTE: * Cents unless otherwise noted.

RATE HANDBOOK

ENBRIDGE GAS DISTRIBUTION

HANDBOOK OF RATES AND DISTRIBUTION SERVICES

INDEX

GLOSSARY OF TERMS

In this Handbook of Rates and Distribution Services, each term set out below shall have the meaning set out opposite it:

Annual Turnover Volume ("ATV"): The sum of the contracted volumes injected into and withdrawn from storage by an applicant within a contract year.

Annual Volume Deficiency: The difference between the Minimum Annual Volume and the volume actually taken in a contract year, if such volume is less than the Minimum Annual Volume.

Applicant: The party who makes application to the Company for one or more of the services of the Company and such term includes any party receiving one or more of the services of the Company.

Authorized Volume: In regards to Sales Service Agreements, the Contract Demand.

In regards to Bundled Transportation Service arrangements, the Contract Demand (CD) less the amount by which the Applicant's Mean Daily Volume (MDV) exceeds the Daily Delivered Volume (Delivery) and less the volume by which the Applicant has been ordered to curtail or discontinue the use of gas (Curtailment Volume) or otherwise represented as:

CD – (MDV – Delivery) – Curtailment Volume

Back-stopping: A service whereby alternative supplies of gas may be available in the event that an Applicant's supply of gas is not available for delivery to the Company.

Banked Gas Account: A record of the amount of gas delivered by the Applicant to the Company in respect of a Terminal Location (credits) and of volume of gas taken by the Applicant at the Terminal Location (debits)

Billing Contract Demand: Applicable only to new customers who take Dedicated Service under Rate 125. The Company and the Applicant shall determine a Billing Contract Demand which would result in annual revenues over the term of the contract that would enable the Company to recover the invested capital, return on capital, and O&M costs of the Dedicated Service in accordance with its system expansion policies.

Billing Month: A period of approximately thirty (30) days following which the Company renders a bill to an applicant. The billing month is determined by the Company's monthly Reading and Billing Schedule. With respect to rate 135 LVDC's, there are eight summer months and four winter months.

Board: Ontario Energy Board. (OEB)

Bundled Service: A service in which the demand for natural gas at a Terminal Location is met by the Company utilizing Load balancing resources.

Buy/Sell Arrangement: An arrangement, the terms of which are provided for in one or more agreements to which one or more of an end user of gas (being a party that buys from the Company gas delivered to a Terminal Location), an affiliate of an end user and a marketer, broker or agent of an end user is a party and the Company is a party, and pursuant to which the Company agrees to buy from the end user or its affiliate a supply of gas and to sell to the end user gas delivered to a Terminal Location served from the gas distribution network. The Company will not enter into any new buy/sell agreement after April 1, 1999.

Buy/Sell Price: The Price per cubic meter which the Company would pay for gas purchased pursuant to a Buy/Sell Arrangement in which the purchase takes place in Ontario.

Commodity Charge: A charge per unit volume of gas actually taken by the Applicant, as distinguished from a demand charge which is based on the maximum daily volume an Applicant has the right to take.

Company: Enbridge Gas Distribution Inc.

Contract Demand: A contractually specified volume of gas applicable to service under a particular Rate Schedule for each Terminal Location which is the maximum volume of gas the Company is required to deliver on a daily basis under a Large Volume Distribution Contract.

Cubic Metre ("m^3"): That volume of gas which at a temperature of 15 degrees Celsius and at an absolute pressure of 101.325 kilopascals ("kPa") occupies one cubic metre. "10^3m^3" means 1,000 cubic metres.

Curtailment: An interruption in an Applicant's gas supply at a Terminal Location resulting from compliance with a request or an order by the Company to discontinue or curtail the use of gas.

Curtailment Credit: A credit available to interruptible customers to recognize the benefits they provide to the system during the winter months.

Curtailment Delivered Supply (CDS): An additional volume of gas, in excess of the Applicant's Mean Daily Volume and determined by mutual agreement between the Applicant and the Company, which is Nominated and delivered by or on behalf of the Applicant to a point of interconnection with the Company's distribution system on a day of Curtailment.

Customer Charge: A monthly fixed charge that reflects being connected to the gas distribution system.

Daily Consumption VS Gas Quantity: The volume of natural gas taken on a day at a Terminal Location as measured by daily metering equipment or, where the Company does not own and maintain daily metering equipment at a Terminal Location, the volume of gas taken within a billing period divided by the number of days in the billing period.

Daily Delivered Volume: The volume of gas accepted by the Company as having been delivered by an Applicant to the Company on a day.

Dedicated Service: An Unbundled Service provided through a gas distribution pipeline that is initially constructed to serve a single customer, and for which the volume of gas is measured through a billing meter that is directly connected to a third party transporter or other third party facility, when service commences.

Delivery Charge: A component of the Rate Schedule through which the Company recovers its operating costs.

Demand Charge: A fixed monthly charge which is applied to the Contract Demand specified in a Service Contract.

Demand Overrun: The amount of gas taken at a Terminal Location exceeding the Contract Demand.

Direct Purchase: Natural gas supply purchase arrangements transacted directly between the Applicant and one or more parties, including the Company.

Disconnect and Reconnect Charges: The charges levied by the Company for disconnecting or reconnecting an Applicant from or to the Company's distribution system.

Diversion: Delivery of gas on a day to a delivery point different from the normal delivery point specified in a Service Contract.

Firm Service: A service for a continuous delivery of gas without curtailment, except under extraordinary circumstances.

Firm Transportation ("FT"): Firm Transportation service offered by upstream pipelines to move gas from a receipt point to a delivery point, as defined by the pipeline.

Force Majeure: Any cause not reasonably within the control of the Company and which the Company cannot prevent or overcome with reasonable due diligence, including:

(a) physical events such as an act of God, landslide, earthquake, storm or storm warning such as a hurricane which results in evacuation of an affected area, flood, washout, explosion, breakage or accident to machinery or equipment or lines of pipe used to transport gas, the necessity for making repairs to or alterations of such machinery or equipment or lines of pipe or inability to obtain materials, supplies (including a supply of services) or permits required by the Company to provide service;

(b) interruption and/or curtailment of firm transportation by a gas transporter for the Company;

(c) acts of others such as strike, lockout or other industrial disturbance, civil disturbance, blockade, act of a public enemy, terrorism, riot, sabotage, insurrections or war, as well as physical damage resulting from the negligence of others;

(d) in relation to Load Balancing, failure or malfunction of any storage equipment or facilities of the Company; and

(e) governmental actions, such as necessity for compliance with any applicable laws.

Gas: Natural Gas.

Gas Delivery Agreement: A written agreement pursuant to which the Company agrees to transport gas on the Applicant's behalf to a specified Terminal Location.

Gas Distribution Network: The physical facilities owned by the Company and utilized to contain, move and measure natural gas.

Gas Sale Contract: A written agreement pursuant to which the Company agrees to supply and deliver gas to a specified Terminal Location.

Gas Supply Charge: A charge for the gas commodity purchased by the applicant.

Gas Supply Load Balancing Charge: A charge in the Rate Schedules where the Company recovers the cost of ensuring gas supply matches consumption on a daily basis.

General Service Rates: The Rate Schedules applicable to those Bundled Services for which a specific contract between the Company and the Applicant is not generally required. The General Service Rates include Rates 1, 6, and 9 of the Company.

Gigajoule ("GJ"): See Joule.

Hourly Demand: A contractually specified volume of gas applicable to service under a particular Rate Schedule which is the maximum volume of gas the Company is required to deliver to an Applicant on a hourly basis under a Service Contract.

Imperial Conversion Factors:

Volume:		
1,000 cubic feet (cf)	=	1 Mcf
	=	28.32784 cubic metres (m^3)
1 billion cubic feet (cf)	=	28.32784 $10^6 m^3$
Pressure:		
1 pound force per square inch (p.s.i.)	=	6.894757 kilopascals (kPa)
1 inch Water Column (in W.C.) (60°F)	=	0.249 kPa (15.5°C)
1 standard atmosphere	=	101.325 kPa
Energy:		
1 million British thermal units	=	1 MMBtu
	=	1.055056 gigajoules (GJ)
948,213.3 Btu	=	1 GJ
Monetary Value:		
$1 per Mcf	=	$0.03530096 per m^3
$1 per MMBtu	=	$0.9482133 per GJ

Interruptible Service: Gas service which is subject to curtailment for either capacity and/or supply reasons, at the option of the Company.

Intra-Alberta Service: Firm transportation service on the Nova pipeline system under which volumes are delivered to an Intra-Alberta point of acceptance.

Joule ("J"): The amount of work done when the point of application of a force of one newton is displaced a distance of one metre in the direction of the force. One megajoule ("MJ") means 1,000,000 joules; one gigajoule ("GJ") means 1,000,000,000 joules.

Large Volume Distribution Contract: (LVDC): A written agreement pursuant to which the Company agrees to supply and deliver gas to a specified Terminal Location.

Large Volume Distribution Contract Rates: The Rate Schedules applicable for annual consumption exceeding 340,000 cubic metres of gas per year and for which a specific contract between the Company and the Applicant is required.

Load-Balancing: The balancing of the gas supply to meet demand. Storage and other peak supply sources, curtailment of interruptible services, and diversions from one delivery point to another may be used by the Company.

Make-up Volume: A volume of gas nominated and delivered, pursuant to mutually agreed arrangements, by an Applicant to the Company for the purpose of reducing or eliminating a net debit balance in the Applicant's Banked Gas Account.

Mean Daily Volume (MDV): The volume of gas which an Applicant who delivers gas to the Company, under a T-Service arrangement, agrees to deliver to the Company each day in the term of the arrangement.

Metric Conversion Factors:

Volume:		
1 cubic metre (m^3)	=	35.30096 cubic feet (cf)
1,000 cubic metres	=	10^3m^3
	=	35,300.96 cf
	=	35.30096 Mcf
28.32784 m^3	=	1 Mcf
Pressure:		
1 kilopascal (kPa)	=	1,000 pascals
	=	0.145 pounds per square inch (p.s.i.)
101.325 kPa	=	one standard atmosphere
Energy:		
1 megajoule (MJ)	=	1,000,000 joules
	=	948.2133 British thermal units (Btu)
1 gigajoule (GJ)	=	948,213.3 Btu
1.055056 GJ	=	1 MMBtu
Monetary Value:		
\$1 per 10^3m^3	=	\$0.02832784 per Mcf
\$1 per gigajoule	=	\$1.055056 per MMBtu

Minimum Annual Volume: The minimum annual volume as stated in the customer's contract, also Section E.

Natural Gas: Natural and/or residue gas comprised primarily of methane.

Nominated Volume: The volume of gas which an Applicant has advised the Company it will deliver to the Company in a day.

Nominate, Nomination: The procedure of advising the Company of the volume which the Applicant expects to deliver to the Company in a day.

Ontario Energy Board: An agency of the Ontario Government which, amongst other things, approves the Company's Rate Schedules (Part V of this HANDBOOK) and the matters described in Parts III and IV of this HANDBOOK.

Point of Acceptance: The point at which the Company accepts delivery of a supply of natural gas for transportation to, or purchase from, the Applicant.

Rate Schedule: A numbered rate of the Company as fixed or approved by the OEB. that specifies rates, applicability, character of service, terms and conditions of service and the effective date.

Seasonal Credit: A credit applicable to Rate 135 customers to recognize the benefits they provide to the storage operations during the winter period.

Service Contract: An agreement between the Company and the Applicant which describes the responsibilities of each party in respect to the arrangements for the Company to provide Sales Service or Transportation Service to one or more Terminal Locations.

System Sales Service: A service of the Company in which the Company acquires and sells to the Applicant the Applicant's natural gas requirements.

T-Service: Transportation Service.

Terminal Location: The building or other facility of the Applicant at or in which natural gas will be used by the Applicant.

Transportation Service: A service in which the Company agrees to transport gas on the Applicant’s behalf to a specified Terminal Location.

Unbundled Service: A service in which the demand for natural gas at a Terminal Location is met by the Applicant contracting for separate services (upstream transportation, load balancing/storage, transportation on the Company’s distribution system) of which only Transportation Service is mandatory with the Company.

Western Canada Buy Price: The price per cubic metre which the Company would pay for gas pursuant to a Buy/Sell Agreement in which the purchase takes place in Western Canada.

RATES AND SERVICES AVAILABLE

The provisions of this PART II are intended to provide a general description of services offered by the Company and certain matters relating thereto. Such provisions are not definitive or comprehensive as to their subject matter and may be changed by the Company at any time without notice.

SECTION A - INTRODUCTION

1. In Franchise Services

Enbridge Gas Distribution provides in franchise services for the transportation of natural gas from the point of its delivery to Enbridge Gas Distribution to the Terminal Location at which the gas will be used. The natural gas to be transported may be owned by the Applicant for service or by the Company. In the latter case, it will be sold to the customer at the outlet of the meter located at the Terminal Location.

Applicants may elect to have the Company provide all-inclusively the services which are mutually agreed to be required or they may select (from the 300 series of rates, and Rate 125) only the amounts of those services which they consider they need.

The all-inclusive services are provided pursuant to Rates 1, 6 and 9, ("the General Service Rates") and Rates 100, 110, 115, 135, 145, and 170 ("the Large Volume Service Rates"). Individual services are available under Rates 125, 300, 315, and 316 ("the Unbundled Service Rates").

Service to residential locations is provided pursuant to Rate 1.

Service which may be interrupted at the option of the Company is available, at rates lower than would apply for equivalent service under a firm rate schedule, pursuant to Rates 145, 170. Under all other rate schedules, service is provided upon demand by the Applicant, i.e., on a firm service basis.

2. Ex-Franchise Services

Enbridge Gas Distribution provides ex-franchise services for the transportation of natural gas through its distribution system to a point of interconnection with the distribution system of other distributors of natural gas. Such service is provided pursuant to Rate 200 and provides for the bundled transportation of gas owned by the Company, owned by customers of that distributor, or owned by that distributor.

For the purposes of interpreting the terms and conditions contained in this Handbook of Rates and Distribution Services the ex - franchise distributor shall be considered to be the applicant for the transportation of its customer owned gas and shall assume all the obligations of transportation as if it owned the gas.

Nominations for transportation service must specify whether the volume to be transported is to displace firm or interruptible demand or general service.

In addition, the Company provides Compression, Storage, and Transmission services on its Tecumseh system under Rates 325, 330 and 331.

SECTION B - DIRECT PURCHASE ARRANGEMENTS

Applicants who purchase their natural gas requirements directly from someone other than the Company or who are brokers or agents for an end user, may arrange to transport gas on the Company's distribution network in conjunction with a Western Buy/Sell Arrangement or pursuant to an Ontario Delivery Transportation Service Arrangement, whether Bundled or Unbundled, or a Western Bundled Transportation Service Arrangement.

B. Western Canada

Buy/Sell in a Western Canada Buy/Sell Arrangement the Applicant delivers gas to a point in Western Canada which connects with the transmission pipeline of TransCanada PipeLines Limited. At that point, the Company purchases the gas from the Applicant at a price specified in Rider 'B' of the rate schedules less the costs for transmission of the gas from the point of purchase to a point in Ontario at which the Company's gas distribution network connects with a transmission pipeline system. The Company will not be entering into any new Western Canada buy/sell arrangements after April 1, 1999.

C. Ontario Delivery T-Service Arrangements

In an Ontario Delivery T-Service Arrangement the Applicant delivers gas, to a contractually agreed-upon point of acceptance in Ontario.

Delivery from the point of direct interconnection with the Company's gas distribution network to a Terminal Location served from the Company's gas distribution network may be obtained by the Applicant either under the Bundled Service Rate Schedules or under the Unbundled Service Rate Schedules.

(i) Bundled T-Service

Bundled T-Service is so called because all of the services required by the Applicant (delivery and load balancing) are provided for the prices specified in the applicable Rate Schedule. In a Bundled T-Service arrangement the Applicant contracts to deliver each day to the Company a Mean Daily Volume of gas. Fluctuations in the demand for gas at the Terminal Location are balanced by the Company.

(ii) Unbundled T-Service

The Unbundled Service Rates allow an Applicant to contract for only such kinds of service as the Applicant chooses. The potential advantage to an Applicant is that the chosen amounts of service may be less than the amounts required by an average customer represented in the applicable Rate Schedule, in which case the Applicant may be able to reduce the costs otherwise payable under Bundled T-Service.

D. Western Delivery T-Service Arrangement

In a Western Delivery T-Service Arrangement the Applicant contracts to deliver each day to a point on the TransCanada PipeLines Ltd. transmission system in Western Canada a Mean Daily Volume of gas plus fuel gas. Delivery from that point to the Terminal Location is carried out by the Company using its contracted capacity on the TransCanada PipeLines Limited. system and its gas distribution network. Unbundled T-Service in Ontario is not available with the Western Delivery Option.

An Applicant desiring to receive Transportation Service or to establish a Buy/Sell Agreement must first enter into the applicable written agreements with the Company.

PART III

TERMS AND CONDITIONS APPLICABLE TO ALL SERVICES

The provisions of this PART III are applicable to, and only to, Sales Service and Transportation Service.

SECTION A - AVAILABILITY

Unless otherwise stated in a Rate Schedule, the Company's rates and services are available throughout the entire franchised area serviced by the Company. Transportation service and/or sales service will be provided subject to the Company having the capacity in its gas distribution network to provide the service requested. When the Company is requested to supply the natural gas to be delivered, service shall be available subject to the Company having available to it a supply of gas adequate to meet the requirement without jeopardizing the supply to its existing customers.

Service shall be made available after acceptance by the Company of an application for service to a Terminal Location at which the natural gas will be used.

SECTION B - ENERGY CONTENT

The price of natural gas sold at a Terminal Location is based on the assumption that each cubic metre of such natural gas contains a certain number of megajoules of energy which number is specified in the Rate Schedules. Variations in cost resulting from the energy content of the gas actually delivered to the Company by its supplier(s) differing from the assumed energy content will be recorded and used to adjust future bills. Such adjustments shall be made in accordance with practices approved from time to time by the Ontario Energy Board.

SECTION C - SUBSTITUTION PROVISION

The Company may deliver gas from any standby equipment provided that the gas so delivered shall be reasonably equivalent to the natural gas normally delivered.

SECTION D - BILLS

Bills will be mailed or delivered monthly or at such other time period as set out in the Service Contract. Gas consumption to which the Company's rates apply will be determined by the Company either by meter reading or by the Company's estimate of consumption where meter reading has not occurred. The rates and charges applicable to a billing month shall be those applicable to the calendar month which includes the last day of the billing month.

SECTION E - MINIMUM BILLS

The minimum bill per month applicable to service under any particular Rate Schedule shall be the Customer Charge plus any applicable Contract Demand Charges for Delivery, Gas Supply Load Balancing, and Gas Supply and any applicable Direct Purchase Administration Charge, all as provided for in the applicable Rate Schedule.

In addition, for service under each of the Large Volume Distribution Contact Rates, if in a contract year a volume of gas equal to or greater than the product of the Contract Demand multiplied by a contractually specified multiple of the Contract Demand ("Minimum Annual Volume") is not taken at the Terminal Location the Applicant shall pay, in addition to the minimum monthly bills, the amount obtained when the difference between the Minimum Annual Volume and the volume taken in the contract year (such difference being the Annual Volume Deficiency) is multiplied by the applicable Minimum Bill Charge(s) as provided for in the applicable Rate Schedule. Notwithstanding the foregoing, the Minimum Annual Volume shall be the greater of the Minimum Annual Volume as determined above and 340,000 m^3.

If gas deliveries to the Terminal Location have been ordered to be curtailed or discontinued in a contract year at the request of the Company and have been curtailed or discontinued as ordered, the Minimum Annual Volume shall be reduced for each day of curtailment or discontinuance by the excess of the Contract Demand over the volume delivered to the Terminal Location on such day.

SECTION F - PAYMENT CONDITIONS

Enbridge Gas Distribution charges are due when the bill is received, which is considered to be three days after the date the bill is rendered, or within such other time period as set out in the Service Contract. A late payment charge of 1.5% per month (19.56% effectively per annum) of all of the unpaid Enbridge Gas Distribution charges, including all applicable federal and provincial taxes, is applied to the account on the seventeenth (17^{th}) day following the date the bill is due.

SECTION G - TERM OF ARRANGEMENT

When gas service is provided and there is no written agreement in effect relating to the provision of such service, the term for which such service is to continue shall be one year. The term shall automatically be extended for a further year immediately following the expiry of any initial one year term or one year extension unless reasonable notice to terminate service is given to the Company, in a manner acceptable to the Company, prior to the expiry of the term. An Applicant receiving such service who temporarily discontinues service in the initial one year term or any one year extension and does not pay all the minimum bills for the period of such temporary discontinuance of service shall, upon the continuance of service, be liable to pay an amount equal to the unpaid minimum bills for such period. When a written agreement is in effect relating to the provision of gas service, the term for which such service is to continue shall be as provided for in the agreement.

SECTION H - RESALE PROHIBITION

Gas taken at a Terminal Location shall not be resold other than in accordance with all applicable laws and regulations and orders of any governmental authority or OEB having jurisdiction.

SECTION I - MEASUREMENT

The Company will install, operate and maintain at a Terminal Location such measurement equipment of suitable capacity and design as is required to measure the volume of gas delivered. Any special conditions for measurement are contained in the General Terms and Conditions which form part of each Large Volume Distribution Contract.

SECTION J - RATES IN CONTRACTS

Notwithstanding any rates for service specified in any Service Contract, the rates and charges provided for in an applicable Rate Schedule shall apply for service rendered on and after the effective date stated in such Rate Schedule until such Rate Schedule ceases to be applicable.

SECTION K - ADVICE RE: CURTAILMENT

The Company, if requested, will advise Applicants taking interruptible service of its estimate of service curtailment for the forthcoming winter. Such estimate will be provided as guidance to the Applicant in arranging for alternate fuel supply requirements. Abnormal weather and/or other unforeseen events may cause greater or lesser curtailment of service than expected.

SECTION L - DAILY DELIVERED VOLUMES

For purposes including that of calculating daily overrun gas volumes, the Company will recognize as having been delivered to it on a given day the sum of:

a) the volume of gas delivered under Intra-Alberta transportation arrangements, if any, plus;

b) the volume of gas delivered under FT transportation arrangements, if any, plus;

SECTION M - AUTHORIZED OVERRUN GAS

If an Applicant requests permission to exceed the Authorized Volume for a day, and such authorization is granted, such gas shall constitute Authorized Overrun Gas. Such gas shall either be sold by the Company to the Applicant pursuant to the provisions of Rate 320 applicable on such day, or, at the Company's sole discretion, under the Rate Schedule the customer is purchasing prior to such request. If the Applicant is supplying their own gas requirements and if the Applicant request and at the Company's sole discretion, such Overrun Gas will be debited to the Applicant's Banked gas Account.

SECTION N - UNAUTHORIZED SUPPLY OVERRUN GAS

If an Applicant for Transportation Service pursuant to the General Service Rates on any day delivers to the Company a Daily Delivered Volume which is less than the Mean Daily Volume, the volume of gas by which the Mean Daily Volume applicable to such day exceeds the Daily Delivered Volume delivered by the Applicant to the Company on such day shall constitute Unauthorized Supply Overrun Gas and shall be deemed to have been taken and purchased on such day. The rate applicable to such volume shall be 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and the EDA delivery areas respectively.

Unauthorized Supply Overrun Gas for a day applicable to a Service Contract with an Applicant for service under the Large Volume Distribution Contract Rates is:

(a) the volume of gas by which the Daily Gas Quantity under the Service Contract on such day exceeds the Authorized Volume for such day, if any

plus

(b) if the day is in the months of December to March inclusive for an Applicant taking service on Rate 135 under Option a) or if the day is in the month of December under Option b), or if the day is a day on or in respect of which the Applicant has been requested in accordance with the Service Contract to curtail or discontinue the use of gas and the Service Contract is in whole or in part for interruptible Transportation Service, the volume of gas, if any, by which

(i) the Mean Daily Volume set out in the Service Contract and is applicable to such day exceeds

(ii) the Daily Delivered Volume delivered by the Applicant to the Company on such day, which excess volume of gas shall be deemed to have been taken and purchased by the Applicant on such day.

The Applicant shall pay the Company for Unauthorized Supply Overrun Gas at the rate applicable to Unauthorized Supply Overrun Gas as provided for in the Rate Schedule(s) applicable to the Service Contract.

An Applicant taking service pursuant to a Gas Delivery Agreement and a Large Volume Distribution Contract Rate must provide two business days notice to the Company of the Applicant's intention to deliver a Daily Delivered Volume which is less than the Mean Daily Volume for a specified time period. Failure to provide proper notice will result in Unauthorized Supply Overrun Gas calculated as the difference between Daily Delivered Volume and the Mean Daily Volume.

Unauthorized Supply Overrun Gas for a day applicable to a Service Contract with an Applicant for service under Rate 125 or Rate 300 shall be determined from the provisions of the applicable Rate Schedule. The Applicant shall pay the Company for Unauthorized Supply Overrun Gas at the rate applicable to Unauthorized Supply Overrun Gas as provided for in the Rate Schedule(s) applicable to the Service Contract.

SECTION O – COMPANY RESPONSIBILTY AND LIABILITY

This Section O applies only to gas distribution service under Rates 1, 6 and 9, and does not replace or supercede the terms in any applicable Service Contract.
The Company shall make reasonable efforts to maintain, but does not guarantee, continuity of gas service to its customers. The Company may, in its sole discretion, terminate or interrupt gas service to customers;

to maintain safety and reliability on, or to facilitate construction, installation, maintenance, repair, replacement or inspection of the Company's facilities; or

for any reason related to dangerous or hazardous circumstances, emergencies or Force Majeure.

The Company shall not be liable for any loss, injury, damage, expense, charge, cost or liability of any kind, whether direct, indirect, special or consequential in nature, (excepting only direct physical loss, injury or damage to a customer or a customer's property, resulting from the negligent acts or omissions of the Company, its employees or agents) arising from or connected with any failure, defect, fluctuation or interruption in the provision of gas service by the Company to its customers.

PART IV

TERMS AND CONDITIONS – DIRECT PURCHASE ARRANGEMENTS

Any Applicant, at the time of applying for service, may elect, in and for the term of any Service Contract, to deliver its own natural gas requirements to the Company and the Company shall deliver gas to a Terminal Location as required by the Applicant, subject to the terms and conditions contained in the applicable Rate Schedule and in the Service Contract. For Buy/Sell Arrangements and Bundled T-Service the deliveries by the Applicant to the Company shall be at the Applicant's estimated mean daily rate of consumption.

Backstopping of an Applicant's natural gas supply for Transportation Service arrangements will be available pursuant to Rate 320 subject to the Company's ability to do so using reasonable commercial efforts. Gas Purchase Agreements in respect to Buy/Sell Arrangements shall specify terms and conditions available to the Company to alleviate certain consequences of the Applicant's failure to deliver the required volume of gas.

The following Terms and Conditions shall apply to, and only to, Transportation Service and/or Gas Purchase Agreements.

SECTION A - NOMINATIONS

An Applicant delivering gas to the Company pursuant to a contract is responsible for advising the Company, by means of a contractually specified Nomination procedure, of the daily volume of gas to be delivered to the Company by or on behalf of the Applicant.

An initial daily volume must be Nominated by a contractually specified time before the first day on which gas is to be delivered to the Company. Any Nomination, once accepted by the Company, shall be considered as a standing nomination applicable to each subsequent day in a contract term unless specifically varied by written notice to the Company.

A contract may specify certain contractual provisions that are applicable in the event that an Applicant either fails to advise of a revised daily nomination or fails to deliver the daily volume so nominated.

A Nominated Volume in excess of the Applicant's Maximum Daily Volume as specified in the Service Contract will not be accepted except as specifically provided for in any contract.

SECTION B - OBLIGATION TO DELIVER

During any period of curtailment or discontinuance of Bundled interruptible Transportation Service as ordered by the Company, any Applicant supplying its own gas requirements must, on such day, deliver to the Company the Mean Daily Volume of gas specified in any Service Contract.

Each Applicant taking service pursuant to a Gas Delivery Agreement and a Large Volume Distribution Contract Rate is obligated to deliver the Mean Daily Volume of gas as specified in any Service Contract, unless the Applicant provides two business days notice to the Company of the Applicant's intention to deliver a Daily Delivered Volume which is less than the Mean daily Volume for a specified time period.

An Applicant taking service on Rate 135 under Option a) must deliver to the Company the Mean Daily Volume of gas specified in the Service Contract in the months of December to March, inclusive.

An Applicant taking service on Rate 135 under Option b) must deliver to the Company the Modified Mean Daily Volume of gas specified in the Service Contract in the month of December.

Applicants taking service on General Service rates pursuant to a Direct Purchase Agreement must, on each day in the term of such agreement, deliver to the Company the Mean Daily Volume of gas specified in such agreement.

SECTION C - DIVERSION RIGHTS

Subject to compliance with the Terms and Conditions of all Required Orders, an Applicant who has entered into a Transportation Service Agreement or Agreements which provide(s) for deliveries to the Company for more than one Terminal Location shall have the right, on such terms and only on such terms as are specified in the applicable Transportation Service Agreement, to divert deliveries from one or more contractually specified Terminal Locations to other contractually specified Terminal Locations.

SECTION D - BANKED GAS ACCOUNT (BGA)

For T-Service Applicants, the Company shall keep a record ("Banked Gas Account") of the volume of gas delivered by the Applicant to the Company in respect of a Terminal Location (credits) and of the volume of gas taken by the Applicant at the Terminal Location (debits). (Any volume of gas sold by the Company to the Applicant in respect to the Terminal Location shall not be debited to the Banked Gas Account). The Company shall periodically report to the Applicant the net balance in the Applicant's Banked Gas Account.

SECTION E - DISPOSITION OF BANKED GAS ACCOUNT (BGA) BALANCES

A. The following Terms and Conditions shall apply to Bundled T-Service:

(a) At the end of each contract year, disposition of any net debit balance in the Banked Gas Account (BGA) shall be made as follows:

The Applicant, by written notice to the Company within thirty (30) days of the end of the contract year, may elect to return to the Company, in kind, during the one hundred and eighty (180) days following the end of the contract year, that portion of any debit balance in the Banked Gas Account as at the end of the contract year not exceeding a volume of twenty times the Applicant's Mean Daily Volume by the Applicant delivering to the Company on days agreed upon by the Company and the Applicant a volume of gas greater than the Mean Daily Volume, if any, applicable to such day under a Service Contract. Any volume of gas returned to the Company as aforesaid shall not be credited to the Banked Gas Account in the subsequent contract year. Any debit balance in the Banked Gas Account as at the end of the contract year which is not both elected to be returned, and actually returned, to the Company as aforesaid shall be deemed to have been sold to the Applicant and the Applicant shall pay for such gas within ten (10) days of the rendering of a bill therefor. The rate applicable to such gas shall be:

(1) for *Bundled Western T-Service*, 120% of the average price over the contracted year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs.

(2) for *Bundled Ontario T-Service*, 120% of the average price over the contracted year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs, plus the Company's average transportation cost to its franchise area over the contract year.

(b) A credit balance in the Banked Gas Account as at the end of the contract year must be eliminated in one or more of the following manners, namely:

(i) Subject to clause (ii), if the Applicant continues to take service from the Company under a contract pursuant to which the Applicant delivers gas to the Company and the Applicant so elects (by written notice to the Company within thirty (30) days of the end of the contract year), that portion of such balance which the Applicant stipulates in such written notice and which does not exceed twenty times the Applicant's Mean Daily Volume may be carried forward as a credit to the Banked Gas Account for the next succeeding contract year. Any volume duly elected to be carried forward under this clause shall, and may only, be reduced within the period of one hundred and eighty (180) days ("Adjustment Period") immediately following the contract year, by the Applicant delivering to the Company, on days in the Adjustment Period agreed upon by the Company and the Applicant ("Adjustment Days"), a volume of gas less than the Mean Daily Volume applicable to such day under a Service Contract. Subject to the foregoing, the credit balance in the Banked Gas Account shall be deemed to be reduced on each Adjustment Day by the volume ("Daily Reduction Volume") by which the Mean Daily Volume applicable to such day exceeds the greater of the volume of gas delivered by the Applicant on such day and the Nominated Volume for such day which was accepted by the Company.

(ii) Any portion of a credit balance in the Banked Gas Account which is not eligible to be eliminated in accordance with clause (i), or which the Applicant elects (by written notice to the Company within thirty (30) days of the end of the contract year) to sell under this clause, shall be deemed to have been tendered for sale to the Company and the Company shall purchase such portion at:

(1) for *Bundled Western T*-Service, a price per cubic metre of eighty percent (80%) of the average price over the contract year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs, less the Company's average transportation cost to its franchise area over the contract year.

(2) for *Bundled Ontario T-Service*, a price per cubic metre of eighty percent (80%) of the average price over the contract year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs.

Any volume of gas deemed to have been so tendered for sale shall be deemed to have been eliminated from the credit balance of the Banked Gas Account.

During the Adjustment Period the Company shall use reasonable efforts to accept the Applicant's reduced gas deliveries. Any credit balance in the Banked Gas Account not eliminated as aforesaid in the Adjustment Period shall be forfeited to, and be the property of, the Company, and such volume of gas shall be debited to the Banked Gas Account as at the end of the Adjustment Period.

Subject to its ability to do so, the Company will attempt to accommodate arrangements which would permit adjustments to Banked Gas Account balances at times and in a manner which are mutually agreed upon by the Applicant and the Company.

B. The following Terms and Conditions shall apply to Unbundled Service:

The Terms and Conditions for disposition of Cumulative Imbalance Account balances shall be as specified in the applicable Service Contracts.

RATE NUMBER: 1	RESIDENTIAL SERVICE

APPLICABILITY:

To any Applicant needing to use the Company's natural gas distribution network to have transported a supply of natural gas to a residential building served through one meter and containing no more than six dwelling units ("Terminal Location").

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month
	January to December
Monthly Customer Charge	**$20.00**
Delivery Charge per cubic metre	
For the first 30 m³ per month	**9.4709 ¢/m³**
For the next 55 m³ per month	**8.9290 ¢/m³**
For the next 85 m³ per month	**8.5043 ¢/m³**
For all over 170 m³ per month	**8.1881 ¢/m³**
Transportation Charge per cubic metre	**5.8487 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**9.4110 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider "C" and the Revenue Adjustment Rider contained in Rider "E". Also, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F".
The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2013 under Sales Service and Transportation Service. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054, effective April 1, 2012.

APPLICABILITY:

To any Applicant needing to use the Company's natural gas distribution network to have transported a supply of natural gas to a single terminal location ("Terminal Location") for non-residential purposes.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$70.00**
Delivery Charge per cubic metre	
For the first 500 m³ per month	**9.0308 ¢/m³**
For the next 1050 m³ per month	**7.1126 ¢/m³**
For the next 4500 m³ per month	**5.7698 ¢/m³**
For the next 7000 m³ per month	**4.9066 ¢/m³**
For the next 15250 m³ per month	**4.5231 ¢/m³**
For all over 28300 m³ per month	**4.4271 ¢/m³**
Transportation Charge per cubic metre	**5.8487 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**9.4508 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". Also, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider “F”.
The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2013 under Sales Service and Transportation Service. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054, effective April 1, 2012.

APPLICABILITY:

To any Applicant needing to use the Company's natural gas distribution network to have transported a supply of natural gas to a single terminal location ("Terminal Location") at which, such gas is authorized by the Company to be resold by filling pressurized containers.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$235.95**
Delivery Charge per cubic metre	
For the first 20,000 m³ per month	**11.3778 ¢/m³**
For all over 20,000 m³ per month	**10.6499 ¢/m³**
Transportation Charge per cubic metre	**5.8487 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**9.3377 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2013 under Sales Service and Transportation Service. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054, effective April 1, 2012.

RATE NUMBER: **100**	**FIRM CONTRACT SERVICE**

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of a specified annual volume of natural gas of not less than 340,000 cubic metres to be delivered at a specified maximum daily rate.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$122.01**
Delivery Charge	
Per cubic metre of Contract Demand	**8.1900 ¢/m³**
For the first 14,000 m³ per month	**5.3176 ¢/m³**
For the next 28,000 m³ per month	**3.9586 ¢/m³**
For all over 42,000 m³ per month	**3.3996 ¢/m³**
Gas Supply Load Balancing Charge	**0.5762 ¢/m³**
Transportation Charge per cubic metre	**5.8487 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**9.3527 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

RATE NUMBER: **100**

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service):

11.7092 ¢/m³

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2013 under Sales Service and Transportation Service. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054, effective April 1, 2012.

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of an annual supply of natural gas of not less than 183 times a specified maximum daily volume of not less than 1,865 cubic metres.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$587.37**
Delivery Charge	
Per cubic metre of Contract Demand	**22.9100 ¢/m³**
Per cubic metre of gas delivered	
For the first 1,000,000 m³ per month	**0.7715 ¢/m³**
For all over 1,000,000 m³ per month	**0.6215 ¢/m³**
Gas Supply Load Balancing Charge	**0.1802 ¢/m³**
Transportation Charge per cubic metre	**5.8487 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**9.3377 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

RATE NUMBER: **110**

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service):

6.7672 ¢/m³

In determining the Annual Volume Deficiency, the minimum bill multiplier shall not be less than 183.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2013 under Sales Service and Transportation Service. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054, effective April 1, 2012.

RATE NUMBER: **115**	**LARGE VOLUME LOAD FACTOR SERVICE**

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of an annual supply of natural gas of not less than 292 times a specified maximum daily volume of not less than 1,165 cubic metres.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month
	January to December
Monthly Customer Charge	**$622.62**
Delivery Charge	
Per cubic metre of Contract Demand	**24.3600 ¢/m³**
Per cubic metre of gas delivered	
For the first 1,000,000 m³ per month	**0.2633 ¢/m³**
For all over 1,000,000 m³ per month	**0.1633 ¢/m³**
Gas Supply Load Balancing Charge	**0.0557 ¢/m³**
Transportation Charge per cubic metre	**5.8487 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**9.3377 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service):

6.1344 ¢/m³

In determining the Annual Volume Deficiency the minimum bill multiplier shall not be less than 292.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2013 under Sales Service and Transportation Service. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054, effective April 1, 2012.

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of a specified maximum daily volume of natural gas. The maximum daily volume for billing purposes, Contract Demand or Billing Contract Demand, as applicable, shall not be less than 600,000 cubic metres. The Service under this rate requires Automatic Meter Reading (AMR) capability.

CHARACTER OF SERVICE:

Service shall be firm except for events specified in the Service Contract including force majeure.

For Non-Dedicated Service the monthly demand charges payable shall be based on the Contract Demand which shall be 24 times the Hourly Demand and the Applicant shall not exceed the Hourly Demand.

For Dedicated Service the monthly demand charges payable shall be based on the Billing Contract Demand or the Contract Demand specified in the Service Contract. The Applicant shall not exceed an hourly flow calculated as 1/24th of the Contract Demand specified in the Service Contract.

DISTRIBUTION RATES:

The following rates and charges, as applicable, shall apply for deliveries to the Terminal Location.

Monthly Customer Charge	**$500.00**
Demand Charge Per cubic metre of the Contract Demand or the Billing Contract Demand, as applicable, per month	**9.5530 ¢/m³**
Direct Purchase Administration Charge	**$75.00**
Forecast Unaccounted For Gas Percentage	**0.3%**

Monthly Minimum Bill: The Monthly Customer Charge plus the Monthly Demand Charge.

TERMS AND CONDITIONS OF SERVICE:

1. To the extent that this Rate Schedule does not specifically address matters set out in PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** then the provisions in those Parts shall apply, as contemplated therein, to service under this Rate Schedule.

2. **Unaccounted for Gas (UFG) Adjustment Factor**:

   The Applicant is required to deliver to the Company on a daily basis the sum of: (a) the volume of gas to be delivered to the Applicant's Terminal Location; and (b) a volume of gas equal to the forecast unaccounted for gas percentage as stated above multiplied by (a). In the case of a Dedicated Service, the Unaccounted for Gas volume requirement is not applicable.

3. **Nominations**:

   Customer shall nominate gas delivery daily based on the gross commodity delivery required to serve the customer’s daily load plus the UFG. Customers may change daily nominations based on the nomination windows within a day as defined by the customer contract with TransCanada PipeLines (TCPL) or Union Gas Limited.

   Schedule of nominations under Rate 125 has to match upstream nominations. This rate does not allow for any more flexibility than exists upstream of the EGD gas distribution system. Where the customer’s nomination does not match the confirmed upstream nomination, the nomination will be confirmed at the upstream value.

   Customer may nominate gas to a contractually specified Primary Delivery Area that may be EGD’s Central Delivery Area (CDA) or EGD’s Eastern Delivery Area (EDA) or other Delivery Area as specified in the applicable Service Contract. The Company may accept deliveries at a Secondary Delivery Area such as Dawn, at its sole discretion. Quantities of gas nominated to the system cannot exceed the Contract Demand, unless Make-up Gas or Authorized Overrun is permitted.

Customers with multiple Rate 125 contracts within a Primary Delivery Area may combine nominations subject to system operating requirements and subject to the Contract Demand for each Terminal Location. For combined nominations the customer shall specify the quantity of gas to each Terminal Location and the order in which gas is to be delivered to each Terminal Location. The specified order of deliveries shall be used to administer Load Balancing Provisions to each Terminal Location. When system conditions require delivery to a single Terminal Location only, nominations with different Terminal Locations may not be combined.

The Company permits pooling of Rate 125 contracts for legally related customers who meet the Business Corporations Act (Ontario) ("OBCA") definition of "affiliates" to allow for the management of those contracts by a single manager. The single manager is jointly liable with the individual customers for all of their obligations under the contracts, while the individual customers are severally liable for all of their obligations under their own contracts.

4. **Authorized Demand Overrun:**

The Company may, at its sole discretion, authorize consumption of gas in excess of the Contract Demand for limited periods within a month, provided local distribution facilities have sufficient capacity to accommodate higher demand. In such circumstances, customer shall nominate gas delivery based on the gross commodity delivery (the sum of the customer's Contract Demand and the authorized overrun amount) required to serve the customer's daily load, plus the UFG. In the event that gas usage exceeds the gas delivery on a day where demand overrun is authorized, the excess gas consumption shall be deemed Supply Overrun Gas.
Such service shall not exceed 5 days in any contract year. Based on the terms of the Service Contract, requests beyond 5 days will constitute a request for a new Contract Demand level with retroactive charges. The new Contract Demand level may be restricted by the capability of the local distribution facilities to accommodate higher demand.

Automatic authorization of transportation overrun over the Billing Contract Demand will be given in the case of Dedicated Service to the Terminal Location provided that pipeline capacity is available and subject to the Contract Demand as specified in the Service Contract.

Authorized Demand Overrun Rate	**0.31 ¢/m³**

The Authorized Demand Overrun Rate may be applied to commissioning volumes at the Company's sole discretion, for a contractual period of not more than one year, as specified in the Service Contract.

5. **Unauthorized Demand Overrun:**

Any gas consumed in excess of the Contract Demand and/or maximum hourly flow requirements, if not authorized, will be deemed to be Unauthorized Demand Overrun gas. Unauthorized Demand Overrun gas may establish a new Contract Demand effective immediately and shall be subject to a charge equal to 120 % of the applicable monthly charge for twelve months of the current contract term, including retroactively based on terms of Service Contract. Based on capability of the local distribution facilities to accommodate higher demand, different conditions may apply as specified in the applicable Service Contract. Unauthorized Demand Overrun gas shall also be subject to Unauthorized Supply Overrun provisions.

6. **Unauthorized Supply Overrun:**

Any volume of gas taken by the Applicant on a day at the Terminal Location which exceeds the sum of:

i. any applicable provisions of Rate 315 and any applicable Load Balancing Provision pursuant to Rate 125, plus

ii. the volume of gas delivered by the Applicant on that day shall constitute Unauthorized Supply Overrun Gas.

The Company may also deem volumes of gas to be Unauthorized Supply Overrun gas in other circumstances, as set out in the Load Balancing Provisions of Rate 125.

Any gas deemed to be Unauthorized Overrun gas shall be purchased by the customer at a price (Pe), which is equal to 150% of the highest price in effect for that day as defined below***.**

7. **Unauthorized Supply Underrun:**

Any volume of gas delivered by the Applicant on any day in excess of the sum of:

i. any applicable provisions of Rate 315 and any applicable Load Balancing Provision pursuant to Rate 125, plus

ii. the volume of gas taken by the Applicant at the Terminal Location on that day shall be classified as Supply Underrun Gas.

The Company may also deem volumes of gas to be Unauthorized Supply Underrun gas in other circumstances, as set out in the Load Balancing Provisions of Rate 125.

Any gas deemed to be Unauthorized Supply Underrun Gas shall be purchased by the Company at a price (P_u) which is equal to fifty percent (50%) of the lowest price in effect for that day as defined below**.

* where the price P_e expressed in cents / cubic metre is defined as follows:
$P_e = (P_m * E_r * 100 * 0.03769 / 1.055056) * 1.5$

P_m = highest daily price in U.S. $/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the terminal location is in the CDA delivery area, and the Iroquois export point if the terminal location is in the EDA delivery area.

E_r = Noon day spot exchange rate expressed in Canadian dollars per U.S. dollar for such day quoted by the Bank of Canada in the following day's Globe & Mail Publication.

1.055056 = Conversion factor from mmBtu to GJ.

0.03769 = Conversion factor from GJ to cubic metres.

** where the price P_u expressed in cents / cubic metre is defined as follows:
$P_u = (P_l * E_r * 100 * 0.03769 / 1.055056) * 0.5$

P_l = lowest daily price in U.S. $/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the terminal location is in the CDA delivery area, and the Iroquois export point if the terminal location is in the EDA delivery area.

Term of Contract:

A minimum of one year. A longer-term contract may be required if incremental contracts/assets/facilities have been procured/built for the customer. Migration from an unbundled rate to bundled rate may be restricted subject to availability of adequate transportation and storage assets.

Right to Terminate Service:

The Company reserves the right to terminate service to customers served hereunder where the customer's failure to comply with the parameters of this rate schedule, including the load balancing provisions, jeopardizes either the safety or reliability of the gas system. The Company shall provide notice to the customer of such termination; however, no notice is required to alleviate emergency conditions.

LOAD BALANCING PROVISIONS:

Load Balancing Provisions shall apply at the customer's Terminal Location or at the location of the meter installation for a customer served from a dedicated facility. In the event of an imbalance any excess delivery above the customer's actual consumption or delivery less than the actual consumption shall be subject to the Load Balancing Provisions.

Definitions:

Aggregate Delivery:

The Aggregate Delivery for a customer's account shall equal the sum of the confirmed nominations of the customer for delivery of gas to the applicable delivery area from all pipeline sources including where applicable, the confirmed nominations of the customer for Storage Service under Rate 316 or Rate 315 and any available No-Notice Storage Service under Rate 315 for delivery of gas to the Applicable Delivery Area.

Applicable Delivery Area:

The Applicable Delivery Area for each customer shall be specified by contract as a Primary Delivery Area. Where system-operating conditions permit, the Company, in its sole discretion, may accept a Secondary Delivery Area as the Applicable Delivery Area by confirming the customer's nomination of such area. Confirmation of a Secondary Delivery Area for a period of a gas day shall cause such area to become the Applicable Delivery Area for such day. Where delivery occurs at both a Terminal Location and a Secondary Delivery Area on a given day, the sum of the confirmed deliveries may not exceed the Contract Demand, unless Demand Overrun and/or Make-up Gas is authorized.

Primary Delivery Area:

The Primary Delivery Area shall be delivery area such as EGD's Central Delivery Area (CDA) or EGD's Eastern Delivery Area (EDA), or other Delivery Area as specified in the applicable Service Contract.

Secondary Delivery Area:

A Secondary Delivery Area may be a delivery area such as Dawn where the Company, at its sole discretion, determines that operating conditions permit gas deliveries for a customer.

Actual Consumption:

The Actual Consumption of the customer shall be the metered quantity of gas consumed at the customer's Terminal Location or in the event of combined nominations at the Terminal Locations specified.

Net Available Delivery:

The Net Available Delivery shall equal the Aggregate Delivery times one minus the annually determined percentage of Unaccounted for Gas (UFG) as reported by the Company.

Daily Imbalance:

The Daily Imbalance shall be the absolute value of the difference between Actual Consumption and Net Available Delivery.

Cumulative Imbalance:

The Cumulative Imbalance shall be the sum of the difference between Actual Consumption and Net Available Delivery since the date the customer last balanced or was deemed to have balanced its Cumulative Imbalance account.

Maximum Contractual Imbalance:

The Maximum Contractual Imbalance shall be equal to 60% of the customer's Contract Demand for non dedicated service and 60% of the Billing Contract Demand for dedicated service.

Winter and Summer Seasons:

The winter season shall commence on the date that the Company provides notice of the start of the winter period and conclude on the date that the Company provides notice of the end of the winter period. The summer season shall constitute all other days. The Company shall provide advance notice to the customer of the start and end of the winter season as soon as reasonably possible, but in no event not less than 2 days prior to the start or end.

Operational Flow Order:

An Operational Flow Order (OFO) shall constitute an issuance of instructions to protect the operational capacity and integrity of the Company's system, including distribution and/or storage assets, and/or connected transmission pipelines.

Enbridge Gas Distribution, acting reasonably, may call for an OFO in the following circumstances:

- Capacity constraint on the system, or portions of the system, or upstream systems, that are fully utilized;
- Conditions where the potential exists that forecasted system demand plus reserves for short notice services provided by the Company and allowances for power generation customers' balancing requirements would exceed facility capabilities and/or provisions of 3rd party contracts;
- Pressures on the system or specific portions of the system are too high or too low for safe operations;
- Storage system constraints on capacity or pressure or caused by equipment problems resulting in limited ability to inject or withdraw from storage;
- Pipeline equipment failures and/or damage that prohibits the flow of gas;
- Any and all other circumstances where the potential for system failure exists.

Daily Balancing Fee:

On any day where the customer has a Daily Imbalance the customer shall pay a Daily Balancing Fee equal to:

(Tier 1 Quantity X Tier 1 Fee) + (Tier 2 Quantity X Tier 2 Fee) + (Applicable Penalty Fee for Imbalance in excess of the Maximum Contractual Imbalance X the amount of Daily Imbalance in excess of the Maximum Contractual Imbalance)

Where Tier 1 and 2 Fees and Quantities are set forth as follows:

Tier 1 = 0.7362 cents/m3 applied to Daily Imbalance of greater than 2% but less than 10% of the Maximum Contractual Imbalance

Tier 2 = 0.8834 cents/m3 applied to Daily Imbalance of greater than 10% but less than the Maximum Contractual Imbalance

In addition for Tier 2, instances where the Daily Imbalance represents an under delivery of gas during the winter season shall constitute Unauthorized Supply Overrun Gas for all gas in excess of 10% of Maximum Contractual Imbalance. Where the Daily Imbalance represents an over delivery of gas during the summer season, the Company reserves the right to deem as Unauthorized Supply Underrun Gas for all gas in excess of 10% of Maximum Contractual Imbalance. The Company will issue a 24-hour advance notice to customers of its intent to impose cash out for over delivery of gas during the summer season.

For customers delivering to a Primary Delivery Area other than EGD's CDA or EGD's EDA, the Tier 1 Fee is applied to Daily Imbalance of greater than 0% but less than 10% of the Maximum Contractual Imbalance

The customers shall also pay any Limited Balancing Agreement (LBA) charges imposed by the pipeline on days when the customer has a Daily Imbalance provided such imbalance matches the direction of the pipeline imbalance. LBA charges shall first be allocated to customers served under Rates 125 and 300. The system bears a portion of these charges only to the extent that the system incurs such charges based on its operation excluding the operation of customers under Rates 125 and 300. In that event, LBA charges shall be prorated based on the relative imbalances. The Company will provide the customer with a derivation of any such charges.

Customer’s Actual Consumption cannot exceed Net Available Delivery when the Company issues an Operational Flow Order in the winter. Net nominations must not be less than consumption at the Terminal Location. Any negative Daily Imbalance on a winter Operational Flow Order day shall be deemed to be Unauthorized Supply Overrun. Customer’s Net Available Delivery cannot exceed Actual Consumption when the Company issues an Operational Flow Order in the summer. Actual Consumption must not be less than net nomination at the Terminal Location. Any positive Daily Imbalance on a summer Operational Flow Order day shall be deemed to be Unauthorized Supply Underrun.

The Company will waive Daily Balancing Fee and Cumulative Imbalance Charge on the day of an Operational Flow Order if the customer used less gas that the amount the customer delivered to the system during the winter season or the customer used more gas than the amount the customer delivered to the system during the summer season. The Company will issue a 24-hour advance notice to customers of Operational Flow Orders and suspension of Load Balancing Provisions.

Cumulative Imbalance Charges:

Customers may trade Cumulative Imbalances within a delivery area. Customers may also nominate to transfer gas from their Cumulative Imbalance Account into an unbundled (Rate 315 or Rate 316) storage account of the customer subject to their storage contract parameters.

Customers shall be permitted to nominate Make-up Gas, subject to operating constraints, provided that Make-up Gas plus Aggregate Delivery do not exceed the Contract Demand. The Company may, on days with no operating constraints, authorize Make-up Gas that, in conjunction with Aggregate Delivery, exceeds the Contract Demand.

The customer’s Cumulative Imbalance cannot exceed its Maximum Contractual Imbalance. In the event that the customer's imbalance exceeds their Maximum Contractual Imbalance the Company shall deem the excess imbalance to be Unauthorized Supply Overrun or Underrun gas, as appropriate.

The Cumulative Imbalance Fee, applicable daily, is 1.0764 cents/m3 per unit of imbalance.

In addition, on any day that the Company declares an Operational Flow Order, negative Cumulative Imbalances greater than 10 % of Maximum Contractual Imbalance in the winter season shall be deemed to be Unauthorized Overrun Gas. The Company reserves the right to deem positive Cumulative Imbalances greater than 10% of Maximum Contractual Imbalance in the summer season as Unauthorized Supply Underun Gas. The Company will issue a 24-hour advance notice to customers of Operational Flow Orders including cash out instructions for Cumulative Imbalances greater than 10 % of Maximum Contractual Imbalance.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2013. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054 effective April 1, 2012.

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of an annual supply of natural gas of not less than 340,000 cubic metres.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure. A maximum of five percent of the contracted annual volume may be taken by the Applicant in a single month during the months of December to March inclusively.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month	
	December to March	**April to November**
Monthly Customer Charge	**$115.08**	**$115.08**
Delivery Charge		
For the first 14,000 m³ per month	**6.8121 ¢/m³**	**2.1121 ¢/m³**
For the next 28,000 m³ per month	**5.6121 ¢/m³**	**1.4121 ¢/m³**
For all over 42,000 m³ per month	**5.2121 ¢/m³**	**1.2121 ¢/m³**
Gas Supply Load Balancing Charge	**0.0000 ¢/m³**	**0.0000 ¢/m³**
Transportation Charge per cubic metre	**5.8487 ¢/m³**	**5.8487 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**9.4010 ¢/m³**	**9.4010 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

The applicant has the option of delivering either Option a) a Mean Daily Volume ("MDV") based on 12 months, or Option b) a Modified Mean Daily Volume ("MMDV") based on nine months of deliveries. Authorized Volumes for the months of January, February and March would be zero under option b).

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Failure to deliver a volume of gas equal to the Mean Daily Volume under Option a) set out in the Service Contract during the months of December to March inclusive may result in the Applicant not being eligible for service under this rate in a subsequent contract period, at the Company's sole discretion.

Failure to deliver a volume of gas equal to the Modified Mean Daily Volume under Option b) set out in the Service Contract during the month of December may result in the Applicant not being eligible for service under this rate in a subsequent contract period, at the Company's sole discretion.

RATE NUMBER: **135**

SEASONAL CREDIT:

Rate per cubic metre of Mean Daily Volume from December to March	**$**	**0.77 /m³**
Rate per cubic metre of Modified Mean Daily Volume for December	**$**	**0.77 /m³**

SEASONAL OVERRUN CHARGE:

During the months of December through March inclusively, any volume of gas taken in a single month in excess of five percent of the annual contract volume (Seasonal Overrun Monthly Volume) will be subject to Seasonal Overrun Charges in place of both the Delivery and Gas Supply Load Balancing Charges. The Seasonal Overrun Charge applicable for the months of December and March shall be calculated as 2.0 times the sum of the Gas Supply Load Balancing Charge, Transportation Charge and the maximum Delivery Charge. The Seasonal Overrun Charge applicable for the months of January and February shall be calculated as 5.0 times the sum of the Load Balancing Charge, Transportation Charge and the maximum Delivery Charge.

Seasonal Overrun Charges:

December and March	**25.3216 ¢/m³**
January and February	**63.3040 ¢/m³**

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service): **9.4942 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2013 under Sales Service and Transportation Service. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054, effective April 1, 2012.

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation of a specified maximum daily volume of natural gas to a single terminal location ("Terminal Location") which can accommodate the total interruption of gas service as ordered by the Company exercising its sole discretion. The Company reserves the right to satisfy itself that the customer can accommodate the interruption of gas through either a shutdown of operations or a demonstrated ability and readiness to switch to an alternative fuel source. Any Applicant for service under this rate schedule must agree to transport a minimum annual volume of 340,000 cubic metres.

CHARACTER OF SERVICE:

In addition to events as specified in the Service Contract including force majeure, service shall be subject to curtailment or discontinuance upon the Company issuing a notice not less than 16 hours prior to the time at which such curtailment or discontinuance is to commence. An Applicant may, by contract, agree to accept a shorter notice period.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$123.34**
Delivery Charge	
Per cubic metre of Firm Contract Demand	**8.2300 ¢/m³**
For the first 14,000 m³ per month	**2.9234 ¢/m³**
For the next 28,000 m³ per month	**1.5644 ¢/m³**
For all over 42,000 m³ per month	**1.0054 ¢/m³**
Gas Supply Load Balancing Charge	**0.1743 ¢/m³**
Transportation Charge per cubic metre	**5.8487 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**9.4565 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

CURTAILMENT CREDIT:

Rate for 16 hours of notice per cubic metre of Mean Daily Volume from December to March **$ 0.50 /m³**

RATE NUMBER: **145**

In addition, if the Applicant is supplying its own gas requirements, the gas delivered by the Applicant during the period of curtailment shall be purchased by the Company for the Company's use. The purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas *Market Report* published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled "Domestic spot gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

For the areas specified in Appendix A to this Rate Schedule, the Company's gas distribution network does not have sufficient physical capacity under current operating conditions to accommodate the provision of firm service to existing interruptible locations.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Any material instance of failure to curtail in any contract year may result in the Applicant forfeiting the right to be served under this rate schedule.

In such case, service hereunder would cease, notwithstanding any Service Contract between the Company and the Applicant. Gas supply and/or transportation service would continue to be available to the Applicant pursuant to the provisions of the Company's Rate 6 until a Service Contract pursuant to another applicable Rate Schedule was executed.

Any Applicant taking a material volume of Unauthorized Supply Overrun Gas, during a period of ordered curtailment, may forfeit its curtailment credits for the respective winter season, December through March inclusive.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency (See Terms and Conditions of Service):	**8.9131 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2013 under Sales Service and Transportation Service. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054, effective April 1, 2012.

RATE NUMBER: **170**	**LARGE INTERRUPTIBLE SERVICE**

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation of a specified maximum daily volume of natural gas of not less than 30,000 cubic metres and a minimum annual volume of 5,000,000 cubic metres to a single terminal location ("Terminal Location") which can accommodate the total interruption of gas service when required by the Company. The Company reserves the right to satisfy itself that the customer can accommodate the interruption of gas through either a shutdown of operations or a demonstrated ability and readiness to switch to an alternative fuel source.
The Company, exercising its sole discretion, may order interruption of gas service upon not less than four (4) hours notice.

CHARACTER OF SERVICE:

In addition to events as specified in the Service Contract including force majeure, service shall be subject to curtailment or discontinuance upon the Company issuing a notice not less than 4 hours prior to the time at which such curtailment or discontinuance is to commence.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month
	January to December
Monthly Customer Charge	**$279.31**
Delivery Charge	
Per cubic metre of Contract Demand	**4.0900 ¢/m³**
Per cubic metre of gas delivered	
For the first 1,000,000 m³ per month	**0.5170 ¢/m³**
For all over 1,000,000 m³ per month	**0.3170 ¢/m³**
Gas Supply Load Balancing Charge	**0.0972 ¢/m³**
Transportation Charge per cubic metre	**5.8487 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**9.3377 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

CURTAILMENT CREDIT:

Rate for 4 hours of notice per cubic metre of Mean Daily Volume from December to March **$ 1.10 /m³**

In addition, if the Applicant is supplying its own gas requirements, the gas delivered by the Applicant during the period of curtailment shall be purchased by the Company for the Company's use. The purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas *Market Report* published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled "Domestic spot gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

For the areas specified in Appendix A to this Rate Schedule, the Company's gas distribution network does not have sufficient physical capacity under current operating conditions to accommodate the provision of firm service to existing interruptible locations.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Any material instance of failure to curtail in any contract year may result in the Applicant forfeiting the right to be served under this rate schedule.

In such case, service hereunder would cease, notwithstanding any Service Contract between the Company and the Applicant. Gas supply and/or transportation service would continue to be available to the Applicant pursuant to the provisions of the Company's Rate 6 until a Service Contract pursuant to another applicable Rate Schedule was executed.

Any Applicant taking a material volume of Unauthorized Supply Overrun Gas, during a period of ordered curtailment, may forfeit its curtailment credits for the respective winter season, December through March inclusive.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service): **6.4297 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2013 under Sales Service and Transportation Service. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054, effective April 1, 2012.

APPLICABILITY:

To any Distributor who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation of an annual supply of natural gas to customers outside of the Company's franchise area.

CHARACTER OF SERVICE:

Service shall be continuous (firm), except for events as specified in the Service Contract including force majeure, up to the contracted firm daily demand and subject to curtailment or discontinuance, of demand in excess of the firm contract demand, upon the Company issuing a notice not less than 4 hours prior to the time at which such curtailment or discontinuance is to commence.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	
The monthly customer charge shall be negotiated with the applicant and shall not exceed:	**$2,000.00**
Delivery Charge	
Per cubic metre of Firm Contract Demand	**14.7000 ¢/m³**
Per cubic metre of gas delivered	**1.3266 ¢/m³**
Gas Supply Load Balancing Charge	**0.6212 ¢/m³**
Transportation Charge per cubic metre	**5.8487 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**9.3377 ¢/m³**
Buy/Sell Sales Gas Supply Charge per cubic metre (If applicable)	**9.3109 ¢/m³**

The rates quoted above shall be subject to the Gas Inventory Adjustment contained in Rider "C" and the Revenue Adjustment Rider contained in Rider "E". Also, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable to volumes of natural gas purchased from the Company. The volumes purchased shall be the volumes delivered at the Point of Delivery less any volumes, which the Company does not own and are received at the Point of Acceptance for delivery to the Applicant at the Point of Delivery.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

CURTAILMENT CREDIT:

Rate for 4 hours of notice per cubic metre of Mean Daily Volume from December to March **$ 1.10 /m³**

In addition, if the Applicant is supplying its own gas requirements, the gas delivered by the Applicant during the period of curtailment shall be purchased by the Company for the Company's use. The purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas *Market Report* published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled "Domestic spot gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

For the areas specified in Appendix A to this Rate Schedule, the Company's gas distribution network does not have sufficient physical capacity under current operating conditions to accommodate the provision of firm service to existing interruptible locations.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Any material instance of failure to curtail in any contract year may result in the Applicant forfeiting the right to receive interruptible service under this rate schedule.

Any Applicant taking a material volume of Unauthorized Supply Overrun Gas, during a period of ordered curtailment, may forfeit its curtailment credits for the respective winter season, December through March inclusive.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency (See Terms and Conditions of Service):	**7.7633 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2013 under Sales Service including Buy/Sell Arrangements and Transportation Service. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054, effective April 1, 2012.

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation to a single Terminal Location of a specified maximum daily volume of natural gas. The Company reserves the right to limit service under this schedule to customers whose maximum contract demand does not exceed 600,000 m3. The Service under this rate requires Automatic Meter Reading (AMR) capability. Service under this schedule is firm unless a customer is currently served under interruptible distribution service or the Company, in its sole judgment, determines that existing delivery facilities cannot adequately serve the load on a firm basis.

The unitized Monthly Contract Demand Charge is also applicable to volumes delivered to any Applicant taking service under a Curtailment Delivered Supply contract with the Company. The unitized rate equals the applicable Monthly Contract Demand Charge times 12/365.

CHARACTER OF SERVICE:

The Service shall be continuous (firm) except for events specified in the Service Contract including force majeure. The Applicant is neither allowed to take a daily quantity of gas greater than the Contract Demand nor an hourly amount in excess of the Contract Demand divided by 24, without the Company's prior consent. Interruptible Distribution Service is provided on a best efforts basis subject to the events identified in the service contract including force majeure and, in addition, shall be subject to curtailment or discontinuance of service when the Company notifies the customer under normal circumstances 4 hours prior to the time that service is subject to curtailment or discontinuance. Under emergency conditions, the Company may curtail or discontinue service on one-hour notice. The Interruptible Service Customer is not allowed to exceed maximum hourly flow requirements as specified in Service Contract.

DISTRIBUTION RATES:

Monthly Customer Charge	**$500.00**
Monthly Contract Demand Charge Firm	**26.2260 ¢/m³**
Interruptible Service:	
Minimum Delivery Charge	**0.3769 ¢/m³**
Maximum Delivery Charge	**1.0347 ¢/m³**
Direct Purchase Administration Charge	**$75.00**
Forecast Unaccounted For Gas Percentage	**0.3%**

Monthly Minimum Bill: The Monthly Customer Charge plus the Monthly Contract Demand Charge.

TERMS AND CONDITIONS OF SERVICE:

1. To the extent that this Rate Schedule does not specifically address matters set out in PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** then the provisions in those Parts shall apply, as contemplated therein, to service under this Rate Schedule.

2. **Unaccounted for Gas (UFG) Adjustment Factor**:

   The Applicant is required to deliver to the Company on a daily basis the sum of: (a) the volume of gas to be delivered to the Applicant's Terminal Location; and (b) a volume of gas equal to the forecast unaccounted for gas percentage as stated above multiplied by (a).

3. **Nominations**:

   Customer shall nominate gas delivery daily based on the gross commodity delivery required to serve the customer's daily load plus the UFG, net of No-Notice Storage Service provisions under Rate 315, if applicable. The amount of gas delivered under No-Notice Storage Service will also be reduced by the UFG adjustment factor for delivery to the customer's meter.

   Customers may change daily nominations based on the nomination windows within a day as defined by the customer contract with TransCanada PipeLines (TCPL) or Union Gas Limited.

   Schedule of nominations under Rate 300 has to match upstream nominations. This rate does not allow for any more flexibility than exists upstream of the EGD gas distribution system. Where the customer's nomination does not match the confirmed upstream nomination, the nomination will be confirmed at the upstream value.

Customer may nominate gas to a contractually specified Primary Delivery Area that may be EGD's Central Delivery Area (CDA) or EGD's Eastern Delivery Area (EDA) *or* other Delivery Area as specified in the applicable Service Contract. The Company may accept deliveries at a Secondary Delivery Area such as Dawn, at its sole discretion. Quantities of gas nominated to the system cannot exceed Contract Demand, unless Make-up Gas or Authorized Overrun is permitted.

Customers with multiple Rate 300 contracts within a Primary Delivery Area may combine nominations subject to system operating requirements and subject to the Contract Demand for each Terminal Location. For combined nominations the customer shall specify the quantity of gas to each Terminal Location and the order in which gas is to be delivered to each Terminal Location. The specified order of deliveries shall be used to administer Load Balancing Provisions to each Terminal Location. When system conditions require delivery to a single Terminal Location only, nominations with different Terminal Locations may not be combined.

4. **Authorized Demand Overrun:**

The Company may, at its sole discretion, authorize consumption of gas in excess of the Contract Demand for limited periods within a month, provided local distribution facilities have sufficient capacity to accommodate higher demand. In such circumstances, customer shall nominate gas delivery based on the gross commodity delivery required to serve the customer's daily load, including quantities of gas in excess of the Contract Demand, plus the UFG. The Load Balancing Provisions and/or No-Notice Storage Service provisions under Rate 315 cannot be used for Authorized Demand Overrun. Failure to nominate gas deliveries to match Authorized Demand Overrun shall constitute Unauthorized Supply Overrun.

The rate applicable to Authorized Demand Overrun shall equal the applicable Monthly Demand Charge times 12/365 provided, however, that such service shall not exceed 5 days in any contract year. Requests beyond 5 days will constitute a request for a new Contract Demand level, with retroactive charges based on terms of Service Contract.

5. **Unauthorized Demand Overrun:**

Any gas consumed in excess of the Contract Demand and/or maximum hourly flow requirements, if not authorized, will be deemed to be Unauthorized Demand Overrun gas. Unauthorized Demand Overrun gas will establish a new Contract Demand and shall be subject to a charge equal to 120 % of the applicable monthly charge for twelve months of the current contract term, including retroactively based on terms of Service Contract. Unauthorized Demand Overrun gas shall also be subject to Unauthorized Supply Overrun provisions. Where a customer receives interruptible service hereunder and consumes gas during a period of interruption, such gas shall be deemed Unauthorized Supply Overrun. In addition to charges for Unauthorized Supply Overrun, interruptible customers consuming gas during a scheduled interruption shall pay a penalty charge of $18.00 per m3.

6. **Unauthorized Supply Overrun:**

Any volume of gas taken by the Applicant on a day at the Terminal Location which exceeds the sum of:

i. any applicable Load Balancing Provision pursuant to Rate 300 and/or provisions of Rate 315, plus

ii. the volume of gas delivered by the Applicant on that day shall constitute Unauthorized Supply Overrun Gas.

The Company may also deem volumes of gas to be Unauthorized Supply Overrun gas in other circumstances, as set out in the Load Balancing Provisions of Rate 300.

Any gas deemed to be Unauthorized Overrun gas shall be purchased by the customer at a price (Pe), which is equal to 150% of the highest price in effect for that day as defined below*.

7. **Unauthorized Supply Underrun:**

Any volume of gas delivered by the Applicant on any day in excess of the sum of:

i. any applicable Rate 300 Load Balancing Provision pursuant to Rate 300 and/or provisions of Rate 315, plus

ii. the volume of gas taken by the Applicant at the Terminal Location on that day shall be classified as Supply Underrun Gas.

The Company may also deem volumes of gas to be Unauthorized Supply Underrun gas in other circumstances, as set out in the Load Balancing Provisions of Rate 300.

Any gas deemed to be Unauthorized Supply Underrun Gas shall be purchased by the Company at a price (P_u) which is equal to fifty percent (50%) of the lowest price in effect for that day as defined below**.

* where the price P_e expressed in cents / cubic metre is defined as follows:

$P_e = (P_m * E_r * 100 * 0.03769 / 1.055056) * 1.5$

P_m = highest daily price in U.S. $/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the terminal location is in the CDA delivery area, and the Iroquois export point if the terminal location is in the EDA delivery area.

E_r = Noon day spot exchange rate expressed in Canadian dollars per U.S. dollar for such day quoted by the Bank of Canada in the following days Globe & Mail Publication.

1.055056 = Conversion factor from mmBtu to GJ.

0.03769 = Conversion factor from GJ to cubic metres.

** where the price P_u expressed in cents / cubic metre is defined as follows:

$P_u = (P_l * E_r * 100 * 0.03769 / 1.055056) * 0.5$

P_l = lowest daily price in U.S. $/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the terminal location is in the CDA delivery area, and the Iroquois export point if the terminal location is in the EDA delivery area.

Term of Contract:

A minimum of one year. A longer-term contract may be required if incremental assets/facilities have been procured/built for the customer. Migration from an unbundled rate to bundled rate may be restricted subject to availability of adequate transportation and storage assets.

Right to Terminate Service:

The Company reserves the right to terminate service to customers served hereunder where the customer's failure to comply with the parameters of this rate schedule, including interruptible service and load balancing provisions, jeopardizes either the safety or reliability of the gas system. The Company shall provide notice to the customer of such termination; however, no notice is required to alleviate emergency conditions.

Load Balancing:

Any difference between actual daily-metered consumption and the actual daily volume of gas delivered to the system less the UFG shall first be provided under the provisions of Rate 315 - Gas Storage Service, if applicable. Any remaining difference will be subject to the Load Balancing Provisions.

LOAD BALANCING PROVISIONS:

Load Balancing Provisions shall apply at the customer's Terminal Location.

In the event of an imbalance any excess delivery above the customer's actual consumption or delivery less than the actual consumption shall be subject to the Load Balancing Provisions.

Definitions:

Aggregate Delivery:

The Aggregate Delivery for a customer's account shall equal the sum of the confirmed nominations of the customer for delivery of gas to the applicable delivery area from all pipeline sources plus, where applicable, the confirmed nominations of the customer for Storage Service under Rate 316 or Rate 315 and any available No-Notice Storage Service under Rate 315 for delivery of gas to the Applicable Delivery Area.

Applicable Delivery Area:

The Applicable Delivery Area for each customer shall be specified by contract as a Primary Delivery Area. Where system-operating conditions permit, the Company, in its sole discretion, may accept a Secondary Delivery Area as the Applicable Delivery Area by confirming the customer's nomination of such area. Confirmation of a Secondary Delivery Area for a period of a gas day shall cause such area to become the Applicable Delivery Area for such day. Where delivery occurs at both a Terminal Location and a Secondary Delivery Area on a given day, the sum of the confirmed deliveries may not exceed Contract Demand, unless Demand Overrun and/or Make-up Gas is authorized.

Primary Delivery Area:

The Primary Delivery Area shall be delivery area such as EGD's Central Delivery Area (CDA) or EGD's Eastern Delivery Area (EDA), or other Delivery Area as specified in the applicable Service Contract.

Secondary Delivery Area:

A Secondary Delivery Area may be a delivery area such as Dawn where the Company, at its sole discretion, determines that operating conditions permit gas deliveries for a customer.

Actual Consumption:

The Actual Consumption of the customer shall be the metered quantity of gas consumed at the customer's premise.

Net Available Delivery:

The Net Available Delivery shall equal the Aggregate Delivery times one minus the annually determined percentage of Unaccounted for Gas (UFG) as reported by the Company.

Daily Imbalance:

The Daily Imbalance shall be the absolute value of the difference between Actual Consumption and Net Available Delivery.

Cumulative Imbalance:

The Cumulative Imbalance shall be the sum of the difference between Actual Consumption and Net Available Delivery.

Maximum Contractual Imbalance:

The Maximum Contractual Imbalance shall be equal to 60% of the customer's Contract Demand.

Winter and Summer Seasons:

The winter season shall commence on the date that the Company provides notice of the start of the winter period and conclude on the date that the Company provides notice of the end of the winter period. The summer season shall constitute all other days. The Company shall provide advance notice to the customer of the start and end of the winter season as soon as reasonably possible, but in no event not less than 2 days prior to the start or end.

Operational Flow Order:

An Operational Flow Order (OFO) shall constitute an issuance of instructions to protect the operational capacity and integrity of the Company's system, including distribution and/or storage assets, and/or connected transmission pipelines.

Enbridge Gas Distribution, acting reasonably, may call for an OFO in the following circumstances:

- Capacity constraint on the system, or portions of the system, or upstream systems, that are fully utilized;
- Conditions where the potential exists that forecasted system demand plus reserves for short notice services provided by the Company and allowances for power generation customers' balancing requirements would exceed facility capabilities and/or provisions of 3rd party contracts;
- Pressures on the system or specific portions of the system are too high or too low for safe operations;
- Storage system constraints on capacity or pressure or caused by equipment problems resulting in limited ability to inject or withdraw from storage;
- Pipeline equipment failures and/or damage that prohibits the flow of gas;
- Any and all other circumstances where the potential for system failure exists.

Daily Balancing Fee:

On any day where the customer has a Daily Imbalance the customer shall pay a Daily Balancing Fee equal to:

(Tier 1 Quantity X Tier 1 Fee) + (Tier 2 Quantity X Tier 2 Fee) + (Applicable Penalty Fee for Imbalance in excess of the Maximum Contractual Imbalance X the amount of Daily Imbalance in excess of the Maximum Contractual Imbalance)

Where Tier 1 and 2 Fees and Quantities are set forth as follows:

Tier 1 = Daily Imbalance of greater than 2% but less than 10% of the Maximum Contractual Imbalance and shall be subject to a charge of 0.7362 cents/M3

Tier 2 = Daily Imbalance of greater than 10% but less than Maximum Contractual Imbalance shall be subject to a charge of 0.8834 cents/m3

The customers shall also pay any Limited Balancing Agreement (LBA) charges imposed by the pipeline on days when the customer has a Daily Imbalance provided such imbalance matches the direction of the pipeline imbalance. LBA charges shall first be allocated to customers served under Rate 125 and 300. The system bears a portion of these charges only to the extent that the system incurs such charges based on its operation excluding the operation of customers under Rates 125 and 300. In that event, LBA charges shall be prorated based on the relative imbalances.

A Daily Imbalance in excess of the Maximum Contractual Imbalance shall be deemed to be Unauthorized Supply Overrun or Underrun gas, as appropriate.

Customer's Actual Consumption cannot exceed Net Available Delivery when the Company issues an Operational Flow Order in the winter. Net nominations must not be less than consumption at the Terminal Location. Any negative Daily Imbalance on a winter Operational Flow Order day shall be deemed to be Unauthorized Supply Overrun. Customer's Net Available Delivery cannot exceed Actual Consumption when the Company issues an Operational Flow Order in the summer. Actual Consumption must not be less than net nomination at the Terminal Location. Any positive Daily Imbalance on a summer Operational Flow Order day shall be deemed to be Unauthorized Supply Underrun.

The Company will waive Daily Balancing Fee and Cumulative Imbalance Charge on the day of an Operational Flow Order if the customer used less gas that the amount the customer delivered to the system during the winter season or the customer used more gas than the amount the customer delivered to the system during the summer season. The Company will issue a 24-hour advance notice to customers of Operational Flow Orders and suspension of Load Balancing Provisions.

Cumulative Imbalance Charges:

Customers may trade Cumulative Imbalances within a delivery area.

Customers shall be permitted to nominate Make-up Gas, subject to operating constraints, provided that Make-up Gas plus Aggregate Delivery do not exceed Contract Demand. The Company may, on days with no operating constraints, authorize Make-up Gas that, in conjunction with Aggregate Delivery, exceeds Contract Demand.

The customer's Cumulative Imbalance cannot exceed its Maximum Contractual Imbalance. The excess imbalance shall be deemed to be Unauthorized Supply Overrun or Underrun gas, as appropriate.

The Cumulative Imbalance Fee, applicable daily, is 0.7423 cents/m3 per unit of imbalance.

The customer's Cumulative Imbalance shall be equal to zero within five (5) days from the last day of the Service Contract.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2013. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054 effective April 1, 2012.

APPLICABILITY:

This rate is available to any customer taking service under Distribution Rates 125 and 300. It requires a Service Contract that identifies the required storage space and deliverability. In addition, the customer shall maintain a positive balance of gas in storage at all times or forfeit the use of Storage Services for Load Balancing and No-Notice Storage Service.

A daily nomination for storage injection and withdrawal except for No-Notice Storage Service, hereunder, which is used automatically for daily Load Balancing, shall also be required.

The maximum hourly injections / withdrawals shall equal $1/24^{th}$ of the daily Storage Demand. No-Notice Storage Service is available up to the maximum daily withdrawal rights less the nominated withdrawal or the maximum daily injection rights less the nominated injections.

Storage space shall be based on either of two storage allocation methodologies: (customer's average winter demand - customer's average annual demand) x 151, or [(17 x customers's maximum hourly demand) / 0.1] x 0.57. Customers have the option to select from these two storage space allocation methods the one that best suits their requirements.

Maximum deliverability shall be 1.2% of contracted storage space. The customer may inject and withdraw gas based on the quantity of gas in storage and the limitations specified in the Service Contract. Both injection and withdrawal shall be subject to applicable storage ratchets as determined by the Company and posted from time to time.

CHARACTER OF SERVICE:

Service shall be firm when used in conjunction with firm distribution service. Service is interruptible when used in conjunction with interruptible distribution service. All service is subject to contract terms and force majeure.

The service is available on two bases:

(1) Service nominated daily based on the available capacity and gas in storage up to the maximum contracted daily deliverability; and

(2) No-Notice Storage Service for daily Load Balancing consistent with the maximum hourly deliverability.

RATE:

The following rates and charges shall apply in respect to all gas received by the Company from and delivered by the Company to storage on behalf of the Applicant.

Monthly Customer Charge:	**$150.00**
Storage Reservation Charge:	
Monthly Storage Space Demand Charge	**0.054 ¢/m³**
Monthly Storage Deliverability Demand Charge	**16.9311 ¢/m³**
Injection & Withdrawal Unit Charge:	**0.3098 ¢/m³**

Monthly Minimum Bill: The sum of the Monthly Customer Charge plus Monthly Demand Charges.

FUEL RATIO REQUIREMENT:

The Fuel Ratio per unit of gas injected and withdrawn is 0.35%.

All Storage Space and Deliverability/Injection Demand Charges are applicable monthly. Injection and withdrawal charges are applicable to each unit of gas injected or withdrawn based on daily nominations and No-Notice Storage Service quantities.

All deemed withdrawal quantities under the No-Notice Storage Service provisions of this rate will be adjusted for the UFG provisions applicable to the distribution service rates.

In addition, for each unit of injection or withdrawal there will be an applicable fuel charge adjustment expressed as a percent of gas.

TERMS AND CONDITIONS OF SERVICE:

1. **Nominated Storage Service**:

Nominations under this rate shall only be accepted at the standard North American Energy Standards Board ("NAESB") nomination windows. The customer may elect to nominate all or a portion of the available withdrawal capacity for delivery to the applicable Primary Delivery Area, which may be EGD’s Central Delivery Area (CDA) or EGD’s Eastern Delivery Area (EDA). All volumes nominated from storage are delivered first for purposes of daily Load Balancing of available supply assets. When system conditions permit, the customer may nominate all or a portion of the available withdrawal capacity for delivery to Dawn or to the customer's Primary Delivery Area for purposes other than consumption at the customer's own meter.

Storage not nominated for delivery will be available for No-Notice Storage Service. The sum of gas nominated for storage injection and for the Terminal Location shall not exceed the customer's Contract Demand (CD).

The customer may also nominate gas for delivery into storage by nominating the storage delivery area as the Primary Delivery Area. Gas nominated for storage delivery will not be available for No-Notice Storage Service. The sum of gas nominated for storage injection and for the Terminal Location shall not exceed the customer’s CD.
Any gas in excess of the contract demand will be subject to cash out as injection overrun gas.

The Company reserves the right to limit injection and withdrawal rights to all storage customers in certain situations, such as major maintenance or construction projects, and may reduce nominations for injections and withdrawals over and above applicable storage ratchets. The Company will provide customers with one week's notice of its intent to limit injection and withdrawal rights, and at the same time, shall provide its best estimate of the duration and extent of the limitations.

In situations where the Company limits injection and withdrawal rights, the Company shall proportionately reduce the Storage Deliverability/Injection Demand Charge for affected customers based on the number of days the limitation is in effect and the difference between Deliverability/Injection Demand, subject to applicable storage ratchets, and the quantity of gas actually delivered or injected.

2. **No-Notice Storage Service**:

The Company, at its sole discretion based on operating conditions, may provide a No-Notice Storage Service that allows customers taking gas under distribution service rates to balance daily deliveries using this Storage Service. No-Notice Storage Service requires that the customer grant the Company the exclusive right to use unscheduled service available from storage to reduce the daily imbalance associated with the actual consumption of the customer.

No-Notice Storage Service is limited to the available, unscheduled withdrawal or injection capacity under contract to serve a customer. Where the customer serves multiple delivery locations from a single storage Service Contract, the customer shall specify the order in which gas is to be delivered to each Terminal Location served under a distribution Service Contract. The specified order of deliveries shall be used to administer Load Balancing Provisions to each Terminal Location.

The availability of No-Notice Storage Service is subject to and reduced by any service schedule from or to storage. To the extent that the quantity of gas available in storage is insufficient to meet the requirements of the customer under a No-Notice Storage Service, the customer will be unable to use the service on a no-notice basis for Load Balancing service. To the extent that the scheduled injections into storage plus No-Notice Storage Service exceed the maximum limit for injection, No-Notice Storage Service will be reduced and the remainder of the gas will constitute a daily imbalance. Gas delivered in excess of the maximum injection quantity shall be deemed injection overrun gas and cashed out at 50% of the lowest index price of gas.

Other provisions:

If the customer elects to use the contracted storage capacity at less than the full volumetric capacity of the storage, the Company may inject its own gas provided that such injection does not reduce the right of the customer to withdraw the full amount of gas injected on any day during the withdrawal season or to schedule its full injection right during the injection season.

Term of Contract:

A minimum of one year.

A longer-term contract may be required if incremental contracts/assets/facilities have been procured/built for the customer.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2013. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054 effective April 1, 2012.

APPLICABILITY:

This rate is available to any customer taking service under Distribution Rates 125 and 300. It requires a Service Contract that identifies the required storage space and deliverability. The customer shall maintain a positive balance of gas in storage at all times. In addition, the customer must arrange for pipeline delivery service from Dawn to the applicable Primary Delivery Area.

This service is not a delivered service and is only available when the relevant pipeline confirms the delivery.

The maximum hourly injections / withdrawals shall equal $1/24^{th}$ of the daily Storage Demand.

Storage space shall be based on either of two storage allocation methodologies: (customer's average winter demand - customer's average annual demand) x 151, or [(17 x customers's maximum hourly demand) / 0.1] x 0.57. Customers have the option to select from these two storage space allocation methods the one that best suits their requirements.

Maximum deliverability shall be 1.2% of contracted storage space. The customer may inject and withdraw gas based on the quantity of gas in storage and the limitations specified in the Service Contract. Both injection and withdrawal shall be subject to applicable storage ratchets as determined by the Company and posted from time to time.

CHARACTER OF SERVICE:

Service shall be firm when used in conjunction with firm distribution service. Service is interruptible when used in conjunction with interruptible distribution service. All service is subject to contract terms and force majeure.

The service is nominated based on the available capacity and gas in storage up to the maximum contracted daily deliverability.

RATE:

The following rates and charges shall apply in respect to all gas received by the Company from and delivered by the Company to storage on behalf of the Applicant.

Monthly Customer Charge:	**$150.00**
Storage Reservation Charge:	
Monthly Storage Space Demand Charge	**0.0540 ¢/m³**
Monthly Storage Deliverability Demand Charge	**5.5906 ¢/m³**
Injection & Withdrawal Unit Charge:	**0.0813 ¢/m³**

Monthly Minimum Bill: The sum of the Monthly Customer Charge plus Monthly Demand Charges.

FUEL RATIO REQUIREMENT:

The Fuel Ratio per unit of gas injected and withdrawn is 0.35%.

All Storage Space and Deliverability/Injection Demand Charges are applicable monthly. Injection and withdrawal charges are applicable to each unit of gas injected or withdrawn based on daily nominations.

In addition, for each unit of injection or withdrawal there will be an applicable fuel charge adjustment expressed as a percent of gas.

TERMS AND CONDITIONS OF SERVICE:

Nominated Storage Service:

The customer shall nominate storage injections and withdrawals daily. The customer may change daily nominations based on the nomination windows within a day as defined by the customer contract with Union Gas Limited and TransCanada PipeLines (TCPL).

The customer may elect to nominate all or a portion of the available withdrawal capacity for delivery to the applicable Primary Delivery Area.

The Company reserves the right to limit injection and withdrawal rights to all storage customers in certain situations, such as major maintenance or construction projects, and may reduce nominations for injections and withdrawals over and above applicable storage ratchets. The Company will provide customers with one week's notice of its intent to limit injection and withdrawal rights, and at the same time, shall provide its best estimate of the duration and extent of the limitations.

In situations where the Company limits injection and withdrawal rights, the Company shall proportionately reduce the Storage Deliverability/Injection Demand Charge for affected customers based on the number of days the limitation is in effect and the difference between Deliverability/Injection Demand, subject to applicable storage ratchets, and the quantity of gas actually delivered or injected.

The customer may transfer the title of gas in storage.

Other provisions:

If the customer elects to use the contracted storage capacity at less than the full volumetric capacity of the storage, the Company may inject its own gas provided that such injection does not reduce the right of the customer to withdraw the full amount of gas injected on any day during the withdrawal season or to schedule its full injection right during the injection season.

Term of Contract:

A minimum of one year.

A longer-term contract may be required if incremental contracts/assets/facilities have been procured/built for the customer.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2013. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054 effective April 1, 2012.

RATE NUMBER: **320**	**BACKSTOPPING SERVICE**

APPLICABILITY:

To any Applicant whose delivery of natural gas to the Company for transportation to a Terminal Location has been interrupted prior to the delivery of such gas to the Company.

CHARACTER OF SERVICE:

The volume of gas available for backstopping in any day shall be determined by the Company exercising its sole discretion. If the aggregate daily demand for service under this Rate Schedule exceeds the supply available for such day, the available supply shall be allocated to firm service customers on a first requested basis and any balance shall be available to interruptible customers on a first requested basis.

RATE:

The rates applicable in the circumstances contemplated by this Rate Schedule, in lieu of the Gas Supply Charges specified in any of the Company's other Rate Schedules pursuant to which the Applicant is taking service, shall be as follows:

	Billing Month
	January to December
Gas Supply Charge	
Per cubic metre of gas sold	**15.6007 ¢/m³**

provided that if upon the request of an Applicant, the Company quotes a rate to apply to gas which is delivered to the Applicant at a particular Terminal Location on a particular day or days and to which this Rate Schedule is applicable (which rate shall not be less than the Company's avoided cost in the circumstances at the time nor greater than the otherwise applicable rate specified above), then the Gas Supply Charge applicable to such gas shall be the rate quoted by the Company.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2013 under Sales Service and Transportation Service. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054, effective April 1, 2012.

APPLICABILITY AND CHARACTER OF SERVICE:

Service under this rate schedule shall apply to the Transmission and Compression Service Agreement with Union Gas Limited dated April 1, 1989, and the Transmission, Compression and Pool Storage Service Agreement with Centra Gas Ontario Inc. dated May 30, 1994. Service shall be provided subject to the terms and conditions specified in the Service Agreement.

RATE:

The Customer shall pay for service rendered in each month in a contract year, the sum of the following applicable charges:

	Transmission & Compression $\$/10^3m^3$	Pool Storage $\$/10^3m^3$
Demand Charge for:		
Annual Turnover Volume	**0.2082**	**0.2011**
Maximum Daily Withdrawal Volume	**22.9233**	**22.3826**
Commodity Charge	**0.8485**	**0.1400**

FUEL RATIO REQUIREMENT:

Fuel Ratio applicable to per unit of gas injected and withdrawn is 0.35%.

MINIMUM BILL:

The minimum monthly bill shall be the sum of the applicable Demand Charges as stated in Rate Section above.

EXCESS VOLUME AND OVERRUN RATES:

In addition to the charges provided for in the Rate Section above, the Customer shall pay, for services rendered, the sum of the following applicable charges as they are incurred:

TERMS AND CONDITIONS OF SERVICE:

1. Excess Volumes will be billed at the total of the Excess Volume Charges as stated above.

2. Transmission and Compression, and Pool Storage Overrun Service will be billed according to the following:
   (a) At the end of each month, in a contract year, the Company will make a determination, for each day in the month, of

      (i) the difference between the volume of gas actually delivered, exclusive of the fuel volume, for Customer's account into the Company System, at the Point of Delivery and the Customer's Maximum Daily Injection Volume, and

      (ii) the difference between the volume of gas actually delivered, exclusive of the fuel volume, for Customer's account from the Company System, at the Point of Delivery, and the Customer's Maximum Daily Withdrawal Volume.

	Excess Volume Charge $/10³m³ / Year	Overrun Charge $/10³m³ / Day
Transmission & Compression		
Authorized	**2.7476**	**0.7536**
Unauthorized	**-**	**302.5875**
Pool Storage		
Authorized	**2.6547**	**0.7359**
Unauthorized	**-**	**295.4509**

(b) For each day of the month, where any such differences exceed 2.0 percent of the Customer's relevant Maximum Daily Injection Volume and/or Maximum Daily Withdrawal Volume, the Customer shall pay a charge equal to the relevant Overrun rates, as stated above, for such differences.

BILLING ADJUSTMENT:

1. Injection deficiency - If at the beginning of any Withdrawal Period the Customer's Storage Balance is less than the Customer's Annual Turnover Volume, due solely to the Company's inability to inject gas for any reason other than the fault of the Customer, then the applicable Demand Charge for Annual Turnover Volume for the contract year beginning the prior April 1 as stated in Rate Section as applicable, shall be adjusted by multiplying each by a fraction, the numerator of which shall be the Customer's Storage Gas Balance as of the beginning of such Withdrawal Period and the denominator shall be the Customer's Annual Turnover Volume as it may have been established for the then current year.

2. Withdrawal deficiency - If in any month in a contract year for any reason other than the fault of the Customer, the Company fails or is unable to deliver during any one or more days, the amount of gas which the Customer has nominated, up to the maximum volumes which the Company is obligated by the Agreement to deliver to the Customer, then the Demand Charge for maximum Contract Daily Withdrawal Volume in the contract year otherwise payable for the month in which such failure occurs, as stated in Rate Section above, as applicable, shall be reduced by an amount for each day of deficiency to be calculated as follows: The Demand Charge for maximum Contract Daily Withdrawal Volume for the contract year for the month will be divided by 30.4 and the result obtained will then be multiplied by a fraction, the numerator being the difference between the nominated volume for such day and the delivered volume for such day and the denominator being the Customer's maximum Contract Daily Withdrawal Volume for such contract year.

TERMS AND EXPRESSIONS:

In the application of this Rate Schedule to each of the Agreements, terms and expressions used in this Rate Schedule have the meanings ascribed thereto in such Agreement.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2013. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054 effective April 1, 2012.

APPLICABILITY:

To any Applicant who enters into a Storage Contract with the Company for delivery by the Applicant to the Company and re-delivery by the Company to the Applicant of a volume of natural gas owned by the Applicant.

CHARACTER OF SERVICE:

Service under this rate is for Full Cycle or Short Cycle storage service; with firm or interruptible injection and withdrawal service, all as may be available from time to time.

RATE:

The following rates and charges shall apply in respect of all gas received by the Company from and re-delivered by the Company to the Applicant.

	Full Cycle		Short Cycle
	Firm	Interruptible	
	$\$/10^3m^3$	$\$/10^3m^3$	$\$/10^3m^3$
Monthly Demand Charge per unit of Annual Turnover Volume:			
Minimum	**0.4093**	**0.4093**	**-**
Maximum	**2.0464**	**2.0465**	**-**
Monthly Demand Charge per unit of Contracted Daily Withdrawal:			
Minimum	**45.3059**	**36.2449**	**-**
Maximum	**226.5297**	**181.2238**	**-**
Commodity Charge per unit of gas delivered to / received from storage:			
Minimum	**0.9886**	**0.9886**	**0.3673**
Maximum	**4.9428**	**4.9428**	**39.7399**

FUEL RATIO REQUIREMENT:

The Fuel Ratio per unit of gas injected and withdrawn is 0.35%.

TRANSACTING IN ENERGY:

The conversion factor is 37.74MJ/m3, which corresponds to Union Gas' System Wide Average Heating Value, as per the Board's RP-1999-0017 Decision with Reasons.

MINIMUM BILL:

The minimum monthly bill shall be the sum of the applicable Demand Charges.

RATE NUMBER: **330**

OVERRUN RATES:

The units rates stated below will apply to overrun volumes. The provision of Authorized Overrun service will be at the Company's sole discretion.

	Full Cycle		Short Cycle
	Firm $/10³m³	Interruptible $/10³m³	$/10³m³
Authorized Overrun			
Annual Turnover Volume			
Negotiable, not to exceed:	**39.7399**	**39.7399**	**39.7399**
Authorized Overrun			
Daily Injection/Withdrawal			
Negotiable, not to exceed:	**39.7399**	**39.7399**	**39.7399**
Unauthorized Overrun			
Annual Turnover Volume			
Excess Storage Balance			
September 1 - November 30	**397.3989**	**397.3989**	**397.3989**
December 1 - October 31	**39.7399**	**39.7399**	**39.7399**
Unauthorized Overrun			
Annual Turnover Volume			
Negative Storage Balance			

TERMS AND CONDITIONS OF SERVICE:

1. All Services are available at the Company's sole discretion.

2. Delivery and Re-delivery of the volume of natural gas shall be from/to the facilities of Union Gas Limited and / or TransCanada PipeLines Limited in Dawn Township and/or Niagara Gas Transmission Limited in Moore Township.

3. The Customers daily injections or withdrawals will be adjusted to provide for the fuel ratio stated in the Fuel Ratio Section. In the event that a Short Cycle service does not require fuel for injection and/or withdrawal, the fuel ratio commodity charge may be waived.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2013. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054 effective April 1, 2012.

RATE NUMBER: **331**	**TECUMSEH TRANSPORTATION SERVICE**

APPLICABILITY:

To any Applicant who enters into an agreement with the Company pursuant to the Rate 331 Tariff (“Tariff”) for transportation service on the Company’s pipelines extending from Tecumseh to Dawn (“Tecumseh Pipeline”). The Company will receive gas at Tecumseh and deliver the gas at Dawn. Capitalized terms used in this Rate Schedule shall have the meanings ascribed to those terms in the Tariff.

CHARACTER OF SERVICE:

Transportation service under this Rate Schedule may be available on a firm basis (“FT Service”) or an interruptible basis (“IT Service”), subject to the terms and conditions of service set out in the Tariff and the applicable rates set out below.

RATE:

The following rates, effective January 1, 2013, shall apply in respect of FT and IT Service under this Rate Schedule:

	Demand Rate $/10^3m^3$	**Commodity Rate $/10^3m^3$**
FT Service	**5.3030**	**-**
IT Service	**-**	**0.2090**

FT Service: The monthly demand charge shall be the products obtained by multiplying the applicable Maximum Daily Volume by the above demand rate.

IT Service: The monthly commodity charge shall be the product obtained by multiplying the applicable Delivery Volume for the Month by the above commodity rate.

TERMS AND CONDITIONS OF SERVICE:

The terms and conditions of FT and IT Service are set out in the Tariff. The provisions of PARTS I to IV of the Company's HANDBOOK OF RATES AND DISTRIBUTION SERVICES do not apply to Rate 331 service.

EFFECTIVE DATE:

The Tariff was approved by the Board in Board Order EB-2010-0177, dated July 12, 2010, and is posted and available on the Company's website. In accordance with Section 1.6.2 of the Board's Storage and Transportation Access Rule, the Tariff does not apply to any Rate 331 service agreements executed prior to June 16, 2010.

Applicants located off the piping networks noted below or off piping systems supplied from these networks may be curtailed to maintain distribution system integrity.

The Town of Collingwood
The Town of Midland

APPLICABILITY:

This rider is applicable to any Applicant who enters into Gas Transportation Agreement with the Company under any rate other than Rates 125 and 300.

MONTHLY DIRECT PURCHASE ADMINISTRATION CHARGE:

Fixed Charge	$75.00	per month
Account Charge	$0.21	per month per account

AVERAGE COST OF TRANSPORTATION:

The average cost of transportation effective January 1, 2013:

Point of Acceptance	Firm Transportation (FT)
CDA, EDA	5.8487 ¢/m³

<u>TCPL FT CAPACITY TURNBACK:</u>

APPLICABILITY:

To Ontario T-Service and Western T-Service customers who have been or will be assigned TCPL capacity by the Company.

TERMS AND CONDITIONS OF SERVICE:

1. The Company will accommodate TCPL FT capacity turnback requests from customers, but only if it can do so in accordance with the following considerations:
   i. The FT capacity to be turned back must be replaced with alternative, contracted firm transportation (primary capacity or assignment) of equivalent quality to the TCPL FT capacity;
   ii. The amount of turnback capacity that Enbridge otherwise may accommodate may be reduced to address the impact of stranded costs, other transitional costs or incremental gas costs resulting from the loss of STS capacity arising from any turnback request; and
   iii. Enbridge must act in a manner that maintains the integrity and reliability of the gas distribution system and that respects the sanctity of contracts.
2. Requests for TCPL FT turnback must be made in writing to the attention of Enbridge's Direct Purchase group.
3. All TCPL FT capacity turnback requests will be treated on an equitable basis.
4. The percentage turnback of TCPL FT capacity will be applied at the Direct Purchase Agreement level.

5. Written notice to turnback capacity must be received by the Company the earlier of:

   (a) Sixty days prior to the expiry date of the current contract.

   or

   (b) A minimum of one week prior to the deadline specified in TransCanada tariff for FT contract extension.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2013. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054 effective April 1, 2012.

RIDER: B	BUY / SELL SERVICE RIDER

APPLICABILITY:

This rider is applicable to any Applicant who entered into a Gas Purchase Agreement with the Company, prior to April 1, 1999, to sell to the Company a supply of natural gas.

MONTHLY DIRECT PURCHASE ADMINISTRATION CHARGE:

Fixed Charge	$75.00	per month
Account Charge	$0.21	per month per account

BUY / SELL PRICE:

In Buy/Sell Arrangements between the Company and an Applicant, the Company shall buy the Applicants gas at the Company's actual FT-WACOG price determined on a monthly basis in the manner approved by the Ontario Energy Board. For Western Buy/Sell arrangements the FT-WACOG price shall be reduced by pipeline transmission costs.

FT FUEL PRICE:

The FT fuel price used to establish the Buy price in Western Buy/Sell arrangements without fuel will be determined monthly based upon the actual FT-WACOG.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2013. This rate schedule is effective January 1, 2013 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2012 and that indicates as the Board Order, EB-2012-0054 effective April 1, 2012.

Bundled Services

Rate Class	Sales Service (¢/m³)	Western Transportation Service (¢/m³)	Ontario Transportation Service (¢/m³)
Rate 1	0.0000	0.0000	0.0000
Rate 6	0.0000	0.0000	0.0000
Rate 9	0.0000	0.0000	0.0000
Rate 100	0.0000	0.0000	0.0000
Rate 110	0.0000	0.0000	0.0000
Rate 115	0.0000	0.0000	0.0000
Rate 135	0.0000	0.0000	0.0000
Rate 145	0.0000	0.0000	0.0000
Rate 170	0.0000	0.0000	0.0000
Rate 200	0.0000	0.0000	0.0000

Unbundled Services

Rate Class	Distribution Service (¢/m³)
Rate 125	0.0000
Rate 300	0.0000

RIDER: F	ATMOSPHERIC PRESSURE FACTORS

The following elevation factors shall be applicable to metered volumes measured by a meter that does not correct for atmospheric pressure.

Zone	Elevation Factor
1	0.9644
2	0.9652
3	0.9669
4	0.9678
5	0.9686
6	0.9703
7	0.9728
8	0.9745
9	0.9762
10	0.9771
11	0.9839
12	0.9847
13	0.9856
14	0.9864
15	0.9873
16	0.9881
17	0.9890
18	0.9898
19	0.9907
20	0.9915
21	0.9932
22	0.9941
23	0.9949
24	0.9958
25	0.9960
26	0.9966
27	0.9975
28	0.9981
29	0.9983
30	0.9992
31	0.9997
32	1.0000
33	1.0017
34	1.0025
35	1.0034
36	1.0051
37	1.0059
38	1.0170

	Rate (excluding GST)
New Account Or Activation	
New Account Charge Turning on of gas, activating appliances, obtaining billing data and establishing an opening meter reading for new customers in premises where gas has been previously supplied	$25.00
Appliance Activation Charge - Commercial Customers Only Commercial customers are charged an appliance activation charge on unlock and red unlock orders, except on the very first unlock and service unlock at a premise.	$70.00 minimum 1/2 hour work. Total Amount depends on time required
Meter Unlock Charge - Seasonal or Pool Heater Seasonal for all other revenue classes, or Pool Heater for residential only	$70.00
Statement of Account	
Lawyer Letter Handling Charge Provide the customer's lawyer with gas bill information.	$15.00
Statement of Account Charge (for one year history)	$10.00
Cheques Returned Non-Negotiable Charge	$20.00
Gas Termination	
Red Lock Charge Locking meter or shutting off service by closing the street shut-off valve (when work can be performed by Field Collector)	$70.00
Removal of Meter Removing meter by Construction & Maintenance crew	$280.00
Cut Off At Main Charge Cutting service off at main by Construction & Maintenance Crew	$1,300.00
Valve Lock Charge Shutting off service by closing the street	
shut-off valve - work performed by Field Investigator	$135.00
- work performed by Construction & Maintenance	$280.00

RIDER:	G

Safety Inspection

Inspection Charge For inspection of gas appliances; the Company provides only one inspection free of charge, upon first time introduction of gas to a premise.	$70.00
Inspection Reject Charge (safety inspection) Energy Board Inspection rejects are billed to the meter installer or homeowner.	$70.00

Meter Test

Meter Test Charge When a customer disputes the reading on his/her meter, he/she may request to have the meter tested. This charge will apply if the test result confirms the meter is recording consumption correctly.	
Residential meters	$105.00
Non-Residential meters	Time & Material per Contractor

Street Service Alteration

Street Service Alteration Charge For installation of service line beyond allowable guidelines (for new residential services only)	$32.00

NGV Rental

NGV Rental Cylinder (weighted average)	$12.00

Other Customer Services (ad-hoc request)

Labour Hourly Charge-Out Rate	$140.00
Cut Off At Main Charge - Commercial & Special Requests Cut Off At Main charges for commercial services and other residential services that involve significantly more work than the average will be custom quoted.	custom quoted
Cut Off At Main Charge - Other Customer Requests Other residential Cut Off At Main requests due to demolitions, fires, inactive services, etc. will be charged at the standard COAM rate.	$1,300.00
Meter In-Out (Residential Only)) Relocate the meter from inside to outside per customer request	$280.00
Request For Service Call Information Provide written information of the result of a service call as requested by home owners.	$30.00
Temporary Meter Removal As requested by customers.	$280.00
Damage Meter Charge	$380.00

APPLICABILITY:

This rider is applicable to any Applicant who enters into Gas Delivery Agreement with the Company under any rate.

IN FRANCHISE TITLE TRANSFER SERVICE:

In any Gas Delivery Agreement between the Company and the Applicant, an Applicant may elect to initiate a transfer of natural gas from one of its pools to the pool of another Applicant for the purposes of reducing an imbalance between the Applicant's deliveries and consumption as recorded in its Banked Gas Account or Cumulative Imbalance Account. Elections must be made in accordance with the Company's policies and procedures related to transaction requests under the Gas Delivery Agreement.

The Company will not apply an Administration charge for transfers between pools that have similar Points of Acceptance (i.e. both Ontario or both Western Points of Acceptance). For transfers between pools that have dissimilar Points of Acceptance (i.e. one an Ontario and one a Western Point of Acceptance), the Company will apply the following Administration Charge per transaction to the Applicant transferring the natural gas (i.e. the seller or transferor).

Administration Charge:	$169.00	per transaction

Also, the average cost of transportation as per Rider A for the transferred volume is charged to the Applicant with a Western Point of Acceptance for transfers to an Applicant with an Ontario Point of Acceptance. The average cost of transportation as per Rider A for the transferred volume is remitted to the Applicant with a Western Point of Acceptance for transfers from an Applicant with an Ontario Point of Acceptance.

ENHANCED TITLE TRANSFER SERVICE:

In any Gas Delivery Agreement between the Company and the Applicant, the Applicant may elect to initiate a transfer of natural gas between the Company and another utility, regulated by the Ontario Energy Board, at Dawn for the purposes of reducing an imbalance between the customer's deliveries and consumption within the Enbridge Gas Distribution franchise areas. The ability of the Company to accept such an election may be constrained at various points in time for customers obtaining services under any rate other than Rate 125 or 300 due to operational considerations of the Company.

The cost for this service is separated between an Adminstration Charge that is applicable to all Applicants and a Bundled Service Charge that is only applicable to Applicants obtaining services under any rate other than Rate 125 or 300.

Administration Charge:		
Base Charge	$50.00	per transaction
Commodity Charge	$0.4943	per 10^3m^3

Bundled Service Charge:
The Bundled Service Charge shall be equal to the absolute difference between the Eastern Zone and Southwest Zone Firm Transportation tolls approved by the National Energy Board for TCPL at a 100% Load Factor.

Also, the average cost of transportation as per Rider A for the transferred volume is charged to the Applicant with a Western Point of Acceptance for transfers to another party. The average cost of transportation as per Rider A for the transferred volume is remitted to the Applicant with a Western Point of Acceptance for transfers from another party.

GAS IN STORAGE TITLE TRANSFER:

An Applicant that holds a contract for storage services under Rate 315 or 316 may elect to initiate a transfer of title to the natural gas currently held in storage between the storage service and another storage service held by the Applicant, or any other Applicant that has contracted with the Company for storage services under Rate 315 or 316. The service will be provided on a firm basis up to the volume of gas that is equivalent to the more restrictive firm withdrawal and injection parameters of the two parties involved in the transfer. Transfer of title at rates above this level may be done on at the Company's discretion.

For Applicants requesting service between two storage service contracts that have like services, each party to the request shall pay an Administration Charge applicable to the request. Services shall be considered to be alike if the injection and deliverability rate at the ratchet levels in effect at the time of the request are the same and both services are firm or both services are interruptible. In addition to like services, the Company, at its sole discretion based on operational conditions, will also allow for the transfer of gas from a storage service contract that has a level of deliverability that is higher than the level of deliverability of the storage service contract the gas is being transfered to with only the Administration Charge being applicable to each party.

In addition to the Administration Charge, Applicants requesting service between two storage service contracts not addressed in the preceding paragraph would be subject to the injection and withdrawal charges specified in their contracts.

Administration Charge: $25.00 per transaction

ANNUAL BILL COMPARISON - RESIDENTIAL CUSTOMERS

(A) EB-2011-0354 update @ 37.69 MJ/m³ vs (B) EB-2012-0054 @ 37.69 MJ/m³

Item No.			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
			Heating & Water Htg.				**Heating, Water Htg. & Other Uses**			
			(A)	**(B)**	**CHANGE**		**(A)**	**(B)**	**CHANGE**	
					(A) - (B)	%			(A) - (B)	%
1.1	VOLUME	m³	3,064	3,064	0	0.0%	4,691	4,691	0	0.0%
1.2	CUSTOMER CHG.	$	240.00	240.00	0.00	0.0%	240.00	240.00	0.00	0.0%
1.3	DISTRIBUTION CHG.	$	229.83	193.72	36.11	18.6%	346.49	291.98	54.51	18.7%
1.4	LOAD BALANCING	§ $	211.64	213.27	(1.63)	-0.8%	324.00	326.51	(2.51)	-0.8%
1.5	SALES COMMDTY	$	288.34	288.48	(0.14)	0.0%	441.49	441.66	(0.17)	0.0%
1.6	TOTAL SALES	$	969.81	935.47	34.34	3.7%	1,351.98	1,300.15	51.83	4.0%
1.7	TOTAL T-SERVICE	$	681.47	646.99	34.48	5.3%	910.49	858.49	52.00	6.1%
1.8	SALES UNIT RATE	$/m³	0.3165	0.3053	0.0112	3.7%	0.2882	0.2772	0.0110	4.0%
1.9	T-SERVICE UNIT RATE	$/m³	0.2224	0.2112	0.0113	5.3%	0.1941	0.1830	0.0111	6.1%
1.10	SALES UNIT RATE	$/GJ	8.398	8.101	0.2974	3.7%	7.647	7.354	0.2931	4.0%
1.11	T-SERVICE UNIT RATE	$/GJ	5.901	5.603	0.2986	5.3%	5.150	4.856	0.2941	6.1%

			Heating Only				**Heating & Water Htg.**			
			(A)	**(B)**	**CHANGE**		**(A)**	**(B)**	**CHANGE**	
					(A) - (B)	%			(A) - (B)	%
2.1	VOLUME	m³	1,955	1,955	0	0.0%	2,005	2,005	0	0.0%
2.2	CUSTOMER CHG.	$	240.00	240.00	0.00	0.0%	240.00	240.00	0.00	0.0%
2.3	DISTRIBUTION CHG.	$	147.41	124.25	23.16	18.6%	153.41	129.32	24.09	18.6%
2.4	LOAD BALANCING	§ $	135.04	136.08	(1.04)	-0.8%	138.48	139.55	(1.07)	-0.8%
2.5	SALES COMMDTY	$	183.97	184.08	(0.11)	-0.1%	188.69	188.79	(0.10)	-0.1%
2.6	TOTAL SALES	$	706.42	684.41	22.01	3.2%	720.58	697.66	22.92	3.3%
2.7	TOTAL T-SERVICE	$	522.45	500.33	22.12	4.4%	531.89	508.87	23.02	4.5%
2.8	SALES UNIT RATE	$/m³	0.3613	0.3501	0.0113	3.2%	0.3594	0.3480	0.0114	3.3%
2.9	T-SERVICE UNIT RATE	$/m³	0.2672	0.2559	0.0113	4.4%	0.2653	0.2538	0.0115	4.5%
2.10	SALES UNIT RATE	$/GJ	9.587	9.288	0.2987	3.2%	9.535	9.232	0.3033	3.3%
2.11	T-SERVICE UNIT RATE	$/GJ	7.090	6.790	0.3002	4.4%	7.039	6.734	0.3046	4.5%

§ The Load Balancing Charge shown here includes proposed transportation charges

ANNUAL BILL COMPARISON - RESIDENTIAL CUSTOMERS

(A) EB-2011-0354 update @ 37.69 MJ/m³ vs (B) EB-2012-0054 @ 37.69 MJ/m³

Item No.			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
			Heating, Pool Htg. & Other Uses				**General & Water Htg.**			
			(A)	**(B)**	**CHANGE**		**(A)**	**(B)**	**CHANGE**	
					(A) - (B)	%			(A) - (B)	%
3.1	VOLUME	m³	5,048	5,048	0	0.0%	1,081	1,081	0	0.0%
3.2	CUSTOMER CHG.	$	240.00	240.00	0.00	0.0%	240.00	240.00	0.00	0.0%
3.3	DISTRIBUTION CHG.	$	372.63	314.00	58.63	18.7%	86.60	73.05	13.55	18.5%
3.4	LOAD BALANCING	§ $	348.68	351.34	(2.66)	-0.8%	74.67	75.24	(0.57)	-0.8%
3.5	SALES COMMDTY	$	475.09	475.27	(0.18)	0.0%	101.72	101.79	(0.07)	-0.1%
3.6	TOTAL SALES	$	1,436.40	1,380.61	55.79	4.0%	502.99	490.08	12.91	2.6%
3.7	TOTAL T-SERVICE	$	961.31	905.34	55.97	6.2%	401.27	388.29	12.98	3.3%
3.8	SALES UNIT RATE	$/m³	0.2845	0.2735	0.0111	4.0%	0.4653	0.4534	0.0119	2.6%
3.9	T-SERVICE UNIT RATE	$/m³	0.1904	0.1793	0.0111	6.2%	0.3712	0.3592	0.0120	3.3%
3.10	SALES UNIT RATE	$/GJ	7.550	7.256	0.2932	4.0%	12.345	12.029	0.3169	2.6%
3.11	T-SERVICE UNIT RATE	$/GJ	5.053	4.758	0.2942	6.2%	9.849	9.530	0.3186	3.3%

Heating & Water Htg.

			(A)	**(B)**	**CHANGE**	
					(A) - (B)	%
3.1	VOLUME	m³	2,480	2,480	0	0.0%
3.2	CUSTOMER CHG.	$	240.00	240.00	0.00	0.0%
3.3	DISTRIBUTION CHG.	$	187.65	158.20	29.45	18.6%
3.4	LOAD BALANCING	§ $	171.31	172.64	(1.33)	-0.8%
3.5	SALES COMMDTY	$	233.38	233.48	(0.10)	0.0%
3.6	TOTAL SALES	$	832.34	804.32	28.02	3.5%
3.7	TOTAL T-SERVICE	$	598.96	570.84	28.12	4.9%
3.8	SALES UNIT RATE	$/m³	0.3356	0.3243	0.0113	3.5%
3.9	T-SERVICE UNIT RATE	$/m³	0.2415	0.2302	0.0113	4.9%
3.10	SALES UNIT RATE	$/GJ	8.905	8.605	0.2998	3.5%
3.11	T-SERVICE UNIT RATE	$/GJ	6.408	6.107	0.3008	4.9%

§ The Load Balancing Charge shown here includes proposed transportation charges

ANNUAL BILL COMPARISON - COMMERCIAL & INDUSTRIAL CUSTOMERS

(A) EB-2011-0354 update @ 37.69 MJ/m³ vs (B) EB-2012-0054 @ 37.69 MJ/m³

Item No.			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
			Commercial Heating & Other Uses				**Com. Htg., Air Cond'ng & Other Uses**			
			(A)	**(B)**	**CHANGE** (A) - (B)	%	**(A)**	**(B)**	**CHANGE** (A) - (B)	%
1.1	VOLUME	m³	22,606	22,606	0	0.0%	29,278	29,278	0	0.0%
1.2	CUSTOMER CHG.	$	840.00	840.00	0.00	0.0%	840.00	840.00	0.00	0.0%
1.3	DISTRIBUTION CHG.	$	1,393.24	1,182.23	211.01	17.8%	1,787.59	1,516.85	270.74	17.8%
1.4	LOAD BALANCING	§ $	1,522.76	1,532.31	(9.55)	-0.6%	1,972.21	1,984.56	(12.35)	-0.6%
1.5	SALES COMMDTY	$	2,136.45	2,139.05	(2.60)	-0.1%	2,767.01	2,770.37	(3.36)	-0.1%
1.6	TOTAL SALES	$	5,892.45	5,693.59	198.86	3.5%	7,366.81	7,111.78	255.03	3.6%
1.7	TOTAL T-SERVICE	$	3,756.00	3,554.54	201.46	5.7%	4,599.80	4,341.41	258.39	6.0%
1.8	SALES UNIT RATE	$/m³	0.2607	0.2519	0.0088	3.5%	0.2516	0.2429	0.0087	3.6%
1.9	T-SERVICE UNIT RATE	$/m³	0.1662	0.1572	0.0089	5.7%	0.1571	0.1483	0.0088	6.0%
1.10	SALES UNIT RATE	$/GJ	6.916	6.682	0.2334	3.5%	6.676	6.445	0.2311	3.6%
1.11	T-SERVICE UNIT RATE	$/GJ	4.408	4.172	0.2364	5.7%	4.168	3.934	0.2342	6.0%

			Medium Commercial Customer				**Large Commercial Customer**			
			(A)	**(B)**	**CHANGE** (A) - (B)	%	**(A)**	**(B)**	**CHANGE** (A) - (B)	%
2.1	VOLUME	m³	169,563	169,563	0	0.0%	339,125	339,125	0	0.0%
2.2	CUSTOMER CHG.	$	840.00	840.00	0.00	0.0%	840.00	840.00	0.00	0.0%
2.3	DISTRIBUTION CHG.	$	7,502.64	6,366.42	1,136.22	17.8%	13,736.91	11,656.58	2,080.33	17.8%
2.4	LOAD BALANCING	§ $	11,421.96	11,493.60	(71.64)	-0.6%	22,843.86	22,987.16	(143.30)	-0.6%
2.5	SALES COMMDTY	$	16,025.07	16,044.57	(19.50)	-0.1%	32,050.02	32,089.02	(39.00)	-0.1%
2.6	TOTAL SALES	$	35,789.67	34,744.59	1,045.08	3.0%	69,470.79	67,572.76	1,898.03	2.8%
2.7	TOTAL T-SERVICE	$	19,764.60	18,700.02	1,064.58	5.7%	37,420.77	35,483.74	1,937.03	5.5%
2.8	SALES UNIT RATE	$/m³	0.2111	0.2049	0.0062	3.0%	0.2049	0.1993	0.0056	2.8%
2.9	T-SERVICE UNIT RATE	$/m³	0.1166	0.1103	0.0063	5.7%	0.1103	0.1046	0.0057	5.5%
2.10	SALES UNIT RATE	$/GJ	5.600	5.437	0.1635	3.0%	5.435	5.287	0.1485	2.8%
2.11	T-SERVICE UNIT RATE	$/GJ	3.093	2.926	0.1666	5.7%	2.928	2.776	0.1515	5.5%

§ The Load Balancing Charge shown here includes proposed transportation charges

ANNUAL BILL COMPARISON - COMMERCIAL & INDUSTRIAL CUSTOMERS

(A) EB-2011-0354 update @ 37.69 MJ/m³ vs (B) EB-2012-0054 @ 37.69 MJ/m³

Item No.			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
			Industrial General Use				**Industrial Heating & Other Uses**			
			(A)	**(B)**	**CHANGE**		**(A)**	**(B)**	**CHANGE**	
					(A) - (B)	%			(A) - (B)	%
3.1	VOLUME	m³	43,285	43,285	0	0.0%	63,903	63,903	0	0.0%
3.2	CUSTOMER CHG.	$	840.00	840.00	0.00	0.0%	840.00	840.00	0.00	0.0%
3.3	DISTRIBUTION CHG.	$	2,469.99	2,095.91	374.08	17.8%	3,312.72	2,811.02	501.70	17.8%
3.4	LOAD BALANCING	§ $	2,915.74	2,934.01	(18.27)	-0.6%	4,304.59	4,331.58	(26.99)	-0.6%
3.5	SALES COMMDTY	$	4,090.79	4,095.75	(4.96)	-0.1%	6,039.33	6,046.70	(7.37)	-0.1%
3.6	TOTAL SALES	$	10,316.52	9,965.67	350.85	3.5%	14,496.64	14,029.30	467.34	3.3%
3.7	TOTAL T-SERVICE	$	6,225.73	5,869.92	355.81	6.1%	8,457.31	7,982.60	474.71	5.9%
3.8	SALES UNIT RATE	$/m³	0.2383	0.2302	0.0081	3.5%	0.2269	0.2195	0.0073	3.3%
3.9	T-SERVICE UNIT RATE	$/m³	0.1438	0.1356	0.0082	6.1%	0.1323	0.1249	0.0074	5.9%
3.10	SALES UNIT RATE	$/GJ	6.324	6.109	0.2151	3.5%	6.019	5.825	0.1940	3.3%
3.11	T-SERVICE UNIT RATE	$/GJ	3.816	3.598	0.2181	6.1%	3.511	3.314	0.1971	5.9%

			Medium Industrial Customer				**Large Industrial Customer**			
			(A)	**(B)**	**CHANGE**		**(A)**	**(B)**	**CHANGE**	
					(A) - (B)	%			(A) - (B)	%
4.1	VOLUME	m³	169,563	169,563	0	0.0%	339,124	339,124	0	0.0%
4.2	CUSTOMER CHG.	$	840.00	840.00	0.00	0.0%	840.00	840.00	0.00	0.0%
4.3	DISTRIBUTION CHG.	$	7,683.12	6,519.59	1,163.53	17.8%	13,871.05	11,770.40	2,100.65	17.8%
4.4	LOAD BALANCING	§ $	11,421.97	11,493.63	(71.66)	-0.6%	22,843.81	22,987.07	(143.26)	-0.6%
4.5	SALES COMMDTY	$	16,025.06	16,044.56	(19.50)	-0.1%	32,049.94	32,088.94	(39.00)	-0.1%
4.6	TOTAL SALES	$	35,970.15	34,897.78	1,072.37	3.1%	69,604.80	67,686.41	1,918.39	2.8%
4.7	TOTAL T-SERVICE	$	19,945.09	18,853.22	1,091.87	5.8%	37,554.86	35,597.47	1,957.39	5.5%
4.8	SALES UNIT RATE	$/m³	0.2121	0.2058	0.0063	3.1%	0.2052	0.1996	0.0057	2.8%
4.9	T-SERVICE UNIT RATE	$/m³	0.1176	0.1112	0.0064	5.8%	0.1107	0.1050	0.0058	5.5%
4.10	SALES UNIT RATE	$/GJ	5.628	5.461	0.1678	3.1%	5.446	5.296	0.1501	2.8%
4.11	T-SERVICE UNIT RATE	$/GJ	3.121	2.950	0.1708	5.8%	2.938	2.785	0.1531	5.5%

§ The Load Balancing Charge shown here includes proposed transportation charges

ANNUAL BILL COMPARISON - LARGE VOLUME CUSTOMERS

(A) EB-2011-0354 update @ 37.69 MJ/m³ vs (B) EB-2012-0054 @ 37.69 MJ/m³

Item No.			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
			Rate 100 - Small Commercial Firm				**Rate 100 - Average Commercial Firm**			
			(A)	**(B)**	**CHANGE**		**(A)**	**(B)**	**CHANGE**	
					(A) - (B)	%			(A) - (B)	%
1.1	VOLUME	m³	339,188	339,188	0	0.0%	598,568	598,568	0	0.0%
1.2	CUSTOMER CHG.	$	1,464.12	1,464.12	0.00	0.0%	1,464.12	1,464.12	0.00	0.0%
1.3	DISTRIBUTION CHG.	$	18,288.72	17,189.15	1,099.57	6.4%	29,216.78	27,276.38	1,940.40	7.1%
1.4	LOAD BALANCING	$	21,792.78	21,911.12	(118.33)	-0.5%	38,457.90	38,666.73	(208.82)	-0.5%
1.5	SALES COMMDTY	$	31,723.19	31,761.78	(38.59)	-0.1%	55,982.17	56,050.29	(68.12)	-0.1%
1.6	TOTAL SALES	$	73,268.81	72,326.17	942.65	1.3%	125,120.97	123,457.52	1,663.46	1.3%
1.7	TOTAL T-SERVICE	$	41,545.62	40,564.39	981.24	2.4%	69,138.80	67,407.23	1,731.58	2.6%
1.8	SALES UNIT RATE	$/m³	0.2160	0.2132	0.0028	1.3%	0.2090	0.2063	0.0028	1.3%
1.9	T-SERVICE UNIT RATE	$/m³	0.1225	0.1196	0.0029	2.4%	0.1155	0.1126	0.0029	2.6%
1.10	SALES UNIT RATE	$/GJ	5.731	5.658	0.0737	1.3%	5.546	5.472	0.0737	1.3%
1.11	T-SERVICE UNIT RATE	$/GJ	3.250	3.173	0.0768	2.4%	3.065	2.988	0.0768	2.6%

			Rate 100 - Small Industrial Firm				**Rate 100 - Average Industrial Firm**			
			(A)	**(B)**	**CHANGE**		**(A)**	**(B)**	**CHANGE**	
					(A) - (B)	%			(A) - (B)	%
2.1	VOLUME	m³	339,188	339,188	0	0.0%	598,567	598,567	0	0.0%
2.2	CUSTOMER CHG.	$	1,464.12	1,464.12	0.00	0.0%	1,464.12	1,464.12	0.00	0.0%
2.3	DISTRIBUTION CHG.	$	18,561.52	17,461.93	1,099.59	6.3%	29,458.22	27,517.80	1,940.42	7.1%
2.4	LOAD BALANCING	$	21,792.80	21,911.11	(118.31)	-0.5%	38,457.84	38,666.67	(208.82)	-0.5%
2.5	SALES COMMDTY	$	31,723.18	31,761.79	(38.61)	-0.1%	55,982.07	56,050.20	(68.13)	-0.1%
2.6	TOTAL SALES	$	73,541.62	72,598.95	942.67	1.3%	125,362.25	123,698.79	1,663.47	1.3%
2.7	TOTAL T-SERVICE	$	41,818.44	40,837.16	981.28	2.4%	69,380.18	67,648.59	1,731.60	2.6%
2.8	SALES UNIT RATE	$/m³	0.2168	0.2140	0.0028	1.3%	0.2094	0.2067	0.0028	1.3%
2.9	T-SERVICE UNIT RATE	$/m³	0.1233	0.1204	0.0029	2.4%	0.1159	0.1130	0.0029	2.6%
2.10	SALES UNIT RATE	$/GJ	5.753	5.679	0.0737	1.3%	5.557	5.483	0.0737	1.3%
2.11	T-SERVICE UNIT RATE	$/GJ	3.271	3.194	0.0768	2.4%	3.075	2.999	0.0768	2.6%

ANNUAL BILL COMPARISON - LARGE VOLUME CUSTOMERS

(A) EB-2011-0354 update @ 37.69 MJ/m³ vs (B) EB-2012-0054 @ 37.69 MJ/m³

Item No.			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
			Rate 145 - Small Commercial Interr.				Rate 145 - Average Commercial Interr.			
			(A)	(B)	CHANGE (A) - (B)	%	(A)	(B)	CHANGE (A) - (B)	%
3.1	VOLUME	m³	339,188	339,188	0	0.0%	598,568	598,568	0	0.0%
3.2	CUSTOMER CHG.	$	1,480.08	1,480.08	0.00	0.0%	1,480.08	1,480.08	0.00	0.0%
3.3	DISTRIBUTION CHG.	$	10,182.21	9,515.44	666.77	7.0%	14,907.49	13,730.79	1,176.70	8.6%
3.4	LOAD BALANCING	$	18,569.06	18,660.01	(90.95)	-0.5%	32,769.36	32,929.89	(160.53)	-0.5%
3.5	SALES COMMDTY	$	32,075.31	32,168.24	(92.93)	-0.3%	56,603.56	56,767.60	(164.04)	-0.3%
3.6	TOTAL SALES	$	62,306.66	61,823.77	482.89	0.8%	105,760.49	104,908.36	852.13	0.8%
3.7	TOTAL T-SERVICE	$	30,231.35	29,655.53	575.82	1.9%	49,156.93	48,140.76	1,016.17	2.1%
3.8	SALES UNIT RATE	$/m³	0.1837	0.1823	0.0014	0.8%	0.1767	0.1753	0.0014	0.8%
3.9	T-SERVICE UNIT RATE	$/m³	0.0891	0.0874	0.0017	1.9%	0.0821	0.0804	0.0017	2.1%
3.10	SALES UNIT RATE	$/GJ	4.874	4.836	0.0378	0.8%	4.688	4.650	0.0378	0.8%
3.11	T-SERVICE UNIT RATE	$/GJ	2.365	2.320	0.0450	1.9%	2.179	2.134	0.0450	2.1%

			Rate 145 - Small Industrial Interr.				Rate 145 - Average Industrial Interr.			
			(A)	(B)	CHANGE (A) - (B)	%	(A)	(B)	CHANGE (A) - (B)	%
4.1	VOLUME	m³	339,188	339,188	0	0.0%	598,567	598,567	0	0.0%
4.2	CUSTOMER CHG.	$	1,480.08	1,480.08	0.00	0.0%	1,480.08	1,480.08	0.00	0.0%
4.3	DISTRIBUTION CHG.	$	10,455.00	9,788.24	666.76	6.8%	15,148.94	13,972.25	1,176.69	8.4%
4.4	LOAD BALANCING	$	18,569.04	18,660.00	(90.96)	-0.5%	32,769.30	32,929.81	(160.51)	-0.5%
4.5	SALES COMMDTY	$	32,075.32	32,168.25	(92.93)	-0.3%	56,603.50	56,767.50	(164.00)	-0.3%
4.6	TOTAL SALES	$	62,579.44	62,096.57	482.87	0.8%	106,001.82	105,149.64	852.18	0.8%
4.7	TOTAL T-SERVICE	$	30,504.12	29,928.32	575.80	1.9%	49,398.32	48,382.14	1,016.18	2.1%
4.8	SALES UNIT RATE	$/m³	0.1845	0.1831	0.0014	0.8%	0.1771	0.1757	0.0014	0.8%
4.9	T-SERVICE UNIT RATE	$/m³	0.0899	0.0882	0.0017	1.9%	0.0825	0.0808	0.0017	2.1%
4.10	SALES UNIT RATE	$/GJ	4.895	4.857	0.0378	0.8%	4.699	4.661	0.0378	0.8%
4.11	T-SERVICE UNIT RATE	$/GJ	2.386	2.341	0.0450	1.9%	2.190	2.145	0.0450	2.1%

ANNUAL BILL COMPARISON - LARGE VOLUME CUSTOMERS

(A) EB-2011-0354 update @ 37.69 MJ/m³ vs (B) EB-2012-0054 @ 37.69 MJ/m³

Item No.			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
			Rate 110 - Small Ind. Firm - 50% LF				Rate 110 - Average Ind. Firm - 50% LF			
			(A)	(B)	CHANGE (A) - (B)	%	(A)	(B)	CHANGE (A) - (B)	%
5.1	VOLUME	m³	598,568	598,568	0	0.0%	9,976,121	9,976,121	0	0.0%
5.2	CUSTOMER CHG.	$	7,048.44	7,048.44	0.00	0.0%	7,048.44	7,048.44	0.00	0.0%
5.3	DISTRIBUTION CHG.	$	13,668.31	12,082.43	1,585.88	13.1%	224,029.92	197,598.59	26,431.33	13.4%
5.4	LOAD BALANCING	$	36,087.47	36,114.04	(26.57)	-0.1%	601,457.05	601,900.05	(443.00)	-0.1%
5.5	SALES COMMDTY	$	55,892.48	55,771.58	120.90	0.2%	931,540.25	929,525.07	2,015.18	0.2%
5.6	TOTAL SALES	$	112,696.70	111,016.49	1,680.21	1.5%	1,764,075.66	1,736,072.15	28,003.51	1.6%
5.7	TOTAL T-SERVICE	$	56,804.22	55,244.91	1,559.31	2.8%	832,535.41	806,547.08	25,988.33	3.2%
5.8	SALES UNIT RATE	$/m³	0.1883	0.1855	0.0028	1.5%	0.1768	0.1740	0.0028	1.6%
5.9	T-SERVICE UNIT RATE	$/m³	0.0949	0.0923	0.0026	2.8%	0.0835	0.0808	0.0026	3.2%
5.10	SALES UNIT RATE	$/GJ	4.995	4.921	0.0745	1.5%	4.692	4.617	0.0745	1.6%
5.11	T-SERVICE UNIT RATE	$/GJ	2.518	2.449	0.0691	2.8%	2.214	2.145	0.0691	3.2%

			Rate 110 - Average Ind. Firm - 75% LF				Rate 115 - Large Ind. Firm - 80% LF			
			(A)	(B)	CHANGE (A) - (B)	%	(A)	(B)	CHANGE (A) - (B)	%
6.1	VOLUME	m³	9,976,120	9,976,120	0	0.0%	69,832,850	69,832,850	0	0.0%
6.2	CUSTOMER CHG.	$	7,048.44	7,048.44	0.00	0.0%	7,471.44	7,471.44	0.00	0.0%
6.3	DISTRIBUTION CHG.	$	177,071.99	150,640.66	26,431.33	17.5%	824,447.94	768,761.29	55,686.65	7.2%
6.4	LOAD BALANCING	$	601,456.99	601,899.97	(442.98)	-0.1%	4,123,253.70	4,138,111.74	(14,858.04)	-0.4%
6.5	SALES COMMDTY	$	931,540.14	929,524.99	2,015.15	0.2%	6,520,782.01	6,506,675.80	14,106.21	0.2%
6.6	TOTAL SALES	$	1,717,117.56	1,689,114.06	28,003.50	1.7%	11,475,955.09	11,421,020.27	54,934.82	0.5%
6.7	TOTAL T-SERVICE	$	785,577.42	759,589.07	25,988.35	3.4%	4,955,173.08	4,914,344.47	40,828.61	0.8%
6.8	SALES UNIT RATE	$/m³	0.1721	0.1693	0.0028	1.7%	0.1643	0.1635	0.0008	0.5%
6.9	T-SERVICE UNIT RATE	$/m³	0.0787	0.0761	0.0026	3.4%	0.0710	0.0704	0.0006	0.8%
6.10	SALES UNIT RATE	$/GJ	4.567	4.492	0.0745	1.7%	4.360	4.339	0.0209	0.5%
6.11	T-SERVICE UNIT RATE	$/GJ	2.089	2.020	0.0691	3.4%	1.883	1.867	0.0155	0.8%

ANNUAL BILL COMPARISON - LARGE VOLUME CUSTOMERS

(A) EB-2011-0354 update @ 37.69 MJ/m³ vs (B) EB-2012-0054 @ 37.69 MJ/m³

Item No.			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
			Rate 135 - Seasonal Firm				**Rate 170 - Average Ind. Interr. - 50% LF**			
			(A)	**(B)**	**CHANGE**		**(A)**	**(B)**	**CHANGE**	
					(A) - (B)	%			(A) - (B)	%
7.1	VOLUME	m³	598,567	598,567	0	0.0%	9,976,121	9,976,121	0	0.0%
7.2	CUSTOMER CHG.	$	1,380.96	1,380.96	0.00	0.0%	3,351.72	3,351.72	0.00	0.0%
7.3	DISTRIBUTION CHG.	$	8,679.7	7,877.60	802.07	10.2%	76,632.7	71,240.56	5,392.09	7.6%
7.4	LOAD BALANCING	$	29,964.78	30,090.28	(125.50)	-0.4%	472,918.71	475,521.27	(2,602.56)	-0.5%
7.5	SALES COMMDTY	$	56,271.29	56,227.58	43.71	0.1%	931,540.25	929,525.07	2,015.18	0.2%
7.6	TOTAL SALES	$	96,296.70	95,576.42	720.28	0.8%	1,484,443.33	1,479,638.62	4,804.71	0.3%
7.7	TOTAL T-SERVICE	$	40,025.41	39,348.84	676.57	1.7%	552,903.08	550,113.55	2,789.53	0.5%
7.8	SALES UNIT RATE	$/m³	0.1609	0.1597	0.0012	0.8%	0.1488	0.1483	0.0005	0.3%
7.9	T-SERVICE UNIT RATE	$/m³	0.0669	0.0657	0.0011	1.7%	0.0554	0.0551	0.0003	0.5%
7.10	SALES UNIT RATE	$/GJ	4.268	4.237	0.0319	0.8%	3.948	3.935	0.0128	0.3%
7.11	T-SERVICE UNIT RATE	$/GJ	1.774	1.744	0.0300	1.7%	1.470	1.463	0.0074	0.5%

			Rate 170 - Average Ind. Interr. - 75% LF				**Rate 170 - Large Ind. Interr. - 75% LF**			
			(A)	**(B)**	**CHANGE**		**(A)**	**(B)**	**CHANGE**	
					(A) - (B)	%			(A) - (B)	%
8.1	VOLUME	m³	9,976,120	9,976,120	0	0.0%	69,832,850	69,832,850	0	0.0%
8.2	CUSTOMER CHG.	$	3,351.72	3,351.72	0.00	0.0%	3,351.72	3,351.72	0.00	0.0%
8.3	DISTRIBUTION CHG.	$	69,447.8	64,055.74	5,392.08	8.4%	370,566.5	332,821.82	37,744.66	11.3%
8.4	LOAD BALANCING	$	472,918.65	475,521.22	(2,602.57)	-0.5%	3,310,431.02	3,328,648.97	(18,217.95)	-0.5%
8.5	SALES COMMDTY	$	931,540.14	929,524.99	2,015.15	0.2%	6,520,782.01	6,506,675.80	14,106.21	0.2%
8.6	TOTAL SALES	$	1,477,258.33	1,472,453.67	4,804.66	0.3%	10,205,131.23	10,171,498.31	33,632.92	0.3%
8.7	TOTAL T-SERVICE	$	545,718.19	542,928.68	2,789.51	0.5%	3,684,349.22	3,664,822.51	19,526.71	0.5%
8.8	SALES UNIT RATE	$/m³	0.1481	0.1476	0.0005	0.3%	0.1461	0.1457	0.0005	0.3%
8.9	T-SERVICE UNIT RATE	$/m³	0.0547	0.0544	0.0003	0.5%	0.0528	0.0525	0.0003	0.5%
8.10	SALES UNIT RATE	$/GJ	3.929	3.916	0.0128	0.3%	3.877	3.865	0.0128	0.3%
8.11	T-SERVICE UNIT RATE	$/GJ	1.451	1.444	0.0074	0.5%	1.400	1.392	0.0074	0.5%