

January 10, 2013

Ontario Energy Board  
2300 Yonge Street  
Suite 2700  
Toronto, Ontario  
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

**RE: EB-2011-0210 – Union Gas Limited – 2013 Rates Application – Updated --  
Draft Rate Order**

Dear Ms. Walli,

Union's Draft Rate Order for EB-2011-0210 was filed on December 13, 2012. Union agreed with comments received by Board Staff and the London Property Management Association (LPMA) and has made the required updates to the Draft Rate Order. Attached is the updated Draft Rate Order and supporting working papers reflecting all aspects of the Board's EB-2011-0210 Decision and Order which establishes Union's rates for 2013.

Per Board Staff comments, Union has updated the language in the Accounting Order for Deferral Account No. 179-70 (Short-term Storage and Other Balancing Services).

Union removed Deferral Account 179-121 (Cumulative Under-recovery – St. Clair Transmission Line), and Deferral Account 179-122 (Impact of Removing St. Clair Transmission Line from Rates) from the submission, per the Board Decision and Order in EB-2012-0048.

Union has updated the date on the first line on page two in the Draft Rate Order to read January 1, 2013 rather than January 1, 2012.

If you have any questions or concerns regarding details of the Draft Rate Order, please contact me at 519-436-5476.

Yours truly,

*[original signed by]*

Chris Ripley  
Manager, Regulatory Applications

cc: Crawford Smith, Torys  
EB-2011-0210 Intervenors

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

**AND IN THE MATTER OF** an Application by Union  
Gas Limited for an order or orders approving or fixing  
just and reasonable rates and other charges for the sale,  
distribution, transmission, and storage of gas for the  
period commencing January 1, 2013;

**BEFORE:**

Marika Hare  
Presiding Member

Karen Taylor  
Member

**DRAFT RATE ORDER**  
**(for rates effective January 1, 2013)**

Union Gas Limited ("Union") filed an application (the "Application") with the Ontario Energy Board ("the Board") on November 10, 2011 under section 36 of the Ontario Energy Board Act, S.O. 1998 c. 15, Schedule B. The Application was for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, storage and transmission of gas effective January 1, 2013. The Board assigned file number EB-2011-0210 to the Application.

The Board issued its Decision and Order on October 25, 2012.

On December 13, 2012, Union provided a Draft Rate Order and supporting documentation to the Board and Intervenors. Union proposed to implement new rates on February 1, 2013, and to dispose of any rate adjustments for the period January 1 to January 31, 2013 to rate classes 01, 10, M1 and M2 through a temporary charge or credit in rates between February 1, 2013 and December 31, 2013.

All other rate classes will be billed effective January 1, 2013 and no rate adjustment is required.

Union proposed during the oral hearing to update certain accounting orders to be consistent with actual accounting treatment for these accounts (EB-2011-0210, Volume 7, page 164). Union's Draft Rate Order includes revisions to the Transportation Tolls and Fuel – Northern and Eastern Operations Area deferral account (No. 179-75), Unabsorbed Demand Cost (UDC) Variance Account (No. 179-108) and the Inventory Revaluation Account (No. 179-109). Accounting orders are provided at Appendix "G".

Union's rate design evidence (Exhibit H1, Tab 1) included proposals to eliminate the wholesale transportation service Rate 77, the contract unbundled service offerings (U5, U7, U9) and the unbundled storage service offerings on the Rate 20 and Rate 100 rate schedules in Union North effective January 1, 2013. No concerns were raised during the interrogatory and hearing process. Union's Draft Rate Order includes the elimination of the Rate 77, U5, U7 and U9 rate schedules and the unbundled storage service offerings on the Rate 20 and Rate 100 rate schedules.

Intervenors were allowed until December 31, 2012 to make submissions to the Board with respect to Union's draft rate order.

### **Allocation Methodologies**

#### **S&T Margin**

In its EB-2011-0210 Decision and Order, the Board found that Union's use of S&T margin as a rate design tool to manage rate impacts, rate continuity and revenue-to-cost ratios is not appropriate, and that S&T margin should be allocated to rate classes on the basis of sound regulatory principles. The Board noted that there are three sub-categories for S&T margin: Long-Term Transportation-related S&T margin, Short-Term Transportation-related S&T margin and Storage and Other Balancing Services-related S&T margin, and directed Union to file allocation methodologies for the above noted sub-categories, which reflect regulatory principles.

a) Long-Term and Short-Term Transportation-related S&T Margin

The long-term and short-term transportation-related S&T margin to be allocated to in-franchise ratepayers is \$3.314 million and \$6.291 million respectively, for a total of \$9.605 million.

Union proposed to allocate long-term and short-term transportation-related S&T margin between Union North and Union South operating areas in proportion to forecasted 2013 distance-weighted available capacity on the Dawn-Parkway and Ojibway/St. Clair transmission systems.

Union proposed to allocate the long-term and short-term transportation-related S&T margin to Union North rate classes in proportion to the 2013 Board-approved excess of peak day demand over average day demand (XSPK&AVG allocator). This approach is consistent with the allocation of 2013 Dawn-Trafalgar Easterly demand costs to Union North rate classes.

Union proposed to allocate the long-term and short-term transportation-related S&T margin to Union South rate classes in proportion to EB-2011-0210 design (peak) day demand.

Union's proposal is consistent with the methodology approved by the Board in EB-2008-0034 (Union's 2007 Deferral Account disposition proceeding) to allocate the Transportation and Exchange Services deferral account (No. 179-69) to rate classes.

Please see Working Papers, Schedule 42.

b) Storage and Other Balancing Services-related S&T Margin

The storage and other balancing services-related S&T margin to be allocated to in-franchise ratepayers is \$4.551 million.

Union proposed to allocate storage and other balancing services-related S&T margin between the Union North and Union South operating areas in proportion to the allocation of storage space-related costs per the 2013 Board-approved STORAGEXCESS allocator.

Union proposed to allocate the storage and other balancing services-related S&T margin to Union North rate classes in proportion to the 2013 Board-approved excess of peak day demand over average day demand (XSPK&AVG allocator). This approach is consistent with the allocation of 2013 storage demand costs to Union North rate classes.

Union proposed to allocate the storage and other balancing services-related S&T margin to Union South rate classes in proportion to EB-2011-0210 design (peak) day demand.

Union's proposal is consistent with the methodology approved by the Board in EB-2011-0038 (Union's 2010 Deferral Account disposition proceeding) and proposed by Union in EB-2012-0087 (Union's 2011 Deferral Account disposition proceeding) to allocate the balance in the Short-Term Storage and Other Balancing Services deferral account (No. 179-70) to rate classes.

Please see Working Papers, Schedule 41.

c) Optimization Margin

In its EB-2011-0210 Decision, the Board ordered the establishment of a new gas supply variance account in which 90% of all optimization margin not otherwise reflected in the revenue requirement are to be captured for the benefit of the ratepayers and directed Union to file a proposal to allocate the balance of the new gas supply variance account to in-franchise customers, including direct purchase customers in the North.

Union proposed to allocate FT-RAM net revenues between Union North and Union South based on the upstream transportation contracts used to serve each delivery area. FT-RAM net revenues generated using upstream transportation long-haul contracts and STS contracts designed to serve Union North (with delivery points of SSMDA, WDA, NDA, NCDA and EDA) will be allocated to Union North. FT-RAM net revenues generated using upstream transportation long-haul contracts designed to serve Union South (the CDA delivery point) will be allocated to Union South. Specifically, with respect to capacity assignments, the revenue from each capacity

assignment was attributed to either the Union North or Union South based on the delivery point. With respect to FT-RAM optimization, the total revenue earned from all optimization will be allocated based on the quantity of transportation capacity optimized, either North or South.

Union proposed that the portion of optimization margin related to Union North be allocated to rate classes in proportion to the allocation of 2013 Board-approved TCPL FT transportation demand costs. This approach ensures that optimization margin is allocated to North rate classes consistent with the manner in which FT transportation demand costs are recovered in approved gas supply transportation rates (i.e. North sales service and bundled direct purchase customers).

The portion of optimization margin related to Union South is applicable to sales service customers only. Accordingly, Union proposed to allocate the portion of the balance related to Union South to sales service customers based on sales service volumes. This approach is consistent with the manner in which Union allocates the Unabsorbed Demand Cost ("UDC") Variance Account balance applicable to Union South to sales service customers.

This approach is consistent with the methodology proposed by Union in EB-2012-0087 (Union's 2011 Deferral Account disposition hearing).

Please see Working Papers, Schedule 44.

**THE BOARD THEREFORE ORDERS THAT:**

1. The rate changes set out in Appendix "A" and the rate schedules set out in Appendix "B" are approved effective January 1, 2013. Union shall implement these rates on the first billing cycle on or after February 1, 2013. With the exception of customer-supplied fuel under Rate T1, T2, T3, M12, M13, M16, and C1, variances between the rates charged to customers during the period January 1, 2013 to January 31, 2013 and the rates approved herein shall form part of the adjustment to be recovered from each rate class at the time that new rates are implemented.

For General Service customers served under Rates 01, 10, M1 and M2, Union shall dispose of the adjustment amount in each of these rate classes through a temporary volumetric rate rider charge/(credit) in rates from February 1, 2013 to December 31, 2013 as set out in the temporary price adjustments identified at Appendix "H".

2. In accordance with the EB-2011-0210 Settlement Agreement (item 1.4 at p.5) as approved by the Board, 2013 distribution-related rate base shall be reduced by \$12.0 million.
3. The cost of gas in delivery rates shall be updated to reflect the Board-approved January 1, 2013 Ontario Landed Reference Price of \$5.566/GJ (\$21.0506 cents/m<sup>3</sup>).
4. In accordance with the EB-2011-0210 Decision and Order a 50:50 blended approach of the 20-year declining trend and the 30-year average methodology shall be used to derive total Heating Degree Days estimates for 2013.
5. In accordance with the Board's EB-2011-0210 Decision and Order 2013 customer attachments shall be increased by 800 customers to reflect the customers forecasted to attach in Red Lake.
6. In accordance with the Board's EB-2011-0210 Decision and Order the 2013 contract customer demand forecast shall be increased by \$2.74 million as follows:
  - Commodity revenue - \$1.0 million;
  - Fuel commodity revenue - \$0.14 million;
  - Power overrun revenue - \$0.5 million;
  - Non-power market overrun revenue - \$1.1 million.
7. In accordance with the Board's EB-2011-0210 Decision and Order, 90% of the net revenue forecast related to short-term storage and balancing shall be reflected in 2013 rates. Union receives 10% of the margin earned from short-term storage and balancing services.
8. In accordance with the Board's EB-2011-0210 Decision and Order, the 2013 revenue

forecast shall be increased to reflect FT-RAM activity. The 2013 forecast will be increased to reflect 90% of \$5.8 million related to FT-RAM forecast, or \$5.22 million.

9. In accordance with the EB-2011-0210 Settlement Agreement (item 1.6 at p.7) as approved by the Board, \$0.300 million related to system integrity costs for Union's non-utility storage space shall be excluded from the calculation of short-term storage margin available for sharing with ratepayers.
10. In accordance with the EB-2011-0210 Settlement Agreement (item 2.4 at p.9) as approved by the Board, the 2013 S&T forecast shall be increased by \$2.0 million for St. Clair revenue.
11. In accordance with the EB-2011-0210 Settlement Agreement (item 3.1 at p.9) as approved by the Board, the 2013 O&M budget shall be reduced by \$9.550 million to \$381.417 million.
12. In accordance with the EB-2011-0210 Settlement Agreement (item 3.10 at p.13) as approved by the Board, the forecast of 2013 property tax shall be reduced by \$0.750 million to \$63.272 million.
13. In accordance with the "Report of the Board on the Cost of Capital for Ontario Regulated Utilities" dated December 11, 2009 (EB-2009-0084) the return on equity for 2013 shall be calculated using September 2012 actual and forecast bond yields. The updated ROE for 2013 is 8.93%.
14. In accordance with the Board's EB-2011-0210 Decision and Order, the costs for system integrity space related to filled space shall be allocated on the basis of storage space requirements. Empty system integrity space reserved for hysteresis shall be allocated based on revised storage space excluding non-utility third party storage space and system integrity space reserved for the Hagar LNG facility and storage hysteresis.
15. In accordance with the Board's EB-2011-0210 Decision and Order, Tecumseh Metering Assets shall be classified to the demand classification and allocated to rate classes based on

the design day demand of Dawn compression.

16. In accordance with the Board's EB-2011-0210 Decision and Order, Oil Spring East Assets shall be functionalized to both storage and transmission.
17. In accordance with the Board's EB-2011-0210 Decision and Order the transmission classification of Dawn Trafalgar Easterly Transmission for Oil Spring East metering shall be eliminated.
18. In accordance with the Board's EB-2011-0210 Decision and Order, Union shall include the costs associated with C1 Dawn to Dawn-TCPL, C1 Dawn to Dawn-Vector firm transportation service and the M12 firm all day (F24-T) transportation service in the 2013 revenue requirement. The supplemental service charge for F24-T customers shall be calculated based on the costs associated with the five incremental nomination windows and updated demands as set out in J.G-9-13-1.
19. In accordance with the Board's EB-2011-0210 Decision and Order, North Distribution Customer Station Plant costs shall be allocated on the basis of the average number of customers, excluding Rate 01 and the Rate 10 customers that do not meet the hourly consumption threshold of 320 m<sup>3</sup>/hour.
20. In accordance with the Board's EB-2011-0210 Decision and Order, Union North and Union South distribution maintenance costs for meter and regulator repair shall be allocated in proportion to the distribution meter and regulator gross plant cost allocation, excluding the M1 and Rate 01 rate classes.
21. In accordance with the Board's EB-2011-0210 Decision and Order, Equipment on customer premises distribution maintenance costs shall continue to be allocated to Union South based on service call time and Union North based on a historical allocator.
22. In accordance with the Board's EB-2011-0210 Decision and Order, purchase production

general plant costs shall be classified to both the Purchase Production System and Purchase Production Other classifications in proportion to the components of Purchase Production System and Other O&M. These costs shall be allocated to rate classes in proportion to the components of Purchase Production System and Other O&M.

23. In accordance with the Board's EB-2011-0210 Decision and Order, Dawn-Trafalgar Easterly Costs shall be allocated based on distance-based commodity-kilometres.
24. In accordance with the Board's EB-2011-0210 Decision and Order, storage assets shall be allocated to the regulated storage business using the updated storage allocation factors provided in Exhibits J8.3, J8.4 and J8.5.
25. In accordance with the Board's EB-2011-0210 Decision and Order, revenue from optimization activities shall not be included in the S&T margin forecast and shall be allocated to sales service and North bundled customers that pay the costs of facilitating Union's gas supply plan.
26. In accordance with the EB-2011-0210 Decision and Order, effective January 1, 2013 the current Rate T1 rate class shall be split into new Rate T1 and Rate T2 rate classes. The new T1 rate class will be the mid-market service for commercial/industrial customers consuming a minimum annual volume of 2,500,000 m<sup>3</sup> with a daily firm contracted demand that does not exceed 140,870 m<sup>3</sup>. The new T2 rate class will be the large market service for commercial/industrial customers with a minimum daily firm contracted demand of 140,870 m<sup>3</sup>.
27. In accordance with the EB-2011-0210 Decision and Order, effective January 1, 2013, Union shall eliminate the supplemental service charge for Commercial and Industrial customers under group meters in Union South to harmonize treatment with Union North.
28. In accordance with the EB-2011-0210 Decision and Order, effective January 1, 2014, Union shall implement an interruptible service offering for Rate M4 customers with an interruptible

daily contracted demand of a least 2,400 m<sup>3</sup> and minimum annual interruptible volume of 350,000 m<sup>3</sup>.

29. Rate 77 will be eliminated effective January 1, 2013.
30. The contract unbundled service Rates U5, U7 and U9 shall be eliminated effective January 1, 2013.
31. The contract unbundled service offerings on the Rate 20 and Rate 100 rate schedules shall be eliminated effective January 1, 2013.
32. In accordance with the EB-2011-0210 Decision and Order, effective January 1, 2014, the eligibility criteria for M4 and M5A shall be lowered to a minimum daily contract demand of 2,400 m<sup>3</sup>, maximum daily contracted demand of 60,000 m<sup>3</sup>, and minimum annual volume requirement of 350,000 m<sup>3</sup>.
33. In accordance with the EB-2011-0210 Decision and Order, effective January 1, 2014, the eligibility criteria for Rate M7 in Union South shall be lowered to a maximum daily contracted demand of 60,000 m<sup>3</sup> and the minimum annual volume requirement shall be eliminated as a condition of qualifying for Rate M7.
34. In accordance with the EB-2011-0210 Decision and Order, effective January 1, 2013, the Distribution Consolidated Billing fee shall be lowered to \$0.57 per month per customer.
35. Union shall close the following deferral accounts effective January 1, 2013:

179-113	Late Payment Penalty Litigation
179-124	Harmonized Sale Tax
36. Union shall maintain the following deferral accounts in accordance with Appendix "G".

179-70	Short-term Storage and Other Balancing Services
179-75	Lost Revenue Adjustment Mechanism
179-100	Transportation Tolls and Fuel – Northern and Eastern Operations Area
179-103	Unbundled Services Unauthorized Storage Overrun
179-105	North Purchase Gas Variance Account

179-106	South Purchase Gas Variance Account
179-107	Spot Gas Variance Account
179-108	Unabsorbed Demand Cost (UDC) Variance Account
179-109	Inventory Revaluation Account
179-111	Demand Side Management Variance Account
179-112	Gas Distribution Access Rule ("GDAR") Costs
179-117	Carbon Dioxide Offset Credits
179-118	Average Use Per Customer
179-120	CGAAP to IFRS Conversion Cost
179-121	Cumulative Under-Recovery – St. Clair Transmission Line
179-122	Impact of Removing St. Clair Transmission Line from Rates
179-123	Conservation Demand Management
179-126	Demand Side Management Incentive
179-127	Pension Charge on Transition to US GAAP

37. In accordance with the EB-2011-0210 Decision and Order, Union shall establish the Gas Supply Optimization deferral account (No. 179-131) to record 90% of optimization margins not reflected in the revenue requirement.

FT-RAM net revenues shall be allocated between Union North and Union South based on the upstream transportation contracts used to serve each delivery area.

The portion related to Union North shall be allocated to sales service and bundled rate classes in proportion to the allocation of 2013 Board-approved TCPL FT transportation demand costs. The portion related to Union South will be allocated to sales service customers based on sales service volumes.

38. Long-term and short-term transportation-related S&T margin shall be allocated between Union North and Union South operating areas in proportion to forecasted 2013 distance-weighted available capacity on the Dawn-Parkway and Ojibway/St. Clair transmission systems.

Long-term and short-term transportation-related S&T margin shall be allocated to Union North rate classes in proportion to the 2013 Board-approved excess of peak day demand over average day demand (XSPK&AVG allocator).

Long-term and short-term transportation-related S&T margin shall be allocated to Union South rate classes in proportion to EB-2011-0210 design (peak) day demand.

39. Storage and other balancing services-related S&T margin shall be allocated between Union North and Union South operating areas in proportion to the allocation of storage space-related costs per the 2013 Board-approved STORAGEXCESS allocator.

Storage and other balancing services-related S&T margin shall be allocated to Union North rate classes in proportion to the 2013 Board-approved excess of peak day demand over average day demand (XSPK&AVG allocator).

Storage and other balancing services-related S&T margin shall be allocated to Union South rate classes in proportion to EB-2011-0210 design (peak) day demand.

40. In accordance with the EB-2011-0210 Decision and Order, Union shall establish the Gas Supply Plan Review deferral account (No. 179-128) to record the cost of hiring a consultant to undertake a review of the gas supply plan, gas supply planning process and gas supply planning methodology.
41. In accordance with the EB-2011-0210 Decision and Order, Union shall establish the Preparation of Audited Utility Financial Statements deferral account (No. 179-129) to record the costs of the annual preparation of audited utility financial statements.
42. In accordance with the EB-2011-0210 Decision and Order, the accounting order for Short-Term Storage and Other Balancing Services (No. 179-70) shall be amended to reflect the Board's finding that the account will capture all short-term storage transactions and revenues generated by utility storage assets. This accounting order shall be further amended to capture storage encroachment.
43. In accordance with the EB-2011-0210 Decision and Order, the accounting order for the Inventory Revaluation deferral account (No. 179-109) shall be amended to remove the

transmission line pack gas from the deferral account.

44. In accordance with the EB-2011-0210 Decision and Order, the accounting order for the Average Use Per Customer deferral account (No. 179-118) shall be amended to reflect its continuation for 2013.
45. The rates pursuant to all contracts for interruptible service under Rates M5A, M7, T1, T2 and 25 shall be adjusted effective January 1, 2013 by the amounts set out in Appendix "C". Union shall implement 2013 changes in rates on the first billing cycle after February 1, 2013.
46. The customer notices in Appendix "D" shall be given to all customers with the first bill or invoice reflecting the new rate.
47. Union shall charge the fees as set out in Appendix "E" for non-energy charges.
48. Union shall comply with the Board directives set out in Appendix "F".
49. Union shall pay the balance of the Intervenor's costs as authorized in the Board's EB-2011-0210 Decision and Order, forthwith upon receipt of the Board's Cost Orders.
50. Union shall pay the Board's costs of, and incidental to, this proceeding immediately upon receipt of the Board's invoice.

DATED at Toronto \_\_\_\_\_, 2013.

ONTARIO ENERGY BOARD

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Kirsten Walli  
Board Secretary



**Overview of Rate Order Working Papers****Financial Schedules**

- Schedule 1* Calculation of Revenue Deficiency/(Sufficiency) – This schedule is comparable to Appendix B, Schedule 1 of the Board-approved EB-2011-0210 Settlement Agreement, updated for the Board’s EB-2011-0210 Decision and Order.
- Schedule 2* Statement of Utility Income – This schedule is comparable to Appendix B, Schedule 2 of the Board-approved EB-2011-0210 Settlement Agreement, updated for the Board’s EB-2011-0210 Decision and Order.
- Schedule 3* Summary of Cost of Capital – This schedule is comparable to Appendix B, Schedule 3 of the Board-approved EB-2011-0210 Settlement Agreement, updated for the Board’s EB-2011-0210 Decision and Order.
- Schedule 4* Calculation of Utility Income Taxes – This schedule is comparable to Appendix B, Schedule 4 of the Board-approved EB-2011-0210 Settlement Agreement, for the Board’s EB-2011-0210 Decision and Order.

**Cost Allocation Schedules**

- Schedule 5* Reconciliation of Statement of Utility Income to Cost Study – 2013 – This Schedule is comparable to Exhibit G3, Tab 1, Schedule 2. This schedule reconciles the Statement of Utility Income provided at Schedule 2 to the 2013 Cost Allocation Study updated for the Board’s EB-2011-0210 Decision and Order.
- Schedule 6* Revenue Requirement Change by Rate Class – The schedule shows the impact of the Board’s EB-2011-0210 Decision and Order on total revenue requirement by rate class and the change in revenue requirement by rate class from the Cost Allocation Study filed July 13, 2012 to the Cost Allocation Study updated for the Board’s EB-2011-0210 Decision and Order.

**Rate and Impact Schedules**

- Schedule 7* Restatement of Union’s 2013 Revenue Deficiency/(Sufficiency) – This schedule is in the same format as Exhibit H1, Tab 1, Table 1 in Union’s written evidence. This schedule adjusts Union’s proposed revenue

deficiency to reflect revenue and cost revisions as per the Board's EB-2011-0210 Decision and Order not captured in Union's Phase I filing.

- Schedule 8* Phase II – Calculation of Excess Utility Storage Space – Non-Utility Cross Charge – This schedule is comparable to Exhibit H1, Tab 1, Table 2 in Union's written evidence. This schedule derives the non-utility cross charge using the 2013 cost allocation study updated for the Board's EB-2011-0210 Decision and Order and excluding non-utility system integrity costs.
- Schedule 9* Short-term Storage Margin Sharing – Update to Excess Utility Storage Cross Charge – This schedule is comparable to Exhibit H1, Tab 1, Table 3 in Union's written evidence. This schedule accounts for the difference in the shareholder portion of the short-term storage and balancing margin from Phase I to Phase II updated for the Board's EB-2011-0210 Decision and Order.
- Schedule 10* Recovery of Union's 2013 Revenue Deficiency/ (Sufficiency) – This schedule is comparable to as Exhibit H1, Tab 1, Table 4 in Union's written evidence. This schedule provides a summary of Schedule 13.
- Schedule 11* Revenue Deficiency Continuity from Settlement Agreement to Decision Rate Order – This schedule provides the rate class-specific impacts of each of the adjustments to the 2013 revenue deficiency/sufficiency between the Board's EB-2011-0210 Settlement Agreement and the EB-2011-0210 Decision and Order.
- Schedule 12* Comparison and Reconciliation of Union's 2013 Phase I & Phase II Revenue Deficiency/ (Sufficiency) – This schedule is comparable to Exhibit H1, Tab 12, Schedule 1. This schedule compares the Phase I and Phase II Revenue Deficiency/(Sufficiency) per the Board-approved EB-2011-0210 Settlement Agreement with the Phase I and Phase II Revenue Deficiency/(Sufficiency) per the Board's EB-2011-0210 Decision and Order. This schedule also provides a reconciliation of Phase I and Phase II revenue and cost changes.
- Schedule 13* Revenue Deficiency Recovery – In-franchise and Ex-Franchise – This schedule is comparable to Exhibit H3, Tab 1, Schedule 1 and provides a summary by rate class of changes identified in other schedules of the working papers, including the detail provided at Schedule 14.
- Schedule 14* Detailed In-franchise and Ex-franchise Rates – This schedule is comparable to Exhibit H3, Tab 1, Schedule 2 and provides a more detailed version of Schedule 5. It details changes to each of the delivery, storage, transportation and commodity rates (by block where applicable).

- Schedule 15*      Percentage Change in Average Unit Price – In-franchise Rate Classes – This schedule is comparable to Exhibit H3, Tab 1, Schedule 3. This schedule identifies the average unit rate change and percentage changes by rate class.
- Schedule 16*      General Service Bill Impacts – This schedule is comparable to Exhibit H3, Tab 4, Schedule 1. This schedule outlines the impact of rate changes on general service customer bills for illustrative annual consumption levels. The annual bill impacts are used in the draft customer notices in Appendix D of the EB-2011-0210 Draft Rate Order.
- Schedule 17*      Delivery Bill Impact on Total Bill – In-franchise Rate Classes – This schedule, comparable to Union’s interrogatory response to J.H.1-11-4, shows the bill impact of Union’s in-franchise delivery rate changes on total customer bills at various annual consumption levels.
- Schedule 18*      Unbundled Delivery Rate Detail - Southern Operations Area – This schedule is comparable to Exhibit H3, Tab 6, Schedule 1 and provides the derivation of the Rate U2 delivery rates.
- Schedule 19*      Storage Rate Detail – Southern Operations Area – This schedule is comparable to Exhibit H3, Tab 5, Schedule 1 and provides the derivation of the T1, T2, T3 storage rates and unbundled Rate U2 storage rates.
- Schedule 20*      Storage Rate Detail – Northern & Eastern Operations Area – This schedule is comparable to Exhibit H3, Tab 5, Schedule 2 and provides the derivation of bundled and unbundled Rate S1 storage rates.
- Schedule 21*      Gas Supply Transportation Charges – Northern and Eastern Operations Area Including Gas Supply Transportation Continuity – This schedule is comparable to Exhibit H3, Tab 7, Schedule 1 and provides the derivation of gas supply transportation rates by zone.
- Schedule 22*      Calculation of Supplemental Service Charges – This schedule is comparable to Exhibit H3, Tab 9, Schedule 1 and shows the derivation of charges for Union’s supplemental services.
- Schedule 23*      Rate T1 Transportation Redesign and Revenue Proof – This schedule is comparable to Exhibit H3, Tab 11, Schedule 1. It shows, on a revenue neutral basis, the redesign of the former Rate T1 service and the derivation of the monthly customer charge, demand charges and commodity charges for new Rate T1 and Rate T2 effective January 1, 2013.
- Schedule 24*      Derivation of Unit Rate Changes Related to Gas Costs in Distribution Rates – This schedule is comparable to Tab 2, Schedule 4 of Union’s

GRAM schedules. This schedule provides the rate class impacts and resulting unit delivery rate changes arising from the change in the Ontario Landed Reference price from \$4.823/GJ (July 2012 GRAM) to \$5.566/GJ (January 2013 GRAM).

*Schedule 25* Summary of 2013 Rate Adjustments by Rate Class (for the retro period) This schedule shows the derivation of General Service unit rates to prospectively recover, over the balance of 2013, the forecast amounts arising from the February 2013 implementation of EB-2011-0210 rates effective January 2013.

### **Storage and Transportation Schedules**

- Schedule 26* Calculation of Firm All Day (F24-T) Transportation Service Charges – This schedule is in the same format as Exhibit H3, Tab 8, Schedule 1 and provides the calculation of the transportation service charges applicable to F24-T customers.
- Schedule 27* Derivation of M12-X Transportation Rate – This schedule is comparable to Exhibit H3, Tab 8, Schedule 2 and provides the derivation of the transportation rate applicable to M12-X customers.
- Schedule 28* Derivation of M13 Monthly Fixed Charge Per Customer Station – This schedule is comparable to Exhibit H3, Tab 8, Schedule 3 and provides the derivation of the monthly fixed charge per customer station applicable to M13 customers.
- Schedule 29* Derivation of M16 Monthly Fixed Charge Per Customer – This schedule is comparable to Exhibit H3, Tab 8, Schedule 4, Page 1 and provides the derivation of the monthly fixed charge per customer station applicable to M16 customers.
- Schedule 30* Derivation of M16 Monthly Demand Charge for Customers Served East of Dawn – This schedule is comparable to Exhibit H3, Tab 8, Schedule 5 and provides the derivation of the monthly demand charge for embedded storage pools located east of Dawn.
- Schedule 31* Derivation of M13/M16 Transmission Commodity Charge – This schedule is comparable to Exhibit H3, Tab 8, Schedule 6 and provides the derivation of the commodity charge for the transportation of gas from a local producer station (for Rate M13) to and from an embedded storage pool (for Rate M16).
- Schedule 32* Derivation of C1 - Long Term Firm Transportation Demand Rates – This schedule is comparable to Exhibit H3, Tab 8, Schedule 7 and provides

the derivation of the demand rates for transportation applicable to C1 customers.

- Schedule 33* Derivation of C1- Firm Kirkwall to Dawn Transportation Rate – This schedule is comparable to Exhibit H3, Tab 8, Schedule 8 and provides the derivation of the rate for transportation from Kirkwall to Dawn applicable to C1 customers.
- Schedule 34* Derivation of C1 - Firm Transportation Commodity Charges – This schedule is comparable to Exhibit H3, Tab 8, Schedule 9 and provides the derivation of the commodity charge applicable to C1 customers.
- Schedule 35* Derivation of C1- Firm Dawn to Dawn-Vector Transportation Rate – This schedule is comparable to Exhibit H3, Tab 8, Schedule 10 and provides the derivation of the rate for transportation from Dawn to Dawn-Vector applicable to C1 customers.
- Schedule 36* Derivation of C1- Firm Dawn to Dawn-Vector Transportation Fuel Ratio – April 1 to October 31– This schedule is comparable to Exhibit H3, Tab 8, Schedule 11 and provides the derivation of the fuel ratios charged for transportation from Dawn to Dawn-Vector applicable to C1 customers.
- Schedule 37* Derivation of C1 – Firm Dawn to Dawn-TCPL Transportation Rate– This schedule is comparable to Exhibit H3, Tab 8, Schedule 12 and provides the derivation of the rate for transportation from Dawn to Dawn-TCPL applicable to C1 customers.
- Schedule 38* Derivation of C1- Firm Dawn to Dawn-TCPL Transportation Fuel Ratio - November 1 to March 31– This schedule is comparable to Exhibit H3, Tab 8, Schedule 13 and provides the derivation of the fuel ratios charged for transportation from Dawn to Dawn-TCPL applicable to C1 customers.
- Schedule 39* Calculation of Heritage Pool M16 Transmission Commodity and Fuel Charges – This schedule is comparable to Exhibit H3, Tab 8, Schedule 14 and provides the derivation of commodity and fuel charges for transportation between the Heritage Pool and Dawn.

#### **Reference Amount Schedules**

- Schedule 40* Summary of S&T Transactional Margin Included in 2013 Rates – This schedule is comparable to Exhibit H3, Tab 10, Schedule 1 and shows the approved reference amounts for 2013 S&T deferral accounts.
- Schedule 41* Allocation of 2013 Storage-related S&T transactional margin to in-franchise rate classes – This schedule shows the allocation of storage –

related margin to rate classes using 2013 Cost Study allocators.

- Schedule 42* Allocation of 2013 Transportation-related S&T transactional margin to in-franchise rate classes – This schedule shows the allocation of transportation-related margin to rate classes using 2013 Cost Study allocators.
- Schedule 43* Summary of Gas Supply Optimization Margin Included in 2013 Gas Supply Transportation Rates – This schedule identifies the ratepayer portion of 2013 forecast Exchange margin. This amount includes both Base Exchanges and FT-RAM related exchanges.
- Schedule 44* Allocation of Ratepayer portion of 2013 Gas Supply Optimization Margin Unit Rates for Disposition of 2013 Gas Supply Optimization Margin – This schedule derives the unit rates by rate class applicable for sales customers and bundled direct purchase customers in Union North and sales customers in Union South related to the disposition of ratepayer margin related to FT-RAM related Exchanges and Base Exchanges identified at Schedule 43.
- Schedule 45* 2013 UDC Costs in Rates for Deferral Account – 179-108 – This schedule provides the approved UDC included in 2013 rates.
- Schedule 46* Total Upstream Transportation Costs in Union North Rates – This schedule provides the 2013 approved delivery and storage revenue by rate class, excluding upstream transportation-related costs.

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**EB-2011-0210**  
**Rate Order for 2013 Rates**  
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## APPENDIX A

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2012-0437 Approved January 1, 2013	Rate Change (b)	EB-2011-0210 Approved January 1, 2013
		Rate (a)		Rate (c)
1	Monthly Charge - All Zones	\$21.00		\$21.00
	Monthly Delivery Charge - All Zones			
2	First 100 m <sup>3</sup>	7.5664	2.1682	9.7347 (8)
3	Next 200 m <sup>3</sup>	7.0559	2.1542	9.2102 (8)
4	Next 200 m <sup>3</sup>	6.6932	2.1442	8.8375 (8)
5	Next 500 m <sup>3</sup>	6.3604	2.1350	8.4955 (8)
6	Over 1,000 m <sup>3</sup>	6.0855	2.1274	8.2130 (8)
7	Delivery - Price Adjustment (All Volumes)	(0.0578) (1)	0.5088	0.4510 (2)
	Gas Transportation Service			
8	Fort Frances	5.8897	(0.9510)	4.9387
9	Western Zone	6.2981	(0.7580)	5.5401
10	Northern Zone	7.6495	(0.0220)	7.6275
11	Eastern Zone	8.7597	(0.2444)	8.5153
12	Transportation - Price Adjustment (All Zones)	1.1131 (3)	(0.0608)	1.0523 (4)
	Storage Service			
13	Fort Frances	1.8724	0.2783	2.1507
14	Western Zone	1.8700	0.5210	2.3910
15	Northern Zone	2.2540	0.9712	3.2252
16	Eastern Zone	2.5640	1.0159	3.5799
17	Storage - Price Adjustment (All Zones)	-	0.2109	0.2109 (5)
	Commodity Cost of Gas and Fuel			
18	Fort Frances	12.7016	(0.1205)	12.5811
19	Western Zone	12.7558	(0.1205)	12.6353
20	Northern Zone	12.8230	(0.1205)	12.7025
21	Eastern Zone	12.8825	(0.1205)	12.7620
22	Commodity and Fuel - Price Adjustment (All Zones)	(2.1736) (6)	(0.0286)	(2.2022) (7)

Notes:

- (1) Includes a temporary credit of (0.0578) cents/m<sup>3</sup> for the period October 1, 2012 to March 31, 2013.
- (2) Includes a temporary credit of (0.0578) cents/m<sup>3</sup> for the period October 1, 2012 to March 31, 2013 and a temporary charge of 0.5088 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (3) Includes Prospective Recovery of 0.1719, 0.2735, 0.4323 and 0.2354 cents/m<sup>3</sup>.
- (4) Includes Prospective Recovery of 0.1719, 0.2735, 0.4323 and 0.2354 cents/m<sup>3</sup>, and a temporary credit of (0.0608) cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (5) Includes a temporary charge of 0.2109 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (6) Includes Prospective Recovery of (0.7743), (0.6697), (0.8603) and 0.1307 cents/m<sup>3</sup>.
- (7) Includes Prospective Recovery of (0.7743), (0.6697), (0.8603) and 0.1307 cents/m<sup>3</sup>, and a temporary credit of (0.0286) cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (8) EB-2011-0210, Rate Order, Working Papers, Schedule 24, Page 2, column (c).

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2012-0437 Approved January 1, 2013 Rate (a)	Rate Change (b)	EB-2011-0210 Approved January 1, 2013 Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
2	First 1,000 m <sup>3</sup>	6.0731	1.6339	7.7070 (8)
3	Next 9,000 m <sup>3</sup>	4.8064	1.4870	6.2934 (8)
4	Next 20,000 m <sup>3</sup>	4.0839	1.4033	5.4872 (8)
5	Next 70,000 m <sup>3</sup>	3.6215	1.3496	4.9711 (8)
6	Over 100,000 m <sup>3</sup>	1.8694	1.1465	3.0159 (8)
7	Delivery - Price Adjustment (All Volumes)	(0.0540) (1)	0.2623	0.2083 (2)
	Gas Transportation Service			
8	Fort Frances	5.4555	(1.1385)	4.3170
9	Western Zone	5.8639	(0.9455)	4.9184
10	Northern Zone	7.2153	(0.2095)	7.0058
11	Eastern Zone	8.3255	(0.4320)	7.8935
12	Transportation - Price Adjustment (All Zones)	1.1127 (3)	(0.0786)	1.0341 (4)
	Storage Service			
13	Fort Frances	1.1964	0.0051	1.2015
14	Western Zone	1.1941	0.2477	1.4418
15	Northern Zone	1.5796	0.6964	2.2760
16	Eastern Zone	1.8907	0.7400	2.6307
17	Storage - Price Adjustment (All Zones)	-	0.1201	0.1201 (5)
	Commodity Cost of Gas and Fuel			
18	Fort Frances	12.7016	(0.1205)	12.5811
19	Western Zone	12.7558	(0.1205)	12.6353
20	Northern Zone	12.8230	(0.1205)	12.7025
21	Eastern Zone	12.8825	(0.1205)	12.7620
22	Commodity and Fuel - Price Adjustment (All Zones)	(2.1736) (6)	(0.0225)	(2.1961) (7)

Notes:

- (1) Includes a temporary credit of (0.0540) cents/m<sup>3</sup> for the period October 1, 2012 to March 31, 2013.
- (2) Includes a temporary credit of (0.0540) cents/m<sup>3</sup> for the period October 1, 2012 to March 31, 2013 and a temporary charge of 0.2623 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (3) Includes Prospective Recovery of 0.1718, 0.2734, 0.4322 and 0.2353 cents/m<sup>3</sup>.
- (4) Includes Prospective Recovery of 0.1718, 0.2734, 0.4322 and 0.2353 cents/m<sup>3</sup>, and a temporary credit of (0.0786) cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (5) Includes a temporary charge of 0.1201 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (6) Includes Prospective Recovery of (0.7743), (0.6697), (0.8603) and 0.1307 cents/m<sup>3</sup>.
- (7) Includes Prospective Recovery of (0.7743), (0.6697), (0.8603) and 0.1307 cents/m<sup>3</sup>, and a temporary credit of (0.0225) cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (8) EB-2011-0210, Rate Order, Working Papers, Schedule 24, Page 2, column (c).

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2012-0437 Approved January 1, 2013 Rate (a)	Rate Change (b)	EB-2011-0210 Approved January 1, 2013 Rate (c)
1	Monthly Charge	\$777.19	\$222.81	\$1,000.00
	Delivery Demand Charge			
2	First 70,000 m <sup>3</sup>	20.0760	7.7419	27.8179
3	All over 70,000 m <sup>3</sup>	11.8057	4.5526	16.3583
	Delivery Commodity Charge			
4	First 852,000 m <sup>3</sup>	0.2643	0.2732	0.5375 (3)
5	All over 852,000 m <sup>3</sup>	0.1917	0.2014	0.3932 (3)
	Monthly Gas Supply Demand Charge			
6	Fort Frances	49.3344	(27.5832)	21.7512
7	Western Zone	57.0166	(21.9699)	35.0467
8	Northern Zone	86.6848	(0.9913)	85.6936
9	Eastern Zone	110.8603	(4.7904)	106.0700
10	Gas Supply Demand - Price Adjustment (All Zones)	-		-
	Commodity Transportation 1			
11	Fort Frances	4.2612	(0.8688)	3.3924
12	Western Zone	4.4236	(0.6945)	3.7291
13	Northern Zone	5.1192	(0.2215)	4.8977
14	Eastern Zone	5.6884	(0.2937)	5.3947
15	Transportation 1 - Price Adjustment (All Zones)	1.1138 (1)		1.1138 (1)
	Commodity Transportation 2			
16	Fort Frances	0.2893	(0.1358)	0.1535
17	Western Zone	0.2668	0.0005	0.2673
18	Northern Zone	0.4111	0.0027	0.4138
19	Eastern Zone	0.5383	0.0010	0.5393
	Commodity Cost of Gas and Fuel			
20	Fort Frances	12.7245	(0.1205)	12.6040
21	Western Zone	12.7788	(0.1205)	12.6583
22	Northern Zone	12.8461	(0.1205)	12.7256
23	Eastern Zone	12.9058	(0.1205)	12.7853
24	Commodity and Fuel - Price Adjustment (All Zones)	(2.1736) (2)		(2.1736) (2)
	Bundled Storage Service (\$/GJ)			
25	Monthly Demand Charge	11.097	(1.454)	9.643
26	Commodity Charge	0.239	(0.083)	0.156
27	Storage Demand - Price Adjustment	-		-

Notes:

- (1) Includes Prospective Recovery of 0.1721, 0.2736, 0.4325 and 0.2356 cents/m<sup>3</sup>.
- (2) Includes Prospective Recovery of (0.7743), (0.6697), (0.8603) and 0.1307 cents/m<sup>3</sup>.
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 24, Page 2, column (c).

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2012-0437 Approved January 1, 2013	Rate Change	EB-2011-0210 Approved January 1, 2013
		Rate (a)		Rate (c)
1	Monthly Charge	\$777.19	\$722.81	\$1,500.00
2	Delivery Demand Charge All Zones	11.9158	3.4257	15.3415
3	Delivery Commodity Charge All Zones	0.1657	0.0480	0.2137 (2)
4	Monthly Gas Supply Demand Charge Fort Frances	88.0846	(26.9946)	61.0900
5	Western Zone	97.0663	(20.4649)	76.6014
6	Northern Zone	131.6881	4.0014	135.6895
7	Eastern Zone	159.8951	(0.4332)	159.4619
8	Commodity Transportation 1 Fort Frances	7.8681	(0.8527)	7.0154
9	Western Zone	7.9899	(0.7220)	7.2679
10	Northern Zone	8.5116	(0.3672)	8.1444
11	Eastern Zone	8.9385	(0.4214)	8.5171
12	Commodity Transportation 2 Fort Frances	0.2893	(0.1358)	0.1535
13	Western Zone	0.2668	0.0005	0.2673
14	Northern Zone	0.4111	0.0026	0.4138
15	Eastern Zone	0.5383	0.0010	0.5393
16	Commodity Cost of Gas and Fuel Fort Frances	12.7245	(0.1205)	12.6040
17	Western Zone	12.7788	(0.1205)	12.6583
18	Northern Zone	12.8461	(0.1205)	12.7256
19	Eastern Zone	12.9058	(0.1205)	12.7853
20	Commodity and Fuel - Price Adjustment (All Zones)	(2.1736) (1)		(2.1736) (1)
21	Bundled Storage Service (\$/GJ) Monthly Demand Charge	11.097	(1.454)	9.643
22	Commodity Charge	0.239	(0.083)	0.156
23	Storage Demand - Price Adjustment	-		-

Notes:

- (1) Includes Prospective Recovery of (0.7743), (0.6697), (0.8603) and 0.1307 cents/m<sup>3</sup>.  
(2) EB-2011-0210, Rate Order, Working Papers, Schedule 24, Page 2, column (c).

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2012-0437 Approved January 1, 2013 Rate (a)	Rate Change (b)	EB-2011-0210 Approved January 1, 2013 Rate (c)
1	<u>Rate 25 - Large Volume Interruptible Service</u> Monthly Charge	\$189.32	\$185.68	\$375.00
2	Delivery Charge - All Zones * Maximum	3.7419	1.3463	5.0882
3	Gas Supply Charges - All Zones Minimum	14.3135		14.3135
4	Maximum	140.5622		140.5622

\* see Appendix C.

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2012-0437 Approved January 1, 2013	Rate Change	EB-2011-0210 Approved January 1, 2013
		Rate (a)		Rate (c)
	<u>Utility Sales</u>			
1	Commodity and Fuel	12.8825	(0.1205)	12.7620
2	Commodity and Fuel - Price Adjustment	(2.0978) (1)	(0.0853)	(2.1831) (2)
3	Transportation	4.6821	(0.2824)	4.3997
4	Total Gas Supply Commodity Charge	<u>15.4668</u>	<u>(0.4882)</u>	<u>14.9786</u>
	<u>M4 Firm Commercial/Industrial</u>			
5	Minimum annual gas supply commodity charge	5.2504	(0.4029)	4.8475
	<u>M5A Interruptible Commercial/Industrial</u>			
6	Minimum annual gas supply commodity charge	5.2504	(0.4029)	4.8475
	<u>Storage and Transportation Supplemental Services - Rate T1, Rate T2 &amp; Rate T3</u>	<u>\$/GJ</u>		<u>\$/GJ</u>
	Monthly demand charges: (\$/GJ)			
7	Firm gas supply service	63.207	0.118	63.325
8	Firm backstop gas	1.939	(0.093)	1.846
	Commodity charges:			
9	Gas supply	3.466		3.466
10	Backstop gas	5.015	(0.058)	4.957
11	Reasonable Efforts Backstop Gas	5.842	(0.110)	5.732
12	Supplemental Inventory	Note (3)		Note (3)
13	Supplemental Gas Sales Service (cents/m <sup>3</sup> )	20.4642	(0.2669)	20.1973
14	Failure to Deliver	2.565	(0.0040)	2.561
15	Discretionary Gas Supply Service (DGSS)	Note (4)		Note (4)

Notes:

- (1) Includes Prospective Recovery of (0.6712), (0.4624), (0.1104) and (0.8538) cents/m<sup>3</sup>.
- (2) Includes Prospective Recovery of (0.6712), (0.4624), (0.1104) and (0.8538) cents/m<sup>3</sup>, and a temporary credit of (0.0853) cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (3) The charge for banked gas purchases shall be the higher of the daily spot gas cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.
- (4) Reflects the "back to back" price plus gas supply administration charge.

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2012-0437 Approved January 1, 2013	Rate Change	EB-2011-0210 Approved January 1, 2013
		Rate (a)		Rate (c)
	<u>Rate M1 - Small Volume General Service Rate</u>			
1	Monthly Charge	\$21.00		\$21.00
2	First 100 m <sup>3</sup>	3.5562	0.2234	3.7795 (8)
3	Next 150 m <sup>3</sup>	3.3617	0.2114	3.5730 (8)
4	All over 250 m <sup>3</sup>	2.9017	0.1829	3.0845 (8)
5	Delivery - Price Adjustment (All Volumes)	(0.0483) (1)	0.0429	(0.0054) (2)
6	Storage Service	0.9735	(0.2367)	0.7368
7	Storage - Price Adjustment	-	(0.0513)	(0.0513) (3)
	<u>Rate M2 - Large Volume General Service Rate</u>			
8	Monthly Charge	\$70.00		\$70.00
9	First 1,000 m <sup>3</sup>	3.7639	0.3778	4.1416 (8)
10	Next 6,000 m <sup>3</sup>	3.6850	0.3804	4.0653 (8)
11	Next 13,000 m <sup>3</sup>	3.4499	0.3881	3.8379 (8)
12	All over 20,000 m <sup>3</sup>	3.1678	0.3973	3.5650 (8)
13	Delivery - Price Adjustment (All Volumes)	(0.0471) (4)	0.0826	0.0355 (5)
14	Storage Service	0.7172	0.0378	0.7550
15	Storage - Price Adjustment	-	0.0080	0.0080 (6)
	<u>Rate M4 - Firm comm/ind contract rate</u>			
	Monthly demand charge:			
16	First 8,450 m <sup>3</sup>	45.2527	1.3712	46.6239
17	Next 19,700 m <sup>3</sup>	19.6336	1.2714	20.9050
18	All over 28,150 m <sup>3</sup>	16.3047	1.2584	17.5631
	Monthly delivery commodity charge:			
19	First block	0.5868	0.3753	0.9621 (8)
20	All remaining use	0.2477	0.1766	0.4243 (8)
21	Delivery - Price Adjustment (All Volumes)	0.0002 (7)		0.0002 (7)
22	Minimum annual delivery commodity charge	0.9006	0.2548	1.1554

Notes:

- (1) Includes Prospective Recovery of 0.0000, 0.0000, 0.0001, 0.0001 and a temporary credit of (0.0485) cents/m<sup>3</sup> for the period October 1, 2012 to March 31, 2013.
- (2) Includes Prospective Recovery of 0.0000, 0.0000, 0.0001, 0.0001, a temporary credit of (0.0485) cents/m<sup>3</sup> for the period October 1, 2012 to March 31, 2013 and a temporary charge of 0.0429 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (3) Includes a temporary credit of (0.0513) cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (4) Includes Prospective Recovery of 0.0000, 0.0000, 0.0001, 0.0001 and a temporary credit of (0.0473) cents/m<sup>3</sup> for the period October 1, 2012 to March 31, 2013.
- (5) Includes Prospective Recovery of 0.0000, 0.0000, 0.0001, 0.0001 and a temporary credit of (0.0473) cents/m<sup>3</sup> for the period October 1, 2012 to March 31, 2013 and a temporary charge of 0.0826 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (6) Includes a temporary charge of 0.0080 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (7) Includes Prospective Recovery of 0.0000, 0.0000, 0.0001 and 0.0001 cents/m<sup>3</sup>.
- (8) EB-2011-0210, Rate Order, Working Papers, Schedule 24, Page 2, column (c).

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2012-0437 Approved January 1, 2013 Rate (a)	Rate Change (b)	EB-2011-0210 Approved January 1, 2013 Rate (c)
	<u>Rate M5A - interruptible comm/ind contract</u>			
	<u>Firm contracts</u> *			
1	Monthly demand charge	27.4318	1.1934	28.6252
2	Monthly delivery commodity charge	2.1615	(0.2238)	1.9377 (2)
3	Delivery - Price Adjustment (All Volumes)	0.0002 (1)		0.0002 (1)
	<u>Interruptible contracts</u> *			
4	Monthly Charge	\$498.20	\$191.80	\$690.00
	Daily delivery commodity charge:			
5	4,800 m <sup>3</sup> to 17,000 m <sup>3</sup>	2.1964	0.7748	2.9712 (2)
6	17,000 m <sup>3</sup> to 30,000 m <sup>3</sup>	2.0665	0.7748	2.8413 (2)
7	30,000 m <sup>3</sup> to 50,000 m <sup>3</sup>	1.9982	0.7748	2.7730 (2)
8	50,000 m <sup>3</sup> to 70,000 m <sup>3</sup>	1.9503	0.7748	2.7251 (2)
9	70,000 m <sup>3</sup> to 100,000 m <sup>3</sup>	1.9160	0.7748	2.6908 (2)
10	100,000 m <sup>3</sup> to 140,870 m <sup>3</sup>	1.8823	0.7748	2.6571 (2)
11	Delivery - Price Adjustment (All Volumes)	0.0002 (1)		0.0002 (1)
12	Annual minimum delivery commodity charge	2.5102	0.6543	3.1645
	<u>Rate M7 - Special large volume contract</u>			
	<u>Firm</u>			
13	Monthly demand charge	25.1902	0.2022	25.3924
14	Monthly delivery commodity charge	0.1005	0.2201	0.3206 (2)
15	Delivery - Price Adjustment	0.0002 (1)		0.0002 (1)
	<u>Interruptible</u> *			
16	Monthly delivery commodity charge: Maximum	2.4667	1.4788	3.9455
17	Delivery - Price Adjustment	0.0002 (1)		0.0002 (1)
	<u>Seasonal</u> *			
18	Monthly delivery commodity charge: Maximum	2.2226	1.4788	3.7014
19	Delivery - Price Adjustment	0.0002 (1)		0.0002 (1)
	<u>Rate M9 - Large wholesale service</u>			
20	Monthly demand charge	16.8055	(1.6367)	15.1688
21	Monthly delivery commodity charge	0.2539	(0.0549)	0.1990 (2)
22	Delivery - Price Adjustment	0.0002 (1)		0.0002 (1)
	<u>Rate M10 - Small wholesale service</u>			
23	Monthly delivery commodity charge	2.5190	2.6544	5.1734 (2)

Notes:

(1) Includes Prospective Recovery of 0.0000, 0.0000, 0.0001 and 0.0001 cents/m<sup>3</sup>.

(2) EB-2011-0210, Rate Order, Working Papers, Schedule 24, Page 2, column (c).

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

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

Line No.	Particulars	EB-2012-0437 Approved January 1, 2013 Rate (a)	Rate Change (b)	EB-2011-0210 Approved January 1, 2013 Rate (c)
	<u>Contract Carriage Service</u>			
	<u>T1 Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.010		-
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.544		-
3	Customer provides deliverability inventory	1.012		-
4	Firm incremental injection	1.012		-
5	Interruptible withdrawal	1.012		-
	Commodity charges:			
6	Withdrawal	0.040		-
7	Customer provides compressor fuel	0.007		-
8	Injection	0.040		-
9	Customer provides compressor fuel	0.007		-
10	Storage fuel ratio - customer provides fuel	0.597%		-
	<u>Transportation (cents / m<sup>3</sup>)</u>			
11	Monthly demand charge first 140,870 m <sup>3</sup>	19.0307		-
12	Monthly demand charge all over 140,870 m <sup>3</sup>	13.0041		-
	Firm commodity charges:			
13	Union provides compressor fuel first 2,360,653 m <sup>3</sup>	0.3430		-
14	Union provides compressor fuel all over 2,360,653 m <sup>3</sup>	0.2293		-
15	Customer provides compressor fuel first 2,360,653 m <sup>3</sup>	0.2264		-
16	Customer provides compressor fuel all over 2,360,653 m <sup>3</sup>	0.1127		-
	Interruptible commodity charges: *			
17	Maximum - Union provides compressor fuel	2.4667		-
18	Maximum - customer provides compressor fuel	2.3501		-
19	Transportation fuel ratio - customer provides fuel	0.554%		-
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
20	Injection / Withdrawals	0.115		-
21	Customer provides compressor fuel	0.058		-
22	Transportation commodity charge (cents/m <sup>3</sup> )	0.9687		-
23	Customer provides compressor fuel	0.8521		-
24	<u>Monthly Charge</u>	\$1,793.52		-

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

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

Line No.	Particulars	EB-2012-0437 Approved January 1, 2013 Rate (a)	Rate Change (b)	EB-2011-0210 Approved January 1, 2013 Rate (c)
	<u>Contract Carriage Service</u>			
	<u>Rate T1 - Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.010	0.001	0.011
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.544	0.081	1.624
3	Customer provides deliverability inventory	1.012	0.185	1.197
4	Firm incremental injection	1.012	0.185	1.197
5	Interruptible withdrawal	1.012	0.185	1.197
	Commodity charges:			
6	Withdrawal	0.040	(0.011)	0.030
7	Customer provides compressor fuel	0.007	0.001	0.008
8	Injection	0.040	(0.011)	0.030
9	Customer provides compressor fuel	0.007	0.001	0.008
10	Storage fuel ratio - customer provides fuel	0.597%	-0.202%	0.395%
	<u>Transportation (cents / m<sup>3</sup>)</u>			
11	Monthly demand charge first 28,150 m <sup>3</sup>	-		31.9554
12	Monthly demand charge next 112,720 m <sup>3</sup>	-		22.0775
	Firm commodity charges:			
13	Union provides compressor fuel - All volumes	-		0.1238
15	Customer provides compressor fuel - All volumes	-		0.0712
16				
	Interruptible commodity charges: *			
17	Maximum - Union provides compressor fuel	-		3.9455
18	Maximum - customer provides compressor fuel	-		3.8929
19	Transportation fuel ratio - customer provides fuel	-		0.250%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
20	Injection / Withdrawals	-		0.108
21	Customer provides compressor fuel	-		0.061
22	Transportation commodity charge (cents/m <sup>3</sup> )	-		1.1743
23	Customer provides compressor fuel	-		1.1218
24	<u>Monthly Charge</u>	-		\$ 1,936.13

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

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

Line No.	Particulars	EB-2012-0437 Approved January 1, 2013 Rate (a)	Rate Change (b)	EB-2011-0210 Approved January 1, 2013 Rate (c)
	<u>Contract Carriage Service</u>			
	<u>Rate T2 - Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.010	0.001	0.011
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.544	0.081	1.624
3	Customer provides deliverability inventory	1.012	0.185	1.197
4	Firm incremental injection	1.012	0.185	1.197
5	Interruptible withdrawal	1.012	0.185	1.197
	Commodity charges:			
6	Withdrawal	0.040	(0.011)	0.030
7	Customer provides compressor fuel	0.007	0.001	0.008
8	Injection	0.040	(0.011)	0.030
9	Customer provides compressor fuel	0.007	0.001	0.008
10	Storage fuel ratio - customer provides fuel	0.597%	-0.202%	0.395%
	<u>Transportation (cents / m<sup>3</sup>)</u>			
11	Monthly demand charge first 140,870 m <sup>3</sup>	-		20.1911
12	Monthly demand charge all over 140,870 m <sup>3</sup>	-		10.6802
	Firm commodity charges:			
13	Union provides compressor fuel - All volumes	-		0.0597
15	Customer provides compressor fuel - All volumes	-		0.0078
16				
	Interruptible commodity charges: *			
17	Maximum - Union provides compressor fuel	-		3.9455
18	Maximum - customer provides compressor fuel	-		3.8936
19	Transportation fuel ratio - customer provides fuel	-		0.247%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
20	Injection / Withdrawals	-		0.108
21	Customer provides compressor fuel	-		0.061
22	Transportation commodity charge (cents/m <sup>3</sup> )	-		0.7235
23	Customer provides compressor fuel	-		0.6716
24	<u>Monthly Charge</u>	-		\$ 6,000.00

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

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

Line No.	Particulars	EB-2012-0437 Approved January 1, 2013 Rate (a)	Rate Change (b)	EB-2011-0210 Approved January 1, 2013 Rate (c)
<u>Rate T3 - Storage and Transportation</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
1	Firm space	0.010	0.001	0.011
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.544	0.081	1.624
3	Customer provides deliverability inventory	1.012	0.185	1.197
4	Firm incremental injection	1.012	0.185	1.197
5	Interruptible withdrawal	1.012	0.185	1.197
Commodity charges:				
6	Withdrawal	0.040	(0.011)	0.030
7	Customer provides compressor fuel	0.007	0.001	0.008
8	Injection	0.040	(0.011)	0.030
9	Customer provides compressor fuel	0.007	0.001	0.008
10	Storage fuel ratio- Cust. provides fuel	0.597%	-0.202%	0.395%
<u>Transportation (cents / m<sup>3</sup>)</u>				
11	Monthly demand charge	8.9901	0.3681	9.3582
	Firm commodity charges			
12	Union supplies compressor fuel	0.2201	(0.1494)	0.0707
13	Customer provides compressor fuel	0.0681	(0.0574)	0.0107
14	Transportation fuel ratio- Cust. provides fuel	0.722%	-0.437%	0.285%
<u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges:				
15	Injection / Withdrawals	0.115	(0.007)	0.108
16	Customer provides compressor fuel	0.058	0.003	0.061
17	Transportation commodity charge (cents/m <sup>3</sup> )	0.5156	(0.1373)	0.3783
18	Customer provides compressor fuel (cents/m <sup>3</sup> )	0.3637	(0.0453)	0.3184
<u>Monthly Charge</u>				
19	City of Kitchener	\$17,549.76	\$2,821.59	\$20,371.35
20	Natural Resource Gas	\$2,694.07	\$433.14	\$3,127.21
21	Six Nations	\$898.02	\$144.38	\$1,042.40

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

Line No.	Particulars	EB-2012-0437 Approved January 1, 2013 Rate (a)	Rate Change (b)	EB-2011-0210 Approved January 1, 2013 Rate (c)
	<u>U2 Unbundled Service</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
	Standard Storage Service (SSS)			
1	Combined Firm Space & Deliverability	0.021	0.003	0.024
	Standard Peaking Service (SPS)			
2	Combined Firm Space & Deliverability	0.102	0.015	0.116
3	Incremental firm injection right	0.917	0.124	1.041
4	Incremental firm withdrawal right	0.917	0.124	1.041
	Commodity charges:			
5	Injection customer provides compressor fuel	0.015	0.011	0.026
6	Withdrawal customer provides compressor fuel	0.015	0.011	0.026
7	Storage fuel ratio - Customer provides fuel	0.597%	-0.202%	0.395%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
8	Injection customer provides compressor fuel	0.045	0.015	0.060
9	Withdrawal customer provides compressor fuel	0.045	0.015	0.060

UNION GAS LIMITED  
Summary of Changes to Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2012-0437 Approved January 1, 2013 Rate (a)	Rate Change (b)	EB-2011-0210 Approved January 1, 2013 Rate (c)
	<u>M12 Transportation Service</u>			
	<u>Firm Transportation</u>			
	Monthly demand charges:			
1	Dawn to Kirkwall	1.978	0.033	2.011
2	Dawn to Parkway	2.323	0.059	2.382
3	Kirkwall to Parkway	0.345	0.027	0.372
4	F24-T	0.689	(0.622)	0.068
	<u>M12-X Firm Transportation</u>			
5	Between Dawn, Kirkwall and Parkway	2.868	0.093	2.961
	Commodity charges:			
6	Easterly	Note (1)		Note (1)
7	Westerly	Note (1)		Note (1)
8	Parkway (TCPL) to Parkway (Cons)	Note (1)		Note (1)
	<u>Limited Firm/Interruptible</u>			
	Monthly demand charges:			
9	Maximum	5.576	0.142	5.718
	Commodity charges :			
10	Others	Note (1)		Note (1)
	<u>Authorized Overrun</u>			
	Transportation commodity charges:			
	Easterly:			
11	Dawn to Kirkwall - Union supplied fuel	Note (1)		Note (1)
12	Dawn to Parkway - Union supplied fuel	Note (1)		Note (1)
13	Dawn to Kirkwall - Shipper supplied fuel	0.065 (1)	0.001	0.066 (1)
14	Dawn to Parkway - Shipper supplied fuel	0.076 (1)	0.002	0.078 (1)
15	Kirkwall to Parkway - Union supplied fuel	Note (1)		Note (1)
16	Kirkwall to Parkway - Shipper supplied fuel	0.011 (1)	0.001	0.012
17	Westerly - Union supplied fuel	Note (1)		Note (1)
18	Westerly - Shipper supplied fuel	0.076 (1)	0.002	0.078 (1)
	<u>M12-X Firm Transportation</u>			
19	Between Dawn, Kirkwall and Parkway - Union supplied fuel	Note (1)		Note (1)
20	Between Dawn, Kirkwall and Parkway - Shipper supplied fuel	0.094 (1)	0.003	0.097
	<u>M13 Transportation of Locally Produced Gas</u>			
21	Monthly fixed charge per customer station	\$655.83	270.769	\$926.60
22	Transmission commodity charge to Dawn	0.025	0.009	0.034
23	Commodity charge - Union supplies fuel	0.021	(0.012)	0.009 (2)
24	Commodity charge - Shipper supplies fuel	Note (3)		Note (2)
25	Authorized Overrun - Union supplies fuel	0.078	(0.001)	0.077 (2)
26	Authorized Overrun - Shipper supplies fuel	0.057 (3)	0.012	0.069 (3)

Notes:

- (1) Monthly fuel rates and ratios per Schedule "C".  
(2) EB-2011-0210, Rate Order, Working Papers, Schedule 24, page 3, column (c).  
(2) Plus customer supplied fuel per rate schedule.

UNION GAS LIMITED  
Summary of Changes to Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2012-0437 Approved January 1, 2013 Rate (a)	Rate Change (b)	EB-2011-0210 Approved January 1, 2013 Rate (c)
<u>M16 Storage Transportation Service</u>				
1	Monthly fixed charge per customer station	\$664.27	\$809.85	\$1,474.12
	Monthly demand charges:			
2	East of Dawn	0.725	0.016	0.741
3	West of Dawn	0.967	0.092	1.059
4	Transmission commodity charge to Dawn	0.025	0.009	0.034
	Transportation Fuel Charges to Dawn:			
5	East of Dawn - Union supplied fuel	0.021	(0.012)	0.009 (1)
6	West of Dawn - Union supplied fuel	0.021	(0.012)	0.009 (1)
7	East of Dawn - Shipper supplied fuel	Note (2)		Note (2)
8	West of Dawn - Shipper supplied fuel	Note (2)		Note (2)
	Transportation Fuel Charges to Pools:			
9	East of Dawn - Union supplied fuel	0.024	(0.015)	0.009 (1)
10	West of Dawn - Union supplied fuel	0.027	(0.003)	0.024 (1)
11	East of Dawn - Shipper supplied fuel	Note (2)		Note (2)
12	West of Dawn - Shipper supplied fuel	Note (2)		Note (2)
<u>Authorized Overrun</u>				
	Transportation Fuel Charges to Dawn:			
13	East of Dawn - Union supplied fuel	0.070	(0.003)	0.067 (1)
14	West of Dawn - Union supplied fuel	0.078	(0.001)	0.077 (1)
15	East of Dawn - Shipper supplied fuel	0.049 (2)	0.009	0.058 (2)
16	West of Dawn - Shipper supplied fuel	0.057 (2)	0.012	0.069 (2)
	Transportation Fuel Charges to Pools:			
17	East of Dawn - Union supplied fuel	0.048	(0.015)	0.033 (1)
18	West of Dawn - Union supplied fuel	0.059	(0.000)	0.059 (1)
19	East of Dawn - Shipper supplied fuel	0.024 (2)	(0.000)	0.024 (2)
20	West of Dawn - Shipper supplied fuel	0.032 (2)	0.003	0.035 (2)
<u>C1 Storage &amp; Cross Franchise Transportation Service</u>				
<u>Transportation service</u>				
	Monthly demand charges:			
21	St. Clair / Bluewater & Dawn	0.967	0.092	1.059
22	Ojibway & Dawn	0.967	0.092	1.059
23	Parkway to Dawn	0.545	0.034	0.579
24	Parkway to Kirkwall	0.545	0.034	0.579
25	Kirkwall to Dawn	1.175	(0.154)	1.021
26	Dawn to Kirkwall	1.978	0.033	2.011
27	Dawn to Parkway	2.323	0.059	2.382
28	Kirkwall to Parkway	0.345	0.027	0.372
29	Dawn to Dawn-Vector	0.042	(0.013)	0.029
30	Dawn to Dawn-TCPL	0.220	(0.086)	0.134
	Short-term:			
31	Maximum	75.00		75.00
	Commodity charges:			
32	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.025	(0.011)	0.014 (1)
33	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.022	(0.011)	0.011 (1)
34	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.030	(0.014)	0.016 (1)
35	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.027	(0.003)	0.024 (1)
36	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.020	(0.011)	0.009 (1)
37	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.021	(0.006)	0.015 (1)
38	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.020	(0.011)	0.009 (1)
39	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.021	(0.012)	0.009 (1)
40	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.063	(0.022)	0.041 (1)
41	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.029	(0.012)	0.017 (1)
42	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.063	(0.009)	0.054 (1)
43	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct. 31)	0.029	(0.000)	0.029 (1)
44	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.030	(0.008)	0.022 (1)
45	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct. 31)	0.020	0.001	0.021 (1)

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 24, page 3, column (c).  
(2) Plus customer supplied fuel per rate schedule.

UNION GAS LIMITED  
Summary of Changes to Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2012-0437 Approved January 1, 2013 Rate (a)	Rate Change (b)	EB-2011-0210 Approved January 1, 2013 Rate (c)
<u>C1 Storage &amp; Cross Franchise Transportation Service</u>				
<u>Transportation service cont'd</u>				
1	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
2	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
3	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
4	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
5	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
6	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
7	Kirkwall to Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
8	Kirkwall to Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
9	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
10	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
11	Dawn to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
12	Dawn to Parkway - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
13	Kirkwall to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
14	Kirkwall to Parkway - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
15	Dawn to Dawn-Vector - Shipper supplied fuel (Nov. 1 - Mar. 31)	n/a		Note (1)
16	Dawn to Dawn-Vector - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
17	Dawn to Dawn-TCPL - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
18	Dawn to Dawn-TCPL - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
Interruptible commodity charges:				
19	Maximum	75.00		75.00
Dawn(Tecumseh), Dawn(Facilities or TCPL), Dawn (Vector) and Dawn (TSLE)				
20		Note (1)		Note (1)
<u>Authorized Overrun</u>				
Firm transportation commodity charges:				
21	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.058	(0.009)	0.049 (2)
22	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.053	(0.007)	0.046 (2)
23	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.064	(0.013)	0.051 (2)
24	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.060	(0.001)	0.059 (2)
25	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.081	0.039	0.120 (2)
26	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.046	0.081	0.127 (2)
27	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.034	0.013	0.047 (2)
28	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.036	0.011	0.047 (2)
29	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.127	0.013	0.140 (2)
30	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.092	0.025	0.117 (2)
31	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.139	0.027	0.166 (2)
32	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct. 31)	0.104	0.037	0.141 (2)
33	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.042	0.026	0.068 (2)
34	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct. 31)	0.031	0.035	0.066 (2)
35	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.032 (1)	0.003	0.035 (1)
36	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.032 (1)	0.003	0.035 (1)
37	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.032 (1)	0.003	0.035 (1)
38	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.032 (1)	0.003	0.035 (1)
39	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.018 (1)	0.001	0.019 (1)
40	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.018 (1)	0.001	0.019 (1)
41	Kirkwall to Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.039 (1)	(0.005)	0.034 (1)
42	Kirkwall to Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.039 (1)	(0.005)	0.034 (1)
43	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.065 (1)	0.001	0.066 (1)
44	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.065 (1)	0.001	0.066 (1)
45	Dawn to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.076 (1)	0.002	0.078 (1)
46	Dawn to Parkway - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.076 (1)	0.002	0.078 (1)
47	Kirkwall to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.011 (1)	0.001	0.012 (1)
48	Kirkwall to Parkway - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.011 (1)	0.001	0.012 (1)
49	Dawn to Dawn-Vector - Shipper supplied fuel (Nov. 1 - Mar. 31)	n/a (1)		0.001 (1)
50	Dawn to Dawn-Vector - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.001 (1)	(0.000)	0.001 (1)
51	Dawn to Dawn-TCPL - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.007 (1)	(0.003)	0.004 (1)
52	Dawn to Dawn-TCPL - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.007 (1)	(0.003)	0.004 (1)
Short Term Firm transportation commodity charges:				
53	Maximum	75.00		75.00

Notes:

- (1) Plus customer supplied fuel per rate schedule.  
(2) EB-2011-0210, Rate Order, Working Papers, Schedule 24, page 3, column (c).





RATE 01A - SMALL VOLUME GENERAL FIRM SERVICE

**ELIGIBILITY**

Any customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end user whose total gas requirements at that location are equal to or less than 50,000 m<sup>3</sup> per year.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

**MONTHLY RATES AND CHARGES**

Zone	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
Rate Schedule No.	201	101	301	601
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$21.00	\$21.00	\$21.00	\$21.00
<u>DELIVERY CHARGE</u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 100 m <sup>3</sup> per month @	9.7347	9.7347	9.7347	9.7347
Next 200 m <sup>3</sup> per month @	9.2102	9.2102	9.2102	9.2102
Next 200 m <sup>3</sup> per month @	8.8375	8.8375	8.8375	8.8375
Next 500 m <sup>3</sup> per month @	8.4955	8.4955	8.4955	8.4955
Over 1,000 m <sup>3</sup> per month @	8.2130	8.2130	8.2130	8.2130
Delivery-Price Adjustment (All Volumes)	0.4510 (1)	0.4510 (1)	0.4510 (1)	0.4510 (1)

Notes:

- (1) The Delivery - Price Adjustment is composed of a temporary credit of 0.0578 cents/m<sup>3</sup> for the period October 1, 2012 to March 31, 2013 and a temporary charge of 0.5088 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.



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ADDITIONAL CHARGES FOR SALES SERVICE

**GAS SUPPLY CHARGES**

Gas Supply Charge (if applicable)

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

**MONTHLY BILL**

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

**MINIMUM MONTHLY BILL**

The Minimum Monthly Bill shall be the Monthly Charge.

**DELAYED PAYMENT**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

**SERVICE AGREEMENT**

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

**TERMS AND CONDITIONS OF SERVICE**

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

Effective

January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.



RATE 10 - LARGE VOLUME GENERAL FIRM SERVICE

**ELIGIBILITY**

Any customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end-user whose total firm gas requirements at one or more Company-owned meters at one location exceed 50,000 m<sup>3</sup> per year.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

**MONTHLY RATES AND CHARGES**

Zone	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
Rate Schedule No.	210	110	310	610
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$70.00	\$70.00	\$70.00	\$70.00
<u>DELIVERY CHARGE</u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 1,000 m <sup>3</sup> per month @	7.7070	7.7070	7.7070	7.7070
Next 9,000 m <sup>3</sup> per month @	6.2934	6.2934	6.2934	6.2934
Next 20,000 m <sup>3</sup> per month @	5.4872	5.4872	5.4872	5.4872
Next 70,000 m <sup>3</sup> per month @	4.9711	4.9711	4.9711	4.9711
Over 100,000 m <sup>3</sup> per month @	3.0159	3.0159	3.0159	3.0159
Delivery-Price Adjustment (All Volumes)	0.2083 (1)	0.2083 (1)	0.2083 (1)	0.2083 (1)

Notes:

- (1) The Delivery - Price Adjustment is composed of a temporary credit of 0.0540 cents/m<sup>3</sup> for the period October 1, 2012 to March 31, 2013 and a temporary charge of 0.2623 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.



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#### ADDITIONAL CHARGES FOR SALES SERVICE

##### **GAS SUPPLY CHARGES**

Gas Supply Charge (if applicable)

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

##### **MONTHLY BILL**

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

##### **MINIMUM MONTHLY BILL**

The Minimum Monthly Bill shall be the Monthly Charge.

##### **DELAYED PAYMENT**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

##### **SERVICE AGREEMENT**

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

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

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

Effective

January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.



RATE 20 - MEDIUM VOLUME FIRM SERVICE

**ELIGIBILITY**

Any customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end-user or who is authorized to serve an end-user of gas through one or more Company-owned meters at one location, and whose total maximum daily requirements for firm or combined firm and interruptible service is 14,000 m<sup>3</sup> or more.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

For continuous delivery on Union's distribution system from the Point of Receipt on TCPL's system to the Point of Consumption on the customer's premises of natural gas owned by the customer. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Monthly, Delivery, Transportation Account and Diversion Transaction Charges shall apply. Unless otherwise authorized by Union, customers who initiate a movement to Transportation Service from a Sales Service or Bundled Transportation Service must accept an assignment from Union of transportation capacity on upstream pipeline systems. Customers may reduce their assignment of transportation capacity in compliance with Union's Turnback Policy.

(c) **Bundled Transportation Service**

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

(d) **Storage Service**

For load balancing purposes for customers using Transportation Service on this rate schedule. If at the sole discretion of Union, adequate supplies exist, bundled and unbundled storage and delivery/redelivery services will be provided.

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

NOTE: Union has a short-term intermittent gas supply service under Rate 30 of which customers may avail themselves, if they qualify for use of the service.



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## MONTHLY RATES AND CHARGES

### APPLICABLE TO ALL SERVICES - ALL ZONES (1)

<u>MONTHLY CHARGE</u>	\$1,000.00
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#### DELIVERY CHARGES (cents per month per m<sup>3</sup>)

Monthly Demand Charge for first 70,000 m <sup>3</sup> of Contracted Daily Demand	27.8179
Monthly Demand Charge for all units over 70,000 m <sup>3</sup> of Contracted Daily Demand	16.3583

Commodity Charge for first 852,000 m <sup>3</sup> of gas volumes delivered	0.5375
Commodity Charge for all units over 852,000 m <sup>3</sup> of gas volumes delivered	0.3932

#### NOTE

(1) Either the utility or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates, charges and terms and conditions applicable thereto, different from the rates, charges and terms and conditions specified herein if changed rates, charges and terms and conditions are considered by either party to be necessary, desirable and in the public interest.

### ADDITIONAL CHARGES FOR SALES SERVICE

#### Gas Supply Charge

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

#### Commodity Transportation

Charge 1 applies for all gas volumes delivered in the billing month up to the volume represented by the Contract Demand multiplied by the number of days in the billing month multiplied by 0.4.

Charge 2 applies for all additional gas volumes delivered in the billing month.

## HEAT CONTENT ADJUSTMENT

The gas supply commodity charges hereunder will be adjusted upwards or downwards as described below if the average total heating value of the gas per cubic metre (m<sup>3</sup>) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per m<sup>3</sup>, respectively.

The adjustment shall be determined by multiplying the amount otherwise payable by a fraction, where the numerator is the monthly weighted average total heating value per cubic meter and the denominator 37.89.

**COMMISSIONING AND DECOMMISSIONING RATE**

The contract may provide that the Monthly Demand Charges specified above shall not apply on all or part of the daily contracted demand used by the customer either during the testing, commissioning and phasing in of gas using equipment or, alternatively, in the decommissioning and phasing out of gas using equipment being displaced by other gas using equipment, for a period not to exceed one year ("the transition period"). To be eligible the new or displaced gas using equipment must be separately meterable. In such event, the contract will provide the following rates that such volume during the transitional period will be charged.

Zone Rate Schedule No.	<u>Fort Frances</u> 220	<u>Western</u> 120	<u>Northern</u> 320	<u>Eastern</u> 620
<u>MONTHLY CHARGE</u>	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
<u>DELIVERY CHARGES</u>	<u>cents per m<sup>3</sup></u>	<u>cents per m<sup>3</sup></u>	<u>cents per m<sup>3</sup></u>	<u>cents per m<sup>3</sup></u>
Commodity Charge for each unit of gas volumes delivered	2.3666	2.3666	2.3666	2.3666

**GAS SUPPLY CHARGES**

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

**ADDITIONAL CHARGES FOR TRANSPORTATION AND STORAGE SERVICES – ALL ZONES****MONTHLY TRANSPORTATION ACCOUNT CHARGE**

For customers that currently have installed or will require installing telemetering equipment \$219.43

**BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES**

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement (\$/GJ/Month) \$9.643  
Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$/GJ/Month) -

Commodity Charge for each unit of gas withdrawn from storage (\$/GJ) \$0.156

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ) \$0.473

The Authorized Overrun Commodity Charge is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

**DIVERSION TRANSACTION CHARGE**

Charge to a customer Receiving Delivery of diverted gas each time such customer requests a diversion and Union provides the service: \$10.00

**THE BILL**

The bill will equal the sum of the charges for all services selected plus the rates multiplied by the applicable gas quantities delivered or withdrawn for each service chosen plus all applicable taxes. If the customer transports its own gas, the Gas Supply Charge under Sales Service will not apply. If the customer selects Union's Sales Service which includes the Gas Supply Charge, no additional charges for Transportation and Storage Services will apply.

**MINIMUM BILL**

The minimum bill shall be the Monthly Charge, the Transportation Account Charge and the Demand Charges, as applicable.



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#### **DELAYED PAYMENT**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

#### **SERVICE AGREEMENT**

All customers must enter into a Service Agreement with Union before receiving service under this rate schedule.

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

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

Effective

January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.

RATE 25 - LARGE VOLUME INTERRUPTIBLE SERVICE**ELIGIBILITY**

Any customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end-user or who is authorized to serve an end-user of gas through one or more Company-owned meters at one location, and whose total maximum daily interruptible requirement is 3,000 m<sup>3</sup> or more or the interruptible portion of a maximum daily requirement for combined firm and interruptible service is 14,000 m<sup>3</sup> or more and whose operations, in the judgement of Union, can readily accept interruption and restoration of gas service.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Sales Service**

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

**(b) Transportation Service**

For delivery of natural gas owned by the customer on Union's distribution system from the Point of Receipt from TCPL's system to the Point of Consumption on the customer's or end-user's premises, providing that, in the judgement of Union, acting reasonably, the customer-owned gas does not displace service from Union under a Rate 20 or Rate 100 contract specific to that location. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Monthly, Delivery, Transportation Account and Diversion Transaction Charges shall apply.

NOTE: Union has a short-term intermittent gas supply service under Rate 30 which customers may avail themselves of, if they qualify for use of the service.

**MONTHLY RATES AND CHARGES**APPLICABLE TO ALL SERVICES – ALL ZONES (1)MONTHLY CHARGE

\$375.00

DELIVERY CHARGEScents per m<sup>3</sup>

A Delivery Price for all volumes delivered to the customer to be negotiated between Union and the customer and the average price during the period in which these rates remain in effect shall not exceed:

5.0882

Notes:

(1) Either the utility or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates, charges and terms and conditions applicable thereto, different from the rates, charges and terms and conditions specified herein if changed rates, charges and terms and conditions are considered by either party to be necessary, desirable and in the public interest.



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ADDITIONAL CHARGES FOR SALES SERVICE

Gas Supply Charge

As per applicable rate provided in Schedule "A".

Interruptible Service

Applicable all year at a price agreed upon between Union and the customer and the average price during the period in which these rates remain in effect.

**HEAT CONTENT ADJUSTMENT**

The gas supply commodity charges hereunder will be adjusted upwards or downwards as described below if the average total heating value of the gas per cubic metre ( $\text{m}^3$ ) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per  $\text{m}^3$ , respectively.

The adjustment shall be determined by multiplying the amount otherwise payable by a fraction, where the numerator is the monthly weighted average total heating value per cubic meter and the denominator 37.89.

ADDITIONAL CHARGES FOR TRANSPORTATION – ALL ZONES

MONTHLY TRANSPORTATION ACCOUNT CHARGE:

For customers that currently have installed or will require installing telemetering equipment.

\$219.43

**THE BILL**

The bill will equal the sum of the monthly charges for all services selected plus the rates multiplied by the applicable gas volumes delivered or withdrawn for each service chosen plus all applicable taxes. If the customer transports its own gas, the Gas Supply Charge under Sales Service will not apply. If the customer selects Union's Sales Service which includes the Gas Supply Charge, no additional charges for Transportation will apply.

**MINIMUM BILL**

The minimum bill shall be the Monthly Charge and the Transportation Account Charge, if applicable.

**DELAYED PAYMENT**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

**SERVICE AGREEMENT**

All customers must enter into a Service Agreement with Union before receiving service under this rate schedule.



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**Rate 25**  
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#### **TERMS AND CONDITIONS OF SERVICE**

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

Effective

January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.



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RATE 30 - INTERMITTENT GAS SUPPLY SERVICE  
AND SHORT TERM STORAGE / BALANCING SERVICE

**ELIGIBILITY**

Any customer in Union's Fort Frances, Western, Northern or Eastern Zones already connected to Union's gas distribution system who is an end-user or is authorized to serve an end-user.

**SERVICE AVAILABLE**

For intermittent, short-term gas supply which will be a substitute for energy forms other than Company owned gas sold under other rate schedules. This may include situations where customer-owned gas supplies are inadequate and short-term backstopping service is requested or during a situation of curtailment on the basis of price when the purchase price of Spot gas is outside the interruptible service price range. The gas supply service available hereunder is offered only in conjunction with service to the customer under an applicable firm or interruptible service rate schedule of Union. The service is for intermittent gas supply and short term storage / balancing service and will be billed in combination with Monthly, Delivery, and other applicable charges for such services under the applicable rate schedule. Gas supply under this rate will be provided when, at the sole discretion of Union, adequate supplies are available.

**GAS SUPPLY CHARGE**

The gas supply charge shall be \$5.00 per  $10^3\text{m}^3$  plus the greater of the incremental cost of gas for Union and the customer's gas supply charge.

**SHORT TERM STORAGE / BALANCING SERVICE**

Short Term Storage / Balancing Service is:

- i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
- ii) short-term firm deliverability, OR
- iii) a component of an operational balancing service offered.

In negotiating the rate to be charged for service, the matters that are to be considered include:

- i) the minimum amount of storage service to which a customer is willing to commit,
- ii) whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
- iii) utilization of facilities, and
- iv) competition.

A commodity charge to be negotiated between Union and the customer not to exceed \$6.000/GJ.

**THE BILL**

The bill for gas supply and/or short term supplemental services under this rate shall be rendered in conjunction with the billing for delivery and other services under the customer's applicable rate for such services.

**SERVICE AGREEMENT**

All customers must enter into a Service Agreement with Union for this service and must agree therein to curtail or interrupt use of gas under this rate schedule whenever requested to do so by Union.



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**TERMS AND CONDITIONS OF SERVICE**

1. Failure of the customer to interrupt or curtail use of gas on this rate as requested by Union shall be subject to the Unauthorized Overrun Gas Penalty as provided in Union's Terms and Conditions. Anytime the customer has such failure, Union reserves the right to cancel service under this rate.
2. The Terms and Conditions of the applicable rate schedule for delivery of the gas sold hereunder shall also apply.
3. The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

Effective

January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.

**RATE 100 – LARGE VOLUME HIGH LOAD FACTOR FIRM SERVICE****ELIGIBILITY**

Any customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end-user or who is authorized to serve an end-user of gas through one or more Company-owned meters at one location, and whose maximum daily requirement for firm service is 100,000 m<sup>3</sup> or more, and whose annual requirement for firm service is equal to or greater than its maximum daily requirement multiplied by 256.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Sales Service**

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

**(b) Transportation Service**

For continuous delivery on Union's distribution system from the Point of Receipt on TCPL's system to the Point of Consumption on the customer's premises of natural gas owned by the customer. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Monthly, Delivery, Transportation Account and Diversion Transaction Charges shall apply. Unless otherwise authorized by Union, customers who initiate a movement to Transportation Service from a Sales Service or Bundled Transportation Service must accept an assignment from Union of transportation capacity on upstream pipeline systems. Customers may reduce their assignment of transportation capacity in compliance with Union's Turnback Policy.

**(c) Bundled Transportation Service**

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

**(d) Storage Service**

For load balancing purposes for customers using Transportation Service on this rate schedule. If at the sole discretion of Union, adequate supplies exist, bundled and unbundled storage and delivery/redelivery services will be provided.

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

**NOTE:** Union has a short-term intermittent gas supply service under Rate 30 which customers may avail themselves of, if they qualify for use of the service.



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## MONTHLY RATES AND CHARGES

### APPLICABLE TO ALL SERVICES - ALL ZONES (1)

<u>MONTHLY CHARGE</u>	\$1,500.00
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DELIVERY CHARGES (cents per Month per m<sup>3</sup> of Daily Contract Demand)

Monthly Demand Charge for each unit of Contracted Daily Demand	15.3415
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Commodity Charge for each unit of gas volumes delivered (cents/m <sup>3</sup> )	0.2137
---	--------

#### NOTE:

(1) Either the utility or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates, charges and terms and conditions applicable thereto, different from the rates, charges and terms and conditions specified herein if changed rates, charges and terms and conditions are considered by either party to be necessary, desirable and in the public interest.

### ADDITIONAL CHARGES FOR SALES SERVICE

#### Gas Supply Charges

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

#### Commodity Transportation

Charge 1 applies for all gas volumes delivered in the billing month up to the volume represented by the Contract Demand multiplied by the number of days in the billing month multiplied by 0.3.

Charge 2 applies for all additional gas volumes delivered in the billing month.

## HEAT CONTENT ADJUSTMENT

The gas supply commodity charges hereunder will be adjusted upwards or downwards as described below if the average total heating value of the gas per cubic metre (m<sup>3</sup>) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per m<sup>3</sup>, respectively.

The adjustment shall be determined by multiplying the amount otherwise payable by a fraction, where the numerator is the monthly weighted average total heating value per cubic meter and the denominator 37.89.

**COMMISSIONING AND DECOMMISSIONING RATE**

The contract may provide that the Monthly Demand Charges specified above shall not apply on all or part of the daily contracted demand used by the customer either during the testing, commissioning and phasing in of gas using equipment or, alternatively, in the decommissioning and phasing out of gas using equipment being displaced by other gas using equipment, for a period not to exceed one year ("the transitional period"). To be eligible the new or displaced gas using equipment must be separately meterable. In such event, the contract will provide the following rates that such volume during the transitional period will be charged.

Zone Rate Schedule No.	<u>Fort Frances</u> 2100	<u>Western</u> 1100	<u>Northern</u> 3100	<u>Eastern</u> 6100
<u>MONTHLY CHARGE</u>	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
<u>DELIVERY CHARGES</u>	<u>cents per m<sup>3</sup></u>	<u>cents per m<sup>3</sup></u>	<u>cents per m<sup>3</sup></u>	<u>cents per m<sup>3</sup></u>
Commodity Charge for each unit of gas volumes delivered	0.9342	0.9342	0.9342	0.9342

**GAS SUPPLY CHARGES**

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

**ADDITIONAL CHARGES FOR TRANSPORTATION AND STORAGE SERVICES – ALL ZONES****MONTHLY TRANSPORTATION ACCOUNT CHARGE**

For customers that currently have installed or will require installing telemetering equipment \$219.43

**BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES**

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement (\$/GJ/Month) \$9.643

Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$/GJ/Month) -

Commodity Charge for each unit of gas withdrawn from storage (\$/GJ) \$0.156

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ) \$0.473

The Authorized Overrun Commodity Charge is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

**DIVERSION TRANSACTION CHARGE**

Charge to a customer Receiving Delivery of diverted gas each time such customer requests a diversion and Union provides the service: \$10.00

**THE BILL**

The bill will equal the sum of the charges for all services selected plus the rates multiplied by the applicable gas quantities delivered or withdrawn for each service chosen plus all applicable taxes. If the customer transports its own gas, the Gas Supply Charge under Sales Service will not apply. If the customer selects Union's Sales Service which includes the Gas Supply Charge, no additional charges for Transportation and Storage Services will apply.

**MINIMUM BILL**

The minimum bill shall be the Monthly Charge, the Transportation Account Charge and the Demand Charges, as applicable.



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#### **DELAYED PAYMENT**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

#### **SERVICE AGREEMENT**

All customers must enter into a Service Agreement with Union before receiving service under this rate schedule.

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

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

Effective

January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.

RATE S1 - GENERAL FIRM SERVICE STORAGE RATES**ELIGIBILITY**

Any customer or agent in Union's Fort Frances, Western, Northern or Eastern Zones who is authorized to serve an end-user of gas, paying for delivery services under Rate 01A or Rate 10.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Transportation Service**

The customer is responsible for obtaining all Gas Supply services to the end-user including the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Diversion Transaction Charge shall apply. Unless otherwise authorized by Union, customers who initiate a movement to Transportation Service from a Sales Service or Bundled Transportation Service must accept an assignment from Union of transportation capacity on upstream pipeline systems.

**(b) Storage Service**

For load balancing purposes for customers using Transportation Service on this rate schedule. If at the sole discretion of Union, adequate supplies exist, unbundled storage and delivery/redelivery services will be provided.

The charge for Unbundled Storage Service will consist of the charges for Transportation Service plus the charges for Unbundled Storage Service which must include charges for delivery/redelivery service to/from storage.

**MONTHLY RATES AND CHARGES**UNBUNDLED STORAGE SERVICE CHARGES

Storage Space Charge	
Applied to Contracted Maximum Storage Space (\$ per GJ per Month)	\$0.085
Fuel Ratio	
Applied to all gas injected and withdrawn from storage (%)	0.395%
Commodity Charge	
Applied to all gas injected and withdrawn from storage (\$ per GJ)	\$0.026

UNBUNDLED STORAGE SERVICE AUTHORIZED OVERRUN CHARGES

Fuel Ratio	
Applied to all gas injected and withdrawn from storage (%)	0.853%
Commodity Charge	
Applied to all gas injected and withdrawn from storage (\$ per GJ)	\$0.053

The Authorized Overrun Commodity Charge is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

**UNBUNDLED STORAGE SERVICE UNAUTHORIZED OVERRUN CHARGES**

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be \$60.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$6.000 per GJ.

Zone	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Delivery Service to Storage Facilities (1)</u>				
Demand Charge (\$/GJ/month)	N/A	\$23.187	\$9.083	\$0.908
Commodity (\$/GJ)	N/A	\$0.049	\$0.023	\$0.008
<u>Redelivery Service from Storage Facilities</u>				
Demand Charge (\$/GJ/month)	\$1.798	\$1.798	\$1.798	\$7.836
Commodity (\$/GJ)	N/A	\$0.035	\$0.035	\$0.049

Notes:

1. Delivery Service to Storage Facilities is not available to Northern Zone customers in the Sault Ste. Marie Delivery Area (SSMDA).
2. Daily Firm Injection and Withdrawal Rights shall be pursuant to the storage contract.
3. Storage Space, Withdrawal Rights, and Injection Rights are not assignable to any other party without the prior written consent of Union and where necessary, approval from the Ontario Energy Board.

Diversion Transaction Charge

Charge to a customer receiving delivery of diverted gas each time such customer requests a diversion and Union provides the service:

\$10.00

**MONTHLY BILL**

The monthly bill will equal the sum of the monthly charges for all services selected plus the rates multiplied by the applicable gas quantities delivered or withdrawn for each service chosen plus all applicable taxes.

**DELAYED PAYMENT**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

**TERMS AND CONDITIONS OF SERVICE**

1. Customers must enter into a Service Agreement with Union prior to the commencement of service.
2. The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

Effective

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Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.



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Schedule "A"  
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Union Gas Limited  
Northern and Eastern Operations Area  
Gas Supply Charges

(A) Availability

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

(B) Applicability:

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

(C) Rates

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 01A (cents / m<sup>3</sup>)</u>				
Storage	2.1507	2.3910	3.2252	3.5799
Storage - Price Adjustment (2)	0.2109	0.2109	0.2109	0.2109
Commodity and Fuel (1)	12.5811	12.6353	12.7025	12.7620
Commodity and Fuel - Price Adjustment (3)	(2.2022)	(2.2022)	(2.2022)	(2.2022)
Transportation	4.9387	5.5401	7.6275	8.5153
Transportation - Price Adjustment (4)	1.0523	1.0523	1.0523	1.0523
Total Gas Supply Charge	<u>18.7315</u>	<u>19.6274</u>	<u>22.6162</u>	<u>23.9181</u>

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

Storage	1.2015	1.4418	2.2760	2.6307
Storage - Price Adjustment (5)	0.1201	0.1201	0.1201	0.1201
Commodity and Fuel (1)	12.5811	12.6353	12.7025	12.7620
Commodity and Fuel - Price Adjustment (6)	(2.1961)	(2.1961)	(2.1961)	(2.1961)
Transportation	4.3170	4.9184	7.0058	7.8935
Transportation - Price Adjustment (7)	1.0341	1.0341	1.0341	1.0341
Total Gas Supply Charge	<u>17.0576</u>	<u>17.9536</u>	<u>20.9423</u>	<u>22.2443</u>

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1933 cents/m<sup>3</sup>.
- (2) Includes a temporary charge of 0.2109 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (3) Includes a temporary credit of 0.0286 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (4) Includes a temporary credit of 0.0608 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (5) Includes a temporary charge of 0.1201 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (6) Includes a temporary credit of 0.0225 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (7) Includes a temporary credit of 0.0786 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.



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Schedule "A"  
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Union Gas Limited  
Northern and Eastern Operations Area  
Gas Supply Charges

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 20 (cents / m<sup>3</sup>)</u>				
Commodity and Fuel (1)	12.6040	12.6583	12.7256	12.7853
Commodity and Fuel - Price Adjustment	(2.1736)	(2.1736)	(2.1736)	(2.1736)
Commodity Transportation - Charge 1	3.3924	3.7291	4.8977	5.3947
Transportation 1 - Price Adjustment	1.1138	1.1138	1.1138	1.1138
Commodity Transportation - Charge 2	0.1535	0.2673	0.4138	0.5393
Monthly Gas Supply Demand	21.7512	35.0467	85.6936	106.0700
Gas Supply Demand - Price Adjustment	-	-	-	-
Commissioning and Decommissioning Rate	4.1748	5.3411	9.6355	11.3980
<u>Rate 100 (cents / m<sup>3</sup>)</u>				
Commodity and Fuel (1)	12.6040	12.6583	12.7256	12.7853
Commodity and Fuel - Price Adjustment	(2.1736)	(2.1736)	(2.1736)	(2.1736)
Commodity Transportation - Charge 1	7.0154	7.2679	8.1444	8.5171
Commodity Transportation - Charge 2	0.1535	0.2673	0.4138	0.5393
Monthly Gas Supply Demand	61.0900	76.6014	135.6895	159.4619
Commissioning and Decommissioning Rate	5.9635	6.8653	10.0998	11.4478
<u>Rate 25 (cents / m<sup>3</sup>)</u>				
Gas Supply Charge:				
Interruptible Service				
Minimum	14.3135	14.3135	14.3135	14.3135
Maximum	140.5622	140.5622	140.5622	140.5622

Notes:

(1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1933 cents/m<sup>3</sup>.

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Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.

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

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To general service customers whose total consumption is equal to or less than 50,000 m<sup>3</sup> per year.

**(C) Rates**

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

a)	Monthly Charge		\$21.00	
b)	Delivery Charge			
	First	100 m <sup>3</sup>	3.7795 ¢ per m <sup>3</sup>	
	Next	150 m <sup>3</sup>	3.5730 ¢ per m <sup>3</sup>	
	All Over	250 m <sup>3</sup>	3.0845 ¢ per m <sup>3</sup>	
	Delivery – Price Adjustment (All Volumes)		(0.0054) ¢ per m <sup>3</sup>	(1)
c)	Storage Charge (if applicable)		0.7368 ¢ per m <sup>3</sup>	
	Storage - Price Adjustment (All Volumes)		(0.0513) ¢ per m <sup>3</sup>	(2)
	Applicable to all bundled customers (sales and bundled transportation service).			
d)	Gas Supply Charge (if applicable)			
	The gas supply charge is comprised of charges for transportation and for commodity and fuel.			
	The applicable rates are provided in Schedule "A".			

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

Notes:

- (1) The Delivery - Price Adjustment includes a temporary credit of 0.0485 cents/m<sup>3</sup> for the period October 1, 2012 to March 31, 2013 and a temporary charge of 0.0429 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (2) The Storage - Price Adjustment includes a temporary credit of 0.0513 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.

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

Combination of readings from several meters may be authorized by the Company and the Company will not reasonably withhold authorization in cases where meters are located on contiguous pieces of property of the same owner not divided by a public right-of-way

**(E) Delayed Payment**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

**(F) Direct Purchase**

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

**(G) Overrun Charge**

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. The customer may pay 4.5164 ¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup>.

**(H) Bundled Direct Purchase Delivery**

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

**(I) Company Policy Relating to Terms of Service**

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

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

Effective

January 1, 2013  
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Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.

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

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To general service customers whose total consumption is greater than 50,000 m<sup>3</sup> per year.

**(C) Rates**

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

a)	Monthly Charge		\$70.00	
b)	Delivery Charge			
	First	1 000 m <sup>3</sup>	4.1416 ¢ per m <sup>3</sup>	
	Next	6 000 m <sup>3</sup>	4.0653 ¢ per m <sup>3</sup>	
	Next	13 000 m <sup>3</sup>	3.8379 ¢ per m <sup>3</sup>	
	All Over	20 000 m <sup>3</sup>	3.5650 ¢ per m <sup>3</sup>	
	Delivery – Price Adjustment (All Volumes)		0.0355 ¢ per m <sup>3</sup>	(1)
c)	Storage Charge (if applicable)		0.7550 ¢ per m <sup>3</sup>	
	Storage - Price Adjustment (All Volumes)		0.0080 ¢ per m <sup>3</sup>	(2)

Applicable to all bundled customers (sales and bundled transportation service).

**d) Gas Supply Charge (if applicable)**

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

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

Notes:

- (1) The Delivery - Price Adjustment includes a temporary credit of 0.0473 cents/m<sup>3</sup> for the period October 1, 2012 to March 31, 2013 and a temporary charge of 0.0826 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (2) The Storage - Price Adjustment includes a temporary charge of 0.0080 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.

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

Combination of readings from several meters may be authorized by the Company and the Company will not reasonably withhold authorization in cases where meters are located on contiguous pieces of property of the same owner not divided by a public right-of-way.

**(E) Delayed Payment**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

**(F) Direct Purchase**

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

**(G) Overrun Charge**

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. The customer may pay 4.8967 ¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup>.

**(H) Bundled Direct Purchase Delivery**

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

**(I) Company Policy Relating to Terms of Service**

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

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

Effective

January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.

FIRM INDUSTRIAL AND COMMERCIAL CONTRACT RATE**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a daily contracted demand between 4 800 m<sup>3</sup> and 140 870 m<sup>3</sup>.

**(C) Rates**

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

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

(i)	A Monthly Demand Charge	
	First	8 450 m <sup>3</sup> of daily contracted demand
	Next	19 700 m <sup>3</sup> of daily contracted demand
	All Over	28 150 m <sup>3</sup> of daily contracted demand
		46.6239 ¢ per m <sup>3</sup>
		20.9050 ¢ per m <sup>3</sup>
		17.5631 ¢ per m <sup>3</sup>
(ii)	A Monthly Delivery Commodity Charge	
	First 422 250 m <sup>3</sup> delivered per month	0.9621 ¢ per m <sup>3</sup>
	Next volume equal to 15 days use of daily contracted demand	0.9621 ¢ per m <sup>3</sup>
	For remainder of volumes delivered in the month	0.4243 ¢ per m <sup>3</sup>
	Delivery- Price Adjustment (All Volumes)	0.0002 ¢ per m <sup>3</sup>
(iii)	Gas Supply Charge (if applicable)	

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

2. Overrun Charge

Authorized overrun gas is available provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization. Overrun means gas taken on any day in excess of 103% of contracted daily demand. Authorized overrun will be available April 1 through October 31 and will be paid for at a Delivery Rate of 2.4949 ¢ per m<sup>3</sup> and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all volumes purchased.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 4.5164 ¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all gas supply volumes purchased.

3. Minimum Annual Charge

In each contract year, the customer shall purchase from Union or pay for a minimum volume of gas or transportation services equivalent to 146 days use of contracted demand. Overrun gas volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery Charge of 1.1554 ¢ per m<sup>3</sup> and, if applicable a gas supply commodity charge provided in Schedule "A".

In the event that the contract period exceeds one year the annual minimum volume will be prorated for any part year.



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**(D) Delayed Payment**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

**(E) Direct Purchase**

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

**(F) Bundled Direct Purchase Delivery**

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

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

Effective

January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.

INTERRUPTIBLE INDUSTRIAL AND COMMERCIAL CONTRACT RATE**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a daily contracted demand between 4 800 m<sup>3</sup> and 140 870 m<sup>3</sup> inclusive.

**(C) Rates**

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

**1. Interruptible Service**

The price of all gas delivered by Union pursuant to any contract, contract amendment, or contract renewal shall be determined on the basis of the following schedules:

**a) (i) Monthly Delivery Commodity Charge**

<u>Daily Contracted Demand Level (CD)</u>	<u>Price per m<sup>3</sup></u>
4 800 m <sup>3</sup> ≤ CD < 17 000 m <sup>3</sup>	2.9712 ¢ per m <sup>3</sup>
17 000 m <sup>3</sup> ≤ CD < 30 000 m <sup>3</sup>	2.8413 ¢ per m <sup>3</sup>
30 000 m <sup>3</sup> ≤ CD < 50 000 m <sup>3</sup>	2.7730 ¢ per m <sup>3</sup>
50 000 m <sup>3</sup> ≤ CD < 70 000 m <sup>3</sup>	2.7251 ¢ per m <sup>3</sup>
70 000 m <sup>3</sup> ≤ CD < 100 000 m <sup>3</sup>	2.6908 ¢ per m <sup>3</sup>
100 000 m <sup>3</sup> ≤ CD ≤ 140 870 m <sup>3</sup>	2.6571 ¢ per m <sup>3</sup>
Delivery- Price Adjustment (All Volumes)	0.0002 ¢ per m <sup>3</sup>

**(ii) Days Use of Interruptible Contract Demand**

The price determined under Paragraph 1(a) of "Rates" will be reduced by the amount based on the number of Days Use of Contracted Demand as scheduled below:

For 75 days use of contracted demand	0.0530 ¢ per m <sup>3</sup>
For each additional days use of contracted demand up to a maximum of 275 days, an additional discount of	0.00212 ¢ per m <sup>3</sup>

**(iii) Gas Supply Charge (if applicable)**

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

<b>(iv) Monthly Charge</b>	<b>\$690.00 per month</b>
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2. In each contract year, the customer shall take delivery from Union, or in any event pay for, if available and not accepted by the customer, a minimum volume of gas or transportation services as specified in the contract between the parties and which will not be less than 700 000 m<sup>3</sup> per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery Charge of 3.1645 ¢ per m<sup>3</sup>, and if applicable, a gas supply charge provided in Schedule "A".

In the event that the contract period exceeds one year, the annual minimum volume will be prorated for any part year.

3. Overrun gas is available without penalty provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization. Overrun means gas taken on any day in excess of 105% of contracted daily demand.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 4.5164 ¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all gas supply volumes purchased.

4. Non-Interruptible Service

Union may agree, in its sole discretion, to combine an interruptible service with a firm service in which case the amount of firm daily demand to be delivered shall be agreed upon by Union and the customer.

- a) The monthly demand charge for firm daily deliveries will be 28.6252 ¢ per m<sup>3</sup>.
- b) The commodity charge for firm service shall be the rate for firm service at Union's firm rates net of a monthly demand charge of 28.6252 ¢ per m<sup>3</sup> of daily contracted demand and a delivery commodity price adjustment of 0.0002 ¢ per m<sup>3</sup>.
- c) The interruptible commodity charge will be established under Clause 1 of this schedule.

**(D) Delayed Payment**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

**(E) Direct Purchase**

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

**(F) Bundled Direct Purchase Delivery**

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

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

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SPECIAL LARGE VOLUME  
INDUSTRIAL AND COMMERCIAL CONTRACT RATE

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a Customer

- a) who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a combined maximum daily requirement for firm, interruptible and seasonal service of at least 140 870 m<sup>3</sup>, and a qualifying annual volume of at least 28 327 840 m<sup>3</sup>; and
- b) who has site specific energy measuring equipment installed at each Point of Consumption that will be used in determining energy balances.

For the purposes of qualifying for a rate class, the total quantities of gas consumed or expected to be consumed on the customer's contiguous property will be used, irrespective of the number of meters installed.

**(C) Rates**

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

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

(i) A Monthly Demand Charge

A negotiated Monthly Demand Charge of up to 25.3924 ¢ per m<sup>3</sup> for each m<sup>3</sup> of daily contracted firm demand.

(ii) A Monthly Delivery Commodity Charge

(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of 0.3206 ¢ per m<sup>3</sup> for each m<sup>3</sup>, and a Delivery - Price Adjustment of 0.0002 ¢ per m<sup>3</sup>.

(2) A Monthly Interruptible Delivery Commodity Charge for all interruptible volumes to be negotiated between Union and the customer not to exceed an annual average of 3.9455 ¢ per m<sup>3</sup>.

(3) A Monthly Seasonal Delivery Commodity Charge for all seasonal volumes to be negotiated between Union and the customer not to exceed an annual average of 3.7014 ¢ per m<sup>3</sup>.

(iii) Gas Supply Charge (if applicable)

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



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(iv) Overrun Gas

Overrun gas is available without penalty provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization.

Unauthorized overrun gas taken in any month shall be paid for at the M1 rate in effect at the time the overrun occurs, plus, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all the gas supply volumes purchased.

2. In negotiating the Monthly Interruptible and Seasonal Commodity Charges, the matters to be considered include:

- (a) The volume of gas for which the customer is willing to contract,
- (b) The load factor of the customer's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for,
- (c) Interruptible or curtailment provisions, and
- (d) Competition.

3. In each contract year, the customer shall take delivery from Union, or in any event, pay for if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun gas volumes will not contribute to the minimum volume.

4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the customer during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the "transition period"). In such event, the contract will provide for a Monthly Delivery Commodity Charge to be applied on such volume during the transition of 2.8549 ¢ per m<sup>3</sup> and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, if applicable.

5. Either the utility or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.

**(D) Delayed Payment**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

**(E) Direct Purchase**

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

**(F) Bundled Direct Purchase Delivery and Short Term Supplemental Services**

Where a customer elects transportation service and/or a short term supplemental service under this rate schedule, the customer must enter into a Contract under rate schedule R1.

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LARGE WHOLESALE SERVICE RATE**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a distributor who enters into a contract to purchase and/or receive delivery of a firm supply of gas for distribution to its customers and who agrees to take or pay for an annual quantity of at least two million cubic metres.

**(C) Rates**

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

1. (i) A Monthly Demand Charge of 15.1688 ¢ per m<sup>3</sup> of established daily demand determined in accordance with the service contract, such demand charge to be computed on a calendar month basis and a pro-rata charge to be made for the fraction of a calendar month which will occur if the day of first regular delivery does not fall on the first day of a month,
- (ii) A Delivery Commodity Charge of 0.1990 ¢ per m<sup>3</sup>, a Delivery Price Adjustment of 0.0002 ¢ per m<sup>3</sup> for gas delivered and,
- (iii) Gas Supply Charge (if applicable)

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

**(D) Delayed Payment**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

**(E) Direct Purchase**

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

**(F) Overrun Charge**

Authorized:

For all quantities on any day in excess of 103% of the customer's contractual rights, for which authorization has been received, the customer will be charged 0.6977 ¢ per m<sup>3</sup>. Overrun will be authorized by Union at its sole discretion.

Unauthorized:

For all quantities on any day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 36.0 ¢ per m<sup>3</sup>.



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**(G) Bundled Direct Purchase Delivery**

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

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

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SMALL WHOLESALE SERVICE RATE

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a non-contract distributor who purchases and/or receives delivery of a firm supply of gas for distribution only to its own customers.

**(C) Rates**

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

1. A Delivery Commodity Charge of 5.1734 ¢ per m<sup>3</sup> for gas delivered.

2. Gas Supply Charge (if applicable)

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

**(D) Delayed Payment**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

**(E) Direct Purchase**

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

**(F) Overrun Charge**

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. This gas shall be paid for at the rate of 4.5164 ¢ per m<sup>3</sup> for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7 ¢ per m<sup>3</sup> for all gas supply volumes purchased.

**(G) Bundled Direct Purchase Delivery**

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

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

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BUNDLED DIRECT PURCHASE CONTRACT RATE**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer who enters into a Receipt Contract or Gas Purchase Contract for delivery and/or sale of gas to Union.

**(C) Rates**

	<u>Demand Charge Rate/GJ/month</u>	<u>Commodity Charges/Credits Rate/GJ</u>
a) Transportation by Union For gas delivered to Union at any point other than the Ontario Point(s) of Receipt, Union will charge a customer all approved tolls and charges, incurred by Union to transport the gas to the Ontario Point(s) of Receipt		
b) Firm Backstop Gas Applied to the contracted Firm Backstop Gas Supply Service	\$1.846	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$4.957
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$5.732
d) Banked Gas Purchase  T-service		Note (1)
e) Failure to Deliver Applied to all quantities not delivered to Union in the event the customer's supply fails		\$2.561
f) Short Term Storage / Balancing Service (2)  Maximum		\$6.000
g) Discretionary Gas Supply Service ("DGSS")		Note (3)



**Notes:**

- (1) The charge for banked gas purchases shall be the higher of the daily spot cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.
- (2) Short Term Storage / Balancing Service is:
- i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
  - ii) short-term firm deliverability, OR
  - iii) a component of an operational balancing service offered.
- In negotiating the rate to be charged for short term storage services, the matters that are to be considered include:
- i) The minimum amount of storage service to which a customer is willing to commit,
  - ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
  - iii) Utilization of facilities, and
  - iv) Competition
- (3) Discretionary Gas Supply Service price reflects the "back-to-back" price plus gas supply administration charge.

STORAGE AND TRANSPORTATION RATES  
FOR CONTRACT CARRIAGE CUSTOMERS**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer:

- a) whose qualifying annual transportation volume for combined firm and interruptible service is at least 2 500 000 m<sup>3</sup> or greater and has a daily firm contracted demand up to 140,870 m<sup>3</sup>; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for use at facilities located within Union's gas franchise area; and
- c) who has meters with electronic recording at each Point of Consumption; and
- d) who has site specific energy measuring equipment installed at each Point of Consumption that will be used in determining energy balances; and
- e) for whom Union has determined transportation and/or storage capacity is available.

For the purposes of qualifying for a rate class, the total quantities of gas consumed or expected to be consumed on the customer's contiguous property will be used, irrespective of the number of meters installed.

**(C) Rates**

The following rates shall be charged for all quantities contracted or handled as appropriate. The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

**STORAGE SERVICE:**

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory Customer provides deliverability Inventory (4)	\$1.624 \$1.197			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.197			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.197			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.030	0.395%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.030	0.395%	\$0.008
g) Short Term Storage / Balancing Service Maximum		\$6.000		

**Notes:**

1. Demand charges for Annual Services are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.
2. Annual Firm Injection Rights are equal to 100% of their respective Annual Firm Withdrawal Rights. Injection Rights in excess of the Annual Firm Injection Rights will be charged at the Incremental Firm Injection Right.
3. Annual Firm Storage Space

The maximum storage space available to a customer at the rates specified herein is determined by one of the following storage allocation methodologies:

**3.1 Aggregate Excess**

Aggregate excess is the difference between a customer's gas consumption in the 151-day winter period and consumption during the balance of the year. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

**3.2 Obligated daily contract quantity multiple of 15**

Obligated daily contract quantity is the firm daily quantity of gas which the customer must deliver to Union. The 15 x obligated daily contract quantity calculation will be done using the daily contract quantity for the upcoming contract year. At each contract renewal, the 15 x obligated daily contract quantity calculation will be performed to set the new space allocation.

Customers may contract for less than their maximum entitlement of firm storage space.



4. Annual Injection/Withdrawal Right

The maximum level of deliverability available to a customer at the rates specified herein is determined by one of the following methodologies:

4.1 The greater of obligated daily contract quantity or firm daily contract demand less obligated daily contract quantity.

Customers may contract for less than their maximum entitlement of deliverability. A customer may contract up to this maximum entitlement with a combination of firm and interruptible deliverability as specified in Section (C) Storage Service.

5. Additional storage space or deliverability, in excess of the allocated entitlements per Notes 3 and 4, may be available at market prices.

6. Storage Space and Withdrawal Rights are not assignable to any other party without the prior written consent of Union.

7. Deliverability Inventory being defined as 20% of annual storage space.

8. Short Term Storage / Balancing Service is:

- i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, or
- ii) short-term firm deliverability, or
- iii) a component of an operational balancing service offered.

In negotiating the rate to be charged for service, the matters that are to be considered include:

- i) The minimum amount of storage service to which a customer is willing to commit,
- ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
- iii) Utilization of facilities, and
- iv) Competition

**TRANSPORTATION CHARGES:**

	Demand Charge <u>Rate/m<sup>3</sup>/mo</u>	Commodity Charge <u>Rate/m<sup>3</sup></u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio (5) (6)	Commodity Charge <u>Rate/m<sup>3</sup></u>
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand				
First 28,150 m <sup>3</sup> per month	31.9554 ¢			
Next 112,720 m <sup>3</sup> per month	22.0775 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption Commodity Charge (All volumes)		0.1238 ¢	0.250%	0.0712 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum		3.9455 ¢	0.250%	3.8929 ¢

Notes:

1. All demand charges are paid monthly during the term of the contract for not less than one year unless Union, at its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.
2. In negotiating the rate to be charged for the transportation of gas under Interruptible Transportation, the matters that are to be considered include:
  - a) The amount of the interruptible transportation for which customer is willing to contract,
  - b) The anticipated load factor for the interruptible transportation quantities,
  - c) Interruptible or curtailment provisions, and
  - d) Competition.
3. In each contract year, the customer shall pay for a Minimum Interruptible Transportation Activity level as specified in the Contract. Overrun activity will not contribute to the minimum activity level.
4. Transportation fuel ratios do not apply to customers served from dedicated facilities directly connected to third party transmission systems with custody transfer metering at the interconnect.
5. Either Union or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.



**SUPPLEMENTAL CHARGES:**

Rates for supplemental services are provided in Schedule "A".

Notes:

1. All demand charges are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year.

**OVERRUN SERVICE:**

**1. Annual Storage Space**

Authorized

Authorized Overrun is provided as Storage/Balancing Service. It is payable on all quantities on any Day in excess of the customer's contracted Maximum Storage Space. Overrun will be authorized by Union at its sole discretion. Storage Space Overrun equal to the customer's firm deliveries from TCPL: less the customer's Firm Daily Contract Demand, all multiplied by the Days of Interruption called during the period of November 1 to March 31, will be automatically authorized until the following July 1.

Unauthorized

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space, and which has not been authorized by Union or provided for under a short term supplemental storage service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate will be \$6.000 per GJ applied to the greatest excess for each occurrence.

If on any Day the gas storage balance for the account of the customer is less than zero, the Unauthorized Overrun charge will apply for each GJ of gas below a zero inventory level and this amount of gas shall be deemed not to have been withdrawn from storage. The gas shall be deemed to have been sold to the customer at the highest spot price at Dawn in the month of occurrence and the month following occurrence as identified in the Canadian Gas Price Reporter and shall not be less than Union's approved weighted average cost of gas. If the customer has contracted to provide its own deliverability inventory, the zero inventory level shall be deemed to mean twenty percent (20%) of the Annual Firm Storage Space.

**2. Injection, Withdrawals and Transportation**

## Authorized

The following Overrun rates are applied to any quantities transported, injected or withdrawn in excess of 103% of the Contract parameters. Overrun will be authorized by Union at its sole discretion.

Automatic authorization of Injection Overrun will be given during all Days a customer has been interrupted.

	Union Providing <u>Fuel</u>	For Customers Providing Their Own Compressor Fuel <u>Firm or Interruptible Service</u>	
	Firm or Interruptible <u>Service</u>	<u>Fuel Ratio</u>	<u>Commodity Charge</u>
Storage Injections	\$0.108/GJ	0.853%	\$0.061/GJ
Storage Withdrawals	\$0.108/GJ	0.853%	\$0.061/GJ
Transportation	1.1743 ¢/m <sup>3</sup>	0.250%	1.1218 ¢/m <sup>3</sup>

## Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 4.5164 ¢ per m<sup>3</sup> or \$1.194 per GJ, as appropriate.

**3. Storage / Balancing Service**

## Authorized

The following Overrun rates are applied to any quantities stored in excess of the Contract parameters. Overrun will be authorized by Union Gas at its sole discretion.

	Firm Service <u>Rate/GJ</u>
Space	\$6.000
Injection / Withdrawal Maximum	\$6.000

**OTHER SERVICES & CHARGES:****1. Monthly Charge**

In addition to the rates and charges described previously for each Point of Consumption, a Monthly Charge shall be applied as follows:

Monthly Charge	\$1,936.13
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**2. Diversion of Gas**

The availability of the right to divert gas will be based on Union's ability to accommodate the diversion. The price to be charged for the right to divert shall be determined through negotiation.

**3. Delivery Obligations**

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

**4. Additional Service Information**

Additional information on Union's T1 service offering can be found at:

The additional information consists of, but is not limited to, the following:

<http://www.uniongas.com/business/accountservices/unionline/contractsRates/T1servicefeatures.asp>

- i. Storage space and deliverability entitlement;
- ii. The determination of gas supply receipt points and delivery obligations;
- iii. The nomination schedule;
- iv. The management of multiple redelivery points by a common fuel manager; and
- v. The availability of supplemental transactional services including title transfers.

**(D) Delayed Payment**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

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STORAGE AND TRANSPORTATION RATES  
FOR CONTRACT CARRIAGE CUSTOMERS**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer:

- a) who has a daily firm contracted demand of at least 140 870 m<sup>3</sup>. Firm and/or interruptible daily contracted demand of less than 140,870 m<sup>3</sup> cannot be combined for the purposes of qualifying for this rate class; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for use at facilities located within Union's gas franchise area; and
- c) who has meters with electronic recording at each Point of Consumption; and
- d) who has site specific energy measuring equipment installed at each Point of Consumption that will be used in determining energy balances; and
- e) for whom Union has determined transportation and/or storage capacity is available.

For the purposes of qualifying for a rate class, the total quantities of gas consumed or expected to be consumed on the customer's contiguous property will be used, irrespective of the number of meters installed.

**(C) Rates**

The following rates shall be charged for all quantities contracted or handled as appropriate. The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

**STORAGE SERVICE:**

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.624			
Customer provides deliverability Inventory (4)	\$1.197			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.197			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.197			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.030	0.395%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.030	0.395%	\$0.008
g) Short Term Storage / Balancing Service Maximum		\$6.000		

Notes:

1. Demand charges for Annual Services are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.
2. Annual Firm Injection Rights are equal to 100% of their respective Annual Firm Withdrawal Rights. Injection Rights in excess of the Annual Firm Injection Rights will be charged at the Incremental Firm Injection Right.
3. Annual Firm Storage Space

The maximum storage space available to a customer at the rates specified herein is determined by one of the following storage allocation methodologies:

3.1 Aggregate Excess

Aggregate excess is the difference between a customer's gas consumption in the 151-day winter period and consumption during the balance of the year. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

3.2 Obligated daily contract quantity multiple of 15

Obligated daily contract quantity is the firm daily quantity of gas which the customer must deliver to Union. The 15 x obligated daily contract quantity calculation will be done using the daily contract quantity for the upcoming contract year. At each contract renewal, the 15 x obligated daily contract quantity calculation will be performed to set the new space allocation.

3.3 For new, large (daily firm transportation demand requirements in excess of 1,200,000 m<sup>3</sup>/day) gas fired power generation customers, storage space is determined by peak hourly consumption x 24 x 4 days. Should the customer elect firm deliverability less than their maximum entitlement (see Note 4.2), the maximum storage space available at the rates specified herein is 10 x firm storage deliverability contracted, not to exceed peak hourly consumption x 24 x 4 days.

Customers may contract for less than their maximum entitlement of firm storage space.



4. Annual Injection/Withdrawal Right

The maximum level of deliverability available to a customer at the rates specified herein is determined by one of the following methodologies:

4.1 The greater of obligated daily contract quantity or firm daily contract demand less obligated daily contract quantity.

4.2 For new, large (daily firm transportation demand requirements in excess of 1,200,000 m<sup>3</sup>/day) gas fired power generation customers, the maximum entitlement of firm storage deliverability is 24 times the customer's peak hourly consumption, with 1.2% firm deliverability available at the rates specified herein.

Customers may contract for less than their maximum entitlement of deliverability. A customer may contract up to this maximum entitlement with a combination of firm and interruptible deliverability as specified in Section (C) Storage Service.

5. Additional storage space or deliverability, in excess of the allocated entitlements per Notes 3 and 4, may be available at market prices.

6. Storage Space and Withdrawal Rights are not assignable to any other party without the prior written consent of Union.

7. Deliverability Inventory being defined as 20% of annual storage space.

8. Short Term Storage / Balancing Service is:

- i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, or
- ii) short-term firm deliverability, or
- iii) a component of an operational balancing service offered.

In negotiating the rate to be charged for service, the matters that are to be considered include:

- i) The minimum amount of storage service to which a customer is willing to commit,
- ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
- iii) Utilization of facilities, and
- iv) Competition

**TRANSPORTATION CHARGES:**

	Demand Charge <u>Rate/m<sup>3</sup>/mo</u>	Commodity Charge <u>Rate/m<sup>3</sup></u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio (5) (6)	Commodity Charge <u>Rate/m<sup>3</sup></u>
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand				
First 140,870 m <sup>3</sup> per month	20.1911 ¢			
All over 140,870 m <sup>3</sup> per month	10.6802 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption				
Commodity Charge (All volumes)		0.0597 ¢	0.247%	0.0078 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption				
Maximum		3.9455 ¢	0.247%	3.8936 ¢

Notes:

1. All demand charges are paid monthly during the term of the contract for not less than one year unless Union, at its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.
2. Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m<sup>3</sup>/day and who are directly connected to i) the Dawn-Trafalgar transmission system in close proximity to Parkway or ii) a third party pipeline, have the option to pay for service using a Billing Contract Demand. The Billing Contract Demand shall be determined by Union such that the annual revenues over the term of the contract will recover the invested capital, return on capital and operating and maintenance costs associated with the dedicated service in accordance with Union's system expansion policy. The firm transportation demand charge will be applied to the Billing Contract Demand. For customers choosing the Billing Contract Demand option, the authorized transportation overrun rate will apply to all volumes in excess of the Billing Contract Demand but less than the daily firm demand requirement.
3. In negotiating the rate to be charged for the transportation of gas under Interruptible Transportation, the matters that are to be considered include:
  - a) The amount of the interruptible transportation for which customer is willing to contract,
  - b) The anticipated load factor for the interruptible transportation quantities,
  - c) Interruptible or curtailment provisions, and
  - d) Competition.
4. In each contract year, the customer shall pay for a Minimum Interruptible Transportation Activity level as specified in the Contract. Overrun activity will not contribute to the minimum activity level.
5. Transportation fuel ratios do not apply to customers served from dedicated facilities directly connected to third party transmission systems with custody transfer metering at the interconnect.



6. Firm transportation fuel ratio does not apply to new customers or existing customers with incremental daily firm demand requirements in excess of 1,200,000 m<sup>3</sup>/day that contract for M12 Dawn to Parkway transportation service equivalent to 100% of their daily firm demand requirement. If a customer with a daily firm demand requirement in excess of 1,200,000 m<sup>3</sup>/day contracts for M12 Dawn to Parkway transportation service at less than 100% of their firm daily demand requirement, the firm transportation fuel ratio will be applicable to daily volumes not transported under the M12 transportation contract.
7. Either Union or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.

#### **SUPPLEMENTAL CHARGES:**

Rates for supplemental services are provided in Schedule "A".

#### Notes:

1. All demand charges are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year.

#### **OVERRUN SERVICE:**

##### **1. Annual Storage Space**

###### Authorized

Authorized Overrun is provided as Storage/Balancing Service. It is payable on all quantities on any Day in excess of the customer's contracted Maximum Storage Space. Overrun will be authorized by Union at its sole discretion. Storage Space Overrun equal to the customer's firm deliveries from TCPL: less the customer's Firm Daily Contract Demand, all multiplied by the Days of Interruption called during the period of November 1 to March 31, will be automatically authorized until the following July 1.

###### Unauthorized

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space, and which has not been authorized by Union or provided for under a short term supplemental storage service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate will be \$6.000 per GJ applied to the greatest excess for each occurrence.

If on any Day the gas storage balance for the account of the customer is less than zero, the Unauthorized Overrun charge will apply for each GJ of gas below a zero inventory level and this amount of gas shall be deemed not to have been withdrawn from storage. The gas shall be deemed to have been sold to the customer at the highest spot price at Dawn in the month of occurrence and the month following occurrence as identified in the Canadian Gas Price Reporter and shall not be less than Union's approved weighted average cost of gas. If the customer has contracted to provide its own deliverability inventory, the zero inventory level shall be deemed to mean twenty percent (20%) of the Annual Firm Storage Space.

**2. Injection, Withdrawals and Transportation**

## Authorized

The following Overrun rates are applied to any quantities transported, injected or withdrawn in excess of 103% of the Contract parameters. Overrun will be authorized by Union at its sole discretion.

Automatic authorization of Injection Overrun will be given during all Days a customer has been interrupted.

	Union Providing <u>Fuel</u>	For Customers Providing Their Own Compressor Fuel <u>Firm or Interruptible Service</u>	
	Firm or Interruptible <u>Service</u>	<u>Fuel Ratio</u>	<u>Commodity Charge</u>
Storage Injections	\$0.108/GJ	0.853%	\$0.061/GJ
Storage Withdrawals	\$0.108/GJ	0.853%	\$0.061/GJ
Transportation	0.7235 ¢/m³	0.247%	0.6716 ¢/m³

## Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 4.5164 ¢ per m³ or \$1.194 per GJ, as appropriate.

**3. Storage / Balancing Service**

## Authorized

The following Overrun rates are applied to any quantities stored in excess of the Contract parameters. Overrun will be authorized by Union Gas at its sole discretion.

	Firm Service <u>Rate/GJ</u>
Space	\$6.000
Injection / Withdrawal Maximum	\$6.000

**OTHER SERVICES & CHARGES:****1. Monthly Charge**

In addition to the rates and charges described previously for each Point of Consumption, a Monthly Charge shall be applied as follows:

Monthly Charge	\$6,000.00
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**2. Diversion of Gas**

The availability of the right to divert gas will be based on Union's ability to accommodate the diversion. The price to be charged for the right to divert shall be determined through negotiation.

**3. Delivery Obligations**

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m<sup>3</sup>/day who are delivering gas to Union under direct purchase arrangements may be entitled to non-obligated deliveries. The delivery options available to customers are detailed at [www.uniongas.com/aboutus/regulatory/rates/deliveryobligations.asp](http://www.uniongas.com/aboutus/regulatory/rates/deliveryobligations.asp).

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

**4. Nominations**

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m<sup>3</sup>/day who have non obligated deliveries may contract to use Union's 5 additional nomination windows (13 in total) for the purposes of delivering gas to Union. These windows are in addition to the standard NAESB and TCPL STS nomination windows. Customers taking the additional nomination window service will pay an additional monthly demand charge of \$0.068/GJ/day/month multiplied by the non-obligated daily contract quantity.

**5. Additional Service Information**

Additional information on Union's T2 service offering can be found at:

The additional information consists of, but is not limited to, the following:

<http://www.uniongas.com/business/accountservices/unionline/contractsRates/T1servicefeatures.asp>

- i. Storage space and deliverability entitlement;
- ii. The determination of gas supply receipt points and delivery obligations;
- iii. The nomination schedule;
- iv. The management of multiple redelivery points by a common fuel manager; and
- v. The availability of supplemental transactional services including title transfers.



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**(D) Delayed Payment**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

Effective

January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.

STORAGE AND TRANSPORTATION RATES  
FOR CONTRACT CARRIAGE CUSTOMERS**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a Distributor:

- a) whose minimum annual transportation of natural gas is 700 000 m<sup>3</sup> or greater; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for distribution to its customers; and
- c) who has meters with electronic recording at each Point of Redelivery; and
- d) for whom Union has determined transportation and/or storage capacity is available.

**(C) Rates**

The following rates shall be charged for all quantities contracted or handled as appropriate. The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

**STORAGE SERVICE:**

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.624			
Customer provides deliverability Inventory (4)	\$1.197			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.197			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.197			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.030	0.395%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.030	0.395%	\$0.008
g) Short Term Storage / Balancing Service Maximum		\$6.000		

**Notes:**

1. Demand charges for Annual Services are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.
2. Annual Firm Injection Rights are equal to 100% of their respective Annual Firm Withdrawal Rights. Injection Rights in excess of the Annual Firm Injection Rights will be charged at the Incremental Firm Injection Right.
3. Annual Firm Storage Space

The maximum storage space available to a customer at the rates specified herein is determined by one of the following storage allocation methodologies:

**3.1 Aggregate Excess**

Aggregate excess is the difference between a customer's gas consumption in the 151-day winter period and consumption during the balance of the year. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

**3.2 Obligated daily contract quantity multiple of 15**

Obligated daily contract quantity is the firm daily quantity of gas which the customer must deliver to Union. The 15 x obligated daily contract quantity calculation will be done using the daily contract quantity for the upcoming contract year. At each contract renewal, the 15 x obligated daily contract quantity calculation will be performed to set the new space allocation.

Customers may contract for less than their maximum entitlement of firm storage space.

4. Annual Injection/Withdrawal Right

The maximum level of deliverability available to a customer at the rates specified herein is determined to be the greater of obligated daily contract quantity or firm daily contract demand less obligated daily contract quantity.

Customers may contract for less than their maximum entitlement of deliverability. A customer may contract up to this maximum entitlement with a combination of firm and interruptible deliverability as specified in Section (C) Storage Service.



5. Additional storage space or deliverability, in excess of the allocated entitlements per Notes 3 and 4, may be available at market prices.
6. Storage Space and Withdrawal Rights are not assignable to any other party without the prior written consent of Union.
7. Deliverability Inventory being defined as 20% of annual storage space.
8. Short Term Storage / Balancing Service is:
  - i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
  - ii) short-term firm deliverability, OR
  - iii) a component of an operational balancing service offered.

In negotiating the rate to be charged for this service, the matters that are to be considered include:

- i) The minimum amount of storage service to which a customer is willing to commit,
- ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
- iii) Utilization of facilities, and
- iv) Competition

**TRANSPORTATION CHARGES:**

	Demand Charge <u>Rate/m<sup>3</sup>/mo</u>	Commodity Charge <u>Rate/m<sup>3</sup></u>	For Customers Providing Their Own Compressor Fuel Fuel <u>Ratio (5) (6)</u>	Commodity Charge <u>Rate/m<sup>3</sup></u>
a) Annual Firm Transportation Demand (1) Applied to the Firm Daily Contract Demand	9.3582 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the Customer's Point(s) of Redelivery		0.0707 ¢	0.285%	0.0107 ¢

Notes:

1. All demand charges are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.

**SUPPLEMENTAL CHARGES**

Rates for supplemental services are provided in Schedule "A".

Notes:

1. All demand charges are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year.

**OVERRUN SERVICE****1. Annual Storage Space****Authorized**

Authorized Overrun is provided as Storage/Balancing Service. It is payable on all quantities on any Day in excess of the customer's contracted Maximum Storage Space. Overrun will be authorized by Union at its sole discretion.

**Unauthorized**

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space, and which has not been authorized by Union or provided for under a short term supplemental storage service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate will be \$6.000 per GJ applied to the greatest excess for each occurrence.

If on any Day, the gas storage balance for the account of the customer is less than zero, the Unauthorized Overrun charge will apply for each GJ of gas below a zero inventory level and this amount of gas shall be deemed not to have been withdrawn from storage. The gas shall be deemed to have been sold to the customer at the highest spot price at Dawn in the month of occurrence and the month following occurrence as identified in the Canadian Gas Price Reporter and shall not be less than Union's approved weighted average cost of gas. If the customer has contracted to provide its own deliverability inventory, the zero inventory level shall be deemed to mean twenty percent (20%) of the Annual Firm Storage Space.

**2. Injection, Withdrawals and Transportation**

## Authorized

The following Overrun rates are applied to any quantities transported, injected or withdrawn in excess of 103% of the Contract parameters. Overrun will be authorized by Union at its sole discretion.

	Union Providing <u>Fuel</u>	For Customers Providing Their Own Compressor Fuel <u>Firm or Interruptible Service</u>	
	Firm or Interruptible <u>Service</u>	<u>Fuel Ratio</u>	<u>Commodity Charge</u>
Storage Injections	\$0.108/GJ	0.853%	\$0.061/GJ
Storage Withdrawals	\$0.108/GJ	0.853%	\$0.061/GJ
Transportation	0.3783 ¢/m <sup>3</sup>	0.285%	0.3184 ¢/m <sup>3</sup>

## Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 36.0¢ per m<sup>3</sup> or \$9.519 per GJ, as appropriate.

**3. Short Term Storage Services**

## Authorized

The following Overrun rates are applied to any quantities stored in excess of the Contract parameters. Overrun will be authorized by Union Gas at its sole discretion.

	Firm Service <u>Rate/GJ</u>
Space	\$6.000
Injection Maximum	\$6.000

**OTHER SERVICES & CHARGES****1. Monthly Charge**

In addition to the rates and charges described previously for each Point of redelivery a Monthly Charge shall be applied to each specific customer as follows:

	Monthly Charge
City of Kitchener	\$ 20,371.35
NRG	\$ 3,127.21
Six Nations	\$ 1,042.40

If a customer combines Sales Service with Contract Carriage Service, the monthly charge will be prorated such that the customer will under both services pay no more than the above monthly charge.

**2. Diversion of Gas**

The availability of the right to divert gas will be based on Union's ability to accommodate the diversion. The price to be charged for the right to divert shall be determined through negotiation.

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

**(D) Delayed Payment**

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

Effective

January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.

**uniongas**Effective  
2013-01-01  
Schedule "A"**Gas Supply Charges****(A) Availability:**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability:**

To all sales customers served under Rate M1, Rate M2, Rate M4, Rate M5A, Rate M7, Rate M9, Rate M10 and storage and transportation customers taking supplemental services under Rate T1, Rate T2 and Rate T3.

**(C) Rates:**cents / m<sup>3</sup>Utility Sales

Commodity and Fuel	12.7620 (1)
Commodity and Fuel - Price Adjustment	(2.1831) (2)
Transportation	4.3997
Total Gas Supply Commodity Charge	<u>14.9786</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	4.8475
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Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3\$/GJ

Monthly demand charges:	
Firm gas supply service	63.325
Firm backstop gas	1.846
Commodity charges:	
Gas supply	3.466
Backstop gas	4.957
Reasonable Efforts Backstop Gas	5.732
Supplemental Inventory	Note (3)
Supplemental Gas Sales Service (cents / m <sup>3</sup> )	20.1973
Failure to Deliver: Applied to quantities not delivered to Union	2.561
in the event the customer's supply fails	
Discretionary Gas Supply Service (DGSS)	Note (4)

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1933 cents/ m<sup>3</sup>.
- (2) Includes a temporary credit of 0.0853 cents/m<sup>3</sup> for the period February 1, 2013 to December 31, 2013.
- (3) The charge for banked gas purchases shall be the higher of the daily spot gas cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.
- (4) Reflects the "back to back" price plus gas supply administration charge.

Effective: January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.

**STORAGE RATES FOR  
UNBUNDLED CUSTOMERS****(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer, or an agent, who is authorized to service residential and non-contract commercial and industrial end-users paying for the Monthly Fixed Charge and Delivery charge under Rate M1 or Rate M2:

- a) who enters into an Unbundled Service Contract with Union for the storage of Gas for use at facilities located within Union's gas franchise area;
- b) who contracts for Standard Peaking Service (SPS) with Union unless the customer can demonstrate that it has a replacement to the deliverability available in the SPS physically tied into Union's system and an OEB approved rate to provide the SPS replacement service;
- c) who accepts daily estimates of consumption at Points of Consumption as prepared by Union so that they may nominate an equivalent amount from storage, upstream transportation, or Ontario Producers authorized to sell to third parties;
- d) who nominates injections and withdrawals from storage and deliveries on upstream pipeline systems daily or Ontario Producers authorized to sell to third parties;
- e) for whom Union has determined storage capacity is available; and
- f) who accepts a monthly bill as prepared by Union.

**(C) Rates**

The following rates shall be charged for all volumes contracted or handled as appropriate. The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

<b>STORAGE SERVICE</b>	<b>Demand Charge <u>Rate/GJ/mo</u></b>	<b>Fuel <u>Ratio</u></b>	<b>Commodity Charge <u>Rate/GJ</u></b>
i) Standard Storage Service (SSS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.024		
b) Injection Commodity		0.395%	\$0.026
c) Withdrawal Commodity		0.395%	\$0.026
ii) Standard Peaking Service (SPS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.116		
b) Injection Commodity		0.395%	\$0.026
c) Withdrawal Commodity		0.853%	\$0.026



	Demand Charge <u>Rate/GJ/mo</u>	Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
iii) Supplemental Service			
a) Incremental Firm Injection Right: (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$1.041		
b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$1.041		
c) Short Term Storage / Balancing Service - Maximum			\$6.000

Notes:

1. Demand charges for Annual Services are paid monthly during the term of the Contract, which shall not be less than one year, unless Union, in its sole discretion, accepts a term of less than one year.
2. Daily Firm Injection and Withdrawal Rights shall be pursuant to the Storage Contract.
3. Storage Space, Withdrawal Rights, and Injection Rights are not assignable to any other party without the prior written consent of Union and where necessary, approval from the Ontario Energy Board.
4. Short Term Storage / Balancing service (less than 2 years) is:
  - i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
  - ii) short-term incremental firm deliverability, OR
  - iii) a component of an operational balancing service offered.

In negotiating the rate to be charged for service, the matters that are to be considered include:

  - i) The minimum amount of storage service to which a customer is willing to commit,
  - ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
  - iii) Utilization of facilities,
  - iv) Competition, and
  - v) Term.
5. Union's ability to offer incremental injection and withdrawal rights is subject to annual asset availability.



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## OVERRUN SERVICE

### 1. Injection and Withdrawal

#### Authorized

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	0.853%	\$0.060
Withdrawal	0.853%	\$0.060

The Authorized Overrun rate is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

#### Unauthorized

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be \$60.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$6.000 per GJ.

## OTHER SERVICES & CHARGES

1. Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must commit to provide a call at Parkway, throughout the winter period, for a specified number of days. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

### (D) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

Effective

January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.



TRANSPORTATION RATES

**(A) Applicability**

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

Applicable Points

Dawn as a receipt point: Dawn (TCPL), Dawn (Facilities), Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE).

Dawn as a delivery point: Dawn (Facilities).

**(B) Services**

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

**(C) Rates**

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

	<b>Monthly Demand Charge (applied to daily contract demand) Rate/GJ</b>	<b>Commodity and Fuel Charges</b>	
		<b>Fuel Ratio %</b>	<b>AND Commodity Charge Rate/GJ</b>
<b><u>Firm Transportation (1)</u></b>			
Dawn to Parkway	\$2.382	Monthly fuel rates and ratios shall be in accordance with schedule "C".	
Dawn to Kirkwall	\$2.011		
Kirkwall to Parkway	\$0.372		
Parkway to Dawn	n/a		
<b><u>M12-X Firm Transportation</u></b>			
Between Dawn, Kirkwall and Parkway	\$2.961	Monthly fuel rates and ratios shall be in accordance with schedule "C".	
<b><u>Limited Firm/Interruptible Transportation (1)</u></b>			
Dawn to Parkway – Maximum	\$5.718	Monthly fuel rates and ratios shall be in accordance with schedule "C".	
Dawn to Kirkwall – Maximum	\$5.718		
Parkway (TCPL) to Parkway (Cons) (2)		0.153%	

**Authorized Overrun (3)**

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

	<b>If Union supplies fuel Commodity Charge Rate/GJ</b>	<b>Commodity and Fuel Charges</b>	
		<b>Fuel Ratio %</b>	<b>AND Commodity Charge Rate/GJ</b>
<b>Transportation Overrun</b>			
Dawn to Parkway		Monthly fuel rates and ratios shall be in accordance with schedule "C".	\$0.078
Dawn to Kirkwall			\$0.066
Kirkwall to Parkway			\$0.012
Parkway to Dawn			\$0.078
Parkway (TCPL) Overrun (4)	n/a	0.648%	n/a
<b>M12-X Firm Transportation</b>			
Between Dawn, Kirkwall and Parkway		Monthly fuel rates and ratios shall be in accordance with schedule "C".	\$0.097



**(C) Rates (Cont'd)**

Unauthorized Overrun

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

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

Nomination Variances

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

Notes for Section (C) Rates:

- (1) The annual transportation commodity charge is calculated by application of the YCRR Formula, as per Section (D). The annual transportation fuel required is calculated by application of the YCR Formula, as per Section (D).
- (2) This rate is for westerly transportation within the Parkway yard, from Parkway (TCPL) to Parkway (Cons) or Lisgar.
- (3) For purposes of applying the YCRR Formula or YCR Formula (Section (D)) to transportation overrun quantities, the transportation commodity revenue will be deemed to be equal to the commodity charge of the applicable service as detailed in Section (B).
- (4) This ratio will be applied to all gas quantities for which Union is obligated to deliver to Parkway (Cons) or Lisgar and has agreed to deliver to Parkway (TCPL) on an interruptible basis. This will be in addition to any rate or ratio paid for transportation easterly to Parkway (Cons) or Lisgar.
- (5) A demand charge of \$0.068/GJ/day/month will be applicable for customers contracting for firm all day transportation service in addition to the demand charges appearing on this schedule for firm transportation service to either Kirkwall or Parkway

**(D) Transportation Commodity**

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



(D) Transportation Commodity (Cont'd)

$$YCR = \sum_{1}^{4} [(0.001529 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [0.001529 \times (QT1 + Q3)) + (DWFxQT1) + F_{WT}] \text{ For Oct. 1 to May 31}$$

$$YCRR = \sum_{1}^{4} [(0.001529 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \times R \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [(0.001529 \times (QT1 + QT3)) + (DWFxQT1) + F_{WT}] \times R \text{ For Oct. 1 to May 31}$$

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

in which:

YCR Yearly Commodity Required

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

YCRR Yearly Commodity Revenue Required

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

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

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

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

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

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

The monthly Parkway and Trafalgar compressor fuel used will be allocated to each Shipper in the same proportion as the monthly quantity transported to Parkway (TCPL) for each user is to the total monthly quantity transported for all users including Union.



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

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

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

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

**Notes**

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

**(E) Provision for Compressor Fuel**

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

**Transportation Fuel**

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

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

Transportation Fuel Quantity = Transportation Quantity x Transportation Fuel Ratio.

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

**Nominations**

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

**(F) Terms of Service**

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

**(G) Nominations**

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



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

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

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

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

Effective

January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.

**RATE M12  
GENERAL TERMS & CONDITIONS**

**I. DEFINITIONS**

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

1. "Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;
2. "cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
3. "day" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Standard time. The reference date for any day shall be the calendar date upon which the twenty-four (24) hour period shall commence;
4. "delivery" shall mean any gas that is delivered by Union into Shipper's possession, or to the possession of Shipper's agent;
5. "firm" shall mean service not subject to curtailment or interruption except under Articles XI and XII of this Schedule "A";
6. "gas" shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time;
7. "gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m<sup>3</sup>) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
8. "interruptible service" shall mean service subject to curtailment or interruption, after notice, at any time;
9. "Interconnecting Pipeline" shall mean a pipeline that directly connects to the Union pipeline system;
10. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
11. "limited interruptible service" shall mean gas service subject to interruption or curtailment on a limited number of days as specified in the Contract;
12. "m<sup>3</sup>" shall mean cubic metre of gas and "10<sup>3</sup>m<sup>3</sup>" shall mean 1,000 cubic metres of gas;
13. "month" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
14. "OEB" means the Ontario Energy Board;
15. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
16. "receipt" shall mean any gas that is delivered into Union's possession, or the possession of Union's agent;
17. "Shipper" shall have the meaning as defined in the Contract and shall also include Shipper's agent(s);
18. "TCPL" means TransCanada PipeLines Limited;

19. "cricondenthem hydrocarbon dewpoint" shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;
20. "hydrocarbon dewpoint" shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;
21. "specific gravity" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
22. "Wobbe Number" shall mean gross heating value of the gas divided by the square root of its specific gravity.

## **II. GAS QUALITY**

1. **Natural Gas:** The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. **Freedom from objectionable matter:** The gas to be delivered to/by Union hereunder,
  - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to or interference with the proper operation of the lines, regulators, meters or other appliances through which it flows,
  - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas,
  - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
  - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
  - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
  - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
  - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
  - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
  - i. shall not have a cricondenthem hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
  - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas.
3. **Non-conforming Gas:** In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
4. **Quality of Gas Received:** The quality of the gas to be received by Union hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will also accept gas of a

quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Union's M12 Rate Schedule.

### **III. MEASUREMENTS**

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m<sup>3</sup>) or one thousand cubic metres (10<sup>3</sup>m<sup>3</sup>) at Union's discretion.
2. Determination of Volume and Energy:
  - a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
  - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
  - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
  - d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

### **IV. RECEIPT POINT AND DELIVERY POINT**

1. Unless otherwise specified in the Contract, the point or points of receipt for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in the Contract, where Union takes possession of the gas.
2. Unless otherwise specified in the Contract, the point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection as specified in the Contract where Shipper takes possession of the gas.

### **V. POSSESSION OF AND RESPONSIBILITY FOR GAS**

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### **VI. FACILITIES ON SHIPPER'S PROPERTY**

Except under those conditions where Union is delivering to TCPL for TCPL or Shipper at Union's Parkway Point of Delivery, or to an Interconnecting Pipeline, or where otherwise specified in the Contract, the following will apply:

1. Construction and Maintenance: Union, at its own expense may construct, maintain and operate on Shipper's property at the delivery point a measuring station properly equipped with a meter or meters and any other necessary measuring equipment for properly measuring the gas redelivered under the Contract. Shipper will grant to Union a lease and/or rights-of-way over property of Shipper as required by Union to install such facilities and to connect same to Union's pipeline.

2. Entry: Union, its servants, agents and each of them may at any reasonable time on notice (except in cases of emergency) to Shipper or his duly authorized representative enter Shipper's property for the purpose of constructing, maintaining, removing, operating and/or repairing station equipment.
3. Property: The said station and equipment will be and remain the property of Union notwithstanding it is constructed on and attached to the realty of Shipper, and Union may at its own expense remove it upon termination of the Contract and will do so if so requested by Shipper.

## **VII. MEASURING EQUIPMENT**

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by their regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the redelivery point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the delivery point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.
4. Rights of Parties: The measuring equipment installed by either party, together with any building erected by it for such equipment, shall be and remain its property. However, Union and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas to/by Union under the Contract. Either party will give the other party reasonable notice of its intention to carry out the acts herein specified. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten (10) days after receipt thereof.
5. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing redeliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.
7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

## **VIII. BILLING**

1. Monthly Billing Date: Union shall render bills on or before the 10th day of each month for all services furnished during the preceding month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding month's billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the 10th day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.

## **IX. PAYMENTS**

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20<sup>th</sup>) day of each month. If the payment date is not a business day, then payment must be received in Union's account on the first business day preceding the twentieth (20<sup>th</sup>) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,
  - a. Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment.
  - b. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract, may suspend service(s) until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue hereunder as if such suspension were not in place.

If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall pay to Union such amounts as it concedes to be correct. At any time thereafter, within twenty (20) days of a demand made by Union, Shipper shall furnish financial assurances satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination. Such a final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case. Union shall not be entitled to suspend service(s) because of such non-payment unless and until default occurs in the conditions of such financial assurances or default occurs in payment of any other amount due to Union hereunder.

Notwithstanding the foregoing paragraph(s), Shipper is not relieved from the obligation to continue its deliveries of gas to Union under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Union.

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "bill" next following shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within six (6) years from the date of the incorrect billing. In the event any refund is issued with Shipper's gas bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.

## **X. ARBITRATION**

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act of the Province of Ontario, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

## **XI. FORCE MAJEURE**

1. The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.
5. An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Firm Transportation Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.
8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas

nominated hereunder by Shipper up to the firm Contract Demand for that Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the M12 Rate Schedule divided by the number of days in the month for which such rate is being calculated.

9. If, due to the occurrence of an event of force majeure as outlined above, the capacity for gas deliveries by Union is impaired, it will be necessary for Union to curtail Shipper's gas receipts to Union hereunder, via proration based on utilization of such facilities for the Day. This prorating shall be determined by multiplying the capability of such facilities as available downstream of the impairment on the Day, by a fraction where the numerator is Shipper's nominated firm quantity and the denominator is the total of all such nominated firm quantities for nominated services and planned consumption for in-franchise customers on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Union to in-franchise customers and ex-franchise shippers.

## **XII. DEFAULT AND TERMINATION**

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by Union hereunder occasioned by any of the reasons provided for in Article XI hereof) which has not been waived by the other party, then and in every such case and as often as the same may happen, the Non-defaulting party may give written notice to the Defaulting party requiring it to remedy such default and in the event of the Defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the Non-defaulting party may at its sole option declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

## **XIII. MODIFICATION**

Subject to Union's M12 Rate Schedule, Schedule A, Article XV and the ability of Union to amend the M12 Rate Schedule with the approval of the OEB, no amendment or modification of the Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and Union.

## **XIV. NON-WAIVER AND FUTURE DEFAULT**

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## **XV. LAWS, REGULATIONS AND ORDERS**

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

**RATE M12  
GENERAL TERMS & CONDITIONS**

**I. DEFINITIONS**

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

**"Authorized Overrun"** shall mean the amount by which Shipper's Authorized Quantity exceeds the Contract Demand;

**"Available Capacity"** shall mean at any time, Union's remaining available capacity to provide Transportation Services;

**"Business Day"** shall mean any day, other than Saturday, Sunday or any days on which national banks in the Province of Ontario are authorized to close;

**"Contract"** shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;

**"Contract Year"** shall mean a period of three hundred and sixty-five (365) consecutive days; provided however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days, commencing on November 1 of each year; except for the first Contract Year which shall commence on the Commencement Date and end on the first October 31 that follows such date;

**"cricondenthm hydrocarbon dewpoint"** shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;

**"cubic metre"** shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

**"Day"** shall mean a period of twenty-four (24) consecutive hours beginning at 10:00 a.m. Eastern Clock Time. The reference date for any Day shall be the calendar date upon which the twenty-four (24) hour period shall commence;

**"delivery"** shall mean any gas that is delivered by Union into Shipper's possession, or to the possession of Shipper's agent;

**"Eastern Clock Time"** shall mean the local clock time in the Eastern Time Zone on any Day;

**"Expansion Facilities"** shall mean any new facilities to be constructed by Union in order to provide Transportation Services;

**"firm"** shall mean service not subject to curtailment or interruption except under Articles XI, XII and XVIII herein;

**"gas"** shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time;

**"gross heating value"** shall mean the total heat expressed in megajoules per cubic metre (MJ/m<sup>3</sup>) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

**"hydrocarbon dewpoint"** shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;

**"Interruptible HUB Service Contract"** shall mean a contract between Shipper and Union under which Union provides interruptible HUB service;

**"interruptible service"** or **"Interruptible"** shall mean service subject to curtailment or interruption, after notice, at any time;

**"Interconnecting Pipeline"** shall mean a pipeline that directly connects to the Union pipeline system;

**"joule"** (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term **"megajoule"** (MJ) shall mean 1,000,000 joules. The term **"gigajoule"** (GJ) shall mean 1,000,000,000 joules;

**"Loaned Quantities"** shall mean those quantities of gas loaned to Shipper under the Facilitating Agreement;

**"m<sup>3</sup>"** shall mean cubic metre of gas and **"10<sup>3</sup>m<sup>3</sup>"** shall mean 1,000 cubic metres of gas;

**"Month"** shall mean the period beginning at 10:00 a.m. Eastern Clock Time on the first day of a calendar month and ending at 10:00 a.m. Eastern Clock Time on the first day of the following calendar month;

**"NAESB"** shall mean North American Energy Standards Board;

**"OEB"** means the Ontario Energy Board;

**"Open Season"** or **"open season"** shall mean an open access auction or bidding process held by Union as a method of allocating capacity;

**"pascal"** (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term **"kilopascal"** (kPa) shall mean 1,000 pascals;

**"receipt"** shall mean any gas that is delivered into Union's possession, or the possession of Union's agent;

**"Shipper"** shall have the meaning as defined in the Contract, and shall also include Shipper's agent(s);

**"specific gravity"** shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

**"Taxes"** shall mean any tax (other than tax on income or tax on property), duty, royalty, levy, license, fee or charge not included in the charges and rates as per the applicable rate schedule (including but not limited to charges under any form of cap and trade, carbon tax, or similar system) and that is levied, assessed or made by any governmental authority on the gas itself, or the act, right, or privilege of producing, severing, gathering, storing, transporting, handling, selling or delivering gas under the Contract;

**"TCPL"** means TransCanada PipeLines Limited;

**"Wobbe Number"** shall mean gross heating value of the gas divided by the square root of its specific gravity.

## **II. GAS QUALITY**

1. **Natural Gas:** The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. **Freedom from objectionable matter:** The gas to be delivered to/by Union hereunder,
  - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,

- b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas,
  - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
  - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
  - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
  - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
  - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
  - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
  - i. shall not have a cricondentherm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
  - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas.
3. Non-conforming Gas: In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
4. Quality of Gas Received: The quality of the gas to be received by Union hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will also accept gas of a quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Union's M12 Rate Schedule.

### III. **MEASUREMENTS**

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m<sup>3</sup>) or one thousand cubic metres (10<sup>3</sup>m<sup>3</sup>) at Union's discretion.
2. Determination of Volume and Energy:
- a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
  - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
  - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
  - d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

#### **IV. RECEIPT POINT AND DELIVERY POINT**

1. Unless otherwise specified in the Contract, the point or points of receipt and point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in the Contract, where possession of the gas changes from one party to the other, and as per Schedule "D 2010".

#### **V. POSSESSION OF AND RESPONSIBILITY FOR GAS**

1. Union accepts no responsibility for any gas prior to such gas being delivered to Union at the Receipt Point or after its delivery by Union at the Delivery Point. As between the parties hereto, Union shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Union's system until such gas is delivered to Shipper.
2. Shipper agrees that Union is not a common carrier and is not an insurer of Shipper's gas, and that Union shall not be liable to Shipper or any third party for loss of gas in Union's possession, except to the extent such loss is caused entirely by Union's negligence or wilful misconduct.

#### **VI. FACILITIES ON SHIPPER'S PROPERTY**

Except under those conditions where Union is delivering to TCPL for TCPL or Shipper at Parkway (TCPL), or to an Interconnecting Pipeline, or where otherwise specified in the Contract, the following will apply:

1. Construction and Maintenance: Union, at its own expense may construct, maintain and operate on Shipper's property at the delivery point a measuring station properly equipped with a meter or meters and any other necessary measuring equipment for properly measuring the gas redelivered under the Contract. Shipper will grant to Union a lease and/or rights-of-way over property of Shipper as required by Union to install such facilities and to connect same to Union's pipeline.
2. Entry: Union, its servants, agents and each of them may at any reasonable time on notice (except in cases of emergency) to Shipper or his duly authorized representative enter Shipper's property for the purpose of constructing, maintaining, removing, operating and/or repairing station equipment.
3. Property: The said station and equipment will be and remain the property of Union notwithstanding it is constructed on and attached to the realty of Shipper, and Union may at its own expense remove it upon termination of the Contract and will do so if so requested by Shipper.

#### **VII. MEASURING EQUIPMENT**

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by its regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the redelivery point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the delivery point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.
4. Rights of Parties: The measuring equipment installed by either party, together with any building erected by it for such equipment, shall be and remain its property. However, Union and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done

in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas to/by Union under the Contract. Either party will give the other party reasonable notice of its intention to carry out the acts herein specified. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten (10) days after receipt thereof.

5. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts and deliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.
7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

#### **VIII. BILLING**

1. Monthly Billing Date: Union shall render bills on or before the tenth (10<sup>th</sup>) day of each month for all Transportation Services furnished during the preceding Month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding Month's billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the tenth (10<sup>th</sup>) day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.
3. Amendment of Statements: For the purpose of completing a final determination of the actual quantities of gas handled in any of the Transportation Services to Shipper, the parties shall have the right to amend their statement for a period equal to the time during which the Interconnecting Pipeline retains the right to amend their statements, which period shall not exceed three (3) years from the date of termination of the Contract.

#### **IX. PAYMENTS**

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20<sup>th</sup>) day of each month. If the payment date is not a Business Day, then payment must be received in Union's account on the first Business Day preceding the twentieth (20<sup>th</sup>) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,
  - a. Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment; and,

- b. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract, may suspend Services until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue hereunder as if such suspension were not in place.

If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall pay to Union such amounts as it concedes to be correct. At any time thereafter, within twenty (20) days of a demand made by Union, Shipper shall furnish financial assurances satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination. Such a final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case. Union shall not be entitled to suspend Services because of such non-payment unless and until default occurs in the conditions of such financial assurances or default occurs in payment of any other amount due to Union hereunder.

Notwithstanding the foregoing, Shipper is not relieved from the obligation to continue its deliveries of gas to Union under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Union.

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "**bill next following**" shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within three (3) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.

4 Taxes:

In addition to the charges and rates as per the applicable rate schedules and price schedules, Shipper shall pay all Taxes which are imposed currently or subsequent to the execution of the Contract by any legal authority having jurisdiction and any amount in lieu of such Taxes paid or payable by Union.

5. Set Off:

If either party shall, at any time, be in arrears under any of its payment obligations to the other party under the Contract, then the party not in arrears shall be entitled to reduce the amount payable by it to the other party in arrears under the Contract, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to the other party. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under the Contract or any enhancement to the Contract, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.

X. ARBITRATION

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act, 1991, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

## **XI. FORCE MAJEURE**

1. The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.
5. An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Firm Transportation Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.
8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm Contract Demand for that Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the M12 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. If, due to the occurrence of an event of force majeure as outlined above, the capacity for gas deliveries by Union is impaired, it will be necessary for Union to curtail Shipper's gas receipts to Union hereunder, via proration based on utilization of such facilities for the Day. This prorating shall be determined by multiplying the capability of such facilities as available downstream of the impairment on the Day, by a fraction where the numerator is Shipper's nominated firm quantity and the denominator is the total of all such nominated firm quantities for nominated services and planned consumption for

in-franchise customers on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Union to in-franchise customers and ex-franchise shippers.

## **XII. DEFAULT AND TERMINATION**

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by Union hereunder occasioned by any of the reasons provided for in Article XI herein) which has not been waived by the other party, then and in every such case and as often as the same may happen, the non-defaulting party may give written notice to the defaulting party requiring it to remedy such default and in the event of the defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the non-defaulting party may at its sole option declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

## **XIII. AMENDMENT**

Subject to Article XV herein and the ability of Union to amend the applicable rate schedules and price schedules, with the approval of the OEB (if required), no amendment or modification of the Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and Union.

## **XIV. NON-WAIVER AND FUTURE DEFAULT**

No waiver of any provision of the Contract shall be effective unless the same shall be in writing and signed by the party entitled to the benefit of such provision and then such waiver shall be effective only in the specific instance and for the specified purpose for which it was given. No failure on the part of Shipper or Union to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy under the Contract shall operate as a waiver thereof.

## **XV. LAWS, REGULATIONS AND ORDERS**

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

## **XVI. ALLOCATION OF CAPACITY**

1. A potential shipper may request firm transportation service on Union's system at any time. Any request for firm M12 transportation service must include: potential shipper's legal name, Receipt Point(s), Delivery Point(s), Commencement Date, Initial Term, Contract Demand and proposed payment. This is applicable for M12 service requests for firm transportation service with minimum terms of ten (10) years where Expansion Facilities are required or a minimum term of five (5) years for use of existing capacity.
2. If requests for firm transportation services cannot be met through existing capacity such that the only way to satisfy the requests for transportation service would require the construction of Expansion Facilities which create new capacity, Union shall allocate any such new capacity by open season, subject to the terms of the open season, and these General Terms and Conditions.
3. If requests for long-term firm transportation service can be met through existing facilities upon which long-term capacity is becoming available, Union shall allocate such long-term capacity by open season, subject to the terms of the open season, and these General Terms and Conditions. "**Long-term**", for the purposes of this Article XVI, means, in the case of a transportation service, a service that has a term of one year or greater.

4. Capacity requests received during an open season shall be awarded starting with those bids with the highest economic value. If the economic values of two or more independent bids are equal, then service shall be allocated on a pro-rata basis. The economic value shall be based on the net present value which shall be calculated based on the proposed per-unit rate and the proposed term of the contract and without regard to the proposed Contract Demand ("NPV").
5. Union may at any time allocate capacity to respond to any M12 transportation service request through an open season. If a potential shipper requests M12 transportation service that can be provided through Available Capacity that was previously offered by Union in an open season but was not awarded, then:
  - a. Any such request must conform to the requirements of Section 1 of this Article XVI;
  - b. Union shall allocate capacity to serve such request pursuant to this Section 5, and subject to these General Terms and Conditions and Union's standard form M12 transportation contract;
  - c. Union may reject a request for M12 transportation service for any of the following reasons:
    - i) if there is insufficient Available Capacity to fully meet the request, but if that is the only reason for rejecting the request for service, Union must offer to supply the Available Capacity to the potential shipper;
    - ii) if the proposed monthly payment is less than Union's Monthly demand charge plus fuel requirements for the applicable service;
    - iii) if prior to Union accepting the request for transportation service Union receives a request for transportation service from one or more other potential shippers and there is, as a result, insufficient Available Capacity to service all the requests for service, in which case Union shall follow the procedure in Section 5 d hereof; -
    - iv) if Union does not provide the type of transportation service requested; or
    - v) if all of the conditions precedent specified in Article XXI Sections 1 and 2 herein have not been satisfied or waived.
  - d. Union will advise the potential shipper in writing whether Union accepts or rejects the request for service, subject to Article XVI 5 c, within 5 calendar days of receiving a request for M12 transportation service. If Union rejects a request for service, Union shall inform the potential shipper of the reasons why its request is being rejected; and
  - e. If Union has insufficient Available Capacity to service all pending requests for transportation service Union may:
    - i) Reject all the pending requests for transportation service and conduct an open season; or
    - ii) Union shall inform all the potential shippers who have submitted a pending request for transportation service that it does not have sufficient capacity to service all pending requests for service, and Union shall provide all such potential shippers with an equal opportunity to submit a revised request for service. Union shall then allocate the Available Capacity to the request for transportation service with the highest economic value to Union. If the economic values of two or more requests are equal, then service shall be allocated on a pro-rata basis. The economic value of any request shall be based on the NPV.

## **XVII. RENEWALS**

Contracts with an Initial Term of five (5) years or greater will continue in full force and effect beyond the Initial Term, automatically renewing for a period of one (1) year, and every one (1) year thereafter. Shipper may reduce the Contract Demand or terminate the Contract with notice in writing by Shipper at least two (2) years prior to the expiration thereof.

## **XVIII. SERVICE CURTAILMENT**

1. Union shall have the right to curtail or not to schedule part or all of Transportation Services, in whole or in part, on all or a portion of its pipeline system at any time for reasons of Force Majeure or when, in Union sole discretion, acting reasonably, capacity or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating

changes to its pipeline system. Union shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. If due to any cause whatsoever Union is unable to receive or deliver the quantities of Gas which Shipper has requested, then Union shall order curtailment by all Shippers affected and to the extent necessary to remove the effect of the disability. Union has a priority of service policy to determine the order of service curtailment. In order to place services on the priority of service list, Union considers the following business principles: appropriate level of access to core services, customer commitment, encouraging appropriate contracting, materiality, price and term, and promoting and enabling in-franchise consumption.

The Priority ranking for all services utilizing Union Gas' storage, transmission and distribution system as applied to both in-franchise and ex-franchise services are as follows; with number 1 having the highest priority and the last interrupted.

1. Firm In-franchise Transportation and Distribution services and firm Ex-franchise services (Note 1)
2. In-franchise Interruptible Distribution services
3. C1/M12 IT Transport and IT Exchanges with Take or Pay rates
4. Balancing (Hub Activity)  $\leq 100$  GJ/d; Balancing (Direct Purchase)  $\leq 500$  GJ/d; In-franchise distribution authorized overrun (Note 3)
5. C1/M12 IT Transport and IT Exchanges at premium rates
6. C1/M12 Overrun  $\leq 20\%$  of CD (Note 4)
7. Balancing (Direct Purchase)  $> 500$  GJ/d
8. Balancing (Hub Activity)  $> 100$  GJ/d; C1/M12 IT Transport and IT Exchanges
9. C1/M12 Overrun  $> 20\%$  of CD
10. C1/M12 IT Transport and IT Exchanges at a discount
11. Late Nominations

Notes:

1. Nominated services must be nominated on the NAESB Timely Nomination Cycle otherwise they are considered to be late nomination and are therefore interruptible.
  2. Higher value or more reliable IT is contemplated in the service and contract, when purchase at market competitive prices.
  3. Captures the majority of customers that use Direct Purchase balancing transactions.
  4. Captures the majority of customers that use overrun.
2. Union reserves the right to change its procedures for sharing interruptible capacity and will provide Shipper with two (2) months prior notice of any such change.
  3. Maintenance: Union's facilities from time to time may require maintenance or construction. If such maintenance or construction is required, and in Union's sole opinion, acting reasonably, such maintenance or construction may impact Union's ability to meet Shipper's requirements, Union shall provide at least ten (10) days notice to Shipper, except in the case of an emergency. In the event the maintenance impacts on Union's ability to meet Shipper's requirements, Union shall not be liable for any damages and shall not be deemed in breach of the Contract. To the extent that Union's ability to accept and/or deliver Shipper's gas is impaired, the Monthly demand charge shall be reduced in accordance with Article XI Section 8 and available capacity allocated in accordance with Article XI Section 9 herein.

Union shall use reasonable efforts to determine a mutually acceptable period during which such maintenance or construction will occur and also to limit the extent and duration of any impairments. Union will endeavour to schedule and complete the maintenance and construction, which would normally be expected to impact on Union's ability to meet Shipper's requirements, during the period from April 1 through to November 1.

## **XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES**

1. Shipper's Warranty: Shipper warrants that it will, if required, maintain, or have maintained on its behalf, all external approvals including the governmental, regulatory, import/export permits and other approvals or authorizations that are required from any federal, state or provincial authorities for the gas quantities to be handled under the Contract. Shipper further warrants that it shall maintain in effect the Facilitating Agreements.
2. Financial Representations: Shipper represents and warrants that the financial assurances (including the Initial Financial Assurances and Security) (if any) shall remain in place throughout the term hereof, unless Shipper and Union agree otherwise. Shipper shall notify Union in the event of any change to the financial assurances throughout the term hereof.

Should Union have reasonable grounds to believe that Shipper will not be able to perform or continue to perform any of its obligations under the Contract as a result of one of the following events ("**Material Event**");

- a. Shipper is in default, which default has not been remedied, of the Contract or is in default of any other material contract with Union or another party; or,
- b. Shipper's corporate or debt rating falls below investment grade according to at least one nationally recognized rating agency; or,
- c. Shipper ceases to be rated by a nationally recognized agency; or,
- d. Shipper has exceeded credit available as determined by Union from time to time,

then Shipper shall within fourteen (14) days of receipt of written notice by Union, obtain and provide to Union a letter of credit or other security in the form and amount reasonably required by Union (the "**Security**"). The Security plus the Initial Financial Assurances shall not exceed twelve (12) months of Monthly demand charges (in accordance with Article IX herein) multiplied by Contract Demand. In the event that Shipper does not provide to Union such Security within such fourteen (14) day period, Union may deem a default under the Default and Termination provisions of Article XII herein.

In the event that Shipper in good faith, reasonably believes that it should be entitled to reduce the amount of or value of the Security previously provided, it may request such a reduction from Union and to the extent that the Material Event has been mitigated or eliminated, Union shall return all or a portion of the Security to Shipper within fourteen (14) Business Days after receipt of the request.

*The following paragraphs 3 and/or 4 are only applicable if indicated in Schedule 1 of the Contract.*

3. Point of Consumption Warranty: Shipper represents and warrants that, throughout the term of this Contract, all quantities of gas received by Union hereunder at the Receipt Point and/or all Loaned Quantities will be consumed in the U.S.A. Should any quantities of gas hereunder be directed to an end user in Canada, Shipper shall immediately notify Union that such quantities of gas will be consumed in Canada, as failure to do so will make Shipper liable to Union for any Taxes and related interest and penalties thereon, made as a result of such change.
4. Tax Registration re GST: Shipper warrants and represents that it is unregistered and a Non-Resident for purposes of the Excise Tax Act. Shipper agrees to notify Union within ten (10) working days if it becomes registered. "GST/HST" shall mean the Government of Canada's Goods and Services Tax or Harmonized Sales Tax as legislated under The Excise Tax Act, as may be amended from time to time.

## **XX. MISCELLANEOUS PROVISIONS**

1. Permanent Assignment: Shipper may assign the Contract to a third party ("Assignee"), up to the Contract Demand, (the "Capacity Assigned"). Such assignment shall require the prior written consent of Union and release of obligations by Union for the Capacity Assigned from the date of assignment. Such consent and release shall not be unreasonably withheld and shall be conditional upon the Assignee providing, amongst other things, financial assurances as per Article XXI herein. Any such assignment will be for the full rights, obligations and remaining term of the Contract as relates to the Capacity Assigned.
2. Temporary Assignment: Shipper may, upon notice to Union, assign all or a part of its service entitlement under the Contract (the "Assigned Quantity") and the corresponding rights and obligations to an Assignee on a temporary basis for not less than one calendar month. Such assignment shall not be unreasonably withheld and shall be conditional upon the Assignee executing the Facilitating Agreement as per Article XXI herein. Notwithstanding such assignment, Shipper shall remain obligated to Union to perform and observe the covenants and obligations contained herein in regard to the Assigned Quantity to the extent that Assignee fails to do so.
3. Title to Gas: Shipper represents and warrants to Union that Shipper shall have good and marketable title to, or legal authority to deliver to Union, all gas delivered to Union hereunder. Furthermore, Shipper hereby agrees to indemnify and save Union harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all third parties to such gas or on account of Taxes, or other charges thereon.

**XXI. PRECONDITIONS TO TRANSPORTATION SERVICES**

1. The obligations of Union to provide Transportation Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Contract:
  - a. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Transportation Services; and,
  - b. Union shall have obtained all internal approvals that are necessary or appropriate to provide the transportation Services; and,
  - c. Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of the Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by Union; and,
  - d. Shipper and Union shall have entered into the Interruptible HUB Service Contract or equivalent (the "**Facilitating Agreement**") with Union.
2. The obligations of Shipper hereunder are subject to the following conditions precedent, which are for the sole benefit of Shipper and which may be waived or extended in whole or in part in the manner provided in the Contract:
  - a. Shipper shall, as required, have entered into the necessary contracts with Union and/or others to facilitate the Transportation Services contemplated herein, including contracts for upstream and downstream transportation, and shall specifically have an executed and valid Facilitating Agreement; and shall, as required, have entered into the necessary contracts to purchase the gas quantities handled under the Contract; and,
  - b. Shipper shall have obtained, in form and substance satisfactory to Shipper, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required from federal, state, or provincial authorities for the gas quantities handled under the Contract; and,
  - c. Shipper shall have obtained all internal approvals that are necessary or appropriate for the Shipper to execute the Contract.
3. Union and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in this Article XXI Section 1 a, c, and d and Section 2 a and b. Each party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such party's benefit. If a party concludes that it will not be able to satisfy a condition precedent that is for its benefit, such party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations thereunder.
4. If any of the conditions precedent in this Article XXI Section 1 c or Section 2 are not satisfied or waived by the party entitled to the benefit of that condition by the Conditions Date as such term is defined in the Contract, then either party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder, provided that any rights or remedies that a party may have for breaches of the Contract prior to such termination and any liability a party may have incurred before such termination shall not thereby be released.

**RATE M12  
NOMINATIONS**

- a) For Services provided either under this rate schedule or referenced to this rate schedule:
- i) For Services required on any day Shipper shall provide Union with a nomination (the "Shipper's Nomination") of the quantity it desires to be handled at the applicable Receipt Point and/or Delivery Point. Such Shipper's Nomination is to be provided in writing so as to be received by Union's Gas Management Services on or before 1230 hours in the Eastern time zone, unless agreed to otherwise in writing by the parties, on the business day immediately preceding the day for which service is requested.
  - ii) If, in Union's sole opinion, operating conditions permit, a change in Shipper's Nomination may be accepted after 1230 hours in the Eastern time zone.
  - iii) For customers electing firm all day transportation service, nominations shall be provided to Union's Gas Management Services as outlined in the F24 –T Agreement.
- b) Union shall determine whether or not all or any portion of Shipper's Nomination will be accepted. In the event Union determines that it will not accept such nomination, Union shall advise Shipper, on or before 1730 hours in the Eastern time zone on the business day immediately preceding the day for which service is requested, of the reduced quantity (the "Quantity Available") for Services at the applicable points. Forthwith after receiving such advice from Union but no later than 1800 hours in the Eastern time zone on the same day, Shipper shall provide a "Revised Nomination" to Union which shall be no greater than the Quantity Available. If such Revised Nomination is not provided within the time allowed as required above or such Revised Nomination is greater than the Quantity Available, then the Revised Nomination shall be deemed to be the Quantity Available. If the Revised Nomination (delivered within the time allowed as required above) is less than the Quantity Available, then such lesser amount shall be the Revised Nomination.
- c) That portion of a Shipper's Nomination or Revised Nomination, as set out in (a) and (b), above, which Union shall accept for Services hereunder, shall be known as Shipper's "Authorized Quantity".
- d) If on any day the actual quantities handled by Union, for each of the Services authorized, exceed Shipper's Authorized Quantity, and such excess was caused by either Shipper's incorrect nomination or by its delivering or receiving too much gas, then the amount by which the actual quantities handled for each of the Services exceed Shipper's Authorized Quantity, such excess shall be deemed "Unauthorized Overrun".
- e) The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however, Union shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth (1/20) of the quantity received for that day. Union shall have the right to limit Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20) of the quantity handled for that day, for each applicable Service.
- f) A nomination for a daily quantity of gas on any day shall remain in effect and apply to subsequent days unless and until Union receives a new nomination from Shipper or unless Union gives Shipper written notice that it is not acceptable in accordance with either (a) or (b) of this schedule.
- g) Except for periods of gas or quantity balancing as provided in the Contract, nominations by Shipper for deliveries to Union and redeliveries by Union shall be the same delivery of gas by Union either to Shipper or a Shipper's Account with Union.

**RATE M12  
NOMINATIONS**

1. For Transportation Services required on any Day under the Contract, Shipper shall provide Union with a nomination(s) providing the Shipper's requested Receipt Point(s), contract numbers, the applicable service, the quantity of Gas to be transported, the requested Delivery Point(s), and such additional information as Union determines to be necessary (a "**Nomination**").
2. All Nominations shall be submitted by electronic means via *Unionline*. Union, in its sole discretion, may amend or modify the nominating procedures or *Unionline* at any time. Nominations shall be submitted so as to be received by Union in accordance with timelines established by Union, which reflect the NAESB standard nomination cycles. Union will accept all nominations on each of the nomination cycles. Nominations made after the applicable deadline shall not be accepted except at the sole discretion of Union. All times referred to herein are Eastern Clock Time. For greater certainty, NAESB nomination cycle timelines are as follows:
  - a. The Timely Nomination Cycle: 12:45 pm for Nominations leaving control of the nominating party; 3:30 pm for receipt of Quantities Available by Shipper; 4:30 pm for receipt of completed confirmations by Union from upstream and downstream connected parties; 5:30 pm for receipt of Scheduled Quantities by Shipper (Day prior to flow).
  - b. The Evening Nomination Cycle: 7:00 pm for Nominations leaving control of the nominating party; 9:00 pm for receipt of Quantities Available by Shipper; 10:00 pm for receipt of completed confirmations by Union from upstream and downstream connected parties; 11:00 pm for receipt of Scheduled Quantities by Shipper (Day prior to flow).
  - c. The Intra-day 1 Nomination Cycle: 11:00 am for Nominations leaving control of the nominating party; 1:00 pm for receipt of Quantities Available by Shipper; 2:00 pm for receipt of completed confirmations by Union from upstream and downstream connected parties; 3:00 pm for receipt of Scheduled Quantities Available by Shipper, on Day. Quantities Available resulting from Intra-day 1 Nominations should be effective at 6:00 pm on same Day.
  - d. The Intra-day 2 Nomination Cycle: 6:00 pm for Nominations leaving control of the nominating party; 8:00 pm for receipt of Quantities Available by Shipper; 9:00 pm for receipt of completed confirmations by Union from upstream and downstream connected parties; 10:00 pm for receipt of Scheduled Quantities by Shipper on Day. Quantities Available resulting from Intra-day 2 Nominations should be effective at 10:00 pm on same Day.
3. Union shall determine whether or not all or any portion of the Nomination will be scheduled at each nomination cycle. With respect to each nomination cycle, in the event Union determines that it will not schedule such Nomination, Union shall advise Shipper of the reduced quantity (the "**Quantities Available**") for Transportation Services at the applicable points as outlined in each nomination cycle. After receiving such advice from Union, but no later than one half hour after the Quantities Available deadline as outlined in each nomination cycle, Shipper shall provide a revised nomination ("**Revised Nomination**") to Union which shall be no greater than the Quantity Available. If such Revised Nomination is not provided within the time allowed as required above or such Revised Nomination is greater than the Quantities Available, then the Revised Nomination shall be deemed to be the Quantities Available. If the Revised Nomination (delivered with the time allowed as required above) is less than the Quantity Available, then such lesser amount shall be the Revised Nomination.
4. For Shippers electing firm all day transportation service, nominations shall be provided to Union's Gas Management Services as outlined in the F24 –T Agreement.
5. For Transportation Services requiring Shipper to provide compressor fuel in kind, the nominated fuel requirements will be calculated by rounding to the nearest whole GJ.

6. All Timely Nominations shall have rollover options. Specifically, Shippers shall have the ability to nominate for several days, months or years, provided the Nomination start date and end date are both within the term of the Transportation Agreement.
7. Nominations received after the nomination deadline shall, if accepted by Union, be scheduled after Nominations received before the nomination deadline.
8. All Services are required to be nominated in whole Gigajoules (GJ).
9. To the extent Union is unable to complete a Nomination confirmation due to inaccurate, untimely or incomplete data involving an Interconnecting Pipeline entity, Union shall undertake reasonable efforts to confirm the transaction on a non-discriminatory basis until such time that the transaction is adequately verified by the parties, or until such time that Union determines that the Nomination is invalid at which time the Union shall reject the Nomination.
10. That portion of a Shipper's Nomination or Revised Nomination, as set out in paragraphs 1 and 3 above, which Union shall schedule for Transportation Services hereunder, shall be known as Shipper's **"Authorized Quantity"**.
11. If on any day the actual quantities handled by Union, for each of the Transportation Services authorized, exceed Shipper's Authorized Quantity, and such excess was caused by either Shipper's incorrect nomination or by its delivering or receiving too much gas, then the amount by which the actual quantities handled for each of the Transportation Services exceed Shipper's Authorized Quantity shall be deemed **"Unauthorized Overrun"**.
12. The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however, Union shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth (1/20<sup>th</sup>) of the quantity received for that day. Union shall have the right to limit Transportation Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20<sup>th</sup>) of the quantity handled for that day, for each applicable Transportation Service.
13. The parties hereto recognize that with respect to Transportation Services, on any day, receipts of gas by Union and deliveries of gas by Union may not always be exactly equal, but each party shall cooperate with the other in order to balance as nearly as possible the quantities transacted on a daily basis, and any imbalances arising shall be allocated to the Facilitating Agreement and shall be subject to the respective terms and charges contained therein, and shall be resolved in a timely manner.
14. Shipper may designate a third party as agent for purposes of providing a Nomination, and for giving and receiving notices related to Nominations, and Union shall only accept nominations from the agent. Shipper shall provide Union with written notice of such designation, such notice to be acceptable to Union. Any such designation, if acceptable to Union, shall be effective starting the Month following the receipt of the written notice and will remain in effect until revoked in writing by Shipper.

**UNION GAS LIMITED**  
**M12 Monthly Transportation Fuel Ratios and Rates**  
 Firm or Interruptible Transportation Commodity  
Effective January 1, 2013

Month	VT1 Easterly Dawn to Parkway (TCPL) With Dawn Compression		VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression		VT3 Westerly Parkway to Kirkwall, Dawn	
	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	0.802	0.045	0.533	0.030	0.153	0.009
May	0.567	0.032	0.359	0.020	0.153	0.009
June	0.463	0.026	0.260	0.014	0.357	0.020
July	0.451	0.025	0.248	0.014	0.356	0.020
August	0.355	0.020	0.154	0.009	0.354	0.020
September	0.352	0.020	0.154	0.009	0.351	0.020
October	0.697	0.039	0.463	0.026	0.153	0.009
November	0.840	0.047	0.603	0.034	0.153	0.009
December	0.945	0.053	0.702	0.039	0.153	0.009
January	1.086	0.060	0.831	0.046	0.153	0.009
February	1.033	0.057	0.786	0.044	0.153	0.009
March	0.972	0.054	0.719	0.040	0.153	0.009

Month	M12-X Easterly Kirkwall to Parkway (TCPL)		M12-X Easterly Kirkwall to Lisgar Parkway (Consumers)		M12-X Westerly Parkway to Kirkwall, Dawn	
	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	0.422	0.024	0.153	0.009	0.268	0.015
May	0.361	0.020	0.153	0.009	0.268	0.015
June	0.357	0.020	0.153	0.009	0.268	0.015
July	0.356	0.020	0.153	0.009	0.268	0.015
August	0.354	0.020	0.153	0.009	0.268	0.015
September	0.351	0.020	0.153	0.009	0.268	0.015
October	0.387	0.022	0.153	0.009	0.268	0.015
November	0.389	0.022	0.153	0.009	0.153	0.009
December	0.396	0.022	0.153	0.009	0.153	0.009
January	0.408	0.023	0.153	0.009	0.153	0.009
February	0.400	0.022	0.153	0.009	0.153	0.009
March	0.406	0.023	0.153	0.009	0.153	0.009

**UNION GAS LIMITED****M12 Monthly Transportation Authorized Overrun Fuel Ratios and Rates**

Firm or Interruptible Transportation Commodity

Effective January 1, 2013

Month	VT1 Easterly Dawn to Parkway (TCPL) With Dawn Compression		VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression		VT3 Westerly Parkway to Kirkwall, Dawn	
	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	1.402	0.156	1.133	0.129	0.753	0.120
May	1.167	0.143	0.959	0.119	0.753	0.120
June	1.063	0.138	0.860	0.114	0.957	0.132
July	1.051	0.137	0.848	0.113	0.956	0.132
August	0.955	0.131	0.754	0.108	0.954	0.131
September	0.952	0.131	0.754	0.108	0.951	0.131
October	1.297	0.151	1.063	0.125	0.753	0.120
November	1.440	0.158	1.203	0.133	0.753	0.120
December	1.545	0.164	1.302	0.139	0.753	0.120
January	1.686	0.172	1.431	0.146	0.753	0.120
February	1.633	0.169	1.386	0.143	0.753	0.120
March	1.572	0.166	1.319	0.140	0.753	0.120

Month	M12-X Easterly Kirkwall to Parkway (TCPL)		M12-X Easterly Kirkwall to Lisgar Parkway (Consumers)		M12-X Westerly Parkway to Kirkwall, Dawn	
	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	1.022	0.069	0.753	0.054	0.868	0.127
May	0.961	0.066	0.753	0.054	0.868	0.127
June	0.957	0.065	0.753	0.054	0.868	0.127
July	0.956	0.065	0.753	0.054	0.868	0.127
August	0.954	0.065	0.753	0.054	0.868	0.127
September	0.951	0.065	0.753	0.054	0.868	0.127
October	0.987	0.067	0.753	0.054	0.868	0.127
November	0.989	0.067	0.753	0.054	0.753	0.120
December	0.996	0.068	0.753	0.054	0.753	0.120
January	1.008	0.068	0.753	0.054	0.753	0.120
February	1.000	0.068	0.753	0.054	0.753	0.120
March	1.006	0.068	0.753	0.054	0.753	0.120

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

1. Receipt and Delivery Points:

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

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

## 2. Receipt and Delivery Pressures:

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

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

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



TRANSPORTATION OF LOCALLY PRODUCED GAS

**(A) Applicability**

The charges under this rate schedule shall be applicable to a customer who enters into a contract with Union for gas received at a local production point to be transported to Dawn.

Applicable Points

Dawn as a delivery point: Dawn (Facilities).

**(B) Rates**

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

Demand Commodity

	<b>Demand Charge <u>Rate/Month</u></b>	<b>Commodity Charge Union Provides Fuel <u>Rate/GJ</u></b>	<b>Customer Provides Own Fuel  Fuel <u>Ratio</u></b>
1. Monthly fixed charge per Customer Station	\$926.60		
2. Transmission Commodity Charge		\$0.034	
3. Delivery Commodity Charge		\$0.009	0.153%

These charges are in addition to the transportation, storage and/or balancing charges which shall be paid for under Rate M12 or Rate C1, or other services that may be negotiated.

4. Overrun Services

Authorized Overrun

Authorized overrun will be payable on all quantities transported in excess of Union's obligation on any day. The overrun charges payable will be calculated at \$0.077 /GJ. Overrun will be authorized at Union's sole discretion.

	<b>Commodity Charge Union Provides Fuel <u>Rate/GJ</u></b>	<b>Customers Provides Own Fuel Commodity Charge <u>Rate/GJ</u></b>	<b>Fuel <u>Ratio</u></b>
Authorized Overrun Charge	\$0.077	\$0.069	0.153%

Unauthorized Overrun

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

The Unauthorized Overrun rate during the November 1 to April 15 period will be \$50 per GJ for all usage on any day in excess of 102% of Union's contractual obligation. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$9.373 per GJ for all usage on any day in excess of 102% of Union's contractual obligation.

**(C) Terms of Service**

General Terms & Conditions applicable to this rate shall be in accordance with the attached Schedule "A" in effect before January 1, 2013. The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A 2013" for contracts in effect on or after January 1, 2013.

Effective

January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.

**GENERAL TERMS & CONDITIONS  
M13 TRANSPORTATION AGREEMENT**

**SCHEDULE "A"**

**I. DEFINITIONS**

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

1. "Banking Day" shall mean a day on which the general offices of the Canadian Imperial Bank of Commerce, 99 King St. W., Chatham, Ontario are open for business;
2. "business day" shall mean a day on which the general offices of Union in Chatham, Ontario are open for business;
3. "Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;
4. "contract year" shall mean a period of three hundred and sixty-five (365) consecutive days, beginning on the day agreed upon by Union and Shipper as set forth in the Contract, or on any anniversary of such date; provided, however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days;
5. "day" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Standard time. The reference date for any day shall be the calendar date upon which the twenty-four (24) hour period shall commence;
6. "month" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
7. "firm" shall mean service not subject to curtailment or interruption except under Articles XI and XII of this Schedule "B";
8. "interruptible service" shall mean service subject to curtailment or interruption, after notice, at any time;
9. "gas" shall mean gas as defined in the Ontario Energy Board Act, R.S.O. 1980, c. 332, as amended, supplemented or reenacted from time to time;
10. "cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
11. "m<sup>3</sup>" shall mean cubic metre of gas and "10<sup>3</sup>m<sup>3</sup>" shall mean 1,000 cubic metres of gas;
12. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
13. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
14. "gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m<sup>3</sup>) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
15. "Shipper" shall have the meaning as defined in the Contract and shall also include Shipper's agent(s);
16. "subsidiary" shall mean a company in which more than fifty (50) per cent of the issued share capital (having full voting rights under all circumstances) is owned or controlled directly or indirectly by another company, by one or more subsidiaries of such other company, or by such other company and one or more of its subsidiaries;

17. "TCPL" means TransCanada PipeLines Limited;
18. "NOVA" means NOVA Gas Transmission Ltd;
19. "Panhandle" means CMS Panhandle Eastern Pipeline Company;
20. "MichCon" means Michigan Consolidated Gas Company;
21. "SCPL" means St. Clair Pipelines (1996) Ltd.;
22. "OEB" means the Ontario Energy Board;
23. "NEB" means the National Energy Board (Canada);
  - i. "GLGT" means Great Lakes Gas Transmission Company;
  - ii. "CMS" means CMS Gas Transmission and Storage Company; and,
  - iii. "Consumers" means The Consumers' Gas Company, Limited.
24. "cricondenthm hydrocarbon dewpoint" shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;
25. "hydrocarbon dewpoint" shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;
26. "specific gravity" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute; and,
27. "Wobbe Number" shall mean gross heating value of the gas divided by the square root of its specific gravity.

## **II. GAS QUALITY**

1. Natural Gas: The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. Freedom from objectionable matter: The gas to be delivered to Union at the Receipt Point(s) hereunder,
  - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
  - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than one hundred (100) milligrams of total sulphur per cubic metre of gas,
  - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
  - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
  - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,

- f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
- g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
- h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
- i. shall not have a cricondenthem hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
- j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas,
- k. shall not exceed forty-three degrees Celsius (43°C), and,
- l. shall not be odourized by Shipper.

3. Non-conforming Gas:

- a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.
- b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.

4. Quality of Gas Received: The quality of the gas to be received by Union at the Receipt Point(s) hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will use reasonable efforts to accept gas of a quality that may deviate from the quality standards set out therein.

5. Quality of Gas at Dawn: The quality of the gas to be delivered to Union at Dawn (Facilities) or the gas to be delivered by Union to Shipper at Dawn (Facilities) hereunder is to be of a merchantable quality and in accordance with the quality standards and measurement standards as set out by Union in this Article II, except that total sulphur limit shall be not more than four hundred and sixty (460) milligrams per cubic metre of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.

### III. MEASUREMENTS

1. Service Unit: The unit of the gas delivered to Union shall be a quantity of 10<sup>3</sup>m<sup>3</sup>. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m<sup>3</sup>) or one thousand cubic metres (10<sup>3</sup>m<sup>3</sup>) at Union's discretion.

2. Determination of Volume and Energy:

- a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
- b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all

as amended from time to time.

- c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VI herein.

#### **IV. POINT OF RECEIPT AND POINT OF DELIVERY**

1. Unless otherwise specified in the Contract, the point or points of receipt for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in the Contract, where Union takes possession of the gas. Whenever the phrase "receipt point" appears herein, it shall mean Point of Receipt as defined in this Article IV.
2. Unless otherwise specified in the Contract, the point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection as specified in the Contract, where Shipper takes possession of the gas. Whenever the phrase "delivery point" shall appear herein, it shall mean Point of Delivery as defined in this Article IV.

#### **V. FACILITIES ON CUSTOMER'S PROPERTY**

N/A.

#### **VI. MEASURING EQUIPMENT**

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas received or delivered hereunder is measured by a meter that is owned and operated by an upstream or downstream transporter (the "Transporter") whose facilities may or may not interconnect with Union's, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas received or delivered on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union pursuant to this Article VII, Section 2 shall be in accordance with the general terms and conditions as incorporated in that Transporter's gas tariff as approved by Transporter's regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the Receipt Point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the Receipt Point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.
4. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
5. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.

## **VII. BILLING**

1. Monthly Billing Date: Union shall render bills on or before the 10th day of each month for all services furnished during the preceding month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding month's billing, an adjustment based on any difference between actual quantities and estimated quantities. If presentation of a bill to Shipper is delayed after the 10th day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.

## **VIII. PAYMENTS**

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20<sup>th</sup>) day of each month. If the payment date is not a business day, then payment must be received in Union's account on the first business day preceding the twentieth (20<sup>th</sup>) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due, Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract may suspend service(s) until such amount is paid, provided however, that if Shipper, in good faith shall dispute the amount of any such bill or part thereof and shall pay to Union such amounts as it concedes to be correct and at any time thereafter within twenty (20) days of a demand made by Union shall furnish good and sufficient surety bond satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination which may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case, then Union shall not be entitled to suspend service(s) because of such non-payment unless and until default be made in the conditions of such bond or in payment for any further service(s) to Shipper hereunder.
3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "bill" next following shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within six (6) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of invoice.

## **IX. ARBITRATION**

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act of the Province of Ontario, or any act passed in amendment thereof or substitution thereof, shall apply to each such submission. Operations under this Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

**X. FORCE MAJEURE**

N/A

**XI. DEFAULT AND TERMINATION**

N/A

**XII. MODIFICATION**

N/A

**XIII. NONWAIVER AND FUTURE DEFAULT**

N/A

**XIV. LAWS, REGULATIONS AND ORDERS**

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

**RATE M13  
GENERAL TERMS & CONDITIONS**

**I. DEFINITIONS**

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

**"Aid to Construction"** shall include any and all costs, expenses, amounts, damages, obligations, or other liabilities (whether of a capital or operating nature, and whether incurred before or after the date of the Contract) actually paid by Union (including amounts paid to affiliates for services rendered in accordance with the Affiliate Relationships Code as established by the OEB) in connection with or in respect of satisfying the conditions precedent set out in Article XXI herein (including without limitation the cost of construction, installation and connection of any required meter station as described in Article IX, Section 6, the obtaining of all governmental, regulatory and other third party approvals, and the obtaining of rights of way) whether resulting from Union's negligence or not, except for any costs that have arisen from the gross negligence, fraud, or wilful misconduct of Union;

**"Average Local Producer Heat" ("ALPH")** shall mean the heat content value as set by Union, and shall be determined by volumetrically averaging the gross heat content of all produced gas delivered to the Union system by Ontario Local Producers. The ALPH shall be expressed in GJ/10<sup>3</sup>m<sup>3</sup> and may be adjusted from time to time by Union;

**"Business Day"** shall mean any day, other than Saturday, Sunday or any days on which national banks in the Province of Ontario are authorized to close;

**"Contract"** shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;

**"Contract Year"** shall mean a period of three hundred and sixty-five (365) consecutive days; provided however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days, commencing on November 1 of each year; except for the first Contract Year which shall commence on the Commencement Date and end on the first October 31 that follows such date;

**"cricondenthem hydrocarbon dewpoint"** shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;

**"cubic metre"** shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

**"Dawn Quantity"** shall mean the total daily quantity of gas in GJ delivered at Dawn (Facilities), which is equal to the total energy of all gas supplied daily to Union at the Receipt Point(s). The Dawn Quantity shall be calculated utilizing the following factor equation: Dawn Quantity = Produced Volume x ALPH;

**"Day"** shall mean a period of twenty-four (24) consecutive hours beginning at 10:00 a.m. Eastern Clock Time. The reference date for any Day shall be the calendar date upon which the twenty-four (24) hour period shall commence;

**"Delivery Point"** shall mean the point where Union shall deliver the Dawn Quantity and/or Market Quantity to Shipper and as further defined in Schedule 1 of the Contract;

**"Distribution Demand"** shall mean the varying demand for the supply of gas, as determined by Union, on Union's pipeline and distribution system for users of gas who are supplied or delivered gas by Union's pipeline and distribution system;

**"Eastern Clock Time"** shall mean the local clock time in the Eastern Time Zone on any Day;

**"firm"** shall mean service not subject to curtailment or interruption except under Articles XI, XII and XVIII herein;

**"Firm Daily Variability Demand"** shall mean the established quantity set forth in Schedule 2 of the Contract, which is the permitted difference between the Dawn Quantity and the Market Quantity;

"**gas**" shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time;

"**gross heating value**" shall mean the total heat expressed in megajoules per cubic metre (MJ/m<sup>3</sup>) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

"**hydrocarbon dewpoint**" shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;

"**Interruptible HUB Service Contract**" shall mean a contract between Shipper and Union under which Union provides interruptible HUB service;

"**Interconnecting Pipeline**" shall mean a pipeline that directly connects to the Union pipeline and distribution system;

"**joule**" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "**megajoule**" (MJ) shall mean 1,000,000 joules. The term "**gigajoule**" (GJ) shall mean 1,000,000,000 joules;

"**m<sup>3</sup>**" shall mean cubic metre of gas and "**10<sup>3</sup>m<sup>3</sup>**" shall mean 1,000 cubic metres of gas;

"**MAOP**" shall mean the maximum allowable operating pressure of Union's pipeline and distribution system and as further defined in Schedule 1 of the Contract;

"**Market Quantity**" shall mean the daily quantity in GJ nominated for Name Change Service that Day by Shipper at Dawn (Facilities);

"**Maximum Daily Quantity**" shall mean the maximum quantity of gas Shipper may deliver to Union at a Receipt Point on any Day, as further defined in Schedule 1;

"**Month**" shall mean the period beginning at 10:00 a.m. Eastern Clock Time on the first day of a calendar month and ending at 10:00 a.m. Eastern Clock Time on the first day of the following calendar month;

"**Name Change Service**" shall mean an interruptible administrative service whereby Union acknowledges for Shipper a change in title of a gas quantity from Shipper to a third party at the Delivery Point;

"**OEB**" means the Ontario Energy Board;

"**pascal**" ("**Pa**") shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "**kilopascal**" ("**kPa**") shall mean 1,000 pascals;

"**Produced Volume**" shall mean the aggregate of all actual volumes of gas in 10<sup>3</sup>m<sup>3</sup>, delivered by Shipper to Union at all Receipt Points on any Day;

"**Producer Balancing Account**" shall mean the gas balance held by Union for Shipper, or owed by Shipper to Union, at the Delivery Point. Where the Producer Balancing Account is zero or a positive number, the account is in a credit position, and where the Producer Balancing Account is less than zero, the account is in a debit position;

"**Producer Balancing Service**" shall mean a Service whereby Union either calculates a credit or debit to the Producer Balancing Account by subtracting the Market Quantity from the Dawn Quantity. Where such amount is greater than zero, Union will credit the Producer Balancing Account, or where such amount is less than zero, Union will debit the Producer Balancing Account. This Service shall be performed on a retroactive basis on the terms and conditions contained in Schedule 2 of the Contract, as may be revised from time to time by Union;

"**Receipt Point**" shall mean the point(s) where Union shall receive gas from Shipper;

"**Sales Agreement**" shall mean the Ontario Gas Purchase Agreement(s) entered into between Shipper and Union;

**"Shipper"** shall have the meaning as defined in the Contract, and shall also include Shipper's agent(s);

**"specific gravity"** shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

**"System Capacity"** shall mean the volumetric capacity that exists from time to time within Union's pipeline and distribution system which determines Union's ability to accept volumes of gas into Union's pipeline and distribution system hereunder. System Capacity shall be determined by Union and such determination, in addition to the physical characteristics of Union's pipeline and distribution system Distribution Demand, shall also include consideration of Union's local Distribution Demand, Union's total system Distribution Demand, availability of Union's gas storage capacity, and other gas being purchased and/or delivered into Union's pipeline and distribution system;

**"Taxes"** shall mean any tax (other than tax on income or tax on property), duty, royalty, levy, license, fee or charge not included in the charges and rates as per the applicable rate schedule (including but not limited to charges under any form of cap and trade, carbon tax, or similar system) and that is levied, assessed or made by any governmental authority on the gas itself, or the act, right, or privilege of producing, severing, gathering, storing, transporting, handling, selling or delivering gas under the Contract;

**"Wobbe Number"** shall mean gross heating value of the gas divided by the square root of its specific gravity.

## **II. GAS QUALITY**

1. Natural Gas: The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. Freedom from objectionable matter: The gas to be delivered to Union at the Receipt Point(s) hereunder,
  - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
  - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than one hundred (100) milligrams of total sulphur per cubic metre of gas,
  - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
  - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
  - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
  - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
  - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
  - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
  - i. shall not have a cricondenthm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
  - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas,

- k. shall not exceed forty-three degrees Celsius (43°C), and,
  - l. shall not be odourized by Shipper.
3. Non-conforming Gas:
- a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.
  - b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.
4. Quality of Gas Received: The quality of the gas to be received by Union at the Receipt Point(s) hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will use reasonable efforts to accept gas of a quality that may deviate from the quality standards set out therein.
5. Quality of Gas at Dawn: The quality of the gas to be delivered to Union at Dawn (Facilities) or the gas to be delivered by Union to Shipper at Dawn (Facilities) hereunder is to be of a merchantable quality and in accordance with the quality standards and measurement standards as set out by Union in this Article II, except that total sulphur limit shall be not more than four hundred and sixty (460) milligrams per cubic metre of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.

### III. MEASUREMENTS

- 1. Service Unit: The unit of the gas delivered to Union shall be a quantity of 10<sup>3</sup>m<sup>3</sup>. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m<sup>3</sup>) or one thousand cubic metres (10<sup>3</sup>m<sup>3</sup>) at Union's discretion.
- 2. Determination of Volume and Energy:
  - a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
  - b. The supercompressibility factor shall be determined in accordance with either the "**Manual for Determination of Supercompressibility Factors for Natural Gas**" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
  - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.

### IV. RECEIPT POINT AND DELIVERY POINT

The point(s) of receipt and point of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in Schedule 1 of the Contract, where possession of the gas changes from one party to the other.

**V. POSSESSION OF AND RESPONSIBILITY FOR GAS**

1. Union accepts no responsibility for any gas prior to such gas being delivered to Union at the Receipt Point or after its delivery by Union at the Delivery Point. As between the parties hereto, Union shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Union's system until such gas is delivered to Shipper.
2. Shipper agrees that Union is not a common carrier and is not an insurer of Shipper's gas, and that Union shall not be liable to Shipper or any third party for loss of gas in Union's possession, except to the extent such loss is caused entirely by Union's negligence or wilful misconduct.

**VI. FACILITIES ON SHIPPER'S PROPERTY**

1. Union shall provide, at the Receipt Point(s), according to the terms hereunder, the meter station required to receive and measure the Produced Volume of gas received by Union from Shipper. Shipper agrees, if requested by Union, to provide Union with sufficient detailed information regarding Shipper's current and expected operations in order to aid Union in Union's design of the meter station.
2. Pursuant to Article VI. Section 1 herein, Union shall purchase, install and maintain, at the Receipt Point(s):
  - a. a meter and any associated recording gauges as are necessary; and,
  - b. a suitable gas odourizing injection facility where Union deems such facility to be necessary.
3. All equipment installed by Union at the Receipt Point(s) shall remain the property of Union at all times, notwithstanding the fact that it may be affixed to Shipper's property. Union shall be entitled to remove said equipment at any time within a period of sixty (60) days from any termination or expiry of the Contract. Shipper shall take all necessary steps to ensure Union may enter onto the Receipt Point(s) to remove such equipment for a period of sixty (60) days after termination or expiry of the Contract or the Sales Agreement.
4. Upon Union's request Shipper shall, at Shipper's own cost and expense:
  - a. obtain a registered lease or freehold ownership at the Receipt Point(s) sufficient to provide Union with free uninterrupted access to, from, under and above the Receipt Point(s), for a term (and extended terms) identical to the Contract, plus sixty (60) days, and shall provide Union with a bona fide copy of such lease agreement prior to Union commencing the construction of the meter station;
  - b. furnish, install, set, and maintain suitable pressure and volume control equipment and such additional equipment as required on Shipper's delivery system, to protect against the overpressuring of Union's facilities, and to limit the daily flow of gas to the corresponding Maximum Daily Quantity applicable to the Receipt Point(s);
  - c. supply, install and maintain a gravel or cut stone covering on each Receipt Point and shall maintain such Receipt Point(s) in a safe and workmanlike manner; and,
  - d. install and maintain a fence satisfactory to Union around the perimeter of each Receipt Point which will adequately secure and protect Union's equipment therein.
5. Shipper shall within thirty (30) days of the delivery of an invoice by Union, reimburse Union for any actual costs reasonably incurred by Union for any repair, replacement, relocation, or upgrading of any meter station requested by Shipper, or as required by law, or by duly constituted regulatory body, or through good engineering practice. Union shall be responsible for any costs incurred by Union to correct an error made by Union.

**VII. MEASURING EQUIPMENT**

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.

2. Metering by Others: In the event that all or any gas received or delivered hereunder is measured by a meter that is owned and operated by an upstream or downstream transporter (the “**Transporter**”) whose facilities may or may not interconnect with Union’s, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas received or delivered on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union pursuant to this Article VII, Section 2 shall be in accordance with the general terms and conditions as incorporated in that Transporter’s gas tariff as approved by Transporter’s regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the Receipt Point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union’s measuring equipment at or near the Receipt Point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union’s metering facilities.
4. Calibration and Test of Measuring Equipment: The accuracy of Union’s measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
5. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.

## **VIII. BILLING**

1. Monthly Billing Date: Union shall render bills on or before the tenth (10<sup>th</sup>) day of each month for all Services furnished during the preceding Month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding Month’s billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the tenth (10<sup>th</sup>) day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.
3. Amendment of Statements: For the purpose of completing a final determination of the actual quantities of gas handled in any of the Services to Shipper, the parties shall have the right to amend their statement for a period equal to the time during which the companies, that transport the gas contemplated herein for Union and Shipper, retain the right to amend their statements, which period shall not exceed three (3) years from the date of termination of the Contract.

## **IX. PAYMENTS**

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union’s bank account as directed on the invoice on or before the twentieth (20<sup>th</sup>) day of each month. If the payment date is not a Business Day, then payment must be received in Union’s account on the first Business Day preceding the twentieth (20<sup>th</sup>) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,
  - a. Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union’s principal banker in effect from time to time from the due date until the date of payment; and,

- b. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract, may suspend Services until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue hereunder as if such suspension were not in place.

If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall pay to Union such amounts as it concedes to be correct. At any time thereafter, within twenty (20) days of a demand made by Union, Shipper shall furnish financial assurances satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination. Such a final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case. Union shall not be entitled to suspend Services because of such non-payment unless and until default occurs in the conditions of such financial assurances or default occurs in payment of any other amount due to Union hereunder.

Notwithstanding the foregoing, Shipper is not relieved from the obligation to continue its deliveries of gas to Union under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Union.

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "**bill next following**" shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within three (3) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.
4. Taxes: In addition to the charges and rates as per the applicable rate schedules and price schedules, Shipper shall pay all Taxes which are imposed currently or subsequent to the execution of the Contract by any legal authority having jurisdiction and any amount in lieu of such Taxes paid or payable by Union.
5. Set Off: If either party shall, at any time, be in arrears under any of its payment obligations to the other party under the Contract, then the party not in arrears shall be entitled to reduce the amount payable by it to the other party in arrears under the Contract, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to the other party. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under the Contract, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.
6. Station and Connection Costs: In the event that a meter station must be constructed and/or installed in order to give effect to this Contract, Shipper agrees to pay Union for a portion, as determined by Union, of Union's actual cost, as hereinafter defined, for constructing and installing such station. Shipper also agrees to pay the actual costs to connect such station to Union's pipeline and distribution system. Union shall advise Shipper as to the need for a meter station and shall provide Shipper with an estimate of the Aid to Construction. Such Aid to Construction shall include the costs of all pipe, fittings and materials, third party labour costs and Union's direct labour, labour saving devices, vehicles and mobile equipment, but shall exclude the purchase costs of gas pressure control equipment and gas meters installed by Union.

## **X. ARBITRATION**

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the

Arbitration Act, 1991, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

## **XI. FORCE MAJEURE**

1. The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.
5. An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.
8. Firm Daily Variability Demand Charge Relief: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the Firm Daily Variability Demand for that Contract, then for that Day the Monthly charge shall be reduced by an amount equal to the applicable Firm Daily Variability Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Firm Daily Variability Demand Rate**" shall mean the monthly Firm Daily Variability Demand charge as provided in Schedule 2 of the Contract, divided by the number of days in the month for which such rate is being calculated.

## **XII. DEFAULT AND TERMINATION**

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by Union hereunder occasioned by any of the reasons provided for in Article XI herein) which has not been waived by the other party, then and in every such case and as often as the same may happen, the non-defaulting party may give written notice to the defaulting party requiring it to remedy such default and in the event of the defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the non-defaulting party may at its sole option declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

In the event that this Contract is terminated pursuant to this Article XII, the parties hereto agree that they shall continue to be bound only by the terms and conditions set forth in the Contract but only for the purpose of determining the actual quantities in Shipper's Producer Balancing Account with such determination being subject to Article X. Such extended period of time shall not exceed one (1) year from the date of termination of this Contract.

## **XIII. AMENDMENT**

Subject to Article XV herein and the ability of Union to amend the applicable rate schedules and price schedules, with the approval of the OEB (if required), no amendment or modification of the Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and Union.

## **XIV. NON-WAIVER AND FUTURE DEFAULT**

No waiver of any provision of the Contract shall be effective unless the same shall be in writing and signed by the party entitled to the benefit of such provision and then such waiver shall be effective only in the specific instance and for the specified purpose for which it was given. No failure on the part of Shipper or Union to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy under the Contract shall operate as a waiver thereof.

## **XV. LAWS, REGULATIONS AND ORDERS**

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

## **XVI. RESERVED FOR FUTURE USE**

N/A

## **XVII. RENEWALS**

The Contract will continue in full force and effect beyond the Initial Term, automatically renewing for a period of one (1) year, and every one (1) year thereafter, subject to notice in writing by either party of termination at least three (3) months prior to the expiration thereof.

## **XVIII. SERVICE CURTAILMENT**

1. Excepting instances of emergency, Shipper and Union agree to give at least twenty-four (24) hours verbal notice before a

planned curtailment of receipt or delivery, shut-down or start-up.

2. Shipper shall complete and maintain a plan which depicts all of the Shipper's gas production facilities including all emergency shut off valves and emergency equipment and provide a copy to Union upon Union's request. Shipper shall provide to Union the names and telephone numbers of those persons whom Union may contact in the event of an emergency situation arising within the Shipper's facilities.
3. In the event that Union is notified by a third party or if Union becomes aware of an emergency situation in which Shipper's gas production site, pipeline or associated equipment is involved, Union shall immediately notify Shipper or Shipper's representative of such emergency condition.
4. Union shall have the right, at all times, to reconstruct or modify Union's pipeline and distribution system and the pressure carried therein, notwithstanding that such reconstruction or modification may reduce the System Capacity available to receive Shipper's gas, or Shipper's ability to deliver gas to Union. Should Union expect any such reconstruction or modification to reduce the delivery or receipt of gas by either party, Union will, where able, provide Shipper with six (6) months' notice or as much notice as is reasonably practical in the circumstances. Union shall use reasonable efforts to assist the Shipper in meeting its Market Quantity in these circumstances.

#### **XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES**

1. Shipper's Warranty: Shipper warrants that it will, if required, maintain, or have maintained on its behalf, all external approvals including the governmental, regulatory, import/export permits and other approvals or authorizations that are required from any federal, state or provincial authorities for the gas quantities to be handled under the Contract. Shipper further warrants that it shall maintain in effect the Facilitating Agreements.
2. Financial Representations: Shipper represents and warrants that the financial assurances (including the Initial Financial Assurances and Security), if any, shall remain in place throughout the term hereof unless Shipper and Union agree otherwise. Shipper shall notify Union in the event of any change to the financial assurances (including the Initial Financial Assurances and Security), if any, throughout the term hereof. Should Union have reasonable grounds to believe that Shipper will not be able to perform or continue to perform any of its obligations under the Contract for any reason (a "**Material Event**"), then Shipper shall within fourteen (14) days of receipt of written notice by Union, obtain and provide to Union a letter of credit or other security in the form and amount reasonably required by Union (the "**Security**"). In the event that Shipper does not provide to Union such Security, Union may deem a default in accordance with the provisions of Article XII herein.

In the event that Shipper in good faith, reasonably believes that it should be entitled to reduce the amount of or value of the Security previously provided, it may request such a reduction from Union and to the extent that the Material Event has been mitigated or eliminated, Union shall return all or a portion of the Security to Shipper within fourteen (14) Business Days after receipt of the request.

3. Licence: Shipper represents and warrants to Union that Shipper possesses a licence to produce gas in the Province of Ontario.

#### **XX. MISCELLANEOUS PROVISIONS**

1. Assignment: Shipper may assign the Contract to a third party ("**Assignee**"), up to the Maximum Daily Quantity, (the "**Capacity Assigned**"). Such assignment shall require the prior written consent of Union and release of obligations by Union for the Capacity Assigned from the date of assignment. Such consent and release shall not be unreasonably withheld and shall be conditional upon the Assignee providing, amongst other things, financial assurances as per Article XXI herein. Any such assignment will be for the full rights, obligations and remaining term of the Contract as relates to the Capacity Assigned.
2. Title to Gas: Shipper represents and warrants to Union that Shipper shall have good and marketable title to, or legal authority to deliver to Union, all gas delivered to Union hereunder. Furthermore, Shipper hereby agrees to indemnify and save Union harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all third parties to such gas or on account of Taxes, or other charges thereon.

## **XXI. PRECONDITIONS TO SERVICES**

1. The obligations of Union to provide Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Contract:
  - a. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Services; and,
  - b. Union shall have obtained all internal approvals that are necessary or appropriate to provide the Services; and,
  - c. Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of the Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by Union; and,
  - d. Shipper and Union shall have entered into the Interruptible HUB Service Contract or equivalent (the "**Facilitating Agreement**") with Union; and,
  - e. Union shall, where applicable, have obtained all internal and external approvals including the governmental, regulatory and other approvals or authorizations required to construct any facilities necessary to provide the Services hereunder, which approvals and authorizations, if granted upon conditions, shall be conditions satisfactory to Union; and,
  - f. Union shall, where applicable, have completed and placed into service those facilities necessary to provide the Services hereunder; and,
  - g. Further to Article IX Section 6 herein, Shipper shall pay to Union a payment ("**First Prepayment**") towards the Aid to Construction at the time of the execution of this Agreement. Shipper shall pay a payment prior to installation of the meter station ("**Second Prepayment**"). The foregoing payments are specified in the attached Schedule 1 for the first meter station ("**Receipt Point #1**") to be installed under this contract. Payments for additional meter stations will be handled by written mutual agreement between the parties. Shipper shall pay Union the difference if the actual Aid to Construction is more than the Prepayments, within thirty (30) days of the delivery of an invoice from Union on which the actual costs for construction and installation of facilities are stated. Union shall pay Shipper the difference if the actual Aid to Construction is less than the Prepayments. In the event Shipper terminates this Agreement prior to Union incurring any costs related to the construction, installation or connection of the meter station, Shipper's Prepayments shall be returned to Seller, without interest, within fifteen (15) days notice to Union of such termination by Shipper. In the event Union has incurred costs, as set out herein, relative to the construction, installation or connection of the meter station prior to being notified by Shipper of Shipper's intention to terminate the Agreement, Union shall deduct such actual costs from Union's return of Shipper's Prepayments. "**Prepayments**" shall mean the sum of the First Prepayment and the Second Prepayment.
2. The obligations of Shipper hereunder are subject to the following conditions precedent, which are for the sole benefit of Shipper and which may be waived or extended in whole or in part in the manner provided in the Contract:
  - a. Shipper shall, as required, have entered into the necessary contracts with Union and/or others to facilitate the Services contemplated herein, including contracts for upstream and downstream transportation, and shall specifically have an executed and valid Facilitating Agreement; and,
  - b. Shipper shall have obtained, in form and substance satisfactory to Shipper, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required from federal, state, or provincial authorities for the gas quantities handled under the Contract; and,
  - c. Shipper shall have obtained all internal approvals that are necessary or appropriate for the Shipper to execute the Contract; and,

- d. Shipper shall have cancelled or renegotiated its Sales Agreement, on terms satisfactory to Union, as applicable.
- 3. Union and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in this Article XXI Section 1 a, c, d, e, f, g, and Section 2 a, b, and d. Each party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such party's benefit. If a party concludes that it will not be able to satisfy a condition precedent that is for its benefit, such party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations thereunder.
- 4. If any of the conditions precedent in this Article XXI Section 1 c or Section 2 are not satisfied or waived by the party entitled to the benefit of that condition by the Conditions Date as such term is defined in the Contract, or if any of the Shipper payments required under the condition precedent in this Article XXI Section 1 g have not been paid as required in such section, then either party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder, provided that any rights or remedies that a party may have for breaches of the Contract prior to such termination and any liability a party may have incurred before such termination shall not thereby be released.

STORAGE AND TRANSPORTATION SERVICES TRANSPORTATION CHARGES**(A) Availability**

The charges under this rate schedule shall be applicable for transportation service rendered by Union for all quantities transported to and from embedded storage pools located within Union's franchise area and served using Union's distribution and transmission assets.

Applicable Points

Dawn as a receipt point: Dawn (Facilities).

Dawn as a delivery point: Dawn (Facilities).

**(B) Rates**

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

a) Charges Applicable to both Firm and/or Interruptible Transportation Services:

Monthly Fixed Charge per customer station (\$ per month) (1) \$1,474.12

Transmission Commodity Charge to Dawn (\$ per GJ) \$0.034

Transportation Fuel	<b>Customers located East of Dawn</b>	<b>Customers located West of Dawn</b>
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**Fuel Charges to Dawn:**

Commodity Rate - Union provides fuel (\$ per GJ)	\$0.009	\$0.009
Fuel Ratio - customer provides fuel (%)	0.153%	0.153%

**Fuel Charge to the Pool**

Commodity Rate - Union provides fuel (\$ per GJ)	\$0.009	\$0.024
Fuel Ratio - customer provides fuel (%)	0.153%	0.435%

b) Firm Transportation Demand Charges: (2)

	<b>Customers located East of Dawn</b>	<b>Customers located West of Dawn</b>
Monthly Demand Charge applied to contract demand (\$ per GJ)	\$0.741	\$1.059

Authorized Overrun:

The authorized overrun rate payable on all quantities transported in excess of Union's obligation any day shall be:

	<b>Customers located East of Dawn</b>	<b>Customers located West of Dawn</b>
<b>Firm Transportation:</b>		
<b>Charges to Dawn</b>		
Commodity Rate - Union provides fuel (\$ per GJ)	\$0.067	\$0.077
Commodity Rate - customer provides fuel (\$ per GJ)	\$0.058	\$0.069
Fuel Ratio - customer provides fuel (%)	0.153%	0.153%
<b>Charges to the Pool</b>		
Commodity Rate - Union provides fuel (\$ per GJ)	\$0.033	\$0.059
Commodity Rate - customer provides fuel (\$ per GJ)	\$0.024	\$0.035
Fuel Ratio - customer provides fuel (%)	0.153%	0.435%

Overrun will be authorized at Union's sole discretion.



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Unauthorized Overrun

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

The Unauthorized Overrun rate during the November 1 to April 15 period will be \$50 per GJ for all usage on any day in excess of 102% of Union's contractual obligation. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$9.373 per GJ for all usage on any day in excess of 102% of Union's contractual obligation.

Charges aforesaid in respect of any given month in accordance with General Terms & Conditions shall be payable no later than the twenty-fifth day of the succeeding month.

Notes for Section (B) Rates:

- (1) The monthly fixed charge will be applied once per month per customer station regardless of service being firm, interruptible or a combination thereof.
- (2) Demand charges will be applicable to customers firm daily contracted demand or the firm portion of a combined firm and interruptible service.

**(C) Terms of Service**

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A" for contracts in effect before October 1, 2010. The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A 2013" for contracts in effect on or after January 1, 2013.

Effective

January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.

## SCHEDULE "A"

### **GENERAL TERMS & CONDITIONS M16 TRANSPORTATION AGREEMENT**

#### **I. DEFINITIONS**

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

1. "Banking Day" shall mean a day on which the general offices of the Canadian Imperial Bank of Commerce, 99 King St. W., Chatham, Ontario are open for business;
2. "business day" shall mean a day on which the general offices of Union in Chatham, Ontario are open for business;
3. "Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;
4. "contract year" shall mean a period of three hundred and sixty-five (365) consecutive days, beginning on the day agreed upon by Union and Shipper as set forth in the Contract, or on any anniversary of such date; provided, however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days;
5. "day" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Standard time. The reference date for any day shall be the calendar date upon which the twenty-four (24) hour period shall commence;
6. "month" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
7. "firm" shall mean service not subject to curtailment or interruption except under Articles XI and XII of this Schedule "B";
8. "interruptible service" shall mean service subject to curtailment or interruption, after notice, at any time;
9. "gas" shall mean gas as defined in the Ontario Energy Board Act, R.S.O. 1980, c. 332, as amended, supplemented or reenacted from time to time;
10. "cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
11. "m<sup>3</sup>" shall mean cubic metre of gas and "10<sup>3</sup>m<sup>3</sup>" shall mean 1,000 cubic metres of gas;
12. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
13. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
14. "gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m<sup>3</sup>) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
15. "Shipper" shall have the meaning as defined in the Contract, and shall also include Shipper's agent(s);
16. "subsidiary" means a company in which more than fifty (50) per cent of the issued share capital (having full voting rights under all circumstances) is owned or controlled directly or indirectly by another company, by one or more subsidiaries of such other company, or by such other company and one or more of its subsidiaries;

17. "TCPL" means TransCanada PipeLines Limited;
18. "NOVA" means Gas Transmission Ltd.;
19. "Panhandle" means CMS Panhandle Eastern Pipeline Company;
20. "MichCon" means Michigan Consolidated Gas Company;
21. "SCPL" means St. Clair Pipelines (1996) Ltd.;
22. "OEB" means the Ontario Energy Board;
23. "NEB" means the National Energy Board (Canada);
24. "GLGT" means Great Lakes Gas Transmission Company;
25. "CMS" means CMS Gas Transmission and Storage Company;
26. "Consumers" means The Consumers' Gas Company, Limited;
27. "cricondentherm hydrocarbon dewpoint" shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;
28. "hydrocarbon dewpoint" shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;
29. "specific gravity" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute; and,
30. "Wobbe Number" shall mean gross heating value of the gas divided by the square root of its specific gravity.

## **II. GAS QUALITY**

1. Natural Gas: The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. Freedom from objectionable matter: The gas to be delivered to Union at the Receipt Point(s) hereunder,
  - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
  - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than one hundred (100) milligrams of total sulphur per cubic metre of gas,
  - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
  - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
  - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,

- f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
  - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
  - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
  - i. shall not have a cricondenthem hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
  - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas,
  - k. shall not exceed forty-three degrees Celsius (43°C), and,
  - l. shall not be odourized by Shipper.
3. Non-conforming Gas:
- a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.
  - b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.
  - c. With respect to Article II 2. h. herein, Union may accept the gas subject to Shipper's obligations under the Dehydration Contract, if applicable.
4. Quality of Gas Received: The quality of the gas to be received by Union at the Receipt Point(s) hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II.
5. Quality of Gas at Dawn: The quality of the gas to be delivered to Union at Dawn (Facilities) or the gas to be delivered by Union to Shipper at Dawn (Facilities) hereunder is to be of a merchantable quality and in accordance with the quality standards and measurement standards as set out by Union in this Article II, except that total sulphur limit shall be not more than four hundred and sixty (460) milligrams per cubic metre of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
6. Odourization of Gas:
- a. Union may odourize or deliver odourized gas under the Contract,
  - b. Shipper shall if requested by Union monitor the mercaptan sulphur content of the gas delivered to Union under the Contract and shall provide at no cost to Union a continuous signal quantifying the mercaptan sulphur content in milligrams per cubic metre.

### **III. MEASUREMENTS**

- 1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m<sup>3</sup>) or one thousand cubic metres (10<sup>3</sup>m<sup>3</sup>) at Union's discretion.
- 2. Determination of Volume and Energy:

- a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the “**Act**”) and the Electricity and Gas Inspection Regulations, SOR 86/131 (the “**Regulations**”), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
- b. The supercompressibility factor shall be determined in accordance with either the “Manual for Determination of Supercompressibility Factors for Natural Gas” (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union’s discretion, all as amended from time to time.
- c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
- d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

#### **IV. POINT OF RECEIPT AND POINT OF DELIVERY**

1. Unless otherwise specified in the Contract, the point or points of receipt for all gas to be covered thereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in the Contract, where Union takes possession of the gas. Whenever the phrase “receipt point” appears herein, it shall mean Point of Receipt as defined in this Article IV.
2. Unless otherwise specified in the Contract, the point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection as specified in the Contract, where Shipper takes possession of the gas. Whenever the phrase “delivery point” shall appear hereon, it shall mean Point of Delivery as defined in this Article IV.

#### **V. POSSESSION OF AND RESPONSIBILITY FOR GAS**

N/A

#### **VI. FACILITIES ON SHIPPER'S PROPERTY**

N/A

#### **VII. MEASURING EQUIPMENT**

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company’s gas tariff as approved by its regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the Custody Transfer Point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union’s measuring equipment at or near the Custody Transfer Point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union’s metering facilities.

4. Rights of Parties: The measuring equipment installed by either party, together with any building erected by it for such equipment, shall be and remain its property. However, Union and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas to/by Union under the Contract. Either party will give the other party reasonable notice of its intention to carry out the acts herein specified. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten (10) days after receipt thereof.
5. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts and deliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.
7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

## **VIII. BILLING**

1. Monthly Billing Date: Union shall render bills on or before the 10th day of each month for all services furnished during the preceding month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding month's billing, an adjustment based on any difference between actual quantities and estimated quantities. If presentation of a bill to Shipper is delayed after the 10th day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.

## **IX. PAYMENTS**

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20<sup>th</sup>) day of each month. If the payment date is not a business day, then payment must be received in Union's account on the first business day preceding the twentieth (20<sup>th</sup>) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due, Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract may suspend service(s) until such amount is paid, provided however, that if Shipper, in good faith shall dispute the amount of any such bill or part thereof and shall pay to Union such amounts as it concedes to be correct and at any time thereafter within twenty (20) days of a demand made by Union shall furnish good and sufficient surety bond satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination which may be reached either by agreement, arbitration decision or

judgement of the courts, as may be the case, then Union shall not be entitled to suspend service(s) because of such non-payment unless and until default be made in the conditions of such bond or in payment for any further service(s) to Shipper hereunder.

Notwithstanding the foregoing paragraph, this does not relieve Shipper from the obligation to continue its deliveries of gas under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Union.

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "bill" next following shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within six (6) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of invoice.

#### **X. ARBITRATION**

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act of the Province of Ontario, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under this Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

#### **XI. FORCE MAJEURE**

N/A

#### **XII. DEFAULT AND TERMINATION**

N/A

#### **XIII. MODIFICATION**

N/A

#### **XIV. NONWAIVER AND FUTURE DEFAULT**

N/A

#### **XV. LAWS, REGULATIONS AND ORDERS**

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction

and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

**RATE M16  
GENERAL TERMS & CONDITIONS**

**I. DEFINITIONS**

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

**"Aid to Construction"** shall include any and all costs, expenses, amounts, damages, obligations, or other liabilities (whether of a capital or operating nature, and whether incurred before or after the date of the Contract) actually paid by Union (including amounts paid to affiliates for services rendered in accordance with the Affiliate Relationships Code as established by the OEB) in connection with or in respect of satisfying the conditions precedent set out in Article XXI herein (including without limitation the construction and placing into service of the Union Expansion Facilities, the obtaining of all governmental, regulatory and other third party approvals, and the obtaining of rights of way) whether resulting from Union's negligence or not, except for any costs that have arisen from the gross negligence, fraud, or wilful misconduct of Union;

**"Authorized Overrun"** shall mean the amount by which Shipper's Authorized Quantity exceeds the firm and interruptible contract demands;

**"Authorized Quantity"** shall have the meaning given thereto in Schedule "B 2010" of the C1 Rate Schedule;

**"Business Day"** shall mean any day, other than Saturday, Sunday or any days on which national banks in the Province of Ontario are authorized to close;

**"Contract"** shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;

**"Contract Year"** shall mean a period of three hundred and sixty-five (365) consecutive days, beginning on the Commencement Date or on any anniversary of such date; provided, however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days;

**"cricondentherm hydrocarbon dewpoint"** shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;

**"cubic metre"** shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

**"Custody Transfer Point"** That point on the piping system at the Pool Station which is at the Shipper side of the insulating flange on the Union Expansion Facilities, and which point shall serve as the point of custody transfer;

**"Day"** shall mean a period of twenty-four (24) consecutive hours beginning at 10:00 a.m. Eastern Clock Time. The reference date for any Day shall be the calendar date upon which the twenty-four (24) hour period shall commence;

**"Dehydration Contract"** shall mean the contract for Dehydration Service between Union and the Shipper as detailed in Schedule 1 of the Contract;

**"Delivery Point"** shall mean the point(s) where Union shall deliver gas to Shipper as defined in Schedule 1 of the Contract;

**"Eastern Clock Time"** shall mean the local clock time in the Eastern Time Zone on any Day;

**"firm"** shall mean service not subject to curtailment or interruption except under Articles XI, XII and XVIII herein;

**"gas"** shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Sch. B, as amended, supplemented or re-enacted from time to time;

**"gross heating value"** shall mean the total heat expressed in megajoules per cubic metre (MJ/m<sup>3</sup>) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

**"hydrocarbon dewpoint"** shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;

**"Interconnecting Pipeline"** shall mean a pipeline that directly connects to the Union pipeline system;

**"interruptible"** shall mean service subject to curtailment or interruption, after notice, at any time;

**"joule"** (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term **"megajoule"** (MJ) shall mean 1,000,000 joules. The term **"gigajoule"** (GJ) shall mean 1,000,000,000 joules;

**"m<sup>3</sup>"** shall mean cubic metre of gas and **"10<sup>3</sup>m<sup>3</sup>"** shall mean 1,000 cubic metres of gas;

**"Month"** shall mean the period beginning at 10:00 a.m. Eastern Clock Time on the first day of a calendar month and ending at 10:00 a.m. Eastern Clock Time on the first day of the following calendar month;

**"OEB"** means the Ontario Energy Board;

**"pascal"** **"(Pa)"** shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term **"kilopascal"** **"(kPa)"** shall mean 1,000 pascals;

**"Pool Quantity"** shall mean the actual daily quantity of gas delivered to or received from Shipper at the Custody Transfer Point;

**"Pool Station"** shall mean the physical location of Union's measurement and control facilities to the pool; the pool name as detailed in Schedule 1 of the Contract;

**"Receipt Point"** shall mean any one of the points where Union shall receive gas from Shipper as detailed in Schedule 1 of the Contract;

**"Shipper"** shall have the meaning as defined in the Contract, and shall also include Shipper's agent(s);

**"Shipper Quantity"** shall, on any Day, be equal to the greater of: (i) the Authorized Quantity for that Day; and (ii) the nomination duly made by Shipper in good faith prior to the nomination deadline for the first nomination window applicable for that Day; provided that in no event shall the Shipper Quantity exceed the firm contract demand;

**"specific gravity"** shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

**"Taxes"** shall mean any tax (other than tax on income or tax on property), duty, royalty, levy, license, fee or charge not included in the charges and rates as per the applicable rate schedule (including but not limited to charges under any form of cap and trade, carbon tax, or similar system) and that is levied, assessed or made by any governmental authority on the gas itself, or the act, right, or privilege of producing, severing, gathering, storing, transporting, handling, selling or delivering gas under the Contract;

**"TCPL"** means TransCanada PipeLines Limited;

**"Union Expansion Facilities"** shall mean any facilities necessary for Union to provide the Services, including without limiting the generality of the foregoing:

- a. a meter and any associated recording gauges as are necessary;
- b. pressure and/or flow control devices, over pressure protection and telemetry equipment as are necessary;

- c. a suitable gas odourizing injection facility if Union deems such a facility to be necessary
- d. piping, fittings, material, filtration facilities, cathodic protection and insulating flanges;
- e. gas chromatograph, moisture analyzer, piping, fittings, material, filtration facilities, cathodic protection and insulating flanges;

"Wobbe Number" shall mean gross heating value of the gas divided by the square root of its specific gravity.

## II. GAS QUALITY

1. Natural Gas: The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. Freedom from objectionable matter: The gas to be delivered to Union at the Receipt Point(s) hereunder,
  - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
  - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than one hundred (100) milligrams of total sulphur per cubic metre of gas,
  - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
  - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
  - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
  - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
  - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
  - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
  - i. shall not have a cricondenthm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
  - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas,
  - k. shall not exceed forty-three degrees Celsius (43°C), and,
  - l. shall not be odourized by Shipper.
3. Non-conforming Gas:
  - a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required

to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.

- b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.
  - c. With respect to Article II 2. h. herein, Union may accept the gas subject to Shipper's obligations under the Dehydration Contract, if applicable.
4. Quality of Gas Received: The quality of the gas to be received by Union at the Receipt Point(s) hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II.
5. Quality of Gas at Dawn: The quality of the gas to be delivered to Union at Dawn (Facilities) or the gas to be delivered by Union to Shipper at Dawn (Facilities) hereunder is to be of a merchantable quality and in accordance with the quality standards and measurement standards as set out by Union in this Article II, except that total sulphur limit shall be not more than four hundred and sixty (460) milligrams per cubic metre of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
6. Odourization of Gas:
- a. Union may odourize or deliver odourized gas under the Contract,
  - b. Shipper shall if requested by Union monitor the mercaptan sulphur content of the gas delivered to Union under the Contract and shall provide at no cost to Union a continuous signal quantifying the mercaptan sulphur content in milligrams per cubic metre.

### III. **MEASUREMENTS**

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m<sup>3</sup>) or one thousand cubic metres (10<sup>3</sup>m<sup>3</sup>) at Union's discretion.
2. Determination of Volume and Energy:
- a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
  - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
  - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
  - d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

#### **IV. RECEIPT POINT AND DELIVERY POINT**

The point or points of receipt and point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in Schedule 1 of the Contract, where possession of the gas changes from one party to the other.

#### **V. POSSESSION OF AND RESPONSIBILITY FOR GAS**

1. Union accepts no responsibility for any gas prior to such gas being delivered to Union at the Receipt Point or after its delivery by Union at the Delivery Point. As between the parties hereto, Union shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Union's system until such gas is delivered to Shipper.
2. Shipper agrees that Union is not a common carrier and is not an insurer of Shipper's gas, and that Union shall not be liable to Shipper or any third party for loss of gas in Union's possession, except to the extent such loss is caused entirely by Union's negligence or wilful misconduct.

#### **VI. FACILITIES ON SHIPPER'S PROPERTY**

1. All of the Union Expansion Facilities shall remain the property of Union. Union shall be entitled to remove said equipment at any time within a period of sixty (60) days from any termination or expiry of the Contract. Shipper shall take all necessary steps to ensure Union may enter the Pool Station to remove such equipment for a period of sixty (60) days after termination or expiry of the Contract.
2. Shipper shall, at Shipper's own cost and expense:
  - a. obtain the Pool Station Land Rights; and
  - b. furnish, install, set, and maintain suitable pressure and quantity control equipment and such additional equipment as required on Shipper's delivery system, to protect against the over pressuring of Union's facilities as set out in Article VI of the Contract and Schedule 1 of the Contract, protect Union from receiving gas not meeting the quality specification as set out in Article II herein, and to limit the daily flow of gas to the corresponding parameters as set out in the Article II of the Contract.
3. Shipper shall within thirty (30) days of the delivery of an invoice by Union, reimburse Union for any actual costs reasonably incurred by Union for any repair, replacement, relocation, or upgrading of any meter station or any Union Expansion Facilities requested by Shipper, or as required by law or by duly constituted regulatory body, or through good engineering practice. Union shall be responsible for any costs incurred by Union to correct an error made by Union.
4. Operation and Maintenance: Subject to this Article VI Section 3, each party shall be fully responsible for the continued operation, maintenance, repair and replacement of its respective facilities. Both parties agree to maintain cathodic protection on their respective facilities.
5. Inspection: Each party shall inspect its facilities as required by industry standards or by the appropriate regulatory body.
6. Each party shall decide, in its sole discretion, whether its facilities need to be repaired or replaced. In the event that repair or replacement is needed, the party undertaking such work will, to the extent possible, give the other party sixty (60) days' notice and will ensure that the work be done in a manner so as to minimize the amount of time the pipeline has restricted flows.

#### **VII. MEASURING EQUIPMENT**

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.

2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by its regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the Custody Transfer Point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the Custody Transfer Point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.
4. Rights of Parties: The measuring equipment installed by either party, together with any building erected by it for such equipment, shall be and remain its property. However, Union and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas to/by Union under the Contract. Either party will give the other party reasonable notice of its intention to carry out the acts herein specified. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten (10) days after receipt thereof.
5. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts and deliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.
7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

## **VIII. BILLING**

1. Monthly Billing Date: Union shall render bills on or before the tenth (10<sup>th</sup>) day of each month for all Services furnished during the preceding Month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding Month's billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the tenth (10<sup>th</sup>) day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.
3. Amendment of Statements: For the purpose of completing a final determination of the actual quantities of gas handled under the Contract, Union shall have the right to amend its statements for a period equal to the time during which the

Interconnecting Pipeline retains the right to amend their statements, which period shall not exceed three (3) years from the date of termination of the Contract.

## **IX. PAYMENTS**

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20<sup>th</sup>) day of each month. If the payment date is not a Business Day, then payment must be received in Union's account on the first Business Day preceding the twentieth (20<sup>th</sup>) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,
  - a. Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment; and,
  - b. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract, may suspend Services until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue hereunder as if such suspension were not in place.

If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall pay to Union such amounts as it concedes to be correct. At any time thereafter, within twenty (20) days of a demand made by Union, Shipper shall furnish financial assurances satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination. Such a final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case. Union shall not be entitled to suspend Services because of such non-payment unless and until default occurs in the conditions of such financial assurances or default occurs in payment of any other amount due to Union hereunder.

Notwithstanding the foregoing, Shipper is not relieved from the obligation to continue its deliveries of gas to Union under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Union.

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "**bill next following**" shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within three (3) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.
4. Taxes: In addition to the charges and rates as per the applicable rate schedules and price schedules, Shipper shall pay all Taxes which are imposed currently or subsequent to the execution of the Contract by any legal authority having jurisdiction and any amount in lieu of such Taxes paid or payable by Union.
5. Set Off: If Shipper shall, at any time, be in arrears under any of its payment obligations to Union under the Contract, then Union shall be entitled to reduce the amount payable by Union to Shipper under the Contract or any other contract by an amount equal to the amount of such arrears or other indebtedness to Union. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under the Contract, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.

6. Aid to Construction: Shipper agrees to reimburse Union for the Aid to Construction.

In the event Union has incurred costs, as set out herein, relative to the construction, installation or connection of the gas metering station prior to being notified by Shipper of Shipper's intention to terminate the Contract, Shipper shall promptly remit to Union such actual costs on presentation to Shipper of an invoice for same from Union.

All applicable Taxes will be applied to all amounts to be paid under this Section. Shipper warrants and represents that no payment to be made by Shipper under the Contract is subject to any withholding tax.

## **X. ARBITRATION**

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act, 1991, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

## **XI. FORCE MAJEURE**

1. The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.
5. An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.

7. Delay of Firm Transportation Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.
8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm contract demand for the Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the C1 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. In addition to the definition of force majeure in Article XI, Section 1 herein, for the purposes of the Contract, it shall also include the unforeseen reduction in natural gas usage and/or capacity of the local transmission system as described in Schedule 1 of the Contract, regardless of the duration of such unforeseen reduction, or any other cause, whether of the kind herein enumerated or otherwise, not within the reasonable control of the party claiming relief hereunder and which, by the exercise of due diligence, such party is unable to prevent or overcome.

## **XII. DEFAULT AND TERMINATION**

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by Union hereunder occasioned by any of the reasons provided for in Article XI herein) which has not been waived by the other party, then and in every such case and as often as the same may happen, the non-defaulting party may give written notice to the defaulting party requiring it to remedy such default and in the event of the defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the non-defaulting party may at its sole option declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

## **XIII. AMENDMENT**

Subject to Article XV herein and the ability of Union to amend the applicable rate schedules and price schedules, with the approval of the OEB (if required), no amendment or modification of the Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and Union.

## **XIV. NON-WAIVER AND FUTURE DEFAULT**

No waiver of any provision of the Contract shall be effective unless the same shall be in writing and signed by the party entitled to the benefit of such provision and then such waiver shall be effective only in the specific instance and for the specified purpose for which it was given. No failure on the part of Shipper or Union to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy under the Contract shall operate as a waiver thereof.

## **XV. LAWS, REGULATIONS AND ORDERS**

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or

direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

**XVI. RESERVED FOR FUTURE USE**

N/A

**XVII. RENEWALS**

The Contract will continue in full force and effect beyond the Initial Term, automatically renewing for a period of one (1) year, and every one (1) year thereafter. Shipper or Union may reduce the contract demands or terminate the Contract, with notice in writing to the other party, at least two (2) years prior to the expiration thereof.

**XVIII. SERVICE CURTAILMENT**

1. Capacity Sharing: Where requests for interruptible service hereunder exceed the capacity available for such Service, Union will authorize nominations from shippers and allocate capacity as per Union's procedures and policies and shippers shall be so advised. Any interruptible service provided herein are subordinate to any and all firm service supplied by Union, and subordinate to Union's own operational or system requirements.
2. Capacity Procedures: Union reserves the right to change its procedures and policies for sharing interruptible capacity and will provide Shipper with two (2) months' notice of any such change.
3. Maintenance: Union's facilities from time to time may require maintenance or construction. In the event that such event occurs and in Union's sole opinion, acting reasonably, may impact its ability to meet Shipper's requirements, Union shall provide at least ten (10) days' notice to the Shipper, except in the case of emergencies. In the event the maintenance impacts Union's ability to meet Shipper's requirements, Union shall not be liable for any damages and shall not be deemed to be in breach of the Contract. To the extent that Union's ability to receive or deliver gas is impaired, Demand Charge Relief shall be calculated and credited to Shipper's invoice in accordance with Article XI, Section 8 herein. Union shall use reasonable efforts to determine a mutually acceptable period during which such maintenance or construction will occur and also to limit the extent and duration of any impairments. Union will endeavour to schedule and complete the maintenance and construction, that can be scheduled and completed, and which would normally be expected to impact on Union's ability to meet its obligations of any Contract Year, during the period from April 1 through to October 31.
4. Shipper's Facilities: Shipper shall complete and maintain a plan which depicts all of Shipper's production storage facilities including all emergency shut off valves and emergency equipment and provide a copy to Union upon Union's request. Shipper shall provide to Union the names and telephone numbers of those persons whom Union may contact in the event of an emergency situation arising within the Shipper's facilities.

**XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES**

1. Shipper's Warranty: Shipper warrants that it will, if required, maintain, or have maintained on its behalf, all external approvals including the governmental, regulatory, import/export permits and other approvals or authorizations that are required from any federal, state or provincial authorities for the gas quantities to be handled under the Contract. Shipper further warrants that it shall maintain in effect the Facilitating Agreements.
2. Financial Representations: Shipper represents and warrants that the financial assurances (including the Initial Financial Assurances and Security), if any, shall remain in place throughout the term hereof unless Shipper and Union agree otherwise. Shipper shall notify Union in the event of any change to the financial assurances (including the Initial Financial Assurances and Security), if any, throughout the term hereof. Should Union have reasonable grounds to believe that Shipper will not be able to perform or continue to perform any of its obligations under the Contract for any reason (a "**Material Event**"), then Shipper shall within fourteen (14) days of receipt of written notice by Union, obtain and provide to Union a letter of credit or other security in the form and amount reasonably required by Union (the "**Security**"). In the event that Shipper does not provide to Union such Security, Union may deem a default in accordance with the provisions of Article XII herein.

In the event that Shipper in good faith, reasonably believes that it should be entitled to reduce the amount of or value of the Security previously provided, it may request such a reduction from Union and to the extent that the Material Event has been mitigated or eliminated, Union shall return all or a portion of the Security to Shipper within fourteen (14) Business Days after receipt of the request.

3. Regulatory Approval: Shipper represents and warrants to Union that Shipper possesses all licenses and permits needed to inject gas into, store gas in, and remove gas from the pool.

## **XX. MISCELLANEOUS PROVISIONS**

1. Assignment: Shipper may not assign the Contract without the written consent of Union and, if required, the approval of the OEB. Should Union consent to the assignment, and if OEB approval is needed, Union will apply for OEB approval with all costs of the application to be paid by Shipper.
2. Title to Gas: Shipper represents and warrants to Union that Shipper shall have good and marketable title to, or legal authority to deliver to Union, all gas delivered to Union hereunder. Furthermore, Shipper hereby agrees to indemnify and save Union harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all third parties to such gas or on account of Taxes, or other charges thereon.

## **XXI. PRECONDITIONS TO TRANSPORTATION SERVICES**

1. The obligations of Union to provide Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Contract:
  - a. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Services; and,
  - b. Union shall have obtained all internal approvals that are necessary or appropriate to provide the Services; and,
  - c. Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of the Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by Union; and,
  - d. Shipper and Union shall have entered into the Interruptible HUB Service Contract or equivalent (the "**Facilitating Agreement**") with Union; and,
  - e. Shipper shall have paid any amounts owing pursuant to Schedule 1 Aid to Construction; and,
  - f. With regard to the Union Expansion Facilities:
    - i. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations required to construct the Union Expansion Facilities;
    - ii. Union shall have obtained all internal approvals that are necessary or appropriate to construct the Union Expansion Facilities;
    - iii. Union shall have completed and placed into service the Union Expansion Facilities; and,
  - g. Shipper shall, at Shipper's own cost and expense, have obtained a registered lease or freehold ownership in Union's favour for the Union Expansion Facilities located at the Pool Station satisfactory to Union and sufficient to provide Union with free uninterrupted access to, from, under and above the Pool Station for a term (and extended terms) identical to the Contract, plus sixty (60) days (such land rights being referred to as

the "**Pool Station Land Rights**"), and shall provide Union with a bona fide copy of such agreements prior to Union commencing the construction of the Union Expansion Facilities.

2. The obligations of Shipper hereunder are subject to the following conditions precedent, which are for the sole benefit of Shipper and which may be waived or extended in whole or in part in the manner provided in the Contract:
  - a. Shipper shall, as required, have entered into the necessary contracts with Union and/or others to facilitate the Services contemplated herein, including contracts for upstream and downstream transportation, and shall specifically have an executed and valid Facilitating Agreement; and shall, as required, have entered into the necessary contracts to purchase the gas quantities handled under the Contract; and,
  - b. Shipper shall have obtained, in form and substance satisfactory to Shipper, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required from federal, state, or provincial authorities for the gas quantities handled under the Contract; and,
  - c. Shipper shall have obtained all internal approvals that are necessary or appropriate for the Shipper to execute the Contract.
3. Union and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in this Article XXI Section 1 a, c, d, e, f i., f iii., and g and Section 2 a and b. Each party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such party's benefit. If a party concludes that it will not be able to satisfy a condition precedent that is for its benefit, such party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations thereunder.
4. If any of the conditions precedent in this Article XXI Section 1 c or Section 2 are not satisfied or waived by the party entitled to the benefit of that condition by the Conditions Date as such term is defined in the Contract, then either party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder, provided that any rights or remedies that a party may have for breaches of the Contract prior to such termination and any liability a party may have incurred before such termination shall not thereby be released.



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CROSS FRANCHISE TRANSPORTATION RATES

**(A) Applicability**

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

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

\*Dawn as a receipt point: Dawn (TCPL), Dawn (Facilities), Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE).

\*Dawn as a delivery point: Dawn (Facilities).

**(B) Services**

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

**(C) Rates**

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

**Transportation Service:**

	Monthly Demand Charge (applied to daily contract demand) <u>Rate/GJ</u>	Commodity Charges			
		If Union supplies fuel		If Shipper supplies fuel	
		Commodity Charge		Fuel Ratio	
		Apr.1-Oct.31 <u>Rate/GJ</u>	Nov.1-Mar.31 <u>Rate/GJ</u>	Apr.1-Oct.31 <u>%</u>	Nov.1-Mar.31 <u>%</u>
a) Firm Transportation					
Between:					
St.Clair & Dawn	\$1.059	\$0.011	\$0.014	0.201%	0.258%
Ojibway & Dawn	\$1.059	\$0.024	\$0.016	0.435%	0.295%
Bluewater & Dawn	\$1.059	\$0.011	\$0.014	0.201%	0.258%
From:					
Parkway to Kirkwall	\$0.579	\$0.015	\$0.009	0.268%	0.153%
Parkway to Dawn	\$0.579	\$0.015	\$0.009	0.268%	0.153%
Kirkwall to Dawn	\$1.021	\$0.009	\$0.009	0.153%	0.153%
Dawn to Kirkwall	\$2.011	\$0.017	\$0.041	0.310%	0.728%
Dawn to Parkway	\$2.382	\$0.029	\$0.054	0.527%	0.975%
Kirkwall to Parkway	\$0.372	\$0.021	\$0.022	0.370%	0.400%
b) Interruptible and Short Term (1 year or less) Firm Transportation:					
Maximum		\$75.00	\$75.00		
c) Firm Transportation between two points within Dawn					
Dawn to Dawn-Vector	\$0.029	n/a	n/a	0.330%	0.153%
Dawn to Dawn-TCPL	\$0.134	n/a	n/a	0.153%	0.342%
d) Interruptible Transportation between two points within Dawn*					
*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)				0.153%	0.153%



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**(C) Rates (Cont'd)**

**Authorized Overrun:**

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

	If Union supplies fuel		Commodity Charges If Shipper supplies fuel		Commodity Charge
	Commodity Charge		Fuel Ratio		
	Apr.1-Oct.31	Nov.1-Mar.31	Apr.1-Oct.31	Nov.1-Mar.31	
	<u>Rate/GJ</u>	<u>Rate/GJ</u>	<u>%</u>	<u>%</u>	<u>Rate/GJ</u>
a) Firm Transportation					
Between:					
St.Clair & Dawn	\$0.046	\$0.049	0.201%	0.258%	\$0.035
Ojibway & Dawn	\$0.059	\$0.051	0.435%	0.295%	\$0.035
Bluewater & Dawn	\$0.046	\$0.049	0.201%	0.258%	\$0.035
From:					
Parkway to Kirkwall	\$0.127	\$0.120	0.868%	0.753%	\$0.019
Parkway to Dawn	\$0.127	\$0.120	0.868%	0.753%	\$0.019
Kirkwall to Dawn	\$0.047	\$0.047	0.849%	0.849%	\$0.034
Dawn to Kirkwall	\$0.117	\$0.140	0.910%	1.328%	\$0.066
Dawn to Parkway	\$0.141	\$0.166	1.127%	1.575%	\$0.078
Kirkwall to Parkway	\$0.066	\$0.068	0.970%	1.000%	\$0.012
b) Firm Transportation within Dawn					
Dawn to Dawn-Vector	n/a	n/a	0.330%	0.153%	\$0.001
Dawn to Dawn-TCPL	n/a	n/a	0.153%	0.342%	\$0.004

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

**Unauthorized Overrun:**

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

Notes for Section (C) Rates:

- (1) A demand charge of \$0.068/GJ/day/month will be applicable to customers contracting for firm all day transportation service in addition to the demand charges appearing on this schedule for all firm transportation service paths.

**(D) Terms of Service**

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

**(E) Nominations**

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

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

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

Effective

January 1, 2013  
O.E.B. Order # EB-2011-0210

Chatham, Ontario

Supersedes EB-2012-0437 Rate Schedule effective January 1, 2013.

**RATE C1  
GENERAL TERMS & CONDITIONS****I. DEFINITIONS**

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

1. "Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;
2. "cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
3. "day" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Standard time. The reference date for any day shall be the calendar date upon which the twenty-four (24) hour period shall commence;
4. "delivery" shall mean any gas that is delivered by Union into Shipper's possession, or to the possession of Shipper's agent;
5. "firm" shall mean service not subject to curtailment or interruption except under Articles XI and XII of this Schedule "A";
6. "gas" shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time;
7. "gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m<sup>3</sup>) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
8. "interruptible service" shall mean service subject to curtailment or interruption, after notice, at any time;
9. "Interconnecting Pipeline" shall mean a pipeline that directly connects to the Union pipeline system;
10. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
11. "limited interruptible service" shall mean gas service subject to interruption or curtailment on a limited number of days as specified in the Contract;
12. "m<sup>3</sup>" shall mean cubic metre of gas and "10<sup>3</sup>m<sup>3</sup>" shall mean 1,000 cubic metres of gas;
13. "month" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
14. "OEB" means the Ontario Energy Board;
15. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
16. "receipt" shall mean any gas that is delivered into Union's possession, or the possession of Union's agent;
17. "Shipper" shall have the meaning as defined in the Contract and shall also include Shipper's agent(s);
18. "TCPL" means TransCanada PipeLines Limited;

19. "cricondenth therm hydrocarbon dewpoint" shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;
20. "hydrocarbon dewpoint" shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;
21. "specific gravity" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
22. "Wobbe Number" shall mean gross heating value of the gas divided by the square root of its specific gravity.

## **II. GAS QUALITY**

1. **Natural Gas:** The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. **Freedom from objectionable matter:** The gas to be delivered to/by Union hereunder,
  - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
  - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas,
  - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
  - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
  - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
  - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
  - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
  - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
  - i. shall not have a cricondenth therm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
  - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas.
3. **Non-conforming Gas:** In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
4. **Quality of Gas Received:** The quality of the gas to be received by Union hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will also accept gas of a

quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Union's C1 Rate Schedule.

### **III. MEASUREMENTS**

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m<sup>3</sup>) or one thousand cubic metres (10<sup>3</sup>m<sup>3</sup>) at Union's discretion.
2. Determination of Volume and Energy:
  - a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
  - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
  - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
  - d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

### **IV. RECEIPT POINT AND DELIVERY POINT**

1. Unless otherwise specified in the Contract, the point or points of receipt for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in the Contract, where Union takes possession of the gas.
2. Unless otherwise specified in the Contract, the point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection as specified in the Contract where Shipper takes possession of the gas.

### **V. POSSESSION OF AND RESPONSIBILITY FOR GAS**

*Intentionally blank*

### **VI. FACILITIES ON SHIPPER'S PROPERTY**

Except under those conditions where Union is delivering to TCPL for TCPL or Shipper at Union's Parkway Point of Delivery, or to an Interconnecting Pipeline, or where otherwise specified in the Contract, the following will apply:

1. Construction and Maintenance: Union, at its own expense may construct, maintain and operate on Shipper's property at the delivery point a measuring station properly equipped with a meter or meters and any other necessary measuring equipment for properly measuring the gas redelivered under the Contract. Shipper will grant to Union a lease and/or rights-of-way over property of Shipper as required by Union to install such facilities and to connect same to Union's pipeline.

2. Entry: Union, its servants, agents and each of them may at any reasonable time on notice (except in cases of emergency) to Shipper or his duly authorized representative enter Shipper's property for the purpose of constructing, maintaining, removing, operating and/or repairing station equipment.
3. Property: The said station and equipment will be and remain the property of Union notwithstanding it is constructed on and attached to the realty of Shipper, and Union may at its own expense remove it upon termination of the Contract and will do so if so requested by Shipper.

## **VII. MEASURING EQUIPMENT**

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by their regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the redelivery point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the delivery point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.
4. Rights of Parties: The measuring equipment installed by either party, together with any building erected by it for such equipment, shall be and remain its property. However, Union and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas to/by Union under the Contract. Either party will give the other party reasonable notice of its intention to carry out the acts herein specified. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten (10) days after receipt thereof.
5. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts and deliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.
7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

## **VIII. BILLING**

1. Monthly Billing Date: Union shall render bills on or before the 10th day of each month for all services furnished during the preceding month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding month's billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the 10th day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.

## **IX. PAYMENTS**

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20<sup>th</sup>) day of each month. If the payment date is not a business day, then payment must be received in Union's account on the first business day preceding the twentieth (20<sup>th</sup>) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,
  - a. Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment.
  - b. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract, may suspend service(s) until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue hereunder as if such suspension were not in place.

If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall pay to Union such amounts as it concedes to be correct. At any time thereafter, within twenty (20) days of a demand made by Union, Shipper shall furnish financial assurances satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination. Such a final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case. Union shall not be entitled to suspend service(s) because of such non-payment unless and until default occurs in the conditions of such financial assurances or default occurs in payment of any other amount due to Union hereunder.

Notwithstanding the foregoing paragraph(s), Shipper is not relieved from the obligation to continue its deliveries of gas to Union under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Union.

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "bill" next following shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within six (6) years from the date of the incorrect billing. In the event any refund is issued with Shipper's gas bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.

## **X. ARBITRATION**

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act of the Province of Ontario, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

## **XI. FORCE MAJEURE**

1. The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.
5. An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Firm Transportation Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.

8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm Contract Demand for that Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the C1 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. If, due to the occurrence of an event of force majeure as outlined above, the capacity for gas deliveries by Union is impaired, it will be necessary for Union to curtail Shipper's gas receipts to Union hereunder, via proration based on utilization of such facilities for the Day. This proration shall be determined by multiplying the capability of such facilities as available downstream of the impairment on the Day, by a fraction where the numerator is Shipper's nominated firm quantity and the denominator is the total of all such nominated firm quantities for nominated services and planned consumption for in-franchise customers on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Union to in-franchise customers and ex-franchise shippers.

## **XII. DEFAULT AND TERMINATION**

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by Union hereunder occasioned by any of the reasons provided for in Article XI hereof) which has not been waived by the other party, then and in every such case and as often as the same may happen, the Non-defaulting party may give written notice to the Defaulting party requiring it to remedy such default and in the event of the Defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the Non-defaulting party may at its sole option declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

## **XIII. MODIFICATION**

Subject to Union's C1 Rate Schedule, Schedule A, Article XV and the ability of Union to amend the C1 Rate Schedule with the approval of the OEB, no amendment or modification of the Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and Union.

## **XIV. NON-WAIVER AND FUTURE DEFAULT**

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## **XV. LAWS, REGULATIONS AND ORDERS**

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

**RATE C1  
GENERAL TERMS & CONDITIONS**

**I. DEFINITIONS**

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

**"Authorized Overrun"** shall mean the amount by which Shipper's Authorized Quantity exceeds the Contract Demand;

**"Available Capacity"** shall mean at any time, Union's remaining available capacity to provide Transportation Services;

**"Business Day"** shall mean any day, other than Saturday, Sunday or any days on which national banks in the Province of Ontario are authorized to close;

**"Contract"** shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;

**"Contract Year"** shall mean a period of three hundred and sixty-five (365) consecutive days; provided however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days, commencing on November 1 of each year; except for the first Contract Year which shall commence on the Commencement Date and end on the first October 31 that follows such date;

**"cricondenthem hydrocarbon dewpoint"** shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;

**"cubic metre"** shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

**"Day"** shall mean a period of twenty-four (24) consecutive hours beginning at 10:00 a.m. Eastern Clock Time. The reference date for any Day shall be the calendar date upon which the twenty-four (24) hour period shall commence;

**"delivery"** shall mean any gas that is delivered by Union into Shipper's possession, or to the possession of Shipper's agent;

**"Eastern Clock Time"** shall mean the local clock time in the Eastern Time Zone on any Day;

**"Expansion Facilities"** shall mean any new facilities to be constructed by Union in order to provide Transportation Services;

**"firm"** shall mean service not subject to curtailment or interruption except under Articles XI, XII and XVIII herein;

**"gas"** shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time;

**"gross heating value"** shall mean the total heat expressed in megajoules per cubic metre (MJ/m<sup>3</sup>) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

**"hydrocarbon dewpoint"** shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;

**"Interruptible HUB Service Contract"** shall mean a contract between Shipper and Union under which Union provides interruptible HUB service;

"**interruptible service**" or "**Interruptible**" shall mean service subject to curtailment or interruption, after notice, at any time;

"**Interconnecting Pipeline**" shall mean a pipeline that directly connects to the Union pipeline system;

"**joule**" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "**megajoule**" (MJ) shall mean 1,000,000 joules. The term "**gigajoule**" (GJ) shall mean 1,000,000,000 joules;

"**Limited Firm**" shall mean gas service subject to interruption or curtailment on a limited number of Days as specified in the Contract;

"**Loaned Quantities**" shall mean those quantities of gas loaned to Shipper under the Facilitating Agreement;

"**m<sup>3</sup>**" shall mean cubic metre of gas and "**10<sup>3</sup>m<sup>3</sup>**" shall mean 1,000 cubic metres of gas;

"**Month**" shall mean the period beginning at 10:00 a.m. Eastern Clock Time on the first day of a calendar month and ending at 10:00 a.m. Eastern Clock Time on the first day of the following calendar month;

"**NAESB**" shall mean North American Energy Standards Board;

"**OEB**" means the Ontario Energy Board;

"**Open Season**" or "**open season**" shall mean an open access auction or bidding process held by Union as a method of allocating capacity;

"**pascal**" ("**Pa**") shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" ("**kPa**") shall mean 1,000 pascals;

"**receipt**" shall mean any gas that is delivered into Union's possession, or the possession of Union's agent;

"**Shipper**" shall have the meaning as defined in the Contract, and shall also include Shipper's agent(s);

"**specific gravity**" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

"**Taxes**" shall mean any tax (other than tax on income or tax on property), duty, royalty, levy, license, fee or charge not included in the charges and rates as per the applicable rate schedule (including but not limited to charges under any form of cap and trade, carbon tax, or similar system) and that is levied, assessed or made by any governmental authority on the gas itself, or the act, right, or privilege of producing, severing, gathering, storing, transporting, handling, selling or delivering gas under the Contract;

"**TCPL**" means TransCanada PipeLines Limited;

"**Wobbe Number**" shall mean gross heating value of the gas divided by the square root of its specific gravity.

## **II. GAS QUALITY**

1. Natural Gas: The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.

2. Freedom from objectionable matter: The gas to be delivered to/by Union hereunder,
- a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
  - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas,
  - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
  - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
  - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
  - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
  - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
  - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
  - i. shall not have a cricondenthem hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
  - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas.
3. Non-conforming Gas: In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
4. Quality of Gas Received: The quality of the gas to be received by Union hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will also accept gas of a quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Union's C1 Rate Schedule.

### III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m<sup>3</sup>) or one thousand cubic metres (10<sup>3</sup>m<sup>3</sup>) at Union's discretion.
2. Determination of Volume and Energy:
- a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
  - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.

- c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
- d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

#### **IV. RECEIPT POINT AND DELIVERY POINT**

1. Unless otherwise specified in the Contract, the point or points of receipt and point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in the Contract, where possession of the gas changes from one party to the other, and as per Schedule "C 2010".

#### **V. POSSESSION OF AND RESPONSIBILITY FOR GAS**

1. Union accepts no responsibility for any gas prior to such gas being delivered to Union at the Receipt Point or after its delivery by Union at the Delivery Point. As between the parties hereto, Union shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Union's system until such gas is delivered to Shipper.
2. Shipper agrees that Union is not a common carrier and is not an insurer of Shipper's gas, and that Union shall not be liable to Shipper or any third party for loss of gas in Union's possession, except to the extent such loss is caused entirely by Union's negligence or wilful misconduct.

#### **VI. FACILITIES ON SHIPPER'S PROPERTY**

Except under those conditions where Union is delivering to TCPL for TCPL or Shipper at Parkway (TCPL), or to an Interconnecting Pipeline, or where otherwise specified in the Contract, the following will apply:

1. Construction and Maintenance: Union, at its own expense may construct, maintain and operate on Shipper's property at the delivery point a measuring station properly equipped with a meter or meters and any other necessary measuring equipment for properly measuring the gas redelivered under the Contract. Shipper will grant to Union a lease and/or rights-of-way over property of Shipper as required by Union to install such facilities and to connect same to Union's pipeline.
2. Entry: Union, its servants, agents and each of them may at any reasonable time on notice (except in cases of emergency) to Shipper or his duly authorized representative enter Shipper's property for the purpose of constructing, maintaining, removing, operating and/or repairing station equipment.
3. Property: The said station and equipment will be and remain the property of Union notwithstanding it is constructed on and attached to the realty of Shipper, and Union may at its own expense remove it upon termination of the Contract and will do so if so requested by Shipper.

#### **VII. MEASURING EQUIPMENT**

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by its regulatory body.

3. Check Measuring Equipment: Shipper may install, maintain and operate, at the redelivery point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the delivery point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.
4. Rights of Parties: The measuring equipment installed by either party, together with any building erected by it for such equipment, shall be and remain its property. However, Union and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas to/by Union under the Contract. Either party will give the other party reasonable notice of its intention to carry out the acts herein specified. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten (10) days after receipt thereof.
5. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts and deliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.
7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

## **VIII. BILLING**

1. Monthly Billing Date: Union shall render bills on or before the tenth (10<sup>th</sup>) day of each month for all Transportation Services furnished during the preceding Month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding Month's billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the tenth (10<sup>th</sup>) day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.
3. Amendment of Statements: For the purpose of completing a final determination of the actual quantities of gas handled in any of the Transportation Services to Shipper, the parties shall have the right to amend their statement for a period equal to the time during which the Interconnecting Pipeline retains the right to amend their statements, which period shall not exceed three (3) years from the date of termination of the Contract.

## IX. PAYMENTS

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20<sup>th</sup>) day of each month. If the payment date is not a Business Day, then payment must be received in Union's account on the first Business Day preceding the twentieth (20<sup>th</sup>) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,
  - a. Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment; and,
  - b. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract, may suspend Services until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue hereunder as if such suspension were not in place.

If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall pay to Union such amounts as it concedes to be correct. At any time thereafter, within twenty (20) days of a demand made by Union, Shipper shall furnish financial assurances satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination. Such a final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case. Union shall not be entitled to suspend Services because of such non-payment unless and until default occurs in the conditions of such financial assurances or default occurs in payment of any other amount due to Union hereunder.

Notwithstanding the foregoing, Shipper is not relieved from the obligation to continue its deliveries of gas to Union under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Union.

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "**bill next following**" shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within three (3) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.

4. Taxes:

In addition to the charges and rates as per the applicable rate schedules and price schedules, Shipper shall pay all Taxes which are imposed currently or subsequent to the execution of the Contract by any legal authority having jurisdiction and any amount in lieu of such Taxes paid or payable by Union.

5. Set Off:

If either party shall, at any time, be in arrears under any of its payment obligations to the other party under the Contract, then the party not in arrears shall be entitled to reduce the amount payable by it to the other party in arrears under the Contract, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to the other party. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under the Contract or any enhancement to the Contract, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.

## **X. ARBITRATION**

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act, 1991, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

## **XI. FORCE MAJEURE**

1. The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.
5. An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Firm Transportation Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.

8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm Contract Demand for that Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the C1 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. If, due to the occurrence of an event of force majeure as outlined above, the capacity for gas deliveries by Union is impaired, it will be necessary for Union to curtail Shipper's gas receipts to Union hereunder, via proration based on utilization of such facilities for the Day. This prorating shall be determined by multiplying the capability of such facilities as available downstream of the impairment on the Day, by a fraction where the numerator is Shipper's nominated firm quantity and the denominator is the total of all such nominated firm quantities for nominated services and planned consumption for in-franchise customers on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Union to in-franchise customers and ex-franchise shippers.

## **XII. DEFAULT AND TERMINATION**

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by Union hereunder occasioned by any of the reasons provided for in Article XI herein) which has not been waived by the other party, then and in every such case and as often as the same may happen, the non-defaulting party may give written notice to the defaulting party requiring it to remedy such default and in the event of the defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the non-defaulting party may at its sole option declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

## **XIII. AMENDMENT**

Subject to Article XV herein and the ability of Union to amend the applicable rate schedules and price schedules, with the approval of the OEB (if required), no amendment or modification of the Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and Union.

## **XIV. NON-WAIVER AND FUTURE DEFAULT**

No waiver of any provision of the Contract shall be effective unless the same shall be in writing and signed by the party entitled to the benefit of such provision and then such waiver shall be effective only in the specific instance and for the specified purpose for which it was given. No failure on the part of Shipper or Union to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy under the Contract shall operate as a waiver thereof.

## **XV. LAWS, REGULATIONS AND ORDERS**

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

**XVI. ALLOCATION OF CAPACITY**

1. A potential shipper may request transportation service on Union's system at any time. Any request for C1 transportation service must include: potential shipper's legal name, Receipt Point(s), Delivery Point(s), Commencement Date, Initial Term, Contract Demand, proposed payment, and type of transportation service requested.
2. If requests for firm transportation services cannot be met through existing capacity such that the only way to satisfy the requests for transportation service would require the construction of Expansion Facilities which create new capacity, Union shall allocate any such new capacity by open season, subject to the terms of the open season, and these General Terms and Conditions.
3. If requests for long-term transportation service can be met through existing facilities upon which long-term capacity is becoming available, Union shall allocate such long-term capacity by open season, subject to the terms of the open season, and these General Terms and Conditions. "**Long-term**", for the purposes of this Article XVI, means, in the case of a transportation service, a service that has a term of one year or greater.
4. Capacity requests received during an open season shall be awarded starting with those bids with the highest economic value. If the economic values of two or more independent bids are equal, then service shall be allocated on a pro-rata basis. The economic value shall be based on the net present value which shall be calculated based on the proposed per-unit rate and the proposed term of the contract and without regard to the proposed Contract Demand ("**NPV**").
5. Union may at any time allocate capacity to respond to any C1 transportation service request through an open season. If a potential shipper requests C1 transportation service that can be provided through Available Capacity that was previously offered by Union in an open season but was not awarded, then:
  - a. Any such request must conform to the requirements of Section 1 of this Article XVI;
  - b. Union shall allocate capacity to serve such request pursuant to this Section 5, and subject to these General Terms and Conditions and Union's standard form C1 transportation contract;
  - c. Union may reject a request for C1 transportation service for any of the following reasons:
    - i) if there is insufficient Available Capacity to fully meet the request, but if that is the only reason for rejecting the request for service, Union must offer to supply the Available Capacity to the potential shipper;
    - ii) if the proposed monthly payment is less than Union's Monthly demand charge plus fuel requirements for the applicable service;
    - iii) if prior to Union accepting the request for transportation service Union receives a request for transportation service from one or more other potential shippers and there is, as a result, insufficient Available Capacity to service all the requests for service, in which case Union shall follow the procedure in Section 5 d hereof;
    - iv) if Union does not provide the type of transportation service requested; or
    - v) if all of the conditions precedent specified in Article XXI Sections 1 and 2 herein have not been satisfied or waived.
  - d. Union will advise the potential shipper in writing whether Union accepts or rejects the request for service, subject to Article XVI 5(c) within 5 calendar days of receiving a request for C1 transportation service. If Union rejects a request for service, Union shall inform the potential shipper of the reasons why its request is being rejected; and
  - e. If Union has insufficient Available Capacity to service all pending requests for transportation service Union may:
    - i) Reject all the pending requests for transportation service and conduct an open season; or
    - ii) Union shall inform all the potential shippers who have submitted a pending request for transportation service that it does not have sufficient capacity to service all pending requests for service, and Union shall

provide all such potential shippers with an equal opportunity to submit a revised request for service. Union shall then allocate the Available Capacity to the request for transportation service with the highest economic value to Union. If the economic values of two or more requests are equal, then service shall be allocated on a pro-rata basis. The economic value of any request shall be based on the NPV.

## **XVII. RENEWALS**

Contracts with an Initial Term of five (5) years or greater, with Receipt Points and Delivery Points of Parkway or Kirkwall or Dawn (Facilities), will continue in full force and effect beyond the Initial Term, automatically renewing for a period of one (1) year, and every one (1) year thereafter. Shipper may reduce the Contract Demand or terminate the Contract with notice in writing by Shipper at least two (2) years prior to the expiration thereof.

For all other contracts, the Contract will continue in full force and effect until the end of the Initial Term, but shall not renew.

## **XVIII. SERVICE CURTAILMENT**

1. Union shall have the right to curtail or not to schedule part or all of Transportation Services, in whole or in part, on all or a portion of its pipeline system at any time for reasons of Force Majeure or when, in Union sole discretion, acting reasonably, capacity or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating changes to its pipeline system. Union shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. If due to any cause whatsoever Union is unable to receive or deliver the quantities of Gas which Shipper has requested, then Union shall order curtailment by all Shippers affected and to the extent necessary to remove the effect of the disability. Union has a priority of service policy to determine the order of service curtailment. In order to place services on the priority of service list, Union considers the following business principles: appropriate level of access to core services, customer commitment, encouraging appropriate contracting, materiality, price and term, and promoting and enabling in-franchise consumption.

The Priority ranking for all services utilizing Union Gas' storage, transmission and distribution system as applied to both in-franchise and ex-franchise services are as follows; with number 1 having the highest priority and the last interrupted.

1. Firm In-franchise Transportation and Distribution services and firm Ex-franchise services (Note 1)
2. In-franchise Interruptible Distribution services
3. C1/M12 IT Transport and IT Exchanges with Take or Pay rates
4. Balancing (Hub Activity)  $\leq 100$  GJ/d; Balancing (Direct Purchase)  $\leq 500$  GJ/d; In-franchise distribution authorized overrun (Note 3)
5. C1/M12 IT Transport and IT Exchanges at premium rates
6. C1/M12 Overrun  $\leq 20\%$  of CD (Note 4)
7. Balancing (Direct Purchase)  $> 500$  GJ/d
8. Balancing (Hub Activity)  $> 100$  GJ/d; C1/M12 IT Transport and IT Exchanges
9. C1/M12 Overrun  $> 20\%$  of CD
10. C1/M12 IT Transport and IT Exchanges at a discount
11. Late Nominations

### Notes:

1. Nominated services must be nominated on the NAESB Timely Nomination Cycle otherwise they are considered to be late nomination and are therefore interruptible.
  2. Higher value or more reliable IT is contemplated in the service and contract, when purchase at market competitive prices.
  3. Captures the majority of customers that use Direct Purchase balancing transactions.
  4. Captures the majority of customers that use overrun.
2. Union reserves the right to change its procedures for sharing interruptible capacity and will provide Shipper with two (2) months prior notice of any such change.
  3. Maintenance: Union's facilities from time to time may require maintenance or construction. If such maintenance or construction is required, and in Union's sole opinion, acting reasonably, such maintenance or construction may impact

Union's ability to meet Shipper's requirements, Union shall provide at least ten (10) days notice to Shipper, except in the case of an emergency. In the event the maintenance impacts on Union's ability to meet Shipper's requirements, Union shall not be liable for any damages and shall not be deemed in breach of the Contract. To the extent that Union's ability to accept and/or deliver Shipper's gas is impaired, the Monthly demand charge shall be reduced in accordance with Article XI Section 8 and available capacity allocated in accordance with Article XI Section 9 herein.

Union shall use reasonable efforts to determine a mutually acceptable period during which such maintenance or construction will occur and also to limit the extent and duration of any impairments. Union will endeavour to schedule and complete the maintenance and construction, which would normally be expected to impact on Union's ability to meet Shipper's requirements, during the period from April 1 through to November 1.

## **XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES**

1. Shipper's Warranty: Shipper warrants that it will, if required, maintain, or have maintained on its behalf, all external approvals including the governmental, regulatory, import/export permits and other approvals or authorizations that are required from any federal, state or provincial authorities for the gas quantities to be handled under the Contract. Shipper further warrants that it shall maintain in effect the Facilitating Agreements.
2. Financial Representations: Shipper represents and warrants that the financial assurances (including the Initial Financial Assurances and Security) (if any) shall remain in place throughout the term hereof, unless Shipper and Union agree otherwise. Shipper shall notify Union in the event of any change to the financial assurances throughout the term hereof. Should Union have reasonable grounds to believe that Shipper will not be able to perform or continue to perform any of its obligations under the Contract as a result of one of the following events ("**Material Event**");
  - a. Shipper is in default, which default has not been remedied, of the Contract or is in default of any other material contract with Union or another party; or,
  - b. Shipper's corporate or debt rating falls below investment grade according to at least one nationally recognized rating agency; or,
  - c. Shipper ceases to be rated by a nationally recognized agency; or,
  - d. Shipper has exceeded credit available as determined by Union from time to time,

then Shipper shall within fourteen (14) days of receipt of written notice by Union, obtain and provide to Union a letter of credit or other security in the form and amount reasonably required by Union (the "**Security**"). The Security plus the Initial Financial Assurances shall not exceed twelve (12) months of Monthly demand charges (in accordance with Article IX herein) multiplied by Contract Demand. In the event that Shipper does not provide to Union such Security within such fourteen (14) day period, Union may deem a default under the Default and Termination provisions of Article XII herein.

In the event that Shipper in good faith, reasonably believes that it should be entitled to reduce the amount of or value of the Security previously provided, it may request such a reduction from Union and to the extent that the Material Event has been mitigated or eliminated, Union shall return all or a portion of the Security to Shipper within fourteen (14) Business Days after receipt of the request.

*The following paragraphs 3 and/or 4 are only applicable if indicated in Schedule 1 of the Contract.*

3. Point of Consumption Warranty: Shipper represents and warrants that, throughout the term of this Contract, all quantities of gas received by Union hereunder at the Receipt Point and/or all Loaned Quantities will be consumed in the U.S.A. Should any quantities of gas hereunder be directed to an end user in Canada, Shipper shall immediately notify Union that such quantities of gas will be consumed in Canada, as failure to do so will make Shipper liable to Union for any Taxes and related interest and penalties thereon, made as a result of such change.
4. Tax Registration re GST: Shipper warrants and represents that it is unregistered and a Non-Resident for purposes of the Excise Tax Act. Shipper agrees to notify Union within ten (10) working days if it becomes registered. "GST/HST" shall

mean the Government of Canada's Goods and Services Tax or Harmonized Sales Tax as legislated under The Excise Tax Act, as may be amended from time to time.

## **XX. MISCELLANEOUS PROVISIONS**

1. Permanent Assignment: Shipper may assign the Contract to a third party ("Assignee"), up to the Contract Demand, (the "Capacity Assigned"). Such assignment shall require the prior written consent of Union and release of obligations by Union for the Capacity Assigned from the date of assignment. Such consent and release shall not be unreasonably withheld and shall be conditional upon the Assignee providing, amongst other things, financial assurances as per Article XXI herein. Any such assignment will be for the full rights, obligations and remaining term of the Contract as relates to the Capacity Assigned.
2. Temporary Assignment: Shipper may, upon notice to Union, assign all or a part of its service entitlement under the Contract (the "Assigned Quantity") and the corresponding rights and obligations to an Assignee on a temporary basis for not less than one calendar month. Such assignment shall not be unreasonably withheld and shall be conditional upon the Assignee executing the Facilitating Agreement as per Article XXI herein. Notwithstanding such assignment, Shipper shall remain obligated to Union to perform and observe the covenants and obligations contained herein in regard to the Assigned Quantity to the extent that Assignee fails to do so.
3. Title to Gas: Shipper represents and warrants to Union that Shipper shall have good and marketable title to, or legal authority to deliver to Union, all gas delivered to Union hereunder. Furthermore, Shipper hereby agrees to indemnify and save Union harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all third parties to such gas or on account of Taxes, or other charges thereon.

## **XXI. PRECONDITIONS TO TRANSPORTATION SERVICES**

1. The obligations of Union to provide Transportation Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Contract:
  - a. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Transportation Services; and,
  - b. Union shall have obtained all internal approvals that are necessary or appropriate to provide the Transportation Services; and,
  - c. Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of the Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by Union; and,
  - d. Shipper and Union shall have entered into the Interruptible HUB Service Contract or equivalent (the "**Facilitating Agreement**") with Union.
2. The obligations of Shipper hereunder are subject to the following conditions precedent, which are for the sole benefit of Shipper and which may be waived or extended in whole or in part in the manner provided in the Contract:
  - a. Shipper shall, as required, have entered into the necessary contracts with Union and/or others to facilitate the Transportation Services contemplated herein, including contracts for upstream and downstream transportation, and shall specifically have an executed and valid Facilitating Agreement; and shall, as required, have entered into the necessary contracts to purchase the gas quantities handled under the Contract; and,
  - b. Shipper shall have obtained, in form and substance satisfactory to Shipper, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required from federal, state, or provincial authorities for the gas quantities handled under the Contract; and,

- c. Shipper shall have obtained all internal approvals that are necessary or appropriate for the Shipper to execute the Contract.
- 3. Union and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in this Article XXI Section 1 a, c, and d and Section 2 a and b. Each party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such party's benefit. If a party concludes that it will not be able to satisfy a condition precedent that is for its benefit, such party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations thereunder.
- 4. If any of the conditions precedent in this Article XXI Section 1 c or Section 2 are not satisfied or waived by the party entitled to the benefit of that condition by the Conditions Date as such term is defined in the Contract, then either party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder, provided that any rights or remedies that a party may have for breaches of the Contract prior to such termination and any liability a party may have incurred before such termination shall not thereby be released.

**RATE C1  
NOMINATIONS**

- a) For Services provided either under this rate schedule or referenced to this rate schedule:
- i) For Services required on any day Shipper shall provide Union with a nomination (the "Shipper's Nomination") of the quantity it desires to be handled at the applicable Receipt Point, and/or Delivery Point. Such Shipper's Nomination is to be provided in writing so as to be received by Union's Gas Management Services on or before 1230 hours in the Eastern time zone, unless agreed to otherwise in writing by the parties, on the business days immediately preceding the day for which service is requested.
  - ii) If, in Union's sole opinion, operating conditions permit, a change in Shipper's Nomination may be accepted after 1230 hours in the Eastern time zone.
  - iii) For customers electing firm all day transportation, nominations shall be provided to Union's Gas Management Services as outlined in the F24 –T Agreement.
- b) Union shall determine whether or not all or any portion of Shipper's Nomination will be accepted. In the event Union determines that it will not accept such nomination, Union shall advise Shipper, on or before 1730 hours in the Eastern time zone on the business day immediately preceding the day for which service is requested, of the reduced quantity (the "Quantity Available") for Services at the applicable points. Forthwith after receiving such advice from Union but no later than 1800 hours in the Eastern time zone on the same day, Shipper shall provide a "Revised Nomination" to Union which shall be no greater than the Quantity Available. If such Revised Nomination is not provided within the time allowed as required above or such Revised Nomination is greater than the Quantity Available, then the Revised Nomination shall be deemed to be the Quantity Available. If the Revised Nomination (delivered within the time allowed as required above) is less than the Quantity Available, then such lesser amount shall be the Revised Nomination.
- c) That portion of a Shipper's Nomination or Revised Nomination, as set out in (a) and (b), above, which Union shall accept for Services hereunder, shall be known as Shipper's "Authorized Quantity".
- d) If on any day the actual quantities handled by Union, for each of the Services authorized, exceed Shipper's Authorized Quantity, and such excess was caused by either Shipper's incorrect nomination or by its delivering or receiving too much gas, then the amount by which the actual quantities handled for each of the Services exceed Shipper's Authorized Quantity, such excess shall be deemed "Unauthorized Overrun".
- e) The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however, Union shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth (1/20) of the quantity received for that day. Union shall have the right to limit Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20) of the quantity handled for that day, for each applicable Service.
- f) A nomination for a daily quantity of gas on any day shall remain in effect and apply to subsequent days unless and until Union receives a new nomination from the Shipper or unless Union gives Shipper written notice that it is not acceptable in accordance with either (a) or (b) of this schedule.
- g) Except for periods of gas or quantity balancing as provided in the Contract, nominations by Shipper for deliveries to Union and redeliveries by Union shall be the same delivery of gas by Union either to Shipper or a Shipper's Account with Union.

**RATE C1  
NOMINATIONS**

1. For Transportation Services required on any Day under the Contract, Shipper shall provide Union with a nomination(s) providing the Shipper's requested Receipt Point(s), contract numbers, the applicable service, the quantity of Gas to be transported, the requested Delivery Point(s), and such additional information as Union determines to be necessary (a "**Nomination**").
2. All Nominations shall be submitted by electronic means via *Unionline*. Union, in its sole discretion, may amend or modify the nominating procedures or *Unionline* at any time. Nominations shall be submitted so as to be received by Union in accordance with timelines established by Union, which reflect the NAESB standard nomination cycles. Union will accept all nominations on each of the nomination cycles. Nominations made after the applicable deadline shall not be accepted except at the sole discretion of Union. All times referred to herein are Eastern Clock Time. For greater certainty, NAESB nomination cycle timelines are as follows:
  - a. The Timely Nomination Cycle: 12:45 pm for Nominations leaving control of the nominating party; 3:30 pm for receipt of Quantities Available by Shipper; 4:30 pm for receipt of completed confirmations by Union from upstream and downstream connected parties; 5:30 pm for receipt of Scheduled Quantities by Shipper (Day prior to flow).
  - b. The Evening Nomination Cycle: 7:00 pm for Nominations leaving control of the nominating party; 9:00 pm for receipt of Quantities Available by Shipper; 10:00 pm for receipt of completed confirmations by Union from upstream and downstream connected parties; 11:00 pm for receipt of Scheduled Quantities by Shipper (Day prior to flow).
  - c. The Intra-day 1 Nomination Cycle: 11:00 am for Nominations leaving control of the nominating party; 1:00 pm for receipt of Quantities Available by Shipper; 2:00 pm for receipt of completed confirmations by Union from upstream and downstream connected parties; 3:00 pm for receipt of Scheduled Quantities Available by Shipper, on Day. Quantities Available resulting from Intra-day 1 Nominations should be effective at 6:00 pm on same Day.
  - d. The Intra-day 2 Nomination Cycle: 6:00 pm for Nominations leaving control of the nominating party; 8:00 pm for receipt of Quantities Available by Shipper; 9:00 pm for receipt of completed confirmations by Union from upstream and downstream connected parties; 10:00 pm for receipt of Scheduled Quantities by Shipper on Day. Quantities Available resulting from Intra-day 2 Nominations should be effective at 10:00 pm on same Day.
3. Union shall determine whether or not all or any portion of the Nomination will be scheduled at each nomination cycle. With respect to each nomination cycle, in the event Union determines that it will not schedule such Nomination, Union shall advise Shipper of the reduced quantity (the "**Quantities Available**") for Transportation Services at the applicable points as outlined in each nomination cycle. After receiving such advice from Union, but no later than one half hour after the Quantities Available deadline as outlined in each nomination cycle, Shipper shall provide a revised nomination ("**Revised Nomination**") to Union which shall be no greater than the Quantity Available. If such Revised Nomination is not provided within the time allowed as required above or such Revised Nomination is greater than the Quantities Available, then the Revised Nomination shall be deemed to be the Quantities Available. If the Revised Nomination (delivered with the time allowed as required above) is less than the Quantity Available, then such lesser amount shall be the Revised Nomination.
4. For Shippers electing firm all day transportation service, nominations shall be provided to Union's Gas Management Services as outlined in the F24 –T Agreement.
5. For Transportation Services requiring Shipper to provide compressor fuel in kind, the nominated fuel requirements will be calculated by rounding to the nearest whole GJ.

6. All Timely Nominations shall have rollover options. Specifically, Shippers shall have the ability to nominate for several days, months or years, provided the Nomination start date and end date are both within the term of the Transportation Agreement.
7. Nominations received after the nomination deadline shall, if accepted by Union, be scheduled after Nominations received before the nomination deadline.
8. All Services are required to be nominated in whole Gigajoules (GJ).
9. To the extent Union is unable to complete a Nomination confirmation due to inaccurate, untimely or incomplete data involving an Interconnecting Pipeline entity, Union shall undertake reasonable efforts to confirm the transaction on a non-discriminatory basis until such time that the transaction is adequately verified by the parties, or until such time that Union determines that the Nomination is invalid at which time the Union shall reject the Nomination.
10. That portion of a Shipper's Nomination or Revised Nomination, as set out in paragraphs 1 and 3 above, which Union shall schedule for Transportation Services hereunder, shall be known as Shipper's **"Authorized Quantity"**.
11. If on any day the actual quantities handled by Union, for each of the Transportation Services authorized, exceed Shipper's Authorized Quantity, and such excess was caused by either Shipper's incorrect nomination or by its delivering or receiving too much gas, then the amount by which the actual quantities handled for each of the Transportation Services exceed Shipper's Authorized Quantity shall be deemed **"Unauthorized Overrun"**.
12. The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however, Union shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth (1/20<sup>th</sup>) of the quantity received for that day. Union shall have the right to limit Transportation Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20<sup>th</sup>) of the quantity handled for that day, for each applicable Transportation Service.
13. The parties hereto recognize that with respect to Transportation Services, on any day, receipts of gas by Union and deliveries of gas by Union may not always be exactly equal, but each party shall cooperate with the other in order to balance as nearly as possible the quantities transacted on a daily basis, and any imbalances arising shall be allocated to the Facilitating Agreement and shall be subject to the respective terms and charges contained therein, and shall be resolved in a timely manner.
14. Shipper may designate a third party as agent for purposes of providing a Nomination, and for giving and receiving notices related to Nominations, and Union shall only accept nominations from the agent. Shipper shall provide Union with written notice of such designation, such notice to be acceptable to Union. Any such designation, if acceptable to Union, shall be effective starting the Month following the receipt of the written notice and will remain in effect until revoked in writing by Shipper.

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

1. Receipt and Delivery Points:

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

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

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

2. Receipt and Delivery Pressures:

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

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

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



UNION GAS LIMITED  
Infranchise Customers  
Summary of Average Interruptible Rate and Price Adjustment Changes for Rates 25, M5A, M7, T1 and T2  
Effective January 1, 2013

Line No.	Particulars (cents / m <sup>3</sup> )	Monthly Charge Increase / (Decrease) (a)	Monthly Demand Charge Increase / (Decrease) (b)	Delivery Commodity Charge Increase / (Decrease) (c)	Delivery - Price Adjustment Increase / (Decrease) (d)	Gas Commodity Price Adjustment Increase / (Decrease) (e)
1	Rate 25 All Zones	\$185.68		0.7014		(0.2720) (1)
2	Rate M5A Interruptible	\$191.80		0.7748		
3	Rate M7 Interruptible			0.3196		
4	Seasonal			0.3196		
5	Rate T1 Redesign - Interruptible Transportation - Union supplies fuel	\$142.62		0.2227		
6	Transportation - Customer supplies fuel	\$142.62		0.2868		
7	Rate T2 Redesign - Interruptible Transportation - Union supplies fuel	\$4,206.48		0.2221		
8	Transportation - Customer supplies fuel	\$4,206.48		0.2868		

Notes:

(1) Applies to Sales service customers only.





UNION GAS LIMITED  
Miscellaneous Non-Energy Charges

Line No.	Service	Fee
	Residential Customer Class Service	
1	Connection Charge	\$35
2	Temporary Seal - Turn-off (Seasonal)	\$22
3	Temporary Seal - Turn-on (Seasonal)	\$35
4	Landlord Turn-on	\$35
5	Disconnect/Reconnect for Non-Payment	\$65
	Commercial/Industrial Customer Class Service	
6	Connection Charge	\$38
7	Temporary Seal - Turn-off (Seasonal)	\$22
8	Temporary Seal - Turn-on (Seasonal)	\$38
9	Landlord Turn-on	\$38
10	Disconnect/Reconnect for Non-Payment	\$65
	Statement of Account/History Statements	
11	History Statement (previous year)	\$15/statement
12	History Statement (beyond previous year)	\$40/hour
13	Duplicate Bills * (if processed by system)	No charge
14	Duplicate Bills * (if manually processed)	\$15/statement
	Dispute Meter Test Charges	
15	Meter Test - Residential Meter	\$50 flat fee for removal and test
16	Meter Test - Commercial/Industrial Meter	Hourly charge based on actual costs
	Direct Purchase Administration Charges	
17	Monthly fee per bundled t-service contract or unbundled U2 contract	\$75.00
18	Monthly per customer fee	\$0.19
19	Invoice Vendor Adjustment (IVA) fee (for each successfully submitted IVA transaction)	\$1.09

Notes:

- \* Duplicate bill charges only apply when customer wants two copies of a bill. Lost bills from the last billing period will be replaced free of charge.

## APPENDIX F

**Board Directives**

1. File an expert, independent review of Union's gas supply plan, gas supply planning process and gas supply planning methodology prior to Union's next rates proceeding.
2. File sufficient evidence to support the proposed allocation of Union North and Union South Distribution Maintenance - Equipment on Customer Premises costs to rate classes in proportion to the allocation of customer station gross plant, including a definition for this maintenance category and a delineation of what has changed since EB-2005-0520 as part of Union's 2014 rates filing.
3. Undertake a review of the allocation of Kirkwall metering costs as part of Union's updated cost allocation study and file it with Union's 2014 rates filing.
4. File up to date continuity schedules related to Union's non-utility storage business as part of Union's 2014 rates filing.
5. Hire an independent consultant to update the Review of Cost Allocation for Unregulated and Regulated Storage Operations report filed in EB-2011-0038 as part of its 2014 rates filing.
6. Undertake a comprehensive cost allocation study which includes the M1/M2 and R01/R10 breakpoint reduction proposal no later than Union's 2014 rates filing. The study is to include an analysis regarding the allocation of costs for Distribution Maintenance – Meter and Regulator Repairs related to the customers that would be moving rate classes.
7. Prepare and file separate audited financial statements for the portion of the business that is subject to rate regulation no later than June 30<sup>th</sup> each year.
8. File sufficient evidence at the time the balance in the Short-term Storage Deferral account is to be disposed to allow the Board to confirm that Union has appropriately prioritized the sale of its utility storage space and calculated the balance in the account in accordance with the Board's decision.
9. File a report relating to storage encroachment, similar to that ordered by the Board in EB-2011-0038 at the time the Short-term Storage Account is to be disposed.

10. File a calculation for the payment by Union's non-utility business to its utility business for storage encroachment, if any, at the time the Short-term Storage account is to be disposed.
11. File sufficient evidence, at the time the balance in the Short-term Storage Account is to be disposed, to allow the Board to confirm that Union has appropriately prioritized the sale of its utility storage space and calculated the balance in the account in accordance with the EB-2011-0210 Decision.
12. File a proposal to allocate the balance of the new gas supply variance account to in-franchise customers, at the time an application is filed with the Board to clear this account.



**UNION GAS LIMITED**

**Accounting Entries for  
Short-term Storage and Other Balancing Services  
Deferral Account No. 179-70**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit                -        Account No. 571  
   Storage Revenue

Credit                -        Account No. 179-70  
   Other Deferred Charges - Short-term Storage and Other Balancing Services

To record, as a debit (credit) in Deferral Account No. 179-70 the utility portion of actual net revenues for Short-term Storage and Other Balancing Services, less the 10% shareholder incentive to provide these services and less the net revenue forecast for these services as approved by the Board for ratemaking purposes. The utility portion of actual net revenues for Short-term Storage and Other Balancing Services is determined by allocating total margins received from the sale of these services based on the utility share of the total quantity of the services sold each calendar year. The utility share reflects the transactions supported by utility storage space (up to the 100 PJ cap – both planned and excess over planned).

Debit                -        Account No. 571  
   Storage Revenue

Credit                -        Account No. 179-70  
   Other Deferred Charges – Short-term Storage and Other Balancing Services

To record, as a credit in Deferral Account No. 179-70 payments by Union Gas Limited's non-utility business to its utility business for storage encroachment.

Debit                -        Account No. 179-70  
   Other Deferred Charges - Short-term Storage and Other Balancing Services

Credit                -        Account No. 323  
   Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-70, interest on the balance in Deferral Account No. 179-70. Simple interest will be computed monthly upon finalization of the year end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Lost Revenue Adjustment Mechanism  
Deferral Account No. 179-75**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-75 Other Deferred Charges - Lost Revenue Adjustment Mechanism
Credit	-	Account No. 529 Other Sales

To record, as a debit (credit) in Deferral Account No. 179-75, the difference between actual margin reductions related to Union's DSM plans and the margin reduction included in gas delivery rates as approved by the Board.

Debit	-	Income Account No. 179-75 Other Deferred Charges - Lost Revenue Adjustment Mechanism
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-75, interest expense on the balance in Deferral Account No. 179-75. Simple interest will be computed monthly upon finalization of the year end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Transportation Tolls and Fuel – Northern and Eastern Operations Area  
Deferral Account No. 179-100**

This account is applicable to the Northern and Eastern Operations of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-100 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern Operations Area
Credit	-	Account No. 663 Transportation of Gas by Others

To record, as a debit (credit) in Deferral Account No. 179-100, the difference in the costs between the actual per unit transportation and associated fuel costs and the forecast per unit transportation and associated fuel costs included in the rates as approved by the Board.

Debit	-	Account No. 179-100 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern Operations Area
Credit	-	Account No. 663 Transportation of Gas by Others

To record, as a debit (credit) in Deferral Account No. 179-100 charges that result from the Limited Balancing Agreement.

Debit	-	Account No. 500 Sales Revenue
Credit	-	Account No. 179-100 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern Operations Area

To record, as a credit (debit) in Deferral Account No. 179-100 revenue from T-Service customers for load balancing service resulting from the Limited Balancing Agreement.

Debit	-	Account No. 179-100 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern Operations Area
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-100 interest expense on the balance in Deferral Account No. 179-100. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Unbundled Services Unauthorized Storage Overrun  
Deferral Account No. 179-103**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

Debit	-	Account No.571 Storage Revenue
Credit	-	Account No. 179-103 Other Deferred Charges – Unbundled Services Unauthorized Storage Overrun

To record as a credit (debit) in Deferral Account No. 179-103 any unauthorized storage overrun charges incurred by customers electing unbundled service.

Debit	-	Account No. 179-103 Other Deferred Charges – Unbundled Services Unauthorized Storage Overrun
Credit	-	Account No. 323 Other Interest Expense

To record as a debit (credit) in Deferral Account No. 179-103, interest on the balance in Deferral Account No. 179-103. Simple interest will be computed on the monthly opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
North Purchase Gas Variance Account  
Deferral Account No. 179-105**

This account is applicable to the Northern and Eastern Operations area of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-105 Other Deferred Charges – North Purchase Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-105, the difference between the unit cost of gas purchased each month for the Northern and Eastern Operations area and the unit cost of gas included in the gas sales rates as approved by the Board, including the difference between the actual heat content of the gas purchased and the forecast heat content included in gas sales rates.

Debit	-	Account No. 179-105 Other Deferred Charges - North Purchase Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-105, interest expense on the balance in Deferral Account No. 179-105. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
South Purchase Gas Variance Account  
Deferral Account No. 179-106**

This account is applicable to the Southern Operations area of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-106 Other Deferred Charges – South Purchase Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-106, the difference between the unit cost of gas purchased each month for the Southern Operations and the unit cost of gas included in the gas sales rates as approved by the Board, including the difference between the actual heat content of the gas purchased and the forecast heat content included in gas sales rates.

Debit	-	Account No. 179-106 Other Deferred Charges - South Purchase Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-106, interest expense on the balance in Deferral Account No. 179-106. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Spot Gas Variance Account  
Deferral Account No. 179-107**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-107 Other Deferred Charges –Spot Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-107, the difference between the unit cost of spot gas purchased each month and the unit cost of gas included in the gas sales rates as approved by the Board on the spot volumes purchased in excess of planned purchases.

Debit	-	Account No. 623 Cost of Gas
Credit	-	Account No. 179-107 Other Deferred Charges –Spot Gas Variance Account

To record, as a credit (debit) in Deferral Account No. 179-107, the approved gas supply charges recovered through the delivery component of rates.

Debit	-	Account No. 179-107 Other Deferred Charges – Spot Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-107, interest expense on the balance in Deferral Account No. 179-107. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Unabsorbed Demand Cost (UDC) Variance Account  
Deferral Account No. 179-108**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-108 Other Deferred Charges – Unabsorbed Demand Cost Variance Account
Credit	-	Account No. 663 Transportation of Gas by Others

To record, as a debit (credit) in Deferral Account No. 179-108, the difference between the actual unabsorbed demand costs incurred by Union and the amount of unabsorbed demand charges included in rates as approved by the Board.

Debit	-	Account No. 663 Transportation of Gas by Others
Credit	-	Account No. 179-108 Other Deferred Charges – Unabsorbed Demand Cost Variance Account

To record, as a credit (debit) in Deferral Account No. 179-108, the benefit from the temporary assignment of unutilized capacity under Union's transportation contracts to the Northern and Eastern Operations Area. The benefit will be equal to the recovery of pipeline demand charges and other charges resulting from the temporary assignment of unutilized capacity that have been included in gas sales rates.

Debit	-	Account No. 179-108 Other Deferred Charges – Unabsorbed Demand Cost Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-108, interest expense on the balance in Deferral Account No. 179-108. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Inventory Revaluation Account  
Deferral Account No. 179-109**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-109 Other Deferred Charges – Inventory Revaluation
Credit	-	Account No. 152 Gas in Storage - Available for Sale

To record, as a debit (credit) in Deferral Account No. 179-109, the decrease (increase) in the value of gas inventory available for sale to sales service customers due to changes in Union's weighted average cost of gas approved by the Board for rate making purposes.

Debit	-	Account No. 179-109 Other Deferred Charges – Inventory Revaluation Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-109, interest expense on the balance in Deferral Account No. 179-109. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Demand Side Management Variance Account  
Deferral Account No. 179-111**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-111 Demand Side Management Variance Account
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Credit	-	Account No. 728 General Expense
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To record as a debit (credit) in Deferral Account No. 179-111, the difference between actual and the approved direct DSM expenditure budget currently approved for recovery in rates, provided that any excess over the approved direct DSM expenditure budget does not exceed 15% of the direct DSM expenditure budget. Any excess over the approved direct DSM expenditure budget for the year must be for incremental DSM volume savings that are cost effective as determined by the Total Resource Cost Test.

Debit	-	Account No.179-111 Other Deferred Charges – Demand Side Management Variance Account
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Credit	-	Account No. 323 Other Interest Expense
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To record, as a debit (credit) in Deferral Account No. 179-111, interest expense on the balance in Deferral Account No. 179-111. Simple interest will be computed monthly upon finalization of the year end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Gas Distribution Access Rule (GDAR) Costs  
Deferral Account No. 179-112**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-112 Other Deferred Charges - Deferred Gas Distribution Access Rule (GDAR) Costs
Credit	-	Account No. 728 General Expense

To record, as a debit (credit) in Deferral Account No. 179-112 the difference between the actual costs required to implement the appropriate process and system changes to achieve compliance with GDAR and the costs included in rates as approved by the Board.

Debit	-	Account No. 179-112 Other Deferred Charges - Deferred Gas Distribution Access Rule (GDAR) Costs
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-112, interest on the balance in Deferral Account No. 179-112. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Shared Savings Mechanism  
Deferral Account No. 179-115**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179 -115 Shared Savings Mechanism
Credit	-	Account No. 579 Miscellaneous Operating Revenue

To record, as a debit in Deferral Account No. 179-115, the shareholder incentive earned by the Company in relation to its Demand Side Management (DSM) Programs.

Debit	-	Account No.179- 115 Other Deferred Charges – Shared Savings Mechanism
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit in Deferral Account No. 179 -115, interest expense on the balance in Deferral Account No. 179-115. Simple interest will be computed monthly upon finalization of the year end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Carbon Dioxide Offset Credits  
Deferral Account No. 179-117**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179 -117 Carbon Dioxide Offset Credits
Credit	-	Account No. 579 Miscellaneous Operating Revenue

To record, as a debit in Deferral Account No. 179-117, the amounts representing proceeds from the sale of or other dealings in carbon dioxide offset credits earned as a result of Union's DSM activity.

Debit	-	Account No.179 -117 Other Deferred Charges – Carbon Dioxide Offset Credits
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit in Deferral Account No. 179 -117, interest expense on the balance in Deferral Account No. 179-117. Simple interest will be computed monthly upon finalization of the year end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Average Use Per Customer  
Deferral Account No. 179-118**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 500 Sales Revenue
Credit	-	Account No. 179-118 Other Deferred Charges - Average Use Per Customer

To record as a debit (credit) in Deferral Account No. 179-118 the margin variance resulting from the difference between the actual rate of decline in use-per-customer and forecast rate of decline in use-per-customer included in gas delivery rates as approved by the Board in 2013. Actual and forecast rate of declines in use-per-customer will be calculated on a percentage and rate class specific basis for rate classes M1, M2, 01 and 10, be normalized for weather and exclude the impacts attributed to DSM which are captured in the Lost Revenue Adjustment Mechanism Deferral Account No. 179-75.

Debit	-	Account No. 179-118 Other Deferred Charges - Average Use Per Customer
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-118, interest on the balance in Deferral Account No. 179-118. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
CGAAP to IFRS Conversion Costs  
Deferral Account No. 179-120**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-120 Other Deferred Charges - CGAAP to IFRS Conversion Costs
Credit	-	Account No. 728 General Expense

To record, as a debit (credit) in Deferral Account No. 179-120 the difference between the actual incremental one-time administrative costs incurred to convert accounting policies and processes from their current compliance with Canadian Generally Accepted Accounting Principles (CGAAP) to their future compliance with International Financial Reporting Standards (IFRS) and the costs included in rates as approved by the Board.

Debit	-	Account No. 179-120 Other Deferred Charges - CGAAP to IFRS Conversion Costs
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-120, interest on the balance in Deferral Account No. 179-120. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Conservation Demand Management  
Deferral Account No. 179-123**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit                -            Account No. 312  
                                        Non-Gas Operating Revenue

Credit               -            Account No.179-123  
                                        Other Deferred Charges – Conservation Demand Management

To record, as a credit in Deferral Account No. 179-123, 50% of the actual revenues generated from the Conservation Demand Management (CDM) program that will be paid to customers upon approval by the Board for rate making purposes.

Debit                -            Account No.179-123  
                                        Other Deferred Charges – Conservation Demand Management

Credit               -            Account No. 323  
                                        Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-123, interest expense on the balance in Deferral Account No. 179-123. Simple interest will be computed monthly on the opening balance in the said account at the short term debt rate as approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Demand Side Management Incentive  
Deferral Account No. 179-126**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-126 Other Deferred Charges – Demand Side Management Incentive
Credit	-	Account No. 319 Other Income

To record, as a debit in Deferral Account No. 179-126, the shareholder incentive earned by the Company in relation to its Demand Side Management (DSM) Programs.

Debit	-	Account No. 179-126 Other Deferred Charges – Demand Side Management Incentive
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-126, interest on the balance in Deferral Account No. 179-126. Simple interest will be computed monthly on the opening balance in the said account at the short term debt rate as approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Pension Charge on Transition to US GAAP  
Deferral Account No. 179-127**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-127 Other Deferred Charges – Pension Charge on Transition to US GAAP
Credit	-	Account No. 212 Retained Earnings

To record, as a debit in Deferral Account No. 179-127, the amount recognized in retained earnings associated with transitioning accounting standards and reporting to US Generally Accepted Accounting Principles (GAAP) for previously unrecorded pension expenses.

**UNION GAS LIMITED**

**Accounting Entries for  
Gas Supply Plan Review – Consultant Cost  
Deferral Account No. 179-128**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-128 Other Deferred Charges – Gas Supply Plan Review – Consultant Cost
Credit	-	Account No. 728 General Expense

To record as a debit in Deferral Account No. 179-128 the costs of hiring a consultant to undertake a review of the gas supply plan, gas supply planning process and gas supply planning methodology as directed by the Board in EB-2011-0210.

Debit	-	Account No. 179-128 Other Deferred Charges – Gas Supply Plan Review – Consultant Cost
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit in Deferral Account No. 179-128, interest on the balance in Deferral Account No. 179-128. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Preparation of Audited Utility Financial Statements  
Deferral Account No. 179-129**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-129 Other Deferred Charges – Preparation of Audited Utility Financial Statements
Credit	-	Account No. 728 General Expense

To record as a debit in Deferral Account No. 179-129 the costs of the annual preparation of audited utility financial statements as directed by the Board in EB-2011-0210.

Debit	-	Account No. 179-129 Other Deferred Charges – Preparation of Audited Utility Financial Statements
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit in Deferral Account No. 179-129, interest on the balance in Deferral Account No. 179-129. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Upstream Transportation Optimization  
Deferral Account No. 179-131**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-131 Other Deferred Charges – Upstream Transportation Optimization
Credit	-	Account No. 626 Exchange Gas

To record as a debit in Deferral Account No. 179-131 a receivable from customers and a reduction in cost of gas for the unit rate of optimization revenues refunded to in-franchise customers multiplied by the actual distribution transportation volumes.

Debit	-	Account No. 579 Miscellaneous Operating Revenue
Credit	-	Account No. 179-131 Other Deferred Charges – Upstream Transportation Optimization

To record as a credit in Deferral Account No. 179-131 a payable to customers and a reduction in transportation revenue equal to the ratepayer portion (90%) of the actual net revenue from gas supply optimization activities.

Debit	-	Account No. 323 Other Interest Expense
Credit	-	Account No. 179-131 Other Deferred Charges – Upstream Transportation Optimization

To record, as a debit (credit) in Deferral Account No. 179-131, interest on the balance in Deferral Account No. 179-131. Simple interest will be computed monthly upon finalization of the year- end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.



UNION GAS LIMITED  
Union In-Franchise General Service  
Summary of 2013 Retroactive Rate Adjustments by Rate Class

Line No.	Rate Class	Total Amount for Recovery/(Refund) Jan. 01 - Jan. 31, 2013 (\$000's) (a)	Billing Units for Disposition (1) (10 <sup>3</sup> m <sup>3</sup> ) (b)	Unit Price Adjustment for Prospective Recovery (cents/m <sup>3</sup> ) (c) = (a/b) x 100
<u>Northern and Eastern Operations Area</u>				
	Rate 01			
1	Delivery	3,638	715,042	0.5088
2	Gas Transportation	(435)	715,042	(0.0608)
3	Storage	1,508	715,042	0.2109
4	Gas Supply Commodity	(148)	518,344	(0.0286)
5	Total Rate 01	<u>4,563</u>		
	Rate 10			
6	Delivery	714	272,136	0.2623
7	Gas Transportation	(214)	272,136	(0.0786)
8	Storage	327	272,136	0.1201
9	Gas Supply Commodity	(29)	130,939	(0.0225)
10	Total Rate 10	<u>797</u>		
<u>Southern Operations Area</u>				
	Rate M1			
11	Delivery	1,037	2,415,555	0.0429
12	Gas Transportation	(1,116)	1,866,122	(0.0598)
13	Storage	(1,240)	2,415,555	(0.0513)
14	Gas Supply Commodity	(476)	1,866,122	(0.0255)
15	Total Rate M1 (2)	<u>(1,795)</u>		
	Rate M2			
16	Delivery	665	804,982	0.0826
17	Gas Transportation	(188)	315,029	(0.0598)
18	Storage	65	804,982	0.0080
19	Gas Supply Commodity	(80)	315,029	(0.0255)
20	Total Rate M2 (2)	<u>460</u>		
21	Total In-franchise General Service	<u>4,026</u>		

Notes:

- (1) EB-2011-0210 Forecast volumes for the prospective period from February 01, 2013 to December 31, 2013.
- (2) Rate M1/M2 Supplemental Meter Service: the additional meter charge of \$15/month billed in January 2013 will be refunded to those specific accounts with February bills.



**EB-2011-0210**  
**Rate Order for 2013 Rates**  
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UNION GAS LIMITED  
Comparison of Revenue Deficiency/(Sufficiency)  
Calendar Year Ending December 31, 2013

Line No.	Particulars (\$000s)	As Filed (a)	ADR Adjustments (b)	As Per Settlement Agreement (c)	Adjustments (d)	As Per Board Decision (e)	Board Approved <sup>(1)</sup> (f)
1	Operating revenue	1,598,544	(61,819)	1,536,725	78,747	1,615,472	1,636,340
2	Cost of service	<u>1,359,308</u>	<u>(70,973)</u>	<u>1,288,335</u>	<u>63,127</u>	<u>1,351,462</u>	<u>1,362,212</u>
3	Utility income	239,236	9,154	248,390	15,620	264,010	274,128
4	Requested Return	<u>291,851</u>	<u>(1,883)</u>	<u>289,969</u>	<u>(18,212)</u>	<u>271,756</u>	<u>272,639</u>
5	Revenue deficiency/(sufficiency) after tax	52,615	(11,037)	41,578	(33,832)	7,746	(1,489)
6	Provision for income taxes on deficiency/(sufficiency)	<u>18,009</u>	<u>(3,778)</u>	<u>14,231</u>	<u>(11,580)</u>	<u>2,651</u>	<u>(509)</u>
7	Total revenue deficiency/(sufficiency)	70,625	(14,815)	55,810	(45,412)	10,397	(1,998)
8	Remove net short-term storage revenue	7,535	169	7,704	(1,099)	6,605	5,056
9	Short-term storage premium subsidy	(6,782)	(152)	(6,934)	989	(5,945)	(4,550)
10	Shareholder portion of optimization activity	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,492</u>	<u>1,492</u>	<u>1,492</u>
11	Adjusted revenue deficiency/(sufficiency)	<u>71,378</u>	<u>(14,798)</u>	<u>56,580</u>	<u>(44,030)</u>	<u>12,550</u>	<u>-</u>
12	Phase II adjustments	<u>(60)</u>		<u>(2,057)</u>		<u>(155)</u>	
13		<u>71,318</u>		<u>54,523</u>		<u>12,395</u>	
14	Deficiency to be collected from non-utility					<u>(356)</u>	
15	Ratepayer deficiency					<u>12,039</u>	

Notes

(1) Reflects 2013 rates and January 2013 QRAM.

UNION GAS LIMITED  
Adjustments - Schedule 1, Page 1, col (d)  
Calendar Year Ending December 31, 2013

Line No.	Particulars \$000s (increase / (reduction) to deficiency)	Operating Revenue	Cost of Service	Requested Return <sup>(1)</sup>		Provision for Income Tax on Deficiency/ (Sufficiency)	Shareholder Portion	Total
		(Line 1)	(Line 2)	Debt	Equity	(Line 6)	(Lines 8 to 10)	(g)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
						(d) / 74.5% x 25.5%		sum of (a) to (f)
1	Settlement Agreement - Phase II adjustments <sup>S</sup> (see schedule 2 Note (1))	(63,922)	62,119					(1,803)
2	ROE update to 8.93% <sup>(2)</sup>				(9,656)	(3,305)		(12,961)
3	Return impact on St Clair Line depreciation while removed from rate base			(9)	(33)	(11)		(53)
4	DSM update for lower inflation		(201)					(201)
5	Weather Methodology	(5,774)						(5,774)
6	less storage available for short-term storage revenue	1,105						1,105
7	Update to net short-term storage revenue net of fuel						(1,099)	(1,099)
8	Update to short-term storage premium subsidy - 90%						989	989
9	Customer attachments - Red Lake - 800 customers	(284)						(284)
10	Contract Customer Demand Forecast	(2,740)						(2,740)
11	Gas Supply revenue update for weather and customer changes	(17,692)						(17,692)
12	Cost of gas update for weather, customer and July 2012 QRAM		11,021					11,021
13	Optimization - FT-RAM	9,118	(14,918)					(5,800)
14	Optimization - shareholder portion of base exchanges and FT-RAM	(1,492)	1,492				1,492	1,492
15	36% equity level offset by changes in debt <sup>(3)</sup>			4,756	(13,266)	(4,541)		(13,051)
16	Utility / Non-Utility Storage Cost Allocation		(108)	(1)	(3)	(1)		(113)
17	Other Rate Design - Distributor Consolidated Billing	2,934						2,934
18	Subtotal	(78,747)	59,405	4,746	(22,958)	(7,858)	1,382	(44,030)
19	Income tax impact on cost of service and provision for income tax <sup>(4)</sup>		3,722			(3,722)		
20		(78,747)	63,127	4,746	(22,958)	(11,580)	1,382	(44,030)

Notes

- (1) Return component is made up of changes to debt and equity. The net amount is as follows:
- |        |                 |
|--------|-----------------|
| Debt   | 4,746           |
| Equity | (22,958)        |
|        | <u>(18,212)</u> |
- (2) Impact due to the change in return on equity is calculated by multiplying the rate base per the settlement agreement by the proposed 40% equity component and the change in the return on equity.
- |                                    |                |
|------------------------------------|----------------|
| Rate base per settlement agreement | 3,713,887      |
| Proposed equity component          | 40.00%         |
| Change in ROE from 9.58% to 8.93%  | <u>-0.65%</u>  |
|                                    | <u>(9,656)</u> |
- (3) Impact due to the reduction in the equity thickness from 40% to 36% has two components, one for the equity change and the other for the resulting increase in the debt requirement.
- Equity - the change to the common equity component is calculated by multiplying the rate base per the settlement agreement by the change in the equity thickness and the final ROE of 8.93%.
- |                                    |                 |
|------------------------------------|-----------------|
| Rate base per settlement agreement | 3,713,887       |
| Change in equity component         | -4.00%          |
| Approved ROE                       | <u>8.93%</u>    |
|                                    | <u>(13,266)</u> |
- Debt - the change to the long-term debt and unfunded short-term debt components are calculated by multiplying the debt amounts by the cost rates as determined on page 50 of the EB-2011-0210 decision less the previous component amounts from the Settlement Agreement.
- |   | Long-term debt | Unfunded short-term debt | Preference shares | Total          |
|---|----------------|--------------------------|-------------------|----------------|
| Amounts per Exhibit J5.4, page 2, lines 7 through 12                    | 2,289,139      | (14,499)                 | 102,248           |                |
| Cost per Appendix B, Schedule 3 of the Settlement Agreement             | <u>6.53%</u>   | <u>1.31%</u>             | <u>3.05%</u>      |                |
|   | 149,481        | (190)                    | 3,117             | 152,408        |
| Return component per Appendix B, Schedule 3 of the Settlement Agreement | <u>145,957</u> | <u>(1,422)</u>           | <u>3,117</u>      | <u>147,652</u> |
|   | 3,524          | 1,232                    | -                 | 4,756          |
- (4) The income tax calculation can be found in Schedule 4 in column (d) line 12 and is summarized below. This amount is reversed when the deficiency/sufficiency amount is grossed up in Schedule 1, line 6. The net effect is to show that any revenue or cost adjustment directly affects the overall pre-tax deficiency or sufficiency.
- |  |                |
|--|----------------|
| Operating revenue - column (a) Line 18       | (78,747)       |
| Cost of service - column (b) Line 18         | 59,405         |
| Requested return - Debt - column (c) Line 18 | <u>4,746</u>   |
|  | (14,596)       |
|  | <u>25.50%</u>  |
|  | <u>(3,722)</u> |

UNION GAS LIMITED  
Reconciliation - Schedule 1, Page 1, column (e) to (f)  
Calendar Year Ending December 31, 2013

Line No.	Particulars \$000s	Operating Revenue	Cost of Service	Requested Return		Provision for Income Tax on Deficiency/ (Sufficiency)	Shareholder Portion	Adjusted revenue deficiency/ (sufficiency)
		(Line 1)	(Line 2)	Debt	Equity	(Line 6)	(Lines 8 to 10)	(Line 11)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
						(d) / 74.5% x 25.5%		sum of (b) to (f) - (a)
1	Schedule 1, column (e)	1,615,472	1,351,462	149,281	122,475	2,651	2,153	12,550
2	Deficiency recovery, Schedule 10, line 5 + line 7 + line 8	60,434						(60,434)
3	Deficiency recovery, Schedule 10, line 6	41	4,022					3,981
4	Gas supply-related sufficiency, Schedule 10, line 10	(44,414)						44,414
5	January 2013 QRAM cost of gas adjustment, Schedule 10, line 12	3,530	2,407	183	700	240		-
6	January 2013 QRAM cost of gas and revenue update	921	921					-
7	Deficiency recovery from unregulated business <sup>(1)</sup>	356						(356)
8	Update to Non-Utility Cross Charge, Schedule 7, line 6						(155)	(155)
9	Subtotal (sum of lines 2 to 8)	<u>20,868</u>	<u>7,350</u>	<u>183</u>	<u>700</u>	<u>240</u>	<u>(155)</u>	<u>(12,550)</u>
10	Income tax [line 8 column (a) - (b) - (c)] * 25.5%		<u>3,400</u>			<u>(3,400)</u>		-
11	Schedule 1, column (f) (line 1 + line 8 + line 9)	<u>1,636,340</u>	<u>1,362,212</u>	<u>149,464</u>	<u>123,175</u>	<u>(509)</u>	<u>1,998</u>	<u>-</u>

Notes

- (1) Increase transportation revenue to reflect the charge to the unregulated business

Heritage Pool M16 Transmission Charge, Schedule 7, line 7

56

Non-utility LT System Integrity, Schedule 7, line 8

300

356

**UNION GAS LIMITED**  
Statement of Utility Income  
Calendar Year Ending December 31, 2013

Line No.	Particulars (\$000s)	As Filed (a)	ADR Adjustments (b)	As per Settlement Agreement (c)	Adjustments (d)	As per Board Decision (e)	Board Approved <sup>(7)</sup> (f)
	Operating revenues:						
1	Gas sales	1,401,869	(61,819)	1,340,050	88,309 <sup>(1)(2)</sup>	1,428,359	1,448,762
2	Transportation	162,055		162,055	(5,523) <sup>(1)(4)</sup>	156,532	156,997
3	Storage	11,488		11,488	(1,105) <sup>(2)</sup>	10,383	10,383
4	Other	23,132		23,132	(2,934) <sup>(5)</sup>	20,198	20,198
5		<u>1,598,544</u>	<u>(61,819)</u>	<u>1,536,725</u>	<u>78,747</u>	<u>1,615,472</u>	<u>1,636,340</u>
	Operating expenses:						
6	Cost of gas	697,838	(63,132)	634,706	59,714 <sup>(1)(3)(4)</sup>	694,420	701,427
7	Operating and maintenance expenses	393,228	(10,134)	383,094	(305) <sup>(6)</sup>	382,789	383,132
8	Depreciation	196,467	(372)	196,095	(4) <sup>(6)</sup>	196,091	196,091
9	Other financing	1,179		1,179		1,179	1,179
10	Property taxes	64,022	(750)	63,272		63,272	63,272
11		<u>1,352,734</u>	<u>(74,388)</u>	<u>1,278,346</u>	<u>59,405</u>	<u>1,337,751</u>	<u>1,345,101</u>
12	Earnings before interest & taxes	245,810	12,569	258,379	19,342	277,721	291,239
13	Income taxes	<u>6,574</u>	<u>3,415</u>	<u>9,989</u>	<u>3,722</u>	<u>13,711</u>	<u>17,111</u>
14	Total utility income	<u>239,236</u>	<u>9,154</u>	<u>248,390</u>	<u>15,620</u>	<u>264,010</u>	<u>274,128</u>

Notes:

(1)	Settlement Agreement - Phase II adjustments	Gas sales	Transportation	Cost of gas	Storage
	Commodity left at January 1, 2011 QRAM - \$5.37/GJ	61,819		61,819	
	C1 Union Supplied fuel revenue adjustment		103		
	ADR adjustment 2.4 - St Clair Line revenue		2,000		
	Compressor fuel			300	
	Net = 61,819 + 2,103 - 62,119 = 1,803 deficiency reduction	<u>61,819</u>	<u>2,103</u>	<u>62,119</u>	
(2)	Increases to revenue				
	Weather - 50/50 methodology and adjusted for 2011 data	5,774			(1,105)
	Add 800 customers from Red Lake	284			
	Gas supply revenue impacts of above changes	17,692			
	Commodity revenue including fuel	1,140			
	Overrun	<u>1,600</u>			
		<u>26,490</u>			<u>(1,105)</u>
(3)	Update cost of gas for July 2012 QRAM and weather/customer updates			<u>11,021</u>	
(4)	Reclassify optimization revenue to cost of gas		(9,118)	(9,118)	
	FT-RAM impact to gas sales revenue and cost of gas			(5,800)	
	Reflect 10% shareholder portion		<u>1,492</u>	<u>1,492</u>	
			<u>(7,626)</u>	<u>(13,426)</u>	
(5)	Distributor Consolidated Billing harmonization with gas supply admin charge				
(6)		O&M	Depreciation		
	Utility / non-utility cost allocation	(104)	(4)		
	DSM decrease due to lower inflation factor	<u>(201)</u>			
		<u>(305)</u>	<u>(4)</u>		
(7)	Reflects 2013 rates and January 2013 QRAM				

UNION GAS LIMITED  
Summary of Cost of Capital  
Calendar Year Ending December 31, 2013

Line No.	Particulars	Utility Capital Structure		Cost Rate %	Requested Return (\$000s)
		(\$000s)	(%)		
		(a)	(b)	(c)	(d)
	<u>As Filed</u>				
1	Long-term debt	2,257,972	60.35	6.50%	146,868
2	Unfunded short-term debt	(115,296)	(3.08)	1.31%	(1,510)
3	Total debt	2,142,676	57.27		145,358
4	Preference shares	102,248	2.73	3.05%	3,117
5	Common equity	1,496,617	40.00	9.58%	143,376
6	Total rate base	3,741,542	100.00		291,851
	<u>Per Settlement Agreement</u>				
7	Long-term debt	2,234,597	60.17	6.53%	145,957
8	Unfunded short-term debt	(108,513)	(2.92)	1.31%	(1,422)
9	Total debt	2,126,084	57.25		144,535
10	Preference shares	102,248	2.75	3.05%	3,117
11	Common equity	1,485,555	40.00	9.58%	142,316
12	Total rate base	3,713,887	100.00		289,969
13	Change	(27,655)			(1,883)
	<u>Per Board Decision</u>				
14	Long-term debt	2,289,139	61.66	6.53%	149,481
15	Unfunded short-term debt	(15,221) <sup>(1)</sup>	(0.41)	1.31%	(199)
16	Total debt	2,273,918	61.25		149,281
17	Preference shares	102,248	2.75	3.05%	3,117
18	Common equity	1,336,593	36.00	8.93% <sup>(2)</sup>	119,358
19	Total rate base	3,712,759	100.00		271,756
20	Change	(1,128) <sup>(1)</sup>			(18,212)
	<u>Board Approved</u>				
21	Long-term debt	2,289,139	61.30	6.53%	149,481
22	Unfunded short-term debt	(1,287) <sup>(3)</sup>	(0.03)	1.31%	(17)
23	Total debt	2,287,852	61.26		149,464
24	Preference shares	102,248	2.74	3.05%	3,117
25	Common equity	1,344,432 <sup>(3)</sup>	36.00	8.93% <sup>(2)</sup>	120,058
26	Total rate base	3,734,532	100.00		272,639
27	Change	21,773 <sup>(3)</sup>			883

Notes

(1) Reduction to rate base reflects non-utility allocation changes and the depreciation during the time the St. Clair Line was removed from rate base. This adjustment reduces the unfunded short-term debt found in J5.4 line 8 as follows:

Utility / non-utility cost allocation	(104)	
St Clair Line rate base reduction	(1,024)	
	(1,128)	
debt component at 64%		(722)
Unfunded short-term debt per J5.4 line 8 column (a)		(14,499)
Adjusted total		(15,221)

(2) ROE is calculated per EB-2009-0084 based on September 2012 data.

(3) Updated for January 2013 QRAM, 36% equity and 64% unfunded short-term debt.

UNION GAS LIMITED  
Calculation of Utility Income Taxes  
Calendar Year Ending December 31, 2013

Line No.	Particulars (\$000s)	As Filed (a)	ADR Adjustments (b)	As Per Settlement Agreement (c)	Adjustments (d)	As Per Board Decision (e)	Board Approved (f)
<u>Determination of Taxable Income</u>							
1	Utility income before interest and income taxes	245,810	12,569	258,379	19,342	277,721	291,239
Adjustments required to arrive at taxable utility income:							
2	Interest expense	(145,358)	823	(144,535)	(4,746)	(149,281)	(149,464)
3	Utility permanent differences	4,693		4,693		4,693	4,693
4		105,145	13,392	118,537	14,596	133,132	146,468
Utility timing differences							
5	Capital Cost Allowance	(185,690)	372	(185,318)	4	(185,314)	(185,314)
6	Depreciation	196,467	(372)	196,095	(4)	196,091	196,091
7	Depreciation through clearing	2,265		2,265		2,265	2,265
8	Other	(32,921)		(32,921)		(32,921)	(32,921)
9	Gas Cost Deferral and Other (current)	-		-		-	-
10		(19,879)	-	(19,879)	-	(19,879)	(19,879)
11	Taxable income	85,266	13,392	98,658	14,596	113,253	126,589
<u>Calculation of Utility Income Taxes</u>							
12	Income taxes (line 11 * line 18)	21,743	3,415	25,158	3,722	28,880	32,280
13	Deferred tax on Gas Cost Deferrals	-		-		-	-
14	Deferred tax drawdown	(15,169)		(15,169)		(15,169)	(15,169)
15	Total taxes	6,574	3,415	9,989	3,722	13,711	17,111
<u>Tax Rates</u>							
16	Federal tax	15.00%					
17	Provincial tax	10.50%					
18	Total tax rate	25.50%					

UNION GAS LIMITED  
Reconciliation of Statement of Utility Income to Cost Study - 2013

Line No.	Particulars (\$000's)	Statement of Utility Income (1) (a)	Adjustments (b)	Cost Study (c)
	Operating Revenues:			
1	Gas Sales	1,428,359	13,426 (2)	1,441,785
2	Transportation	156,532	27,335 (3)	183,867
3	Storage	10,383	-	10,383
4	Other	20,198	-	20,198
5		<u>1,615,472</u>	<u>40,761</u>	<u>1,656,233</u>
	Operating Expenses:			
6	Cost of gas	694,420	13,440 (2)(3)	707,860
7	Operating and maintenance expenses	382,789	27,321 (3)	410,110
8	Depreciation	196,091	-	196,091
9	Other financing	1,179	-	1,179
10	Property taxes	63,272	-	63,272
11		<u>1,337,751</u>	<u>40,761</u>	<u>1,378,512</u>
12	Utility income before income taxes	<u>277,721</u>	<u>-</u>	
13	Income taxes	13,711	17,820 (4)	31,531
14	Deferred income tax	-	(15,169) (4)	(15,169)
15		<u>13,711</u>	<u>2,651</u> (4)	<u>16,362</u>
16	Total utility income	<u>264,010</u>		
17	Requested return			(5) <u>271,756</u>
18	Total revenue requirement			<u>1,666,630</u>
19	Deficiency (line 18 - line 5)			<u>10,398</u>

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 2, column (e).
- (2) Reclassify ratepayer portion of base exchange and optimization revenue EB-2011-0210, Rate Order, Working Papers, Schedule 2, Note 4.
- |   |          |
|---|----------|
| Gas Sales revenue - add ratepayer portion of exchange revenue | 13,426   |
| Cost of gas - add ratepayer portion of exchange revenue       | 13,426   |
| Difference  | <u>-</u> |
- (3) Reclassify customer supplied fuel and compressor fuel.
- |   |           |
|---|-----------|
| Transportation revenue - add customer supplied fuel revenue | 27,335    |
| Operating and maintenance expenses - add compressor fuel    | 27,321    |
| Cost of gas - net difference                                | <u>14</u> |
- (4) Calculate Utility Income Taxes:
- |   |               |
|---|---------------|
| Add Utility Income Taxes  | 28,880        |
| Add Deferred Taxes  | (15,169)      |
| Add income tax on deficiency as per EB-2011-0210, Rate Order, Working Papers, Schedule 1, Page 1, line 6, column (e). | 2,651         |
| Total Income and Deferred Taxes   | <u>16,362</u> |
- (5) Add requested return as per EB-2011-0210, Rate Order, Working Papers, Schedule 1, Page 1, line 4, column (e).

UNION GAS LIMITED  
Revenue Requirement Change by Rate Class

Line No.	Particulars (\$000's) (1)	Revenue Requirement Total (a)	Gen. Service Small Volume M1 (b)	Gen. Service Large Volume M2 (c)	Firm Contract M4 (d)	Interruptible Contract-Firm M5 (e)	Interruptible Contract-Interruptible M5 (f)	Special Large Volume Contract - Firm M7 (g)	Special Large Volume Contract - Interruptible M7 (h)	Large Wholesale Service M9 (i)	Small Wholesale Service M10 (j)	Storage & Transportation Service - Firm T1 (k)	Storage & Transportation Service - Interruptible T1 (l)	Wholesale Storage & Transportation Service T3 (m)
1	Rate Base (2)	(1,127)	(185)	(63)	(31)	(1)	1	(2)	(0)	1	0	(559)	0	7
2	Return on Rate Base (3)	(18,212)	(7,048)	(1,071)	(266)	(4)	(221)	(90)	(2)	(17)	(1)	(971)	(69)	(107)
3	Taxes (3)	(7,858)	(3,047)	(462)	(115)	(2)	(96)	(39)	(1)	(8)	(0)	(407)	(30)	(46)
4	Depreciation Expense (2)	(4)	(0)	(1)	(0)	(0)	0	(0)	0	(0)	(0)	(2)	0	(0)
5	Operating and Maintenance Expenses (4):													
6	Unreg Storage Allocator Update	(104)	(59)	(28)	(4)	0	(1)	(1)	0	(0)	(0)	(38)	0	(8)
7	Demand Side Management	(201)	(65)	(26)	(11)	(1)	(18)	(6)	(0)	0	0	(30)	(1)	0
7	Total Operating and Maintenance Expenses	(305)	(124)	(54)	(15)	(0)	(19)	(8)	(0)	(0)	(0)	(67)	(1)	(8)
8	Cost of Gas (5):													
9	South Supplied Landed Service	5,142	4,359	721	33	0	27	0	0	0	0	0	0	0
10	North Supply Commodity	(31,822)	0	0	0	0	0	0	0	0	0	0	0	0
11	FT Demand, Commodity, Fuel & Diversions	28,703	0	0	0	0	0	0	0	0	0	0	0	0
12	TCPL STS & Third Party Storage	8,997	(2)	(1)	(0)	(0)	(0)	(0)	0	(0)	(0)	(1)	0	(0)
12	Total Cost of Gas	11,021	4,358	720	33	0	27	(0)	0	(0)	0	(1)	0	(0)
13	Total Revenue Requirement (line 2 + line 3 + line 4 + line 7 + line 12)	(15,359)	(5,861)	(868)	(363)	(6)	(308)	(137)	(4)	(25)	(1)	(1,448)	(99)	(162)
14	Allocator Changes (6):													
15	Equipment on Customer Premises	0	323	(92)	(35)	(1)	(39)	(15)	(2)	(3)	(0)	(102)	(24)	(10)
16	North Customer Stations	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Weather 50/50 Volume Increases	0	(186)	425	(44)	(1)	(65)	1	(0)	0	(0)	(18)	(0)	(3)
18	Contract Revenue & Volume Increases	0	(38)	(12)	2	(0)	(7)	(1)	(0)	(1)	(0)	131	(16)	(4)
18	Total Allocator Changes	0	99	321	(77)	(1)	(111)	(15)	(2)	(3)	(1)	11	(41)	(18)
19	Total Revenue Requirement Change (line 13 + line 18)	(15,359)	(5,762)	(547)	(440)	(8)	(419)	(152)	(6)	(29)	(2)	(1,436)	(140)	(179)
20	Other Revenue	(2,934)	(2,227)	(27)	0	0	0	0	0	0	0	0	0	0
21	Total Revenue Requirement Change (line 19 less line 20)	(12,424)	(3,535)	(520)	(440)	(8)	(419)	(152)	(6)	(29)	(2)	(1,436)	(140)	(179)
22	Revenue Requirement in Rates													
23	Delivery	(16,847)	(7,599)	(1,662)	(401)	(7)	(387)	(152)	(6)	(29)	(1)	(1,436)	(140)	(179)
24	Storage and Transmission	32,120	0	0	0	0	0	0	0	0	0	0	0	0
25	Other Cost of Gas	(27,698)	4,064	1,142	(40)	(1)	(33)	0	0	0	(0)	0	0	0
25	Total Revenue Requirement	(12,424)	(3,535)	(520)	(440)	(8)	(419)	(152)	(6)	(29)	(2)	(1,436)	(140)	(179)

Notes:

- (1) A positive value represents an increase to the revenue requirement to the Board Decision Cost Study from the Cost Study filed July 13, 2012.
- (2) Rate base includes a reduction related to the St. Clair Line and the Board decision on unregulated storage allocations.
- (3) Return and taxes includes the Board decision on equity thickness and the rate base changes provided at Note #2.
- (4) O&M includes the Board decision on unregulated storage allocations and an update to the DSM budget inflation factor.
- (5) Cost of Gas includes updates to a WACOG of \$4.823/GJ, upstream transportation tolls and the impact to gas supply volumes related to the Board decision on weather normalization methodology.
- (6) The allocator changes includes the Board decision on cost allocation proposals and the weather normalization methodology and volumes to support revenue changes.

UNION GAS LIMITED  
Revenue Requirement Change by Rate Class

Line No.	Particulars (\$000's) (1)	Excess Utility Storage Space (n)	Firm Transportation Service C1 (o)	Interruptible Trans. Service & Exchanges C1 (p)	Dawn-Trafalgar Transport Service M12 (q)	Local Production Transportation Service M13 (r)	Storage Transportation Service M16 (s)	Small Volume General Firm Service R01 (t)	Large Volume General Firm Service R10 (u)	Medium Volume Firm Service R20 (v)	Large Volume High Load Factor Firm Service R100 (w)	Large Volume Interruptible Service R25 (x)
1	Rate Base (2)	(6)	(194)	(3)	(46)	1	(40)	(6)	(2)	(0)	0	0
2	Return on Rate Base (3)	(111)	(42)	(7)	(3,743)	(2)	(8)	(3,213)	(454)	(367)	(278)	(121)
3	Taxes (3)	(48)	(11)	(3)	(1,621)	(1)	(2)	(1,391)	(196)	(159)	(120)	(52)
4	Depreciation Expense (2)	(0)	(0)	(1)	0	(0)	(0)	1	0	0	0	0
5	Operating and Maintenance Expenses (4): Unreg Storage Allocator Update	(32)	(0)	13	82	(0)	(0)	(20)	(7)	(1)	1	0
6	Demand Side Management	0	0	0	1	0	0	(21)	(7)	(5)	(11)	0
7	Total Operating and Maintenance Expenses	(32)	(0)	13	83	(0)	(0)	(41)	(15)	(6)	(11)	1
8	Cost of Gas (5): South Supplied Landed Service	0	0	0	0	0	0	0	0	0	0	0
9	North Supply Commodity	0	0	0	0	0	0	(23,862)	(5,794)	(519)	0	(1,647)
10	FT Demand, Commodity, Fuel & Diversions	0	0	0	0	0	0	18,813	6,714	2,444	0	732
11	TCPL STS & Third Party Storage	(1)	0	0	0	0	0	6,718	1,781	470	33	0
12	Total Cost of Gas	(1)	0	0	0	0	0	1,668	2,701	2,396	33	(915)
13	Total Revenue Requirement (line 2 + line 3 + line 4 + line 7 + line 12)	(192)	(54)	3	(5,280)	(4)	(10)	(2,976)	2,036	1,864	(376)	(1,087)
14	Allocator Changes (6): Equipment on Customer Premises	0	0	0	0	0	0	1,491	(286)	(531)	(152)	(522)
15	North Customer Stations	0	0	0	0	0	0	0	1,462	(386)	(109)	(967)
16	Weather 50/50 Volume Increases	(249)	(2)	(7)	(29)	(0)	(1)	1,347	(46)	(183)	(87)	(852)
17	Contract Revenue & Volume Increases	(0)	(2)	(10)	(40)	(0)	(1)	(14)	(143)	(71)	(60)	288
18	Total Allocator Changes	(249)	(4)	(17)	(69)	(1)	(1)	2,824	987	(1,170)	(408)	(2,054)
19	Total Revenue Requirement Change (line 13 + line 18)	(441)	(58)	(15)	(5,349)	(4)	(12)	(152)	3,024	694	(784)	(3,141)
20	Other Revenue	0	0	0	0	0	0	(673)	(7)	0	0	0
21	Total Revenue Requirement Change (line 19 less line 20)	(441)	(58)	(15)	(5,349)	(4)	(12)	521	3,031	694	(784)	(3,141)
22	Revenue Requirement in Rates Delivery	0	0	0	0	0	0	(1,708)	582	(1,523)	(816)	(1,383)
23	Storage and Transmission	(441)	(58)	(15)	(5,349)	(4)	(12)	26,951	8,485	2,796	31	9
24	Other Cost of Gas	0	0	0	0	0	0	(24,722)	(6,037)	(579)	-	(1,767)
25	Total Revenue Requirement	(441)	(58)	(15)	(5,349)	(4)	(12)	521	3,031	694	(784)	(3,141)

Notes:

- (1) A positive value represents an increase to the revenue requirement to the Board Decision Cost Study from the Cost Study filed July 13, 2012.
- (2) Rate base includes a reduction related to the St. Clair Line and the Board decision on unregulated storage allocations.
- (3) Return and taxes includes the Board decision on equity thickness and the rate base changes provided at Note #2.
- (4) O&M includes the Board decision on unregulated storage allocations and an update to the DSM budget inflation factor.
- (5) Cost of Gas includes updates to a WACOG of \$4.823/GJ, upstream transportation tolls and the impact to gas supply volumes related to the Board decision on weather normalization methodology.
- (6) The allocator changes includes the Board decision on cost allocation proposals and the weather normalization methodology and volumes to support revenue changes.

Restatement of Union's 2013 Revenue Deficiency/(Sufficiency)

<u>Line No.</u>	<u>Particulars</u>	<u>(\$ millions)</u>
	<u>Phase I Revenue Deficiency</u>	
1	Total Deficiency	10.398
2	Shareholder Portion of Storage Margin	0.661
3	Shareholder Portion of Optimization Margin	1.492
4	Adjusted Deficiency (1)	<u>12.550</u>
	<u>Phase II Revenue Deficiency</u>	
5	Deficiency Per Phase I	<u>12.550</u>
6	Update to Non-Utility Cross Charge (2)	(0.155)
7	Heritage Pool M16 Transmission Charge (3)	(0.056)
8	Non-Utility LT System Integrity (4)	(0.300)
9	Subtotal (line 5 + 6 + 7 + 8)	<u>12.039</u>
10	January 2013 QRAM Cost of Gas Adjustment (5)	3.530
11	Updated Deficiency (line 9 + 10)	<u>15.569</u>

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 1, Page 1, Line 11, column (e).
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 9, Line 8, column (c).
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 39, Line 4.
- (4) EB-2011-0210, Rate Order, Working Papers, Schedule 40, Line 15, column (c).
- (5) EB-2011-0210, Rate Order, Working Papers, Schedule 24, Page 1, Line 30, column (g).

Phase II - Calculation of Excess Utility  
Storage Space - Non-Utility Cross Charge

Line No.	Particulars	(\$ millions)
1	Return	1.571
2	Income and Property Taxes	0.310
3	Accumulated Deferred Taxes	(0.172)
4	Depreciation Expense	0.881
5	O&M	3.036
6	Total	<u>5.626</u>
	<u>Less: Cost of Gas</u>	
7	UFG	(0.316)
8	Compressor Fuel	(1.201)
9	Total	<u>(1.517)</u>
10	Subtotal (line 6 + line 9)	<u>4.109</u>
11	<u>Less: Non-utility System Integrity Costs</u> (per Decision)	<u>(0.300)</u>
12	Non-Utility Cross Charge (line 10 + line 11)	<u><u>3.810</u></u>

Short-term Storage Margin Sharing - Update to Excess Utility Storage Cross Charge

Line No.	Particulars (\$000's)	Phase I (a)	Phase II (b)	Difference (c) = (b-a)
1	Short-term Storage Revenue	10,383	10,383	-
	<u>Allocated Costs</u>			
2	Cost of Gas	1,517	1,517	-
3	Excess Utility Storage Cross Charge	2,261	3,810	1,549
4	Total Allocated Costs (line 2 + line 3)	3,778	5,327	1,549
5	Total Margin (line 1 - line 4)	6,605	5,056	(1,549)
6	Margin in In-franchise Rates	90%	90%	
7	(line 5 * line 6)	5,945	4,551	(1,394)
8	Shareholder Margin Deficiency (line 5 - line 7)	661	506	(155)

UNION GAS LIMITED  
Recovery of Union's 2013 Revenue Deficiency/(Sufficiency)

Line No.	Particulars	(\$000's)
1	Union North Delivery Deficiency	31,099 (1)
2	Union South Delivery & Storage Deficiency	8,783 (2)
3	Union North Transportation & Storage Deficiency	38,239 (3)
4	Union North Gas Supply Optimization Margin Sufficiency	(5,856) (4)
5	Subtotal (line 1 + 2 + 3 + 4)	<u>72,265</u>
6	Ex-franchise Transportation-related Revenue Sufficiency	(3,981) (5)
7	Gas Supply Administration Charge-related Sufficiency	(4,260) (6)
8	Union South Gas Supply Optimization Margin Sufficiency	(7,571) (7)
9	Total Deficiency for Recovery (line 5 + 6 + 7 + 8)	<u>56,453</u>
10	Gas Supply-related Sufficiency	(44,414) (8)
11	Restated Phase II Revenue Deficiency (line 9 + 10)	<u>12,039</u>
12	January 2013 QRAM Cost of Gas Adjustment	3,530 (9)
13	Grand Total (line 11 + 12)	<u>15,569</u>

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 13, Page 1, line 7, column (f).
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 13, Page 1, line 18, column (f).
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 13, Page 2, line 7, column (f), less Union North Gas Supply Optimization Margin Sufficiency in Schedule 10, line 4 above.
- (4) EB-2011-0210, Rate Order, Working Papers, Schedule 44, line 6, column (e).
- (5) EB-2011-0210, Rate Order, Working Papers, Schedule 13, Page 2, line 15, column (f).
- (6) EB-2011-0210, Rate Order, Working Papers, Schedule 13, Page 2, line 18, column (f).
- (7) EB-2011-0210, Rate Order, Working Papers, Schedule 44, line 13, column (e).
- (8) EB-2011-0210, Rate Order, Working Papers, Schedule 13, Page 2, line 17, column (e).
- (9) EB-2011-0210, Rate Order, Working Papers, Schedule 24, Page 1, line 30, column (g).

UNION GAS LIMITED  
Revenue Deficiency Continuity  
from Settlement Agreement to Decision Rate Order  
Deficiency/(Sufficiency)

Line No.	Particulars (\$'000's)	Revenue			Revenue Requirement			S&T Transactional and Gas Supply Optimization Margin			Rate Design			Rate Recovery		
		Settlement Agreement	Rate Order	Variance	Settlement Agreement	Rate Order	Variance	Settlement Agreement	Rate Order	Variance	Settlement Agreement	Rate Order	Variance	Settlement Agreement	Rate Order	Variance
		(a)	(b)	(c) = (a-b)	(d)	(e)	(f) = (e-d)	(g)	(h)	(i) = (h-g)	(j)	(k)	(l) = (k-j)	(m) = (d+g+j-a)	(n) = (e+h+k-b)	(o) = (n-m)
<u>North Delivery</u>																
1	Rate 01	137,746	139,945	(2,199)	162,351	160,643	(1,708)	-	(3,310)	(3,310)	(4,040)	3,134	7,174	20,565	20,522	(43)
2	Rate 10	16,637	16,954	(317)	19,161	19,743	582	-	(866)	(866)	(17)	866	883	2,507	2,789	282
3	Rate 20	9,721	9,726	(4)	18,322	16,799	(1,523)	-	(232)	(232)	(5,361)	(3,150)	2,211	3,239	3,692	452
4	Rate 25	2,337	3,197	(860)	6,705	5,323	(1,383)	-	0	0	(3,717)	(850)	2,867	651	1,275	625
5	Rate 100	12,658	12,658	-	16,326	15,511	(816)	-	(32)	(32)	0	0	(0)	3,668	2,820	(848)
6	Total North Delivery	<u>179,100</u>	<u>182,480</u>	<u>(3,380)</u>	<u>222,866</u>	<u>218,019</u>	<u>(4,847)</u>	<u>-</u>	<u>(4,440)</u>	<u>(4,440)</u>	<u>(13,135)</u>	<u>-</u>	<u>13,135</u>	<u>30,630</u>	<u>31,099</u>	<u>469</u>
<u>South Delivery &amp; Storage</u>																
7	M1	379,511	382,233	(2,722)	396,023	388,424	(7,599)	-	(4,126)	(4,126)	1,136	3,419	2,282	17,649	5,484	(12,165)
8	M2	44,036	44,791	(755)	52,840	51,178	(1,662)	-	(1,386)	(1,386)	(3,160)	(40)	3,120	5,644	4,960	(684)
9	M4	10,841	11,558	(718)	15,927	15,526	(401)	-	(447)	(447)	(3,154)	(2,930)	224	1,933	591	(1,341)
10	M5A	8,874	8,916	(42)	16,280	15,886	(394)	-	(7)	(7)	(4,131)	(2,783)	1,348	3,275	4,179	904
11	M7	3,951	3,951	-	5,291	5,133	(158)	-	(162)	(162)	(1,215)	(900)	315	125	120	(5)
12	M9	819	819	-	771	743	(29)	-	(52)	(52)	(3)	12	15	(51)	(117)	(65)
13	M10	5	5	-	75	74	(1)	-	(2)	(2)	(71)	(63)	8	(0)	5	5
14	T1	57,783	58,963	(1,180)	54,272	52,696	(1,576)	-	(3,188)	(3,188)	0	3,188	3,188	(3,511)	(6,267)	(2,757)
15	T3	4,571	4,571	-	4,843	4,663	(179)	-	(361)	(361)	(180)	97	277	91	(172)	(263)
16	Total South Delivery & Storage	<u>510,391</u>	<u>515,808</u>	<u>(5,417)</u>	<u>546,323</u>	<u>534,324</u>	<u>(12,000)</u>	<u>-</u>	<u>(9,732)</u>	<u>(9,732)</u>	<u>(10,778)</u>	<u>-</u>	<u>10,778</u>	<u>25,154</u>	<u>8,783</u>	<u>(16,371)</u>
17	Total In-Franchise Delivery (line 6 + line 16)	<u>689,491</u>	<u>698,289</u>	<u>(8,797)</u>	<u>769,189</u>	<u>752,342</u>	<u>(16,847)</u>	<u>-</u>	<u>(14,172)</u>	<u>(14,172)</u>	<u>(23,913)</u>	<u>-</u>	<u>23,913</u>	<u>55,784</u>	<u>39,882</u>	<u>(15,902)</u>

UNION GAS LIMITED  
Revenue Deficiency Continuity  
from Settlement Agreement to Decision Rate Order  
Deficiency/(Sufficiency)

Line No.	Particulars (\$000's)	Revenue			Revenue Requirement			S&T Transactional and Gas Supply Optimization Margin			Rate Design			Rate Recovery		
		Settlement Agreement	Rate Order	Variance	Settlement Agreement	Rate Order	Variance	Settlement Agreement	Rate Order	Variance	Settlement Agreement	Rate Order	Variance	Settlement Agreement	Rate Order	Variance
		(a)	(b)	(c) = (a-b)	(d)	(e)	(f) = (e-d)	(g)	(h)	(i) = (h-g)	(j)	(k)	(l) = (k-j)	(m) = (d+g+j-a)	(n) = (e+h+k-b)	(o) = (n-m)
North Transportation & Storage																
1	Rate 01	68,509	70,790	(2,281)	71,411	98,362	26,951	-	(3,920)	(3,920)	-	-	-	2,902	23,652	20,749
2	Rate 10	22,677	23,140	(464)	23,194	31,679	8,485	-	(1,342)	(1,342)	-	-	-	517	7,197	6,680
3	Rate 20	8,815	8,815	-	7,736	10,532	2,796	-	(477)	(477)	-	-	-	(1,078)	1,240	2,319
4	Rate 25	1,685	1,685	-	2,118	2,127	9	-	(117)	(117)	-	-	-	433	325	(108)
5	Rate 100	197	197	-	118	150	31	-	-	-	10	16	6	(69)	(31)	37
6	Total North Transportation & Storage	101,882	104,628	(2,745)	104,577	142,850	38,273	-	(5,856)	(5,856)	10	16	6	2,705	32,383	29,678
7	Total In-Franchise (page 1, line 17 + line 6)	791,374	802,916	(11,543)	873,766	895,192	21,426	-	(20,027)	(20,027)	(23,903)	16	23,919	58,490	72,265	13,775
Ex-Franchise																
8	M12	161,163	161,163	-	165,389	160,040	(5,349)	-	-	-	(2,604)	(2,507)	97	1,622	(3,631)	(5,252)
9	M13	373	373	-	215	211	(4)	-	-	-	209	200	(8)	50	38	(12)
10	M16	748	748	-	462	451	(12)	-	-	-	297	286	(11)	11	(12)	(23)
11	C1	40,698	45,392	(4,694)	14,283	13,770	(513)	-	-	-	26,198	31,245	5,047	(216)	(377)	(161)
12	Total Ex-Franchise	202,982	207,676	(4,694)	180,349	174,471	(5,878)	-	-	-	24,100	29,224	5,124	1,467	(3,981)	(5,448)
13	Total Delivery, Transportation & Storage (line 7 + line 12)	994,355	1,010,592	(16,237)	1,054,115	1,069,663	15,548	-	(20,027)	(20,027)	196	29,240	29,043	59,957	68,283	8,327

**UNION GAS LIMITED**  
Comparison and Reconciliation of  
Union's 2013 Phase I & Phase II Revenue Deficiency/(Sufficiency)

Line No.	Particulars	(\$ millions)
<b><u>Phase I</u></b>		
1	Phase I Revenue Deficiency as per Settlement Agreement	56.580 (1)
2	Phase I Revenue Deficiency as per Board Decision	12.550 (2)
3	Phase I Changes	<u>(44.030) (3)</u>
<b><u>Reconciliation of Phase I Revenue and Costs Changes</u></b>		
<b><u>Revenue Changes</u></b>		
4	Operating Revenue	78.747 (4)
<b><u>Cost of Service Changes</u></b>		
5	Cost of Service	63.127 (5)
6	Requested Return	(18.212) (6)
7	Provision for income taxes	(11.580) (7)
8	Total Cost of Service Changes	<u>33.335</u>
9	Change in Deficiency (line 8 - line 4)	(45.412)
10	Change in Shareholder Portion	1.382 (8)
11	Total Change in Deficiency (line 9 + line 10)	<u>(44.030)</u>
<b><u>Phase II</u></b>		
12	Phase II Revenue Deficiency as per Settlement Agreement	54.524 (9)
13	Phase II Revenue Deficiency as per Board Decision	12.039 (10)
14	Phase II Changes	<u>(42.485)</u>
<b><u>Reconciliation of Phase II Revenue and Costs Changes</u></b>		
<b><u>Revenue Changes</u></b>		
15	Revenue Change	31.185 (11)
16	Other Revenue	(2.934) (12)
17	Total Revenue Change	<u>28.250</u>
<b><u>Cost of Service Changes</u></b>		
18	Revenue Requirement Change	(15.359) (13)
19	Change in Deficiency (line 17 - 18)	<u>(43.609)</u>
20	Change in Shareholder Portion of Margin	(0.069) (14)
21	Change in Shareholder Portion of Margin - Optimization	1.492 (15)
22	Non-Utility LT System Integrity	(0.300) (16)
23	Heritage Pool M16 Transmission Charge	(0.001) (17)
24	Total Change in Deficiency (line 19+20+21+22+23)	<u>(42.485)</u>

**Notes:**

(1) EB-2011-0210, Settlement Filing (July 2013), Appendix B, Schedule 1, line 10, column c).  
(2) EB-2011-0210, Rate Order, Working Papers, Schedule 1, line 11, column (e).  
(3) EB-2011-0210, Rate Order, Working Papers, Schedule 1, line 11, column (d).  
(4) EB-2011-0210, Rate Order, Working Papers, Schedule 1, line 1, column (d).  
(5) EB-2011-0210, Rate Order, Working Papers, Schedule 1, line 2, column (d).  
(6) EB-2011-0210, Rate Order, Working Papers, Schedule 1, line 4, column (d).  
(7) EB-2011-0210, Rate Order, Working Papers, Schedule 1, line 6, column (d).  
(8) EB-2011-0210, Rate Order, Working Papers, Schedule 1, lines 8+9+10, column (d).  
(9) EB-2011-0210, Settlement Filing, Exhibit H1, Tab 1, page 3, table 1, line 10.

(10) EB-2011-0210 Rate Order, Working Papers, Schedule 7, line 9.  
(11) EB-2011-0210, Rate Order, Working Papers, Schedule 13, page 2, line 19, column (a) less EB-2011-0210, Settlement Filing (July 2013), Exhibit H3, Tab 1, Schedule 1, page 2, line 19, column (a).  
(12) EB-2011-0210, Rate Order, Working Papers, Schedule 6, page 1, line 20, column (a).  
(13) EB-2011-0210, Rate Order, Working Papers, Schedule 6, page 1, line 19, column (a).  
(14) EB-2011-0210, Rate Order, Working Papers, Schedule 40, line 18, column (d) less EB-2011-0210, Settlement Filing (July 2013), Exhibit H3, Tab 10, Schedule 1, line 4, column (d).  
(15) EB-2011-0210, Rate Order, Working Papers, Schedule 43, line 3, column (d).  
(16) EB-2011-0210, Rate Order, Working Papers, Schedule 40, line 15, column (c).  
(17) EB-2011-0210, Settlement Filing (July 2013), Exhibit H1, Tab 1, page 3, Table 1, line 8 less EB-2011-0210, Rate Order, Working Papers, Schedule 7, line 7.

UNION GAS LIMITED  
Revenue Deficiency Recovery  
Effective January 1, 2013

Line No.	Particulars	Before Recovery				After Recovery					EB-2005-0520 Approved Revenue to Cost Ratios
		Current Approved Revenue (1) (\$000's)	Current Approved Rates (2) (cents/m <sup>3</sup> )	Revenue (Deficiency) / Sufficiency (\$000's)	Approved Revenue Requirement (3) (\$000's)	Revenue (Deficiency) / Sufficiency (\$000's)	Approved Revenue (4) (\$000's)	Approved Rates (5) (cents/m <sup>3</sup> )	Revenue to Cost Ratios	Rate Change (%)	
		(a)	(b)	(c) = (a - d)	(d)	(e) = (f - d)	(f)	(g)	(h) = (f / d)	(i) = (g - b) / (b)	(j)
<u>North Delivery</u>											
1	R01	139,945	15.8233	(20,698)	160,643	(176)	160,467	18.1438	0.999	14.7%	0.976
2	R10	16,954	5.2508	(2,789)	19,743	-	19,743	6.1146	1.000	16.5%	1.058
3	R20	9,726	1.5443	(7,073)	16,799	(3,382)	13,417	2.1304	0.799	38.0%	0.597
4	R25	3,197	2.0039	(2,125)	5,323	(850)	4,473	2.8033	0.840	39.9%	0.467
5	R100	12,658	0.6678	(2,853)	15,511	(32)	15,478	0.8166	0.998	22.3%	0.895
6	Total North Delivery	182,480		(35,538)	218,019	(4,440)	213,579		0.980	17.0%	0.939
7	Total Recovery of North Delivery Deficiency (col. f - a)						31,099				
<u>South Delivery &amp; Storage</u>											
8	M1	382,233	13.0323	(6,191)	388,424	(708)	387,717	13.1897	0.998	1.2%	0.972
9	M2	44,791	4.5962	(6,387)	51,178	(1,426)	49,752	5.0998	0.972	11.0%	0.972
10	M4	11,558	2.8561	(3,968)	15,526	(3,377)	12,149	3.0022	0.783	5.1%	0.783
11	M5A	8,916	1.6662	(6,970)	15,886	(2,791)	13,096	2.4472	0.824	46.9%	0.824
12	M7	3,951	2.6852	(1,182)	5,133	(1,062)	4,071	2.7667	0.793	3.0%	0.697
13	M9	819	1.3486	77	743	(40)	702	1.1562	0.946	-14.3%	0.946
14	M10	5	2.5245	(69)	74	(64)	10	5.1152	0.131	102.6%	0.131
15	T1	58,963	1.0860	6,267	52,696	-	52,696	0.9706	1.000	-10.6%	0.973
16	T3	4,571	1.6762	(92)	4,663	(264)	4,400	1.6133	0.943	-3.8%	0.943
17	Total South Delivery & Storage	515,808		(18,515)	534,324	(9,732)	524,592		0.982	1.7%	0.958
18	Total Recovery of South Delivery & Storage Deficiency (col. f - a)						8,783				
19	Total In-Franchise Delivery (line 6 + line 17)	698,289		(54,054)	752,342	(14,172)	738,171		0.981	5.7%	0.953

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (b).
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (c).
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (e).
- (4) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (g).
- (5) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (h).

UNION GAS LIMITED  
Revenue Deficiency Recovery  
Effective January 1, 2013

Line No.	Particulars	Before Recovery				After Recovery					EB-2005-0520 Approved Revenue to Cost Ratios (j)
		Current Approved Revenue (1)	Current Approved Rates (2)	Revenue (Deficiency) / Sufficiency	Approved Revenue Requirement (3)	Revenue (Deficiency) / Sufficiency	Approved Revenue (4)	Approved Rates (5)	Revenue to Cost	Rate Change	
		(\$000's)	(cents/m <sup>3</sup> )	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(cents/m <sup>3</sup> )	Ratios	(%)	
		(a)	(b)	(c) = (a - d)	(d)	(e) = (f - d)	(f)	(g)	(h) = (f / d)	(i) = (g - b) / (b)	(j)
<u>North Transportation &amp; Storage</u>											
1	R01	70,790	8.0041	(27,572)	98,362	(3,920)	94,442	10.6784	0.960	33.4%	1.000
2	R10	23,140	7.1667	(8,539)	31,679	(1,342)	30,338	9.3957	0.958	31.1%	1.000
3	R20	8,815	7.2291	(1,717)	10,532	(477)	10,055	8.2463	0.955	14.1%	1.000
4	R25	1,685	3.9269	(442)	2,127	(117)	2,010	4.6844	0.945	19.3%	1.000
5	R100	197	-	48	150	16	166	-	1.109		0.701
6	Total North Transportation & Storage	104,628		(38,222)	142,850	(5,839)	137,011	0.959	31.0%		0.991
7	Total Recovery of North Transport & Storage Deficiency (col. f - a)						32,383				
8	Total In-Franchise (page 1, line 19 + line 6)	802,916		(92,276)	895,192	(20,011)	875,181	0.978	9.0%		0.956
9	Total Recovery of In-Franchise Deficiency (col. f - a)						72,265				
<u>Ex-Franchise</u>											
10	M12	161,163		1,123	160,040	(2,507)	157,532	0.984	-2.3%		0.984
11	M13	373		162	211	200	411	1.952	10.2%		1.470
12	M16	748		297	451	286	736	1.634	-1.5%		1.356
13	C1	45,392		31,622	13,770	31,245	45,015	3.269	-0.8%		2.610
14	Total Ex-Franchise	207,676		33,205	174,471	29,224	203,695	1.167	-1.9%		1.177
15	Total Recovery of Ex-Franchise Deficiency (col. f - a)						(3,981)				
16	Total Delivery, Transportation & Storage (line 8 + line 14)	1,010,592		(59,071)	1,069,663	9,213 (6)	1,078,876	1.009	6.8%		1.004
17	Total In-Franchise Commodity / Admin	625,443		48,673	576,769	44,414	621,183	1.077	-0.7%		-
18	Total Recovery of Commodity / Admin Sufficiency (col. f - a)						(4,260)				
19	Total Union Gas (line 16 + line 17)	1,636,035		(10,398)	1,646,432	53,626	1,700,059	1.033	3.9%		1.002

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (b).
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (c).
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (e).
- (4) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (g).
- (5) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (h).
- (6) Includes Phase I sharing of short-term storage margin of \$0.661 million and Phase II update of a \$0.155 million decrease; Phase I sharing of optimization margin of \$1.492 million; Heritage Pool sufficiency of \$0.056 million; exclusion of \$0.300 million of System Integrity costs related to Union's non-utility storage space per Board Decision; and Union South Gas Supply Transportation Optimization of \$7.570 million.

UNION GAS LIMITED  
Northern & Eastern Operations Area  
In-Franchise Customers  
Effective January 1, 2013

		Current Approved				Approved 2013						
Line		Billing	2013	Revenue	Rates (2)	Revenue	Revenue	Revenue		Revenue	Rate	
No.	Particulars	Units	Forecast Usage (1)	(\$000s)	(cents / m <sup>3</sup> )	(Deficiency) / Sufficiency (\$000s)	Requirement (3) (\$000s)	(Deficiency) / Sufficiency (\$000s)	Revenue (\$000s)	Rates (cents / m <sup>3</sup> )	to Cost Ratios	Change (%)
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f)	(g) = (e + f)	(h) = (g / a)	(i) = (g / e)	(j) = (h - c) / (c)
Rate 01 - Small Volume General Firm Service												
1	Monthly Charge	bills	3,839,732	76,795	\$20.00	(37,325)	114,119	(33,485)	80,634	\$21.00	0.707	
Monthly Delivery Charge - All Zones												
2	First 100 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	260,791	20,237	7.7600	5,328	14,909	10,247	25,157	9.6463		
3	Next 200 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	296,122	21,426	7.2355	5,641	15,785	11,227	27,012	9.1218		
4	Next 200 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	129,180	8,865	6.8628	2,334	6,531	4,771	11,302	8.7491		
5	Next 500 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	88,231	5,753	6.5208	1,515	4,239	3,179	7,418	8.4071		
6	Over 1,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	110,097	6,868	6.2383	1,808	5,060	3,885	8,945	8.1246		
7	Delivery Commodity charge - 01		884,421	63,150	7.1403	16,626	46,524	33,309	79,833	9.0266		
8	Total Delivery - 01		884,421	139,945	15.8233	(20,698)	160,643	(176)	160,467	18.1438	0.999	14.7%
Gas Transportation												
9	Fort Frances	10 <sup>3</sup> m <sup>3</sup>	12,297	532	4.3225	(208)	739	(132)	607	4.9387		
10	Western	10 <sup>3</sup> m <sup>3</sup>	171,280	7,942	4.6368	(3,104)	11,046	(1,557)	9,489	5.5401		
11	Northern	10 <sup>3</sup> m <sup>3</sup>	384,941	21,640	5.6216	(8,459)	30,099	(737)	29,361	7.6275		
12	Eastern	10 <sup>3</sup> m <sup>3</sup>	315,903	20,414	6.4621	(7,980)	28,394	(1,494)	26,900	8.5153		
13	Transportation - 01		884,421	50,527	5.7130	(19,751)	70,278	(3,920)	66,358	7.5030	0.944	31.3%
Storage												
14	Fort Frances	10 <sup>3</sup> m <sup>3</sup>	12,297	231	1.8781	(34)	264	-	264	2.1507		
15	Western	10 <sup>3</sup> m <sup>3</sup>	171,280	3,213	1.8757	(883)	4,095	-	4,095	2.3910		
16	Northern	10 <sup>3</sup> m <sup>3</sup>	384,941	8,700	2.2600	(3,715)	12,415	-	12,415	3.2252		
17	Eastern	10 <sup>3</sup> m <sup>3</sup>	315,903	8,119	2.5702	(3,190)	11,309	-	11,309	3.5799		
18	Storage - 01		884,421	20,263	2.2911	(7,821)	28,084	-	28,084	3.1754	1.000	38.6%
19	Gas Supply Commodity (4)	10 <sup>3</sup> m <sup>3</sup>	641,423	89,782	13.9974	28,086	61,697	28,086	89,782	13.9974		
20	Gas Supply Administration Charge	10 <sup>3</sup> m <sup>3</sup>	641,423	2,013	0.3138	773	1,240	-	1,240	0.1933		
21	Total Rate 01		884,421	302,530	-	(19,411)	321,941	23,990	345,931	-	-	-

Notes:

- (1) EB-2011-0210, Exhibit C3, Tab 2, Schedule 1, Column (b), updated for EB-2011-0210 Board Decision.
- (2) EB-2010-0359, Appendix A effective January 1, 2011 (Excludes Price Adjustments).
- (3) EB-2011-0210, Exhibit G3, Tab 2, Schedules 2-21, excludes Other Revenue, updated for EB-2011-0210 Board Decision.
- (4) Gas Supply Commodity and Fuel Rates will be updated as part of the Board-approved QRAM process.

UNION GAS LIMITED  
Northern & Eastern Operations Area  
In-Franchise Customers  
Effective January 1, 2013

Line No.	Particulars	Billing Units	Current Approved				Approved 2013					
			2013 Forecast Usage (1)	Revenue (\$000's)	Rates (2) (cents / m <sup>3</sup> )	Revenue (Deficiency) / Sufficiency (\$000's)	Revenue Requirement (3) (\$000's)	Revenue (Deficiency) / Sufficiency (\$000's)	Revenue (\$000's)	Rates (cents / m <sup>3</sup> )	Revenue to Cost Ratios	Rate Change (%)
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f)	(g) = (e + f)	(h) = (g / a)	(i) = (g / e)	(j) = (h - c) / (c)
<u>Rate 10 - Large Volume General Firm Service</u>												
1	Monthly Charge	bills	24,629	1,724	\$70.00	(3,106)	4,830	(3,106)	1,724	\$70.00	0.357	
	Monthly Delivery Charge - All Zones											
2	First 1,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	23,682	1,603	6.7703	33	1,570	238	1,808	7.6341		
3	Next 9,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	127,854	6,849	5.3567	143	6,706	1,247	7,953	6.2205		
4	Next 20,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	81,326	3,701	4.5505	77	3,624	780	4,403	5.4143		
5	Next 70,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	61,664	2,488	4.0344	52	2,436	584	3,020	4.8982		
6	Over 100,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	28,362	590	2.0792	12	577	257	835	2.9430		
7	Delivery Commodity charge - 10		322,887	15,230	4.7169	317	14,913	3,106	18,019	5.5807		
8	Total Delivery - 10		322,887	16,954	5.2508	(2,789)	19,743	-	19,743	6.1146	1.000	16.5%
Gas Transportation												
9	Fort Frances	10 <sup>3</sup> m <sup>3</sup>	2,654	106	3.9757	(38)	144	(29)	115	4.3170		
10	Western	10 <sup>3</sup> m <sup>3</sup>	45,232	1,940	4.2899	(706)	2,647	(422)	2,225	4.9184		
11	Northern	10 <sup>3</sup> m <sup>3</sup>	130,990	6,909	5.2747	(2,514)	9,424	(247)	9,177	7.0058		
12	Eastern	10 <sup>3</sup> m <sup>3</sup>	144,011	8,807	6.1152	(3,205)	12,011	(644)	11,368	7.8935		
13	Transportation - 10		322,887	17,762	5.5009	(6,464)	24,225	(1,342)	22,884	7.0872	0.945	28.8%
Storage												
14	Fort Frances	10 <sup>3</sup> m <sup>3</sup>	2,654	32	1.2005	(0)	32	-	32	1.2015		
15	Western	10 <sup>3</sup> m <sup>3</sup>	45,232	542	1.1982	(110)	652	-	652	1.4418		
16	Northern	10 <sup>3</sup> m <sup>3</sup>	130,990	2,075	1.5841	(906)	2,981	-	2,981	2.2760		
17	Eastern	10 <sup>3</sup> m <sup>3</sup>	144,011	2,730	1.8955	(1,059)	3,788	-	3,788	2.6307		
18	Storage - 10		322,887	5,379	1.6658	(2,075)	7,454	-	7,454	2.3085	1.000	38.6%
19	Gas Supply Commodity (4)	10 <sup>3</sup> m <sup>3</sup>	155,398	21,781	14.0160	6,833	14,947	6,833	21,781	14.0160		
20	Gas Supply Administration Charge	10 <sup>3</sup> m <sup>3</sup>	155,398	488	0.3138	187	300	-	300	0.1933		
21	Total Rate 10		322,887	62,363	-	(4,307)	66,670	5,492	72,162	-	-	-

Notes:

- (1) EB-2011-0210, Exhibit C3, Tab 2, Schedule 1, Column (b), updated for EB-2011-0210 Board Decision.
- (2) EB-2010-0359, Appendix A effective January 1, 2011 (Excludes Price Adjustments).
- (3) EB-2011-0210, Exhibit G3, Tab 2, Schedules 2-21, excludes Other Revenue, updated for EB-2011-0210 Board Decision.
- (4) Gas Supply Commodity and Fuel Rates will be updated as part of the Board-approved QRAM process.

UNION GAS LIMITED  
Northern & Eastern Operations Area  
In-Franchise Customers  
Effective January 1, 2013

Line No.	Particulars	Billing Units	Current Approved				Approved 2013					
			2013 Forecast Usage (1) (a)	Revenue (\$000's) (b)	Rates (2) (cents / m <sup>3</sup> ) (c)	Revenue (Deficiency) / Sufficiency (\$000's) (d) = (b - e)	Revenue Requirement (3) (\$000's) (e)	Revenue (Deficiency) / Sufficiency (\$000's) (f)	Revenue (\$000's) (g) = (e + f)	Rates (cents / m <sup>3</sup> ) (h) = (g / a)	Revenue to Cost Ratios (i) = (g / e)	Rate Change (%) (j) = (h - c) / (c)
1	<u>Rate 20 - Medium Volume Firm Service</u>											
	Monthly Charge	bills	748	582	\$777.97	(1,204)	1,786	(1,038)	748	\$1,000.00	0.419	
	Monthly Demand Charge											
2	First 70,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup> /d	23,260	4,698	20.1961	(5,257)	9,954	(3,484)	6,470	27.8179		
3	All over 70,000 m <sup>3</sup>	10 <sup>7</sup> m <sup>3</sup> /d	19,701	2,340	11.8763	(2,618)	4,958	(1,735)	3,223	16.3583		
4	Total Delivery Demand		42,960	7,037	16.3808	(7,875)	14,912	(5,219)	9,693	22.5628		
	Monthly Commodity Charge											
5	First 852,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	331,197	1,213	0.3662	1,213	-	1,739	1,739	0.5250		
6	All over 852,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	298,605	793	0.2655	793	-	1,137	1,137	0.3806		
7	Total Delivery Commodity		629,802	2,006	0.3185	2,006	-	2,875	2,875	0.4565		
8	Transportation Account Charge	bills	460	101	\$219.43	-	101	-	101	\$219.43		
9	Total Delivery - 20		629,802	9,726	1.5443	(7,073)	16,799	(3,382)	13,417	2.1304	0.799	38.0%
	Gas Supply Demand Charge											
10	Fort Frances	10 <sup>3</sup> m <sup>3</sup>	-	-	34.7281	-	-	-	-	21.7512		
11	Western	10 <sup>3</sup> m <sup>3</sup>	2,650	1,072	40.4378	33	1,039	(110)	929	35.0467		
12	Northern	10 <sup>3</sup> m <sup>3</sup>	702	451	64.1901	(180)	631	(29)	602	85.6936		
13	Eastern	10 <sup>3</sup> m <sup>3</sup>	3,521	2,963	84.1517	(918)	3,881	(147)	3,735	106.0700		
	Commodity Transportation 1											
14	Fort Frances	10 <sup>3</sup> m <sup>3</sup>	-	-	3.2962	-	-	-	-	3.3924		
15	Western	10 <sup>3</sup> m <sup>3</sup>	24,899	852	3.4210	(141)	993	(65)	928	3.7291		
16	Northern	10 <sup>3</sup> m <sup>3</sup>	7,775	309	3.9699	(92)	401	(20)	381	4.8977		
17	Eastern	10 <sup>3</sup> m <sup>3</sup>	40,782	1,807	4.4313	(499)	2,306	(106)	2,200	5.3947		
	Commodity Transportation 2											
18	Fort Frances	10 <sup>3</sup> m <sup>3</sup>	-	-	0.1258	-	-	-	-	0.1535		
19	Western	10 <sup>3</sup> m <sup>3</sup>	10,903	13	0.1234	(16)	29	-	29	0.2673		
20	Northern	10 <sup>3</sup> m <sup>3</sup>	6,194	12	0.1930	(14)	26	-	26	0.4138		
21	Eastern	10 <sup>3</sup> m <sup>3</sup>	31,381	79	0.2528	(90)	169	-	169	0.5393		
22	Gas Supply Transportation - 20		121,935	7,557	6.1979	(1,918)	9,475	(477)	8,998	7.3795	0.950	19.1%
	Storage (GJ)											
23	Demand	GJ/d	99,288	1,105	11.125	147	957	-	957	9.643		
24	Commodity	GJ	639,477	153	0.239	53	100	-	100	0.156		
25	Storage - 20		639,477	1,257	-	200	1,057	-	1,057	-		
26	Gas Supply Commodity (4)	10 <sup>3</sup> m <sup>3</sup>	13,514	1,884	13.9452	585	1,300	585	1,884	13.9452		
27	Gas Supply Administration Charge	10 <sup>7</sup> m <sup>3</sup>	13,514	42	0.3138	16	26	-	26	0.1933		
28	Total Rate 20		629,802	20,467	-	(8,190)	28,657	(3,274)	25,383	-	-	-

Notes:

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UNION GAS LIMITED  
Northern & Eastern Operations Area  
In-Franchise Customers  
Effective January 1, 2013

Current Approved						Approved 2013						
Line No.		Billing Units	2013 Forecast Usage (1)	Revenue (\$000's)	Rates (2) (cents / m <sup>3</sup> )	Revenue (Deficiency) / Sufficiency (\$000's)	Revenue Requirement (3) (\$000's)	Revenue (Deficiency) / Sufficiency (\$000's)	Revenue (\$000's)	Rates (cents / m <sup>3</sup> )	Revenue to Cost Ratios	Rate Change (%)
	Particulars		(a)	(b)	(c)	(d) = (b - e)	(e)	(f)	(g) = (e + f)	(h) = (g / a)	(i) = (g / e)	(j) = (h - c) / (c)
<u>Rate 25 - Large Volume Interruptible Service</u>												
1	Monthly Charge	bills	842	160	\$189.51	(1,304)	1,464	(1,148)	316	\$375.00	0.216	
2	Monthly Delivery Charge	10 <sup>3</sup> m <sup>3</sup>	159,555	3,030	1.8990	(821)	3,851	298	4,149	2.6004		
3	Transportation Account Charge	bills	36	8	\$219.43	-	8	-	8	\$219.43		
4	Total Delivery - 25		159,555	3,197	2.0039	(2,125)	5,323	(850)	4,473	2.8033	0.840	39.9%
5	Gas Supply Transportation	10 <sup>3</sup> m <sup>3</sup>	42,913	1,685	3.9269	(442)	2,127	(117)	2,010	4.6844		
6	Gas Supply Commodity (4)	10 <sup>3</sup> m <sup>3</sup>	42,913	6,879	16.0304	2,708	4,171	2,708	6,879	16.0304		
7	Gas Supply Administration Charge	10 <sup>3</sup> m <sup>3</sup>	42,913	135	0.3138	52	83	-	83	0.1933		
8	Total Rate 25		159,555	11,896	-	193	11,704	1,741	13,445	-	-	-
<u>Rate 100 - Large Volume Firm Service</u>												
9	Monthly Charge	bills	226	176	\$777.97	(562)	738	(399)	339	\$1,500.00	0.459	
10	Demand	10 <sup>3</sup> m <sup>3</sup> /d	71,975	8,611	11.9642	(6,111)	14,723	(3,681)	11,042	15.3415		
11	Commodity	10 <sup>3</sup> m <sup>3</sup>	1,895,488	3,821	0.2016	3,821	-	4,048	4,048	0.2135		
12	Delivery (Commodity/Demand)		1,895,488	12,433	0.6559	(2,290)	14,723	367	15,090	0.7961		
13	Transportation Account Charge	bills	226	50	\$219.43	-	50	-	50	\$219.43		
14	Total Delivery - 100		1,895,488	12,658	0.6678	(2,853)	15,511	(32)	15,478	0.8166	0.998	22.3%
<u>Gas Supply Demand Charge</u>												
15	Fort Frances	10 <sup>3</sup> m <sup>3</sup> /d	-	-	63.7749	-	-	-	-	61.0900		
16	Western	10 <sup>3</sup> m <sup>3</sup> /d	-	-	70.5057	-	-	-	-	76.6014		
17	Northern	10 <sup>3</sup> m <sup>3</sup> /d	-	-	98.2553	-	-	-	-	135.6895		
18	Eastern	10 <sup>3</sup> m <sup>3</sup> /d	-	-	121.5703	-	-	-	-	159.4619		
<u>Commodity Transportation 1</u>												
19	Fort Frances	-	-	-	5.8480	-	-	-	-	7.0154		
20	Western	10 <sup>3</sup> m <sup>3</sup>	-	-	5.9416	-	-	-	-	7.2679		
21	Northern	10 <sup>3</sup> m <sup>3</sup>	-	-	6.3533	-	-	-	-	8.1444		
22	Eastern	10 <sup>3</sup> m <sup>3</sup>	-	-	6.6993	-	-	-	-	8.5171		
<u>Commodity Transportation 2</u>												
23	Fort Frances	-	-	-	0.1258	-	-	-	-	0.1535		
24	Western	10 <sup>3</sup> m <sup>3</sup>	-	-	0.1234	-	-	-	-	0.2673		
25	Northern	10 <sup>3</sup> m <sup>3</sup>	-	-	0.1930	-	-	-	-	0.4138		
26	Eastern	10 <sup>3</sup> m <sup>3</sup>	-	-	0.2528	-	-	-	-	0.5393		
27	Gas Supply Transportation - 100		-	-	-	-	-	-	-	-		
<u>Storage (GJ)</u>												
28	Demand	GJ/d	15,600	174	11.125	36	137	13	150	9.643		
29	Commodity	GJ	100,000	24	0.239	12	12	3	16	0.156		
30	Gas Supply - 100		100,000	197	-	48	150	16	166	-		
31	Total Rate 100		1,895,488	12,855	-	(2,805)	15,660	(16)	15,644	-	-	-

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UNION GAS LIMITED  
Southern Operations Area  
In-Franchise Customers  
Effective January 1, 2013

			Current Approved				Approved 2013					
Line		Billing	2013	Revenue	Rates (2)	Revenue	Revenue	Revenue	Rates	Revenue	Rate	
No.	Particulars	Units	Forecast Usage (1)	(\$000's)	(cents / m <sup>3</sup> )	(Deficiency) / Sufficiency (\$000's)	Requirement (3) (\$000's)	(Deficiency) / Sufficiency (\$000's)	(cents / m <sup>3</sup> )	to Cost Ratios	Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f)	(g) = (e + f)	(h) = (g / a)	(i) = (h - c) / (c)	
<u>Rate M1 - Small Volume General Service Rate</u>												
1	Monthly Charge	bills	12,706,802	254,136	\$20.00	(14,960)	269,096	(2,253)	266,843	\$21.00	0.992	
	Monthly Delivery Commodity Charge											
2	First 100 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	885,353	33,328	3.7644	848	32,480	545	33,025	3.7302		
3	Next 150 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	786,168	27,971	3.5579	712	27,259	443	27,702	3.5237		
4	All over 250 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	1,268,023	38,921	3.0694	991	37,930	557	38,487	3.0352		
5	Delivery Commodity Charge - M1		2,939,543	100,220	3.4094	2,551	97,669	1,545	99,214	3.3752		
6	Total Delivery - M1		2,939,543	354,356	12.0548	(12,409)	366,765	(708)	366,057	12.4529	0.998 3.3%	
7	Storage - M1	10 <sup>3</sup> m <sup>3</sup>	2,939,543	27,877	0.9775	6,217	21,660	-	21,660	0.7368	1.000 -24.6%	
8	Gas Supply Commodity (4)	10 <sup>3</sup> m <sup>3</sup>	2,271,443	418,618	18.4296	5,255	413,363	5,255	418,618	18.4296		
9	Gas Supply Administration Charge	10 <sup>3</sup> m <sup>3</sup>	2,271,443	7,128	0.3138	2,738	4,390	-	4,390	0.1933		
10	Total Rate M1		2,939,543	807,979	-	1,802	806,177	4,548	810,724	-	-	
<u>Rate M2 - Large Volume General Service Rate</u>												
11	Monthly Charge	bills	81,451	5,702	\$70.00	(2,963)	8,664	(2,963)	5,702	\$70.00	0.658	
	Monthly Delivery Commodity Charge											
12	First 1,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	53,047	1,922	3.6230	(182)	2,103	67	2,170	4.0915		
13	Next 6,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	258,156	9,156	3.5467	(865)	10,021	344	10,366	4.0152		
14	Next 13,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	291,703	9,683	3.3193	(915)	10,597	452	11,049	3.7878		
15	All over 20,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	372,665	11,353	3.0464	(1,073)	12,426	673	13,099	3.5149		
16	Delivery Commodity Charge - M2		975,571	32,113	3.2917	(3,034)	35,148	1,536	36,684	3.7603		
17	Total Delivery - M2		975,571	37,815	3.8762	(5,997)	43,812	(1,426)	42,386	4.3447	0.967 12.1%	
18	Storage - M2	10 <sup>3</sup> m <sup>3</sup>	975,571	6,977	0.7200	(389)	7,366	-	7,366	0.7550	1.000 4.9%	
19	Gas Supply Commodity (4)	10 <sup>3</sup> m <sup>3</sup>	378,137	69,689	18.4296	875	68,814	875	69,689	18.4296		
20	Gas Supply Administration Charge	10 <sup>3</sup> m <sup>3</sup>	378,137	1,187	0.3138	456	731	-	731	0.1933		
21	Total Rate M2		975,571	115,667	-	(5,056)	120,723	(551)	120,172	12.3181	-	

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UNION GAS LIMITED  
Southern Operations Area  
In-Franchise Customers  
Effective January 1, 2013

		Current Approved				Approved 2013							
Line		Billing	2013	Revenue	Rates (2)	Revenue	Revenue	Revenue	Revenue	Rates	Revenue	Rate	
No.	Particulars	Units	Forecast	(\$000's)	(cents / m <sup>3</sup> )	(Deficiency) /	Requirement (3)	(Deficiency) /	(\$000's)	(cents / m <sup>3</sup> )	to Cost	Change	
			Usage (1)			Sufficiency		Sufficiency			Ratios	(%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f)	(g) = (e + f)	(h) = (g / a)	(i) = (g / e)	(j) = (h - c) / (c)	
Rate M4 - Firm Commercial/Industrial Contract Rate													
Monthly Demand Charge													
1	First	8,450 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup> /d	12,905	5,863	45.4290	(4,271)	10,133	(4,116)	6,017	46.6239		
2	Next	19,700 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup> /d	7,864	1,550	19.7101	(1,129)	2,679	(1,035)	1,644	20.9050		
3	All over	28,150 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup> /d	4,507	738	16.3682	(537)	1,275	(484)	792	17.5631		
4	Total Delivery Demand			25,276	8,150	32.2457	(5,937)	14,088	(5,635)	8,453	33.4406		
Monthly Delivery Commodity Charge													
5	First Block	10 <sup>3</sup> m <sup>3</sup>		396,153	3,377	0.8525	1,951	1,426	2,238	3,664	0.9249		
6	All remaining use	10 <sup>3</sup> m <sup>3</sup>		8,525	30	0.3568	18	13	20	33	0.3871		
7	Total Delivery Commodity			404,678	3,408	0.8421	1,969	1,439	2,258	3,697	0.9136		
8	Total Delivery - M4			404,678	11,558	2.8561	(3,968)	15,526	(3,377)	12,149	3.0022	0.783	5.1%
9	Gas Supply Commodity (4)	10 <sup>3</sup> m <sup>3</sup>		16,855	3,106	18.4296	39	3,067	39	3,106	18.4296		
10	Gas Supply Administration Charge	10 <sup>3</sup> m <sup>3</sup>		16,855	53	0.3138	20	33	-	33	0.1933		
11	Total Rate M4			404,678	14,717	-	(3,909)	18,626	(3,338)	15,288	-	-	-
Rate M5A - Interruptible Commercial/Industrial Contract Rate													
Firm contracts													
12	Monthly Demand Charge	10 <sup>3</sup> m <sup>3</sup> /d		626	172	27.5443	(424)	596	(417)	179	28.6252		
13	Monthly Delivery Commodity Charge	10 <sup>3</sup> m <sup>3</sup>		17,385	307	1.7681	(1)	309	22	331	1.9018		
14	Total Delivery - Firm M5A			17,385	480	2.7592	(425)	905	(395)	510	2.9318	0.563	6.3%
Interruptible contracts													
15	Monthly Charge	bills		1,692	844	\$498.70	(1,341)	2,184	(1,017)	1,167	\$690.00	0.534	
16	Delivery Commodity Charge (Avg Price)	10 <sup>3</sup> m <sup>3</sup>		517,747	7,593	1.4665	(5,204)	12,797	(1,378)	11,419	2.2054		
17	Total Delivery - Interruptible M5A			517,747	8,437	1.6295	(6,545)	14,981	(2,395)	12,586	2.4309	0.840	49.2%
18	Gas Supply Commodity (4)	10 <sup>3</sup> m <sup>3</sup>		14,132	2,605	18.4296	33	2,572	33	2,605	18.4296		
19	Gas Supply Administration Charge	10 <sup>3</sup> m <sup>3</sup>		14,132	44	0.3138	17	27	-	27	0.1933		
20	Total Rate M5A			535,132	11,565	-	(6,920)	18,486	(2,791)	15,728	-	-	-

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UNION GAS LIMITED  
Southern Operations Area  
In-Franchise Customers  
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		Current Approved				Approved 2013						
Line No.	Particulars	Billing Units	2013 Forecast Usage (1) (a)	Revenue (\$000's) (b)	Rates (2) (cents / m <sup>3</sup> ) (c)	Revenue (Deficiency) / Sufficiency (\$000's) (d) = (b - e)	Revenue Requirement (3) (\$000's) (e)	Revenue (Deficiency) / Sufficiency (\$000's) (f)	Revenue (\$000's) (g) = (e + f)	Rates (cents / m <sup>3</sup> ) (h) = (g / a)	Revenue to Cost Ratios (i) = (g / e)	Rate Change (%) (j) = (h - c) / (c)
<u>Rate M7 - Special Large Volume Comm/Ind Contract Rate</u>												
Firm Contracts												
1	Monthly Demand Charge	10 <sup>3</sup> m <sup>3</sup> /d	14,220	3,596	25.2893	(1,155)	4,751	(1,140)	3,611	25.3924		
2	Monthly Delivery Commodity Charge	10 <sup>3</sup> m <sup>3</sup>	142,488	310	0.2179	136	174	228	403	0.2826		
3	Total Delivery - Firm M7		142,488	3,907	2.7417	(1,019)	4,925	(912)	4,013	2.8167	0.815	2.7%
Interruptible / Seasonal Contracts												
4	Monthly Delivery Commodity Charge	10 <sup>3</sup> m <sup>3</sup>	4,655	44	0.9551	(163)	208	(150)	58	1.2367	0.277	29.5%
5	Total Rate M7		147,143	3,951	2.6852	(1,182)	5,133	(1,062)	4,071	2.7667	0.793	3.0%
<u>Rate M9 - Large Wholesale Service Rate</u>												
6	Monthly Demand Charge	10 <sup>3</sup> m <sup>3</sup> /d	3,993	674	16.8753	28	646	(40)	606	15.1688		
7	Monthly Delivery Commodity Charge	10 <sup>3</sup> m <sup>3</sup>	60,750	145	0.2395	49	97	-	97	0.1592		
8	Total Rate M9		60,750	819	1.3486	77	743	(40)	702	1.1562	0.946	-14.3%
<u>Rate M10 - Small Wholesale Service Rate</u>												
9	Monthly Delivery Commodity Charge	10 <sup>3</sup> m <sup>3</sup>	189	5	2.5245	(69)	74	(64)	10	5.1152	0.131	102.6%
10	Gas Supply Commodity (4)	10 <sup>3</sup> m <sup>3</sup>	48	9	18.4296	0	9	0	9	18.4296		
11	Gas Supply Administration Charge	10 <sup>3</sup> m <sup>3</sup>	48	0	0.3138	0	0	-	0	0.1933		
12	Total Rate M10		189	14	-	(69)	83	(64)	19	-	-	-

Notes:

- (1) EB-2011-0210, Exhibit C3, Tab 2, Schedule 1, Column (b), updated for EB-2011-0210 Board Decision.
- (2) EB-2010-0359, Appendix A effective January 1, 2011 (Excludes Price Adjustments).
- (3) EB-2011-0210, Exhibit G3, Tab 2, Schedules 2-21, excludes Other Revenue, updated for EB-2011-0210 Board Decision.
- (4) Gas Supply Commodity and Fuel Rates will be updated as part of the Board-approved QRAM process.

UNION GAS LIMITED  
Southern Operations Area  
In-Franchise Customers  
Effective January 1, 2013

Line No.	Particulars	Billing Units	Current Approved				Approved 2013					
			2013 Forecast Usage (1)	Revenue (\$000's)	Rates (2) (cents / m <sup>3</sup> )	Revenue (Deficiency) / Sufficiency (\$000's)	Revenue Requirement (3) (\$000's)	Revenue (Deficiency) / Sufficiency (\$000's)	Revenue (\$000's)	Rates (cents / m <sup>3</sup> )	Revenue to Cost Ratios	Rate Change (%)
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f)	(g) = (e + f)	(h) = (g / a)	(i) = (g / e)	(j) = (h - c) / (c)
<u>Rate T1 - Storage and Transportation Rate</u>												
Storage (\$/GJ)												
Demand:												
Firm injection / withdrawal												
1	Union provides deliverability inventory	GJ/d.mo.	2,009,280	3,078	1.532	294	2,784	365	3,149	1.567		
2	Customer provides deliverability inventory	GJ/d.mo.	1,503,356	1,527	1.016	146	1,381	418	1,799	1.197		
3	Incremental firm injection right	GJ/d.mo.	-	-	1.016	-	-	-	-	1.197		
4	Interruptible	GJ/d.mo.	477,948	486	1.016	486	-	572	572	1.197		
5	Space	GJ/d.mo.	129,041,736	1,290	0.010	(171)	1,462	(4)	1,457	0.011		
6	Commodity (Customer Provides)	GJ	10,620,082	74	0.007	(4)	79	2	81	0.008		
7	Commodity (Union Provides)	GJ	-	-	0.039	-	-	-	-	0.030		
8	Customer supplied fuel	GJ	63,503	341	-	139	202	-	202	-		
Transportation (cents/ m <sup>3</sup> )												
Demand												
9	First 140,870 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup> /d.mo.	75,422	14,398	19.0898	994	13,404	(538)	12,866	17.0581		
10	All Over 140,870 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup> /d.mo.	167,088	21,796	13.0445	1,505	20,291	(815)	19,476	11.6562		
Commodity												
Firm												
11	First 2,360,653 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	1,352,116	2,481	0.1835	2,183	298	-	298	0.0220		
12	All Over 2,360,653 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	3,655,396	3,337	0.0913	2,937	401	-	401	0.0110		
13	Interruptible	10 <sup>3</sup> m <sup>3</sup>	421,771	2,959	0.7014	(1,210)	4,168	-	4,168	0.9882		
14	Monthly Charge	Meter/mo.	972	1,745	\$1,795.31	(4,383)	6,128	-	6,128	\$6,304.12	1.000	
15	Customer supplied fuel	GJ	26,901	5,450	202.610	3,352	2,098	-	2,098	-		
16	Total Rate T1		5,429,284	58,963	1.0860	6,267	52,696	-	52,696	0.9706	1.000	-10.6%
<u>Rate T3 - Storage and Transportation Rate</u>												
Storage (\$/GJ)												
Demand												
Firm injection / withdrawal												
17	Union provides deliverability inventory	GJ/d.mo.	-	-	1.532	-	-	-	-	1.567		
18	Customer provides deliverability inventory	GJ/d.mo.	679,320	690	1.016	(120)	810	3	813	1.197		
19	Incremental firm injection right	GJ/d.mo.	-	-	1.016	-	-	-	-	1.197		
20	Interruptible	GJ/d.mo.	-	-	1.016	-	-	-	-	1.197		
21	Space	GJ/d.mo.	36,614,256	366	0.010	(51)	417	(3)	414	0.011		
22	Commodity (Customer Provides)	GJ	4,459,672	31	0.007	(2)	33	1	34	0.008		
23	Commodity (Union Provides)	GJ	-	-	0.039	-	-	-	-	0.030		
24	Customer supplied fuel	GJ	26,668	143	-	58	85	-	85	-		
Transportation (cents/ m <sup>3</sup> )												
Demand												
25	First 28,200	10 <sup>3</sup> m <sup>3</sup> /d.mo.	28,200	2,544	9.0218	(359)	2,903	(264)	2,639	9.3582		
26	Commodity	10 <sup>3</sup> m <sup>3</sup>	272,712	186	0.0682	157	29	-	29	0.0107		
27	Monthly Charge	Meter/mo.	12	211	\$17,567.33	(34)	244	-	244	\$20,371.35	1.000	
28	Customer supplied fuel	GJ	1,972	399	202.610	258	141	-	141	-		
29	Total Rate T3		272,712	4,571	1.6762	(92)	4,663	(264)	4,400	1.6133	0.943	-3.8%

Notes:

- (1) EB-2011-0210, Exhibit C3, Tab 2, Schedule 1, Column (b), updated for EB-2011-0210 Board Decision.  
(2) EB-2010-0359, Appendix A effective January 1, 2011 (Excludes Price Adjustments).  
(3) EB-2011-0210, Exhibit G3, Tab 2, Schedules 2-21, excludes Other Revenue, updated for EB-2011-0210 Board Decision.

**UNION GAS LIMITED**  
Southern Operations Area  
Ex-Franchise Customers  
Effective January 1, 2013

Line No.	Particulars	Billing Units	2013 Forecast Usage (a)	Current Approved		Revenue (Deficiency) / Sufficiency (\$000's) (d) = (b - e)	Approved 2013					
				Revenue (\$000's) (1) (b)	Rates (2), (4) (\$/10 <sup>3</sup> m <sup>3</sup> ) (c)		Revenue Requirement (3) (\$000's) (e)	Revenue (Deficiency) / Sufficiency (\$000's) (f)	Revenue (\$000's) (g) = (e + f)	Rates (\$/10 <sup>3</sup> m <sup>3</sup> ) (h) = (g / a)	Revenue to Cost Ratios (i) = (g / e)	Rate Change % (j) = (g - b) / (b)
<b><u>M12 Transportation Service</u></b>												
Demand:												
Dawn to Kirkwall												
1	- 12 months	10 <sup>3</sup> m <sup>3</sup> /d/mo	11,108	11,167 (5)	74.934	(7,022)	18,189	(680)	11,312	75.903		
2	- 10 months	10 <sup>3</sup> m <sup>3</sup> /d/mo	8,068	6,046	74.934	6,046			6,124	75.903		
3	- 2 months	10 <sup>3</sup> m <sup>3</sup> /d/mo	486	73	74.934	73			74	75.903		
4	- F24-T - 12 months	10 <sup>3</sup> m <sup>3</sup> /d/mo	1,311	410	26.048	370	40	-	40	2.557		
Dawn to Parkway												
5	- 12 months	10 <sup>3</sup> m <sup>3</sup> /d/mo	85,458	98,869 (5)	88.033	(7,778)	106,647	(4,077)	101,007	89.937		
6	- 10 months	10 <sup>3</sup> m <sup>3</sup> /d/mo	1,722	1,516	88.033	1,516			1,549	89.937		
7	- 3 months	10 <sup>3</sup> m <sup>3</sup> /d/mo	53	14	88.033	14			14	89.937		
8	- F24-T - 12 months	10 <sup>3</sup> m <sup>3</sup> /d/mo	8,132	2,542	26.048	2,223	319	0	319	2.557		
M12-X Easterly (between Dawn, Kirkwall and Parkway)												
9	- 12 months	10 <sup>3</sup> m <sup>3</sup> /d/mo	10,358	10,942	88.033	(681)	11,623	(444)	11,179	89.937		
M12-X Westerly (between Dawn, Kirkwall and Parkway)												
10	- 12 months	10 <sup>3</sup> m <sup>3</sup> /d/mo	10,358	2,557	20.574	2,557	-	2,717	2,717	21.858		
Kirkwall to Parkway												
11	- 12 months	10 <sup>3</sup> m <sup>3</sup> /d/mo	2,344	364	13.062 (6)	(184)	548	(24)	395	14.033		
12	- 2 months	10 <sup>3</sup> m <sup>3</sup> /d/mo	4,629	109	13.062 (6)	109			130	14.033		
Commodity:												
13	Easterly - Providing Own Fuel	10 <sup>3</sup> m <sup>3</sup>	18,688,739	26,454		3,830	22,624	0	22,625			
14	Westerly - Providing Own Fuel	10 <sup>3</sup> m <sup>3</sup>										
15	Parkway to Kirkwall/Dawn		23,986	15		4	12	0	12			
15	Kirkwall to Dawn		133,279	86		49	37	0	37			
16	<b>Total Rate M12</b>		<b>18,846,004</b>	<b>161,163</b>		<b>1,123</b>	<b>160,040</b>	<b>(2,508)</b>	<b>157,532</b>		<b>0.984</b>	<b>-2.3%</b>

**Notes:**

- (1) EB-2011-0210, Exhibit C3, Tab 4, Schedule 1, updated for EB-2011-0210 Board Decision.
- (2) EB-2010-0359, Appendix A, Pages 13-15 effective January 1, 2011.
- (3) EB-2011-0210, Exhibit G3, Tab 2, Schedules 2-21, updated for EB-2011-0210 Board Decision.
- (4) The conversion factor used to convert to \$/GJ as found in the rate schedules is 37.75 GJ per 10<sup>3</sup>m<sup>3</sup>.
- (5) M12 demand revenues for Dawn to Kirkwall and Dawn to Parkway also include F24-T demands.
- (6) Decision and Order, EB-2011-0257.

**UNION GAS LIMITED**  
Southern Operations Area  
Ex-Franchise Customers  
Effective January 1, 2013

Line No.	Particulars	Billing Units	2013 Forecast Usage (a)	Current Approved		Revenue (Deficiency) / Sufficiency (\$000's) (d) = (b - e)	Approved 2013					Revenue to Cost Ratios (i) = (g / e)	Rate Change % (j) = (g - b) / (b)
				Revenue (\$000's) (b)	Rates (2), (4) (\$/10 <sup>3</sup> m <sup>3</sup> ) (c)		Revenue Requirement (3) (\$000's) (e)	Revenue (Deficiency) / Sufficiency (\$000's) (f)	Revenue (\$000's) (g) = (e + f)	Rates (\$/10 <sup>3</sup> m <sup>3</sup> ) (h) = (g / a)			
<b>M13 Transportation of Locally Produced Gas</b>													
1	Monthly Fixed Charge	monthly	15	118	\$656.48	(49)	167	-	167	\$926.60			
2	Transmission Commodity Charge	10 <sup>3</sup> m <sup>3</sup>	157,205	148	0.944	148		200	200	1.275			
3	Commodity	10 <sup>3</sup> m <sup>3</sup>	157,205	106	0.680	62	44	0	44	0.278			
4	<b>Total Rate M13</b>		<u>157,205</u>	<u>373</u>		<u>162</u>	<u>211</u>	<u>200</u>	<u>411</u>		<u>1.952</u>	<u>10.2%</u>	
<b>M16 Transportation Service</b>													
5	Monthly Fixed Charge	monthly	4	32	\$664.93	(39)	71	-	71	\$1,474.12			
6	Transmission Commodity Charge	10 <sup>3</sup> m <sup>3</sup>	165,202	202	0.944	202		211	211	1.275			
Charges West of Dawn:													
7	Firm Demand Charge	10 <sup>3</sup> m <sup>3</sup> /d	473	208	36.655	(24)	232	(5)	227	39.987			
8	Fuel & UFG to Dawn	10 <sup>3</sup> m <sup>3</sup>	108,577	61	0.665	30	30	0	30	0.278			
9	Fuel & UFG to Pool	10 <sup>3</sup> m <sup>3</sup>	108,577	89	0.982	4	86	0	86	0.791			
Charges East of Dawn:													
10	Firm Demand Charge	10 <sup>3</sup> m <sup>3</sup> /d	240	79	27.431	79		81	81	27.973			
11	Fuel & UFG to Dawn	10 <sup>3</sup> m <sup>3</sup>	56,626	34	0.665	18	16	0	16	0.278			
12	Fuel & UFG to Pool	10 <sup>3</sup> m <sup>3</sup>	56,626	44	0.857	28	16	0	16	0.278			
13	<b>Total Rate M16</b>		<u>330,405</u>	<u>748</u>		<u>297</u>	<u>451</u>	<u>286</u>	<u>736</u>		<u>1.634</u>	<u>-1.5%</u>	

Notes:

- (1) EB-2011-0210, Exhibit C3, Tab 4, Schedule 1, updated for EB-2011-0210 Board Decision.  
(2) EB-2010-0359, Appendix A, Pages 13-15 effective January 1, 2011.  
(3) EB-2011-0210, Exhibit G3, Tab 2, Schedules 2-21, updated for EB-2011-0210 Board Decision.  
(4) The conversion factor used to convert to \$/GJ as found in the rate schedules is 37.75 GJ per 10<sup>3</sup>m<sup>3</sup>.

**UNION GAS LIMITED**  
Southern Operations Area  
Ex-Franchise Customers  
Effective January 1, 2013

Line No.	Particulars	Billing Units	2013 Forecast Usage (a)	Current Approved		Revenue (Deficiency) / Sufficiency (\$000's) (d) = (b - e)	Approved 2013					Revenue to Cost Ratios (i) = (g / e)	Rate Change % (j) = (g - b) / (b)
				Revenue (\$000's) (1) (b)	Rates (2), (4) (\$/10 <sup>3</sup> m <sup>3</sup> ) (c)		Revenue Requirement (3) (\$000's) (e)	Revenue (Deficiency) / Sufficiency (\$000's) (f)	Revenue (\$000's) (g) = (e + f) (g)	Rates (\$/10 <sup>3</sup> m <sup>3</sup> ) (h) = (g / a)			
<b>C1 Cross Franchise Transportation Service</b>													
Storage Service:													
1	Peak Storage(Short-term) (5) Commodity	10 <sup>3</sup> m <sup>3</sup>	595,744	7,883		3,774 (1,517)	4,109 1,517	3,774 (1,517)	7,883				
2	Off Peak Storage/ Balancing /Loans	10 <sup>3</sup> m <sup>3</sup>	0	2,500		2,500	-	2,500	2,500				
Transportation Service:													
Demand:													
3	St.Clair & Dawn, Ojibway & Dawn - 12 months	10 <sup>3</sup> m <sup>3</sup> /mo	2,264	3,106	36.655	2,020	1,086	2,111	3,197	39.987			
4	Parkway to Dawn/Kirkwall - 12 months	10 <sup>3</sup> m <sup>3</sup> /mo	9,202	2,272	20.574	2,272	-	2,508	2,414	21.858			
5	- 3 months	10 <sup>3</sup> m <sup>3</sup> /mo	1,440	89	20.574	89			94	21.858			
6	Kirkwall to Dawn Dawn to Parkway	10 <sup>3</sup> m <sup>3</sup> /mo	0	-	44.394			-		38.548			
7	- 12 months	10 <sup>3</sup> m <sup>3</sup> /mo	187	413	88.033	377	35	377	413	89.937			
8	Kirkwall to Parkway Dawn to Dawn Vector	10 <sup>3</sup> m <sup>3</sup> /mo			13.062 (6)					14.033			
9	- 12 months	10 <sup>3</sup> m <sup>3</sup> /mo	2,459	47	1.586	47	-	32	32	1.080			
10	Dawn to Dawn TCPL - 12 months	10 <sup>3</sup> m <sup>3</sup> /mo	13,245	1,320	8.305	772	548	258	805	5.066			
Firm Commodity													
Easterly													
11	Union Providing Fuel Dawn to Parkway (TCPL)	10 <sup>3</sup> m <sup>3</sup>	64,193	103		20	82	2	85				
12	Providing Own Fuel Dawn to Dawn TCPL	10 <sup>3</sup> m <sup>3</sup>	132,450	154		72	82	0	82				
13	Dawn to Dawn Vector	10 <sup>3</sup> m <sup>3</sup>	484,257	126		(118)	243	0	243				
14	Ojibway to Dawn Westerly - Providing Own Fuel	10 <sup>3</sup> m <sup>3</sup>	264,068	261		89	172	(7)	164				
15	Parkway to Kirkwall	10 <sup>3</sup> m <sup>3</sup>	0	-		-		-					
16	Parkway to Dawn	10 <sup>3</sup> m <sup>3</sup>	105,702	68		16	52	(1)	51				
17	Short-term Transportation	10 <sup>3</sup> m <sup>3</sup>	4,702,773	11,067		5,224	5,843	5,224	11,067				
18	Exchanges			14,918 (7)		14,918	-	14,918	14,918				
19	Other Transactional			1,067		1,067	-	1,067	1,067				
20	<b>Total Rate C1</b>		<u>5,753,444</u>	<u>45,392</u>		<u>31,622</u>	<u>13,770</u>	<u>31,245</u>	<u>45,015</u>		<u>3.269</u>		<u>-0.8%</u>
21	<b>Total Ex-Franchise</b>			<u>207,676</u>		<u>33,205</u>	<u>174,471</u>	<u>29,223</u>	<u>203,695</u>				

Notes:

- (1) EB-2011-0210, Exhibit C3, Tab 4, Schedule 1, updated for EB-2011-0210 Board Decision.
- (2) EB-2010-0359, Appendix A, Pages 13-15 effective January 1, 2011.
- (3) EB-2011-0210, Exhibit G3, Tab 2, Schedules 2-21, updated for EB-2011-0210 Board Decision.
- (4) The conversion factor used to convert to \$/GJ as found in the rate schedules is 37.75 GJ per 10<sup>3</sup>m<sup>3</sup>.
- (5) Updated the 2013 forecasted usage and revenues for a reduction in excess utility space from 13.0 PJs to 11.4 PJs.
- (6) Decision and Order, EB-2011-0257.
- (7) Base Exchanges revenue of \$9.118 million and FT-RAM Related Exchanges of \$5.800 million.

UNION GAS LIMITED  
Northern & Eastern Operations Area  
Percentage Change in Average Unit Price  
Effective January 1, 2013

Line No.	Particulars (cents/m <sup>3</sup> )	Rate Classification	Current Approved Rates (1) (cents / m <sup>3</sup> ) (a)	Rate Change (b) = (c - a)	Approved Rates (2) (cents / m <sup>3</sup> ) (c)	Percent Change (3) (%) (d) = (b / a)
	Small Volume General Service	01				
1	Delivery		15.8233	2.3204	18.1438	14.7%
2	Gas Supply Transportation		5.7130	1.7899	7.5030	31.3%
3	Storage		2.2911	0.8843	3.1754	38.6%
4	Total		<u>23.8274</u>	<u>4.9947</u>	<u>28.8221</u>	<u>21.0%</u>
	Large Volume General Service	10				
5	Delivery		5.2508	0.8638	6.1146	16.5%
6	Gas Supply Transportation		5.5009	1.5863	7.0872	28.8%
7	Storage		1.6658	0.6427	2.3085	38.6%
8	Total		<u>12.4175</u>	<u>3.0928</u>	<u>15.5103</u>	<u>24.9%</u>
	Medium Volume Firm Service	20				
9	Delivery		1.5443	0.5861	2.1304	38.0%
10	Gas Supply Transportation		6.1979	1.1816	7.3795	19.1%
11	Total		<u>7.7421</u>	<u>1.7677</u>	<u>9.5099</u>	<u>22.8%</u>
	Large Volume High Load Factor	100				
12	Delivery		<u>0.6678</u>	<u>0.1488</u>	<u>0.8166</u>	<u>22.3%</u>
	Large Volume Interruptible	25				
13	Delivery		<u>2.0039</u>	<u>0.7993</u>	<u>2.8033</u>	<u>39.9%</u>

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (c).  
(2) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (h).  
(3) Excludes Gas Supply Commodity related costs.

UNION GAS LIMITED  
Southern Operations Area  
Percentage Change in Average Unit Price  
Effective January 1, 2013

Line No.	Particulars (cents/m <sup>3</sup> )	Rate Classification	Current Approved Rates (1) (cents / m <sup>3</sup> ) (a)	Rate Change (b) = (c - a)	Approved Rates (2) (cents / m <sup>3</sup> ) (c)	Percent Change (3) (%) (d) = (b / a)
	General Service	M1				
1	Delivery		12.0548	0.3981	12.4529	3.3%
2	Storage		0.9775	(0.2407)	0.7368	-24.6%
3	Total		<u>13.0323</u>	<u>0.1574</u>	<u>13.1897</u>	<u>1.2%</u>
	General Service	M2				
4	Delivery		3.8762	0.4685	4.3447	12.1%
5	Storage		0.7200	0.0350	0.7550	4.9%
6	Total		<u>4.5962</u>	<u>0.5036</u>	<u>5.0998</u>	<u>11.0%</u>
7	Firm Contract Commercial / Industrial Delivery	M4	<u>2.8561</u>	<u>0.1461</u>	<u>3.0022</u>	<u>5.1%</u>
8	Firm Contract Commercial / Industrial Delivery	M5 (F)	<u>2.7592</u>	<u>0.1726</u>	<u>2.9318</u>	<u>6.3%</u>
9	Interruptible Contract Commercial / Industrial Delivery	M5 (I)	<u>1.6295</u>	<u>0.8014</u>	<u>2.4309</u>	<u>49.2%</u> (4)
10	Firm Special Large Volume Contract Delivery	M7 (F)	<u>2.7417</u>	<u>0.0750</u>	<u>2.8167</u>	<u>2.7%</u>
11	Interruptible Special Large Volume Contract Delivery	M7 (I)	<u>0.9551</u>	<u>0.2816</u>	<u>1.2367</u>	<u>29.5%</u>
12	Large Wholesale Service Delivery	M9	<u>1.3486</u>	<u>(0.1924)</u>	<u>1.1562</u>	<u>-14.3%</u>
13	Small Wholesale Service Delivery	M10	<u>2.5245</u>	<u>2.5907</u>	<u>5.1152</u>	<u>102.6%</u>
14	Storage and Transportation Delivery	T1 (F/I)	<u>1.0860</u>	<u>(0.1154)</u>	<u>0.9706</u>	<u>-10.6%</u>
15	Delivery excluding fuel		<u>0.9793</u>	<u>(0.0511)</u>	<u>0.9282</u>	<u>-5.2%</u>
16	Storage and Transportation Distributor	T3	<u>1.6762</u>	<u>(0.0629)</u>	<u>1.6133</u>	<u>-3.8%</u>

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (c).  
(2) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (h).  
(3) Excludes Gas Supply Commodity related costs.  
(4) Includes impact of 2012 DSM per EB-2011-0327.

UNION GAS LIMITED  
Southern Operations Area  
General Service Customer Bill Impacts

Rate M1 - Residential  
(Annual Consumption of 2,200 m<sup>3</sup>)

Line No.		EB-2012-0345			EB-2012-0437			EB-2011-0210	
		Approved			Approved			Approved	
		01-Oct-12			01-Jan-13			01-Jan-13	
		Total	Bill Impacts		Total	Bill Impacts		Total	
		Bill (\$) (1)	(\$)	(%)	Bill (\$) (1)	(\$)	(%)	Bill (\$) (1)	
		(a)	(b) = (d - a)	(c) = (b / a)	(d)	(e) = (g - d)	(f) = (e / d)	(g)	
	<u>Delivery Charges</u>								
1	Monthly Charge	252.00	-		252.00	-		252.00	
2	Delivery Commodity Charge	73.21	0.79		74.00	4.66		78.66	
3	Prospective Recovery - Delivery	-	-		-	-		-	
4	Storage Services	21.41	-		21.41	(5.18)		16.23	
5	Total Delivery Charge	346.62	0.79	0.2%	347.41	(0.52)	-0.1%	346.89	
	<u>Supply Charges</u>								
6	Transportation to Union	109.84	(6.83)		103.01	(6.21)		96.80	
7	Commodity & Fuel	238.40	45.03		283.43	(2.66)		280.77	
8	Prospective Recovery - Commodity & Fuel	(27.65)	(18.52)		(46.17)	-		(46.17)	
9	Subtotal	210.75	26.51	12.6%	237.26	(2.66)	-1.1%	234.60	
10	Total Gas Supply Charge (line 6 + line 9)	320.59	19.68		340.27	(8.87)		331.40	
11	Total Bill	667.21	20.47	3.1%	687.68	(9.39)	-1.4%	678.29	
12	Impacts for Customer Notices - Sales (line 11)		20.47			(9.39)			
13	Impacts for Customer Notices - Direct Purchase (line 5)		0.79			(0.52)			

Notes:

(1) Excludes temporary charges/(credits).

UNION GAS LIMITED  
Southern Operations Area  
General Service Customer Bill Impacts

Rate M2 - Commercial  
(Annual Consumption of 73,000 m³)

Line No.		EB-2012-0345	Bill Impacts		EB-2012-0437	Bill Impacts		EB-2011-0210
		Approved 01-Oct-12 Total Bill (\$) (1)	(\$)	(%)	Approved 01-Jan-13 Total Bill (\$) (1)	(\$)	(%)	Approved 01-Jan-13 Total Bill (\$) (1)
		(a)	(b) = (c) - (a)	(c) = (b / a)	(c)	(d) = (e) - (c)	(c) = (b / a)	(e)
	<u>Delivery Charges</u>							
1	Monthly Charge	840.00	-		840.00	-		840.00
2	Delivery Commodity Charge	2,622.58	34.80		2,657.38	278.72		2,936.10
3	Prospective Recovery - Delivery	0.14	(0.02)		0.12	0.02		0.14
4	Storage Services	523.56	-		523.56	27.62		551.18
5	Total Delivery Charge	3,986.28	34.78	0.9%	4,021.06	306.36	7.6%	4,327.42
	<u>Supply Charges</u>							
6	Transportation to Union	3,644.31	(226.38)		3,417.93	(206.14)		3,211.79
7	Commodity & Fuel	7,910.71	1,493.52		9,404.23	(88.00)		9,316.23
8	Prospective Recovery - Commodity & Fuel	(917.24)	(614.15)		(1,531.39)	0.01		(1,531.38)
9	Subtotal	6,993.47	879.37	12.6%	7,872.84	(87.99)	-1.1%	7,784.85
10	Total Gas Supply Charge (line 6 + line 9)	10,637.78	652.99	6.1%	11,290.77	(294.13)	-2.6%	10,996.64
11	Total Bill	14,624.06	687.77	4.7%	15,311.83	12.23	0.1%	15,324.06
12	Impacts for Customer Notices - Sales (line 11)		687.77	4.7%		12.23	0.1%	
13	Impacts for Customer Notices - Direct Purchase (line 5)		34.78	0.9%		306.36	7.6%	

Notes:

(1) Excludes temporary charges/(credits).

UNION GAS LIMITED  
Northern & Eastern Operations Area  
General Service Customer Bill Impacts

(Fort Frances)  
Rate 01 - Residential  
(Annual Consumption of 2,200 m³)

(Annual Consumption of 2,200 m <sup>3</sup> )										
Line No.		EB-2012-0345	Bill Impacts		EB-2012-0437	Bill Impacts		EB-2011-0210		
		Approved	Total	Bill (\$ (1)	Approved	Total	Bill (\$ (1)	Approved		
		01-Oct-12							01-Jan-13	01-Jan-13
		Total							Total	Total
		Bill (\$ (1)	(\$)	(%)	Bill (\$ (1)	(\$)	(%)	Bill (\$ (1)		
		(a)	(b) = (d - a)	(c) = (b / a)	(d)	(e) = (g - d)	(f) = (e / d)	(g)		
	<u>Delivery Charges</u>									
1	Monthly Charge	252.00	-		252.00	-		252.00		
2	Delivery Commodity Charge	159.09	0.90		159.99	47.53		207.52		
3	Total Delivery Charge	411.09	0.90	0.2%	411.99	47.53	11.5%	459.52		
	<u>Supply Charges</u>									
4	Transportation to Union	129.57	-		129.57	(20.92)		108.65		
5	Prospective Recovery - Transportation	20.74	3.74		24.48	-		24.48		
6	Storage Services	41.19	-		41.19	6.13		47.32		
7	Prospective Recovery - Storage	-	-		-	-		-		
8	Subtotal	191.50	3.74	2.0%	195.24	(14.79)	-7.6%	180.45		
9	Commodity & Fuel	235.23	44.21		279.44	(2.67)		276.77		
10	Prospective Recovery - Commodity & Fuel	(56.58)	8.74		(47.84)	-		(47.84)		
11	Subtotal	178.65	52.95		231.60	(2.67)		228.93		
12	Total Gas Supply Charge (line 8 + line 11)	370.15	56.69		426.84	(17.46)		409.38		
13	Total Bill	781.24	57.59	7.4%	838.83	30.07	3.6%	868.90		
14	Impacts for Customer Notices - Sales (line 13)		57.59			30.07				
15	Impacts for Customer Notices - Direct Purchase (line 3 + line 8)		4.64			32.74				

Notes:

(1) Excludes temporary charges/(credits).

UNION GAS LIMITED  
Northern & Eastern Operations Area  
General Service Customer Bill Impacts

(Western)  
Rate 01 - Residential  
(Annual Consumption of 2,200 m³)

Line No.		EB-2012-0345			EB-2012-0437			EB-2011-0210	
		Approved 01-Oct-12			Approved 01-Jan-13			Approved 01-Jan-13	
		Total	Bill Impacts		Total	Bill Impacts		Total	
		Bill (\$) (1)	(\$)	(%)	Bill (\$) (1)	(\$)	(%)	Bill (\$) (1)	
		(a)	(b) = (d - a)	(c) = (b / a)	(d)	(e) = (g - d)	(f) = (e / d)	(g)	
	<u>Delivery Charges</u>								
1	Monthly Charge	252.00	-		252.00	-		252.00	
2	Delivery Commodity Charge	159.09	0.90		159.99	47.53		207.52	
3	Total Delivery Charge	411.09	0.90	0.2%	411.99	47.53	11.5%	459.52	
	<u>Supply Charges</u>								
4	Transportation to Union	138.55	-		138.55	(16.67)		121.88	
5	Prospective Recovery - Transportation	20.74	3.74		24.48	-		24.48	
6	Storage Services	41.14	-		41.14	11.46		52.60	
7	Prospective Recovery - Storage	-	-		-	-		-	
8	Subtotal	200.43	3.74	1.9%	204.17	(5.21)	-2.6%	198.96	
9	Commodity & Fuel	236.20	44.43		280.63	(2.65)		277.98	
10	Prospective Recovery - Commodity & Fuel	(56.58)	8.74		(47.84)	-		(47.84)	
11	Subtotal	179.62	53.17		232.79	(2.65)		230.14	
12	Total Gas Supply Charge (line 8 + line 11)	380.05	56.91		436.96	(7.86)		429.10	
13	Total Bill	791.14	57.81	7.3%	848.95	39.67	4.7%	888.62	
14	Impacts for Customer Notices - Sales (line 13)		57.81			39.67			
15	Impacts for Customer Notices - Direct Purchase (line 3 + line 8)		4.64			42.32			

Notes:

(1) Excludes temporary charges/(credits).

UNION GAS LIMITED  
Northern & Eastern Operations Area  
General Service Customer Bill Impacts

(Northern)  
Rate 01 - Residential  
(Annual Consumption of 2,200 m<sup>3</sup>)

Line No.		EB-2012-0345 Approved 01-Oct-12			EB-2012-0437 Approved 01-Jan-13			EB-2011-0210 Approved 01-Jan-13	
		Total Bill (\$) (1)	Bill Impacts		Total Bill (\$) (1)	Bill Impacts		Total Bill (\$) (1)	
		(a)	(\$) (b) = (d - a)	(%) (c) = (b / a)	(d)	(\$) (e) = (g - d)	(%) (f) = (e / d)	(g)	
	<u>Delivery Charges</u>								
1	Monthly Charge	252.00	-		252.00	-		252.00	
2	Delivery Commodity Charge	159.00	0.91		159.91	47.53		207.44	
3	Total Delivery Charge	411.00	0.91	0.2%	411.91	47.53	11.5%	459.44	
	<u>Supply Charges</u>								
4	Transportation to Union	168.28	-		168.28	(0.48)		167.80	
5	Prospective Recovery - Transportation	20.75	3.72		24.47	-		24.47	
6	Storage Services	49.59	-		49.59	21.38		70.97	
7	Prospective Recovery - Storage	-	-		-	-		-	
8	Subtotal	238.62	3.72	1.6%	242.34	20.90	8.6%	263.24	
9	Commodity & Fuel	237.37	44.75		282.12	(2.66)		279.46	
10	Prospective Recovery - Commodity & Fuel	(56.57)	8.74		(47.83)	-		(47.83)	
11	Subtotal	180.80	53.49		234.29	(2.66)		231.63	
12	Total Gas Supply Charge (line 8 + line 11)	419.42	57.21		476.63	18.24		494.87	
13	Total Bill	830.42	58.12	7.0%	888.54	65.77	7.4%	954.31	
14	Impacts for Customer Notices - Sales (line 13)		58.12			65.77			
15	Impacts for Customer Notices - Direct Purchase (line 3 + line 8)		4.63			68.43			

Notes:

(1) Excludes temporary charges/(credits).

UNION GAS LIMITED  
Northern & Eastern Operations Area  
General Service Customer Bill Impacts

(Eastern)  
Rate 01 - Residential  
(Annual Consumption of 2,200 m<sup>3</sup>)

Line No.		EB-2012-0345 Approved 01-Oct-12			EB-2012-0437 Approved 01-Jan-13			EB-2011-0210 Approved 01-Jan-13	
		Total Bill (\$) (1)	Bill Impacts		Total Bill (\$) (1)	Bill Impacts		Total Bill (\$) (1)	
		(a)	(\$) (b) = (d - a)	(%) (c) = (b / a)	(d)	(\$) (e) = (g - d)	(%) (f) = (e / d)	(g)	
	<u>Delivery Charges</u>								
1	Monthly Charge	252.00	-		252.00	-		252.00	
2	Delivery Commodity Charge	158.71	0.94		159.65	47.50		207.15	
3	Total Delivery Charge	410.71	0.94	0.2%	411.65	47.50	11.5%	459.15	
	<u>Supply Charges</u>								
4	Transportation to Union	192.71	-		192.71	(5.36)		187.35	
5	Prospective Recovery - Transportation	20.73	3.75		24.48	-		24.48	
6	Storage Services	56.41	-		56.41	22.34		78.75	
7	Prospective Recovery - Storage	-	-		-	-		-	
8	Subtotal	269.85	3.75	1.4%	273.60	16.98	6.2%	290.58	
9	Commodity & Fuel	238.42	45.01		283.43	(2.66)		280.77	
10	Prospective Recovery - Commodity & Fuel	(56.59)	8.76		(47.83)	-		(47.83)	
11	Subtotal	181.83	53.77		235.60	(2.66)		232.94	
12	Total Gas Supply Charge (line 8 + line 11)	451.68	57.52		509.20	14.32		523.52	
13	Total Bill	862.39	58.46	6.8%	920.85	61.82	6.7%	982.67	
14	Impacts for Customer Notices - Sales (line 13)		58.46			61.82			
15	Impacts for Customer Notices - Direct Purchase (line 3 + line 8)		4.69			64.48			

Notes:

(1) Excludes temporary charges/(credits).

UNION GAS LIMITED  
Northern & Eastern Operations Area  
General Service Customer Bill Impacts

(Fort Frances)  
Rate 10 - Commercial / Industrial  
(Annual Consumption of 93,000 m³)

Line No.		EB-2012-0345			EB-2012-0437			EB-2011-0210		
		Approved			Approved			Approved		
		01-Oct-12			01-Jan-13			01-Jan-13		
		Total	Bill Impacts		Total	Bill Impacts		Total		
		Bill (\$ (1))	(\$)	(%)	Bill (\$ (1))	(\$)	(%)	Bill (\$ (1))		
		(a)	(b) = (d - a)	(c) = (b / a)	(d)	(e) = (g - d)	(f) = (e / d)	(g)		
	<u>Delivery Charges</u>									
1	Monthly Charge	840.00	-		840.00	-		840.00		
2	Delivery Commodity Charge	4,519.54	16.90		4,536.44	1,390.61		5,927.05		
3	Total Delivery Charge	5,359.54	16.90	0.3%	5,376.44	1,390.61	25.9%	6,767.05		
	<u>Supply Charges</u>									
4	Transportation to Union	5,073.60	(0.01)		5,073.59	(1,058.82)		4,014.77		
5	Prospective Recovery - Transportation	876.55	158.27		1,034.82	-		1,034.82		
6	Storage Services	1,112.65	0.02		1,112.67	4.72		1,117.39		
7	Prospective Recovery - Storage	-	-		-	-		-		
8	Subtotal	7,062.80	158.28	2.2%	7,221.08	(1,054.10)	-14.6%	6,166.98		
9	Commodity & Fuel	9,943.73	1,868.76		11,812.49	(112.11)		11,700.38		
10	Prospective Recovery - Commodity & Fuel	(2,391.69)	370.24		(2,021.45)	-		(2,021.45)		
11	Subtotal	7,552.04	2,239.00		9,791.04	(112.11)		9,678.93		
12	Total Gas Supply Charge (line 8 + line 11)	14,614.84	2,397.28		17,012.12	(1,166.21)		15,845.91		
13	Total Bill	19,974.38	2,414.18	12.1%	22,388.56	224.40	1.0%	22,612.96		
14	Impacts for Customer Notices - Sales (line 13)		2,414.18			224.40				
15	Impacts for Customer Notices - Direct Purchase (line 3 + line 8)		175.18			336.51				

Notes:

(1) Excludes temporary charges/(credits).

UNION GAS LIMITED  
Northern & Eastern Operations Area  
General Service Customer Bill Impacts

(Western)  
Rate 10 - Commercial / Industrial  
(Annual Consumption of 93,000 m<sup>3</sup>)

Line No.		EB-2012-0345	Bill Impacts		EB-2012-0437	Bill Impacts		EB-2011-0210
		Approved 01-Oct-12 Total			Approved 01-Jan-13 Total			Approved 01-Jan-13 Total
		Bill (\$ (1)) (a)	(\$) (b) = (d - a)	(\$) (c) = (b / a)	Bill (\$ (1)) (d)	(\$) (e) = (g - d)	(%) (f) = (e / d)	Bill (\$ (1)) (g)
	<u>Delivery Charges</u>							
1	Monthly Charge	840.00	-		840.00	-		840.00
2	Delivery Commodity Charge	4,519.54	16.90		4,536.44	1,390.61		5,927.05
3	Total Delivery Charge	5,359.54	16.90	0.3%	5,376.44	1,390.61	25.9%	6,767.05
	<u>Supply Charges</u>							
4	Transportation to Union	5,453.42	(0.01)		5,453.41	(879.30)		4,574.11
5	Prospective Recovery - Transportation	876.55	158.27		1,034.82	-		1,034.82
6	Storage Services	1,110.50	-		1,110.50	230.38		1,340.88
7	Prospective Recovery - Storage	-	-		-	-		-
8	Subtotal	7,440.47	158.26	2.1%	7,598.73	(648.92)	-8.5%	6,949.81
9	Commodity & Fuel	9,984.00	1,878.90		11,862.90	(112.12)		11,750.78
10	Prospective Recovery - Commodity & Fuel	(2,391.69)	370.24		(2,021.45)	-		(2,021.45)
11	Subtotal	7,592.31	2,249.14		9,841.45	(112.12)		9,729.33
12	Total Gas Supply Charge (line 8 + line 11)	15,032.78	2,407.40		17,440.18	(761.04)		16,679.14
13	Total Bill	20,392.32	2,424.30	11.9%	22,816.62	629.57	2.8%	23,446.19
14	Impacts for Customer Notices - Sales (line 13)		2,424.30			629.57		
15	Impacts for Customer Notices - Direct Purchase (line 3 + line 8)		175.16			741.69		

Notes:

(1) Excludes temporary charges/(credits).

UNION GAS LIMITED  
Northern & Eastern Operations Area  
General Service Customer Bill Impacts

(Northern)  
Rate 10 - Commercial / Industrial  
(Annual Consumption of 93,000 m³)

Line No.		EB-2012-0345			EB-2012-0437			EB-2011-0210		
		Approved 01-Oct-12			Approved 01-Jan-13			Approved 01-Jan-13		
		Total			Total			Total		
		Bill (\$ (1)	Bill Impacts		Bill (\$ (1)	Bill Impacts		Bill (\$ (1)		
		(a)	(\$)	(%)	(d)	(\$)	(%)	(g)		
			(b) = (d - a)	(c) = (b / a)		(e) = (g - d)	(f) = (e / d)			
	<u>Delivery Charges</u>									
1	Monthly Charge	840.00	-		840.00	-		840.00		
2	Delivery Commodity Charge	4,514.51	16.95		4,531.46	1,389.98		5,921.44		
3	Total Delivery Charge	5,354.51	16.95	0.3%	5,371.46	1,389.98	25.9%	6,761.44		
	<u>Supply Charges</u>									
4	Transportation to Union	6,710.24	-		6,710.24	(194.84)		6,515.40		
5	Prospective Recovery - Transportation	876.52	158.29		1,034.81	-		1,034.81		
6	Storage Services	1,469.03	0.05		1,469.08	647.59		2,116.67		
7	Prospective Recovery - Storage	-	-		-	-		-		
8	Subtotal	9,055.79	158.34	1.7%	9,214.13	452.75	4.9%	9,666.88		
9	Commodity & Fuel	10,033.86	1,891.52		11,925.38	(112.09)		11,813.29		
10	Prospective Recovery - Commodity & Fuel	(2,391.68)	370.24		(2,021.44)	-		(2,021.44)		
11	Subtotal	7,642.18	2,261.76		9,903.94	(112.09)		9,791.85		
12	Total Gas Supply Charge (line 8 + line 11)	16,697.97	2,420.10		19,118.07	340.66		19,458.73		
13	Total Bill	22,052.48	2,437.05	11.1%	24,489.53	1,730.64	7.1%	26,220.17		
14	Impacts for Customer Notices - Sales (line 13)		2,437.05			1,730.64				
15	Impacts for Customer Notices - Direct Purchase (line 3 + line 8)		175.29			1,842.73				

Notes:

(1) Excludes temporary charges/(credits).

UNION GAS LIMITED  
Northern & Eastern Operations Area  
General Service Customer Bill Impacts

(Eastern)  
Rate 10 - Commercial / Industrial  
(Annual Consumption of 93,000 m³)

Line No.		EB-2012-0345	Bill Impacts		EB-2012-0437	Bill Impacts		EB-2011-0210
		Approved			Approved			Approved
		01-Oct-12			01-Jan-13			01-Jan-13
		Total			Total			Total
		Bill (\$ (1)	(\$)	(\$)	Bill (\$ (1)	(\$)	(%)	Bill (\$ (1)
		(a)	(b) = (d - a)	(c) = (b / a)	(d)	(e) = (g - d)	(f) = (e / d)	(g)
	<u>Delivery Charges</u>							
1	Monthly Charge	840.00	-		840.00	-		840.00
2	Delivery Commodity Charge	4,527.39	16.91		4,544.30	1,391.51		5,935.81
3	Total Delivery Charge	5,367.39	16.91	0.3%	5,384.30	1,391.51	25.8%	6,775.81
	<u>Supply Charges</u>							
4	Transportation to Union	7,742.72	-		7,742.72	(401.73)		7,340.99
5	Prospective Recovery - Transportation	876.51	158.30		1,034.81	-		1,034.81
6	Storage Services	1,758.38	-		1,758.38	688.15		2,446.53
7	Prospective Recovery - Storage	-	-		-	-		-
8	Subtotal	10,377.61	158.30	1.5%	10,535.91	286.42	2.7%	10,822.33
9	Commodity & Fuel	10,078.04	1,902.69		11,980.73	(112.10)		11,868.63
10	Prospective Recovery - Commodity & Fuel	(2,391.67)	370.21		(2,021.46)	-		(2,021.46)
11	Subtotal	7,686.37	2,272.90		9,959.27	(112.10)		9,847.17
12	Total Gas Supply Charge (line 8 + line 11)	18,063.98	2,431.20		20,495.18	174.32		20,669.50
13	Total Bill	23,431.37	2,448.11	10.4%	25,879.48	1,565.83	6.1%	27,445.31
14	Impacts for Customer Notices - Sales (line 13)		2,448.11			1,565.83		
15	Impacts for Customer Notices - Direct Purchase (line 3 + line 8)		175.21			1,677.93		

Notes:

(1) Excludes temporary charges/(credits).

UNION GAS LIMITED  
Calculation of Delivery Rate Change on Delivery and Total Bill for Typical Small and Large Customers - Union North

Line No.	Particulars	EB-2012-0437 January 2013 QRAM (1)		EB-2011-0210 2013 Rate Order		Impact		
		Bill (\$)	Unit Rate (cents/m <sup>3</sup> )	Bill (\$)	Unit Rate (cents/m <sup>3</sup> )	Unit Rate (cents/m <sup>3</sup> )	Delivery Rate Change (\$)	Bill (%)
		(a)	(b)	(c)	(d)	(e) = (d-b)	(f) = (c-a)	(g) = (f/a)
	<u>Small Rate 01</u>							
1	Delivery Charges	412	18.7108	459	20.8705	2.1597	48	11.5%
2	Gas Supply Charges	509	23.1457	524	23.7966			
3	Total Bill	921	41.8565	983	44.6671	2.1597	48	5.2%
	<u>Small Rate 10</u>							
4	Delivery Charges	3,876	6.4597	4,786	7.9761	1.5163	910	23.5%
5	Gas Supply Charges	13,223	22.0378	13,335	22.2253			
6	Total Bill	17,099	28.4975	18,121	30.2014	1.5163	910	5.3%
	<u>Large Rate 10</u>							
7	Delivery Charges	11,956	4.7825	15,570	6.2278	1.4453	3,613	30.2%
8	Gas Supply Charges	55,095	22.0378	55,563	22.2253			
9	Total Bill	67,051	26.8203	71,133	28.4531	1.4453	3,613	5.4%
	<u>Small Rate 20</u>							
10	Delivery Charges	50,984	1.6995	74,860	2.4953	0.7959	23,876	46.8%
11	Gas Supply Charges	652,745	21.7582	635,070	21.1690			
12	Total Bill	703,729	23.4576	709,930	23.6643	0.7959	23,876	3.4%
	<u>Large Rate 20</u>							
13	Delivery Charges	190,055	1.2670	286,022	1.9068	0.6398	95,968	50.5%
14	Gas Supply Charges	3,038,990	20.2599	2,960,678	19.7379			
15	Total Bill	3,229,045	21.5270	3,246,701	21.6447	0.6398	95,968	3.0%
	<u>Average Rate 25</u>							
16	Delivery Charges	48,741	2.1425	63,659	2.7982	0.6558	14,918	30.6%
17	Gas Supply Charges	367,965	16.1743	341,798	15.0241			
18	Total Bill	416,706	18.3168	405,457	17.8223	0.6558	14,918	3.6%
	<u>Small Rate 100</u>							
19	Delivery Charges	197,056	0.7298	259,798	0.9622	0.2324	62,742	31.8%
20	Gas Supply Charges	5,884,114	21.7930	5,800,261	21.4824			
21	Total Bill	6,081,170	22.5229	6,060,059	22.4447	0.2324	62,742	1.0%
	<u>Large Rate 100</u>							
22	Delivery Charges	1,622,425	0.6760	2,095,718	0.8732	0.1972	473,294	29.2%
23	Gas Supply Charges	51,198,370	21.3327	50,473,071	21.0304			
24	Total Bill	52,820,795	22.0087	52,568,789	21.9037	0.1972	473,294	0.9%

Notes:

(1) Reflects proposed rates per Union's January 2013 QRAM filing (EB-2012-0437).

UNION GAS LIMITED

Calculation of Delivery Rate Change on Delivery and Total Bill for Typical Small and Large Customers - Union South

Line No.	Particulars	EB-2012-0437 January 2013 QRAM (1)		EB-2011-0210 2013 Rate Order		Impact		
		Bill (\$)	Unit Rate (cents/m <sup>3</sup> )	Bill (\$)	Unit Rate (cents/m <sup>3</sup> )	Unit Rate (cents/m <sup>3</sup> )	Delivery Rate Change (\$)	Bill (%)
		(a)	(b)	(c)	(d)	(e) = (d-b)	(f) = (c-a)	(g) = (f/a)
<u>Small Rate M1</u>								
1	Delivery Charges	347	15.7922	347	15.7671	(0.0252)	(1)	-0.2%
2	Gas Supply Charges	340	15.4668	331	15.0639			
3	Total Bill	688	31.2590	678	30.8309	(0.0252)	(1)	-0.1%
<u>Small Rate M2</u>								
4	Delivery Charges	3,468	5.7799	3,719	6.1989	0.4189	251	7.2%
5	Gas Supply Charges	9,280	15.4668	9,038	15.0639			
6	Total Bill	12,748	21.2467	12,758	21.2627	0.4189	251	2.0%
<u>Large Rate M2</u>								
7	Delivery Charges	11,224	4.4895	12,290	4.9159	0.4263	1,066	9.5%
8	Gas Supply Charges	38,667	15.4668	37,660	15.0639			
9	Total Bill	49,891	19.9563	49,949	19.9797	0.4263	1,066	2.1%
<u>Small Rate M4</u>								
10	Delivery Charges	31,202	3.5659	35,275	4.0315	0.4656	4,074	13.1%
11	Gas Supply Charges	135,335	15.4668	131,809	15.0639			
12	Total Bill	166,536	19.0327	167,084	19.0953	0.4656	4,074	2.4%
<u>Large Rate M4</u>								
13	Delivery Charges	205,488	1.7124	258,222	2.1519	0.4394	52,734	25.7%
14	Gas Supply Charges	1,856,016	15.4668	1,807,663	15.0639			
15	Total Bill	2,061,504	17.1792	2,065,885	17.2157	0.4394	52,734	2.6%
<u>Small Rate M5</u>								
16	Delivery Charges	24,100	2.9212	32,794	3.9750	1.0538	8,694	36.1%
17	Gas Supply Charges	127,601	15.4668	124,277	15.0639			
18	Total Bill	151,701	18.3880	157,071	19.0389	1.0538	8,694	5.7%
<u>Large Rate M5</u>								
19	Delivery Charges	130,530	2.0082	183,195	2.8184	0.8102	52,665	40.3%
20	Gas Supply Charges	1,005,342	15.4668	979,151	15.0639			
21	Total Bill	1,135,872	17.4750	1,162,346	17.8823	0.8102	52,665	4.6%
<u>Small Rate M7</u>								
22	Delivery Charges	535,023	1.4862	618,244	1.7173	0.2312	83,221	15.6%
23	Gas Supply Charges	5,568,048	15.4668	5,422,990	15.0639			
24	Total Bill	6,103,071	16.9530	6,041,234	16.7812	0.2312	83,221	1.4%
<u>Large Rate M7</u>								
25	Delivery Charges	2,228,807	4.2862	2,360,702	4.5398	0.2536	131,894	5.9%
26	Gas Supply Charges	8,042,736	15.4668	7,833,207	15.0639			
27	Total Bill	10,271,543	19.7530	10,193,909	19.6037	0.2536	131,894	1.3%

Notes:

(1) Reflects proposed rates per Union's January 2013 QRAM filing (EB-2012-0437).

UNION GAS LIMITED

Calculation of Delivery Rate Change on Delivery and Total Bill for Typical Small and Large Customers - Union South

Line No.	Particulars	EB-2012-0437 January 2013 QRAM (1)		EB-2011-0210 2013 Rate Order		Impact		
		Bill (\$)	Unit Rate (cents/m <sup>3</sup> )	Bill (\$)	Unit Rate (cents/m <sup>3</sup> )	Unit Rate (cents/m <sup>3</sup> )	Delivery Rate Change (\$)	Bill (%)
		(a)	(b)	(c)	(d)	(e) = (d-b)	(f) = (c-a)	(g) = (f/a)
<u>Small Rate M9</u>								
1	Delivery Charges	131,478	1.8918	116,579	1.6774	(0.2144)	(14,900)	-11.3%
2	Gas Supply Charges	1,074,943	15.4668	1,046,938	15.0639			
3	Total Bill	1,206,421	17.3586	1,163,517	16.7413	(0.2144)	(14,900)	-1.2%
<u>Large Rate M9</u>								
4	Delivery Charges	390,273	1.9342	346,182	1.7156	(0.2185)	(44,091)	-11.3%
5	Gas Supply Charges	3,120,891	15.4668	3,039,586	15.0639			
6	Total Bill	3,511,164	17.4010	3,385,768	16.7795	(0.2185)	(44,091)	-1.3%
<u>Small Rate T1</u>								
7	Delivery Charges	97,391	1.2922	127,339	1.6895	0.3974	29,949	30.8%
8	Gas Supply Charges	1,165,733	15.4668	1,135,363	15.0639			
9	Total Bill	1,263,124	16.7590	1,262,703	16.7534	0.3974	29,949	2.4%
<u>Average Rate T1</u>								
10	Delivery Charges	159,037	1.3750	193,986	1.6772	0.3022	34,948	22.0%
11	Gas Supply Charges	1,788,880	15.4668	1,742,277	15.0639			
12	Total Bill	1,947,918	16.8418	1,936,262	16.7411	0.3022	34,948	1.8%
<u>Large Rate T1</u>								
13	Delivery Charges	383,265	1.4957	427,194	1.6672	0.1714	43,929	11.5%
14	Gas Supply Charges	3,963,225	15.4668	3,859,976	15.0639			
15	Total Bill	4,346,490	16.9625	4,287,170	16.7310	0.1714	43,929	1.0%
<u>Small Rate T2</u>								
16	Delivery Charges	518,882	0.8757	480,912	0.8116	(0.0641)	(37,970)	-7.3%
17	Gas Supply Charges	9,165,007	15.4668	8,926,241	15.0639			
18	Total Bill	9,683,889	16.3425	9,407,152	15.8754	(0.0641)	(37,970)	-0.4%
<u>Average Rate T2</u>								
19	Delivery Charges	1,422,485	0.7192	1,105,628	0.5590	(0.1602)	(316,857)	-22.3%
20	Gas Supply Charges	30,591,761	15.4668	29,794,786	15.0639			
21	Total Bill	32,014,246	16.1860	30,900,414	15.6229	(0.1602)	(316,857)	-1.0%
<u>Large Rate T2</u>								
22	Delivery Charges	2,445,288	0.6607	1,799,626	0.4863	(0.1745)	(645,662)	-26.4%
23	Gas Supply Charges	57,240,925	15.4668	55,749,688	15.0639			
24	Total Bill	59,686,213	16.1275	57,549,314	15.5501	(0.1745)	(645,662)	-1.1%
<u>Large Rate T3</u>								
25	Delivery Charges	2,931,513	1.0749	2,912,694	1.0680	(0.0069)	(18,819)	-0.6%
26	Gas Supply Charges	42,179,820	15.4668	41,080,954	15.0639			
27	Total Bill	45,111,333	16.5417	43,993,647	16.1319	(0.0069)	(18,819)	0.0%

Notes:

(1) Reflects proposed rates per Union's January 2013 QRAM filing (EB-2012-0437).

UNION GAS LIMITED  
Southern Operations Area  
Unbundled Delivery Rate Detail  
Effective January 1, 2013

Line No.	Particulars	Billing Units	2013 Forecast Usage (1)	SSS & SPS (\$000's)	Gas Supply Balancing Costs (\$000's)	Gas in Storage Inventory Carrying Costs (\$000's)	Unbundled Storage Revenue (\$000's)	Unbundled Storage Rates (cents/m <sup>3</sup> )	Unbundled Delivery Rates (6) (cents/m <sup>3</sup> )
		(a)	(b)	(c)	(d)	(e)	(f) = (c+d+e)	(g) = (f / b) *100	(h)
<u>Rate M1</u>									
Monthly delivery commodity charge:									
1	First 100 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	885,353	4,328	-	2,196	6,524	0.7368	3.7302
2	Next 150 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	786,168	3,843	-	1,950	5,793	0.7368	3.5237
3	All over 250 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	1,268,023	6,198	-	3,145	9,343	0.7368	3.0352
4	Total		<u>2,939,543</u>	<u>14,368</u>	(2) <u>-</u>	<u>7,291</u>	(3) <u>21,660</u>		
<u>Rate M2</u>									
Monthly delivery commodity charge:									
5	First 1,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	53,047	265	-	135	401	0.7550	4.0915
6	Next 6,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	258,156	1,290	-	659	1,949	0.7550	4.0152
7	Next 13,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	291,703	1,458	-	745	2,202	0.7550	3.7878
8	All over 20,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	372,665	1,862	-	951	2,814	0.7550	3.5149
9	Total		<u>975,571</u>	<u>4,876</u>	(4) <u>-</u>	<u>2,490</u>	(5) <u>7,366</u>		

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, Page 5, column (a).
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 18, Page 2, line 6, column (a).
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 18, Page 2, line 10, column (a).
- (4) EB-2011-0210, Rate Order, Working Papers, Schedule 18, Page 2, line 6, column (b).
- (5) EB-2011-0210, Rate Order, Working Papers, Schedule 18, Page 2, line 10, column (b).
- (6) EB-2011-0210, Rate Order, Working Papers, Schedule 14, Page 5, column (h).

UNION GAS LIMITED  
Southern Operations Area  
Unbundled Delivery Cost Detail  
Effective January 1, 2013

Line No.	Particulars (\$000's)	Rate M1 (a)	Rate M2 (b)
	<u>SSS/ SPS</u>		
1	Storage Dehydrator (1)	169	57
2	Storage Ex. Dehydrator (2)	9,668	3,271
3	Storage Space (3)	11,823	4,038
4	Storage	21,660	7,366
5	Less: ICC on Gas in Storage (4)	7,291	2,490
6	Total SSS/SPS	<u>14,368</u>	<u>4,876</u>
	<u>Gas Supply Balancing</u>		
7	Total Gas Supply Balancing	<u>-</u>	<u>-</u>
	<u>Gas In Storage Inventory Carrying Costs</u>		
8	Gas in Storage (5)	89,246	30,481
9	ICC %	8.2%	8.2%
10	Gas in Storage Inventory Carrying Costs	<u>7,291</u>	<u>2,490</u>

Notes:

- (1) EB-2011-0210, Exhibit G3, Tab 2, Schedules 6 and 7, updated for EB-2011-0210 Board Decision.
- (2) EB-2011-0210, Exhibit G3, Tab 2, Schedule 8 and 9, updated for EB-2011-0210 Board Decision.
- (3) EB-2011-0210, Exhibit G3, Tab 2, Schedule 10, updated for EB-2011-0210 Board Decision.
- (4) Per line 10.
- (5) EB-2011-0210, Exhibit G3, Tab 5, Schedule 9, page 16 of 40, updated for EB-2011-0210 Board Decision.

UNION GAS LIMITED  
Southern Operations Area  
Storage Rate Detail

Line No.	Particulars	T1/T3 Storage Rates Approved 2007			T1/T2/T3 Storage Rates Approved 2013			Unbundled Storage Rates Approved 2013		
		Costs (1) (\$000's)	Allocation Units (2) (GJ)	Rate (3) (\$/GJ)	Costs (4) (\$000's)	Allocation Units (5) (GJ)	Rate (\$/GJ)	Costs (8) (\$000's)	Allocation Units (5) (GJ)	Rate (\$/GJ)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	<u>Demand</u>									
1	Space	16,432	138,693,411	0.010	10,189	75,177,124	0.011 (6)	10,189	75,177,124	0.011 (9)
2	Deliverability	51,876			25,067			25,067		
3	Less:									
3	Inventory Carrying Costs	-			-			(5,925)		1.197 (11)
4	Demand/Commodity Shift	-			-			(2,500)		
5	Subtotal	51,876	2,183,669	1.980	25,067	1,332,764	1.567 (6)	16,643	1,332,764	1.041 (9)
6	Total Demand	<u>68,308</u>	138,693,411	0.041	<u>35,256</u>	75,177,124	0.039 (6)	<u>26,832</u>	75,177,124	0.030 (9)
	<u>Commodity</u>									
7	Fuel/Unaccounted for Gas	17,264	305,234,225	0.057	3,697	135,748,736	0.027 (7)	3,697	135,748,736	0.027 (10)
8	Other	2,143	305,234,225	0.007	1,032	135,748,736	0.008 (7)	1,032	135,748,736	0.008 (10)
9	Plus:									
9	Demand/Commodity Shift	-			-			2,500	135,748,736	0.018 (10)
10	Subtotal	19,407	305,234,225	0.064	4,729	135,748,736	0.035 (7)	7,229	135,748,736	0.053 (10)
11	Total	<u>87,715</u>	305,234,225	0.287	<u>39,986</u>	135,748,736	0.295 (7)	<u>34,061</u>	135,748,736	0.251 (10)

Notes:

- (1) EB-2005-0520, Rate Order, Working Papers, Schedule 9, Page 1, column (d).  
(2) EB-2005-0520, Rate Order, Working Papers, Schedule 9, Page 1, column (e).  
(3) EB-2005-0520, Rate Order, Working Papers, Schedule 9, Page 1, column (f).  
(4) EB-2011-0210, Rate Order, Working Papers, Schedule 19, Page 2, column (a).  
(5) EB-2011-0210, Exhibit G3, Tab 2 (South only), updated for EB-2011-0210 Board Decision.

- (6) Column (d) / Column (e) \* 1000 / 12.  
(7) Column (d) / Column (e) \* 1000.  
(8) EB-2011-0210, Rate Order, Working Papers, Schedule 19, Page 2.  
(9) Column (g) / Column (h) \* 1000 / 12.  
(10) Column (g) / Column (h) \* 1000.  
(11) (Line 2, Col. (g) + Line 3, Col.(g)) / Line 5, Col (h) \*1000/12, equal to Customer Provides Deliverability Inventory rate.

UNION GAS LIMITED  
 Southern Operations Area  
Storage Rate Detail

Line No.	Particulars	Costs (1) (\$000's) (a)	Volumes (GJ) (b)
	<u>Space</u>		
1	Storage Excl. Dehydrator Space	21,073	
2	Less: Working Capital - Gas in Storage (2)	(10,884)	
3	Total Space Costs	<u>10,189</u>	
	<u>Deliverability</u>		
4	Storage Dehydrator Demand	259	
5	Storage Excl. Dehydrator Demand	18,884	
6	Inventory Carrying Costs (3)	5,925	
7	Total Deliverability	<u>25,067</u>	
	<u>Inventory Carrying Costs</u>		
8	Space (4)		75,177,124
9	Inventory Percentage		20%
10	Inventory		<u>15,035,425</u>
11	WACOG in Costs (5)		4.823
12	ICC %		<u>8.2%</u>
13	Inventory Carrying Costs (line 10 * line 11 * line 12)	<u>5,925</u>	
	<u>Fuel and UFG</u>		
14	Fuel (6)	2,538	
15	UFG (6)	1,160	
16	Fuel and UFG	<u>3,697</u>	
	<u>Other Commodity Costs</u>		
17	Storage Dehydrator Commodity	126	
18	Storage Excl. Dehydrator Commodity	4,603	
19	Less: Fuel and UFG	(3,697)	
20	Other Commodity Costs	<u>1,032</u>	

Notes:

- (1) EB-2011-0210, Exhibit G3, Tab 2, Schedules 5-9, updated for EB-2011-0210 Board Decision.
- (2) EB-2011-0210, Exhibit G3, Tab 5, Schedule 9, pages 16-19 (South only)\* ICC%, updated for EB-2011-0210 Board Decision.
- (3) Per Line 13.
- (4) EB-2011-0210, Rate Order, Working Papers, Schedule 19, Page 1 of 2, line 1, column (e).
- (5)  $\$182.068/10^3\text{m}^3 / 37.75 \text{ GJ}/10^3\text{m}^3$ .
- (6) EB-2011-0210, Exhibit G3, Tab 5, Schedule 8, updated for EB-2011-0210 Board Decision.

UNION GAS LIMITED  
Unbundled Storage Rate Detail - Northern and Eastern Operations Area

Line No.	Particulars	Storage Rates Approved 2007			Storage Rates Approved 2013			Unbundled Storage Rates Approved 2013		
		Costs (1) (\$000's)	Allocation Units (2) (GJ)	Rate (3) (\$/GJ)	Costs (4) (\$000's)	Allocation Units (5) (GJ)	Rate (\$/GJ)	Costs (8) (\$000's)	Allocation Units (GJ)	Rate (\$/GJ)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Demand Storage	9,198			18,767			18,767		
2	Delivery/Redelivery	18,172			18,556			18,556		
3	Less:									
3	Demand/Commodity Shift	1,865			365			365		
4	Inventory Carrying Costs	(2,789)			(1,444)			(3,481)		
5	Delivery/Redelivery in Delivery	(2,334)			(2,352)			(2,352)		
6	Unbundled Delivery/Redelivery	-			-			(16,204)		
7	Total Demand	<u>24,113</u>	178,000	11.289	<u>33,892</u>	292,902	9.643 (6)	<u>15,651</u>	15,295,734 (9)	0.085 (10)
8	Commodity Storage	4,140			1,997			1,997		
9	Delivery/Redelivery	1,741			860			860		
10	Plus:									
10	Demand/Commodity Shift	(1,865)			(365)			(365)		
11	Less:									
11	Delivery/Redelivery in Delivery	(225)			(109)			(109)		
12	Unbundled Delivery/Redelivery	-			-			(751)		
13	Total Commodity	<u>3,791</u>	15,800,995	0.240	<u>2,382</u>	15,295,734	0.156 (7)	<u>1,632</u>	30,591,468 (11)	0.053 (12)
14	Total	<u>27,904</u>	15,800,995	1.766	<u>36,274</u>	15,295,734	2.372 (7)	<u>17,283</u>	30,591,468	0.565 (12)

Notes:

- (1) EB-2005-0520, Rate Order, Working Papers, Schedule 10, Page 1, column (d).  
(2) EB-2005-0520, Rate Order, Working Papers, Schedule 10, Page 1, column (e).  
(3) EB-2005-0520, Rate Order, Working Papers, Schedule 10, Page 1, column (f).  
(4) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 5.  
(5) EB-2011-0210, Exhibit G3, Tab 2, updated for EB-2011-0210 Board Decision.  
(6) Column (d) / Column (e) \* 1000 / 12.

- (7) Column (d) / Column (e) \* 1000.  
(8) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 5.  
(9) Line 13, column (e).  
(10) Column (g) / Column (h) \* 1000 / 12.  
(11) Line 13, column (e) \* 2.  
(12) Column (g) / Column (h) \* 1000.

UNION GAS LIMITED  
Unbundled Storage Rate Detail - Northern and Eastern Operations Area

Unbundled Delivery/Redelivery Rates  
Approved 2013

Line No.	Particulars	Costs (1) (\$000's) (a)	Allocation Units (2) (GJ) (b)	Rate (\$/GJ) (c)	
	Delivery Demand				
1	Fort Frances	-	-	-	(3)
2	Western	765	2,751	23.187	(3)
3	Northern	3,300	30,279	9.083	(3)
4	Eastern	483	44,287	0.908	(3)
5	Total Delivery Demand	4,548	77,316		
	Redelivery Demand				
6	Fort Frances	5	219	1.798	(3)
7	Western	626	29,003	1.798	(3)
8	Northern	2,418	112,089	1.798	(3)
9	Eastern	8,607	91,536	7.836	(3)
10	Total Redelivery Demand	11,656	232,847		
11	Total Demand	16,204 (4)	310,163		
	Delivery Commodity				
12	Fort Frances	-	-	-	(5)
13	Western	33	670,946	0.049	(5)
14	Northern	115	5,055,778	0.023	(5)
15	Eastern	58	7,501,914	0.008	(5)
16	Total Delivery Commodity	206	13,228,639		
	Redelivery Commodity				
17	Fort Frances	-	-	-	(5)
18	Western	68	1,945,499	0.035	(5)
19	Northern	240	6,830,941	0.035	(5)
20	Eastern	236	4,839,737	0.049	(5)
21	Total Redelivery Commodity	545	13,616,177		
22	Total Commodity	751 (6)	26,844,815		

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 4 of 5, column (a).
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 4 of 5 multiplied by 37.51 GJ/10<sup>3</sup>m<sup>3</sup>.
- (3) Column (a) / Column (b) \* 1000 / 12.
- (4) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 4 of 5, line 13, column (a).
- (5) Column (a) / Column (b) \* 1000.
- (6) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 4 of 5, line 22, column (a).

UNION GAS LIMITED  
Northern and Eastern Delivery/Redelivery  
Costs and System Integrity Allocation

Line No.	Particulars	Total (a)	Injections		Withdrawals	
			Del-Demand (b)	Del-Comm (c )	Re-Del-Demand (d)	Re-Del-Comm (e)
	<u>Costs (\$000's)</u>					
1	STS	10,892 (1)	5,210	236	5,210	236
2	Storage WPS	-	-	-	-	-
3	Dawn-Trafalgar Transportation	8,524 (2)	-	0	8,136	388
4	Backhauls/Exchanges	-	-	-	-	-
5	Total	<u>19,416</u>	<u>5,210</u>	<u>236</u>	<u>13,346</u>	<u>624</u>
	<u>Allocation of System Integrity</u>					
6	Total Demand (10 <sup>3</sup> m <sup>3</sup> /d)	9,469	2,361	-	7,108	-
7	System Integrity Demand (10 <sup>3</sup> m <sup>3</sup> /d)	1,200	300	-	900	-
8	System Integrity % of Demand		12.71%	12.71%	12.66%	12.66%
9	System Integrity Costs	<u>2,461</u>	<u>662</u>	<u>30</u>	<u>1,690</u>	<u>79</u>
10	Service Costs	<u>16,955</u>	<u>4,548</u>	<u>206</u>	<u>11,656</u>	<u>545</u>

Notes:

- (1) EB-2011-0210, Exhibit G3, Tab 4, Schedule 3, page 4, updated for EB-2011-0210 Board Decision.  
(2) EB-2011-0210, Exhibit G3, Tab 2, Schedules 12-16, updated for EB-2011-0210 Board Decision.

UNION GAS LIMITED  
Northern and Eastern Delivery/Redelivery  
Delivery/Redelivery Costs by Zone

Line No.	Particulars	Total (a)	Fort Frances (b)	Western (c )	Northern (d)	Eastern (e)
<u>Demand - Delivery</u>						
1	Service Demand (10 <sup>3</sup> m <sup>3</sup> /d)	2,061	-	73	807	1,181
2	System Integrity (10 <sup>3</sup> m <sup>3</sup> /d)	300 (1)	-	11	117	172
3	Total Demand (10 <sup>3</sup> m <sup>3</sup> /d)	2,361 (2)	-	84	925	1,353
4	TCPL/Union Rate (\$/10 <sup>3</sup> m <sup>3</sup> /d)		-	1,178.362	461.591	46.159
5	Allocator to zones (Line 1 * Line 4)	513,506	-	86,406	372,602	54,498
6	Service Demand Costs (\$000's)	4,548 (3)	-	765	3,300	483
<u>Demand - Redelivery</u>						
7	Service Demand (10 <sup>3</sup> m <sup>3</sup> /d)	6,208	6	773	2,988	2,440
8	System Integrity (10 <sup>3</sup> m <sup>3</sup> /d)	900 (4)	1	112	433	354
9	Total Demand (10 <sup>3</sup> m <sup>3</sup> /d)	7,108 (5)	7	885	3,422	2,794
10	TCPL/Union Rate (\$/10 <sup>3</sup> m <sup>3</sup> /d)		89.365	89.365	89.365	389.494
11	Allocator to zones (Line 7 * Line 10)	1,287,145	523	69,097	267,045	950,480
12	Service Demand Costs (\$000's)	11,656 (6)	5	626	2,418	8,607
13	Total Demand Costs (\$000's)	16,204	5	1,391	5,718	9,090
<u>Commodity - Delivery</u>						
14	Service Commodity (10 <sup>3</sup> m <sup>3</sup> )	352,670	-	17,887 (7)	134,785	199,998
15	TCPL/Union Rate (\$/10 <sup>3</sup> m <sup>3</sup> )		-	3.073	1.441	0.485
16	Allocator to zones (Line 14 * Line 15)	346,239	-	54,969	194,284	96,985
17	Service Commodity Costs (\$000's)	206 (8)	-	33	115	58
<u>Commodity - Redelivery</u>						
18	Service Commodity (10 <sup>3</sup> m <sup>3</sup> )	363,001	-	51,866 (9)	182,110	129,025
19	TCPL/Union Rate (\$/10 <sup>3</sup> m <sup>3</sup> )		-	1.764	1.764	2.450
20	Allocator to zones (Line 18 * Line 19)	728,863	-	91,486	321,223	316,154
21	Service Commodity Costs (\$000's)	545 (10)	-	68	240	236
22	Total Commodity Costs (\$000's)	751	-	101	356	294

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 3 of 5, line 7, column (b).
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 3 of 5, line 6, column (b).
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 3 of 5, line 10, column (b).
- (4) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 3 of 5, line 7, column (d).
- (5) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 3 of 5, line 6, column (d).
- (6) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 3 of 5, line 10, column (d).
- (7) STS Injections less System Integrity portion.
- (8) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 3 of 5, line 10, column (c).
- (9) STS Withdrawals less System Integrity portion.
- (10) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 3 of 5, line 10, column (e).

UNION GAS LIMITED  
Northern and Eastern Operations Area  
Storage Rate Detail

Line No.	Particulars	Costs (1) (\$000's) (a)
	<u>Storage Demand</u>	
1	Storage Dehydration Demand	57
2	Storage Excl. Dehydration Demand	23,486
3	Storage Space	5,644
4	Less: Delivery/ Redelivery Demand (2)	(10,420)
5	Less: Storage Winter Peaking Service	-
6	Storage Demand	<u>18,767</u>
	<u>Delivery/ Redelivery Demand</u>	
7	Delivery/ Redelivery Demand (3)	<u>18,556</u>
	<u>Inventory Carrying Costs</u>	
8	Working Capital - Gas in Storage Space (4)	24,926
9	Working Capital - Balancing Gas in Storage (4)	17,680
10	Total Gas in Working Capital	42,606
11	ICC %	8.2%
12	Gas in Storage Space Carrying Costs (line 8 * line 11)	2,036
13	Balancing Gas in Storage Carrying Costs (line 9 * line 11)	1,444
14	Total Inventory Carrying Costs	<u>3,481</u>
	<u>Delivery/ Redelivery in Delivery Demand</u>	
15	Delivery/ Redelivery in Delivery (5)	<u>2,352</u>
	<u>Unbundled Delivery Redelivery</u>	
16	Delivery/ Redelivery Demand (3)	18,556
17	Delivery/ Redelivery in Delivery (5)	(2,352)
18	Unbundled Delivery/ Redelivery	<u>16,204</u>
	<u>Storage Commodity</u>	
19	Storage Dehydrator Commodity	27
20	Storage Excl. Dehydrator Commodity	2,441
21	Less: Delivery/ Redelivery Commodity (6)	(471)
22	Storage Commodity	<u>1,997</u>
	<u>Delivery/ Redelivery Commodity</u>	
23	Delivery/ Redelivery Commodity (7)	<u>860</u>
	<u>Delivery/ Redelivery in Delivery Commodity</u>	
24	Delivery/ Redelivery in Delivery (8)	<u>109</u>

Notes:

- (1) EB-2011-0210, Exhibit G3, Tab 2, Schedules 5-9, updated for EB-2011-0210 Board Decision.
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 3 of 5, line 1, column (b) + (d).
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 3 of 5, line 5, column (b) + (d).
- (4) EB-2011-0210, Exhibit G3, Tab 5, Schedule 9, Page 20 of 40 (North only), updated for EB-2011-0210 Board Decision.
- (5) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 3 of 5, line 9, column (b) + (d).
- (6) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 3 of 5, line 1, column (c) + (e).
- (7) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 3 of 5, line 5, column (c) + (e).
- (8) EB-2011-0210, Rate Order, Working Papers, Schedule 20, Page 3 of 5, line 9, column (c) + (e).

UNION GAS LIMITED - Northern Operations Area  
Gas Purchase Transportation Expense Continuity

		EB-2009-0410 January 2010 QRAM					EB-2011-0029 April 2011 QRAM					EB-2011-0210 Filed 2012-07-13					EB-2011-0210 Draft Rate Order					
Line No.	Particulars	Annual Volume TJ	Toll Update		Variance		Toll Update		Toll Variance		Variance		Annual Volume TJ	Volume & Toll Update		Toll Variance		Variance		Annual Volume TJ	Volume & Toll Update	
			Rates (\$ / GJ)	Costs (\$000's)	Rates (\$ / GJ)	Costs (\$000's)	Rates (\$ / GJ)	Costs (\$000's)	Rates (\$ / GJ)	Costs (\$000's)	Rates (\$ / GJ)	Costs (\$000's)		Rates (\$ / GJ)	Costs (\$000's)	Rates (\$ / GJ)	Costs (\$000's)	Rates (\$ / GJ)	Costs (\$000's)		Rates (\$ / GJ)	Costs (\$000's)
		(a)	(b)	(c) = (b x a)	(d) = (f - b)	(e) = (g - c)	(f)	(g) = (f x a)	(h) = (k - f)	(i) = (l - g)		(j)	(k)	(l) = (j x k)	(m) = (p - k)	(n) = (q - l)		(o)	(p)	(q) = (o x p)		
<b>FT Transportation</b>																						
<b>Demand Costs</b>																						
1	TCPL NCDA Capacity	3,211	47.771	5,042	16.077	1,697	63.848	6,739	(16,077)	(1,697)	3,211	47.771	5,042	16,077	1,697	3,211	63.848	6,739				
2	TCPL EDA Capacity	22,967	47.771	36,070	16,077	12,140	63.848	48,210	(16,077)	(14,485)	21,473	47.771	33,725	16,077	11,350	21,473	63.848	45,075				
3	TCPL MDA Capacity	1,651	14.329	778	5.116	278	19.445	1,055	(5,116)	(278)	1,651	14.329	778	5,116	278	1,651	19.445	1,055				
4	TCPL NDA Capacity	17,924	36.725	21,642	12.926	7,617	49.652	29,259	(12,926)	(7,631)	17,913	36.725	21,628	12,926	7,613	17,913	49.652	29,241				
5	TCPL SSMDA Capacity	2,966	36.725	3,581	12.926	1,260	49.652	4,841	(12,926)	(3,960)	730	36.725	881	12,926	310	730	49.652	1,192				
6	TCPL WDA Capacity	12,145	23.791	9,499	8,500	3,394	32.291	12,893	(8,500)	(2,450)	13,352	23.791	10,443	8,500	3,731	13,352	32.291	14,174				
7	Michcon/TCPL SSMDA	0	0.00	-	-	-	0.000	-	47.771	3,521	2,242	47.771	3,521	(42,564)	(3,138)	2,242	5.207	384				
8	CTHI/CPMI	3,136	4.782	493	-	-	4.782	493	-	(7)	3,093	4.782	486	2,204	224	3,093	6.986	710				
9	LBA			1,200	-	-	-	1,200	-	-			1,200					1,200				
10	TCPL Minimum Flow Charge			-	-	-	-	-	-	-			-		54			54				
11	Supply Transportation Demand			78,304	-	26,386		104,690		(26,984)			77,706		22,119			99,825				
12	Company Used	(355)		(366)	-	-		(366)	16,450	11	(226)	47.771	(354)	16,077	(118.85)	(473)	(226)	63.848				
13	Inventory Change	(112)		(115)	-	-		(115)	16,450	(521)	(405)	47.771	(636)	16,077	20	(293)	63.848	(616)				
14	Adjustment			(41)	-	-		(41)		(4,533)			(4,574)		4,435			(139)				
15	Demand Costs in Rates			77,782		26,386		104,168		(32,027)			72,141		26,456			98,596				
<b>Commodity Costs</b>																						
16	TCPL NCDA Flow	2,924	0.068	197	0.076	223	0.144	420	(0.076)	(214)	3,061	0.068	207	0.076	234	3.063	0.144	440				
17	TCPL EDA Flow	21,398	0.068	1,445	0.076	1,631	0.144	3,076	(0.076)	(1,714)	20,177	0.068	1,363	0.076	1,539	20,184	0.144	2,902				
18	TCPL MDA Flow	706	0.019	13	0.022	16	0.041	29	(0.022)	(19)	502	0.019	10	0.022	12	518	0.041	21				
19	TCPL NDA Flow	17,924	0.052	924	0.058	1,044	0.110	1,968	(0.058)	(1,121)	16,437	0.052	847	0.058	989	16,724	0.110	1,836				
20	TCPL SSMDA Flow	2,966	0.052	153	0.058	173	0.110	326	(0.058)	(37)	713	0.052	37	0.058	42	713	0.110	78				
21	TCPL WDA Flow	10,505	0.033	346	0.038	402	0.071	749	(0.038)	(482)	8,097	0.033	267	0.038	361	8,811	0.071	628				
22	Michcon/TCPL SSMDA	0	0.000	-	-	3,489	0.000	-	0.068	78	1,153	0.068	78	(0.067)	(77)	1,275	0.001	1				
23	CTHI/CPMI	706		10	-	-	0.015	10	-	(2)	560	0.015	8	(0.015)	(8)	577	0.000	-				
24	Supply Transportation Commodity			3,089	-	3,489		6,578		(3,763)			2,816		3,091			5,907				
25	Company Used	(355)		(18)	-	-		(18)	0.017	3	(226)	0.068	(15)	0.076	(17)	(226)	0.144	(32)				
26	Inventory Change	(112)		(6)	-	-		(6)	0.017	(22)	(405)	0.068	(28)	0.076	(14)	(293)	0.144	(42)				
27	Adjustment			(2)	-	-		(2)		6			4		(9)			(4)				
28	Commodity Costs in Rates			3,064	-	3,489		6,553		(3,776)			2,778		3,051			5,829				
<b>Fuel Costs</b>																						
29	TCPL NCDA Flow	885	4.373%	268	-	-	4.373%	268		(99)	1,615	2.883%	169		(85)	1,586	2.092%	84				
30	TCPL EDA Flow	10,688	4.373%	3,280	-	-	4.373%	3,280		(1,817)	13,987	2.883%	1,463		(729)	13,888	2.092%	734				
31	TCPL MDA Flow	385	1.350%	40	-	-	1.350%	40		(30)	320	0.893%	10		(5)	331	0.603%	5				
32	TCPL NDA Flow	9,050	3.303%	2,177	-	-	3.303%	2,177		(1,367)	10,017	2.229%	810		(399)	10,150	1.603%	411				
33	TCPL SSMDA Flow	657	3.303%	158	-	-	3.303%	158		(158)	0	2.229%	0		0	0	1.603%	0				
34	TCPL WDA Flow	5,123	2.012%	791	-	-	2.012%	791		(549)	4,550	1.469%	242		(104)	5,206	1.049%	138				
35	Michcon/TCPL SSMDA	0	0.000%	-	-	-	0.000%	-		121	1,153	2.883%	121		(5)	1,275	1.693%	115				
36	CTHI/CPMI	0	0.000%	-	-	-	0.000%	-		4	560	0.190%	4		(2)	577	0.153%	2				
37	Supply Transportation Fuel	26,788		6,714	-	-	6,714		(3,896)		32,202		2,819		(1,329)	32,435		1,490				
38	Company Used			(124)	-	-		(124)		101			(24)		12			(12)				
39	Inventory Change			(39)	-	-		(39)		(3)			(43)		27			(16)				
40	Deferral Adjustment			766	-	-		766		(766)			-		-			-				
41	Fuel Costs in Rates			7,317	-	-		7,317		(4,564)			2,753		(1,290)			1,463				
42	Total North FT Transport in Rates			\$ 88,163		\$ 29,875		\$ 118,038		(40,366)			\$ 77,672		28,216			\$ 105,888				
<b>Storage Costs</b>																						
<b>Demand Costs</b>																						
43	TCPL NDA STS Injection Capacity	17,922	6.593	3,885	0.000	-	6.593	3,885	-	-	17,922	6.593	3,885	5.713	3,366	17,922	12.306	7,251				
44	TCPL WDA STS Injection Capacity	1,150	16.025	606	0.000	-	16.025	606	-	-	1,150	16.025	606	15.390	582	1,150	31.415	1,187				
45	TCPL EDA STS Withdrawal Capacity	36,265	4.190	4,995	0.000	-	4.190	4,995	-	(1,550)	25,010	4.190	3,445	3,811	3,134	25,010	8.001	6,579				
46	TCPL Pkwy to EDA	0	0.000	-	0.000	-	0.000	-	4,381	1,577	10,950	4,381	1,577	3,777	1,849	12,775	8.158	3,426				
47	Incremental EDA Service			27	-	-		27		(27)	0	0.000	-		-	0	0.000	-				
48	TCPL Dawn to Pkwy			3,981	-	-		3,981		(3,074)	3,801	0.239	907		-	3,801	0.239	907				
49	3rd Party Storage			41	-	-		41		1			41		1			42				
50	Storage Demand Costs in Rates			13,534	-	-		13,534		(3,073)			10,462		8,931			19,393				
<b>Commodity Costs</b>																						
51	TCPL NDA STS Injection Flow	5,317	0.009	49	0.000	-	0.009	49	-	5	5,866	0.009	54	0.016	94	5,789	0.025	147				
52	TCPL WDA STS Injection Flow	674	0.025	17	0.000	-	0.025	17	-	2	769	0.025	19	0.044	34	769	0.068	53				
53	TCPL NCDA STS Injection Flow	705	0.003	2	0.000	-	0.003	2	-	0	749	0.003	2	0.006	4	749	0.009	8				
54	TCPL EDA STS Withdrawal Flow	4,129	0.005	21	0.000	-	0.005	21	-	(4)	3,309	0.005	17	0.013	48	3,559	0.018	65				
55	Storage Commodity Costs in Rates			89	-	-		89		3			93		180			272				
<b>Fuel Costs</b>																						
56	TCPL NDA STS Injection Flow	5,317	0.497%	212	0.000%	-	0.497%	212		(14)	5,866	0.497%	198		(35)	5,789	0.584%	163				
57	TCPL WDA STS Injection Flow	674	1.750%	94	0.000%	-	1.750%	94		2	769	1.823%	96		(50)	769	1.240%	46				
58	TCPL EDA STS Withdrawal Flow	4,129	0.314%	104	0.000%	-	0.314%	104		(19)	3,309	0.314%	84		(23)	3,559	0.359%	62				
59	Storage Fuel Costs in Rates			410	-	-		410		(31)			379		(108)			271				
60	Total Union North Storage and Transportation Costs in Rates			14,033		-		14,033		(3,101)			10,933		9,003			\$ 19,936				
61	Union North Diversion Costs			987	-	-		987		(969)			18		486			504				
62	Union North Winter Peaking Service			135	-	-		135		(135)			-		-			-				
63	Total Union North Storage and Transportation Costs in Rates			\$ 103,318		\$ 29,875		\$ 133,193		\$ (44,571)			\$ 88,622		\$ 37,706			\$ 126,328				

UNION GAS LIMITED  
Northern & Eastern Operations Area  
Gas Supply Transportation Charges  
Effective January 1, 2013

		EB-2010-0359			EB-2011-0210				Gas Supply Optimization		EB-2011-0210	
		Approved		Before Gas Supply Optimization		Rate		Revenue	Rate	Revenue	Approved	
Line		Billing	Rate (2)	Revenue	Rate	Revenue	Difference	Difference	Difference	Difference (3)	Rate (4)	Revenue
No.	Particulars	Units (1)	(cents/m³)	(\$000's)	(cents/m³)	(\$000's)	(cents/m³)	(\$000's)	(cents/m³)	(\$000's)	(cents/m³)	(\$000's)
		(a)	(b)	(c) = (a x b)	(d)	(e) = (a x d)	(f) = (d - b)	(g) = (e - c)	(h)	(i)	(j) = (d + h)	(k) = (e + i)
	<u>Rate 01 (cents/ m³)</u>											
	Gas Transportation											
1	Fort Frances	12,297	4.3225	532	5.3819	662	1.0594	130	(0.4432)	(55)	4.9387	607
2	Western	171,280	4.6368	7,942	5.9834	10,248	1.3466	2,306	(0.4432)	(759)	5.5401	9,489
3	Northern	384,941	5.6216	21,640	8.0707	31,068	2.4491	9,428	(0.4432)	(1,706)	7.6275	29,361
4	Eastern	315,903	6.4621	20,414	8.9585	28,300	2.4964	7,886	(0.4432)	(1,400)	8.5153	26,900
5	Total Rate 01	884,421	5.7130	50,527	7.9462	70,278	2.2332	19,751	(0.4432)	(3,920)	7.5030	66,358
	Gas Storage											
6	Fort Frances	12,297	1.8781	231	2.1507	264	0.2726	34	-	-	2.1507	264
7	Western	171,280	1.8757	3,213	2.3910	4,095	0.5153	883	-	-	2.3910	4,095
8	Northern	384,941	2.2600	8,700	3.2252	12,415	0.9652	3,715	-	-	3.2252	12,415
9	Eastern	315,903	2.5702	8,119	3.5799	11,309	1.0097	3,190	-	-	3.5799	11,309
10	Total Rate 01	884,421	2.2911	20,263	3.1754	28,084	0.8843	7,821	-	-	3.1754	28,084
	<u>Rate 10 (cents/ m³)</u>											
	Gas Transportation											
11	Fort Frances	2,654	3.9757	106	4.7325	126	0.7568	20	(0.4156)	(11)	4.3170	115
12	Western	45,232	4.2899	1,940	5.3340	2,413	1.0441	472	(0.4156)	(188)	4.9184	2,225
13	Northern	130,990	5.2747	6,909	7.4213	9,721	2.1466	2,812	(0.4156)	(544)	7.0058	9,177
14	Eastern	144,011	6.1152	8,807	8.3091	11,966	2.1939	3,159	(0.4156)	(598)	7.8935	11,368
15	Total Rate 10	322,887	5.5009	17,762	7.5028	24,225	2.0018	6,464	(0.4156)	(1,342)	7.0872	22,884
	Gas Storage											
16	Fort Frances	2,654	1.2005	32	1.2015	32	0.0010	0	-	-	1.2015	32
17	Western	45,232	1.1982	542	1.4418	652	0.2436	110	-	-	1.4418	652
18	Northern	130,990	1.5841	2,075	2.2760	2,981	0.6919	906	-	-	2.2760	2,981
19	Eastern	144,011	1.8955	2,730	2.6307	3,788	0.7352	1,059	-	-	2.6307	3,788
20	Total Rate 10	322,887	1.6658	5,379	2.3085	7,454	0.6427	2,075	-	-	2.3085	7,454

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (a).
- (2) EB-2010-0359, Appendix A effective January 1, 2011 (Excludes Price Adjustments).
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 44, column (e).
- (4) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (h).

UNION GAS LIMITED  
Northern & Eastern Operations Area  
Gas Supply Transportation Charges  
Effective January 1, 2013

		EB-2010-0359			EB-2011-0210			Gas Supply Optimization			EB-2011-0210	
		Approved			Before Gas Supply Optimization						Approved	
Line		Billing	Rate (2)	Revenue	Rate	Revenue	Rate	Revenue	Rate	Revenue	Rate (4)	Revenue
No.	Particulars	Units (1) (10 <sup>3</sup> m <sup>3</sup> )	(cents/m <sup>3</sup> )	(\$000's)	(cents/m <sup>3</sup> )	(\$000's)	Difference (cents/m <sup>3</sup> )	Difference (\$000's)	Difference (cents/m <sup>3</sup> )	Difference (\$000's)	(cents/m <sup>3</sup> )	(\$000's)
		(a)	(b)	(c) = (a x b)	(d)	(e) = (a x d)	(f) = (d - b)	(g) = (e - c)	(h)	(i)	(j) = (d + h)	(k) = (e + i)
Rate 20												
Gas Supply Demand												
1	Fort Frances	-	34.7281	-	25.9154	-	(8.8127)	-	(4.1642)	-	21.7512	-
2	Western	2,650	40.4378	1,072	39.2109	1,039	(1.2269)	(33)	(4.1642)	(110)	35.0467	929
3	Northern	702	64.1901	451	89.8578	631	25.6677	180	(4.1642)	(29)	85.6936	602
4	Eastern	3,521	84.1517	2,963	110.2342	3,881	26.0825	918	(4.1642)	(147)	106.0700	3,735
Commodity Trans. 1												
5	Fort Frances	-	3.2962	-	3.6521	-	0.3559	-	(0.2597)	-	3.3924	-
6	Western	24,899	3.4210	852	3.9888	993	0.5678	141	(0.2597)	(65)	3.7291	928
7	Northern	7,775	3.9699	309	5.1574	401	1.1875	92	(0.2597)	(20)	4.8977	381
8	Eastern	40,782	4.4313	1,807	5.6544	2,306	1.2231	499	(0.2597)	(106)	5.3947	2,200
Commodity Trans. 2												
9	Fort Frances	-	0.1258	-	0.1535	-	0.0277	-	-	-	0.1535	-
10	Western	10,903	0.1234	13	0.2673	29	0.1439	16	-	-	0.2673	29
11	Northern	6,194	0.1930	12	0.4138	26	0.2208	14	-	-	0.4138	26
12	Eastern	31,381	0.2528	79	0.5393	169	0.2865	90	-	-	0.5393	169
13	Total Rate 20	121,935	6.1979	7,557	7.7707	9,475	1.5728	1,918	(0.3912)	(477)	7.3794868	8.998
R100												
Gas Supply Demand												
14	Fort Frances	-	63.7749	-	61.0900	-	(2.6849)	-	-	-	61.0900	-
15	Western	-	70.5057	-	76.6014	-	6.0957	-	-	-	76.6014	-
16	Northern	-	98.2553	-	135.6895	-	37.4342	-	-	-	135.6895	-
17	Eastern	-	121.5703	-	159.4619	-	37.8916	-	-	-	159.4619	-
Commodity Trans. 1												
18	Fort Frances	-	5.8480	-	7.0154	-	1.1674	-	-	-	7.0154	-
19	Western	-	5.9416	-	7.2679	-	1.3263	-	-	-	7.2679	-
20	Northern	-	6.3533	-	8.1444	-	1.7911	-	-	-	8.1444	-
21	Eastern	-	6.6993	-	8.5171	-	1.8178	-	-	-	8.5171	-
Commodity Trans. 2												
22	Fort Frances	-	0.1258	-	0.1535	-	0.0277	-	-	-	0.1535	-
23	Western	-	0.1234	-	0.2673	-	0.1439	-	-	-	0.2673	-
24	Northern	-	0.1930	-	0.4138	-	0.2208	-	-	-	0.4138	-
25	Eastern	-	0.2528	-	0.5393	-	0.2864	-	-	-	0.5393	-
26	Total Rate 100	-	-	-	-	-	-	-	-	-	-	-
R25												
27	Gas Supply	42,913	3.9269	1,685	4.9564	2,127	1.0295	442	(0.2720)	(117)	4.6844	2,010
28	Total			103,173		141,643		38,470		(5,856)		135,788

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (a).
- (2) EB-2010-0359, Appendix A effective January 1, 2011 (Excludes Price Adjustments).
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 44, column (e).
- (4) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (h).

**UNION GAS LIMITED**  
Northern & Eastern Operations Area  
Gas Supply Charges for Rates 01 and 10  
Excluding Gas Supply Optimization

Line No.	Particulars	Rate 01		Rate 10	
		Transport (a)	Storage (b)	Transport (c)	Storage (d)
1	Allocated Costs	70,278	28,084	24,225	7,454
2	Change in Costs	-	-	-	-
3	Total Allocated Costs (\$000's)	<u>70,278</u>	<u>28,084</u>	<u>24,225</u>	<u>7,454</u>
<u>Western District Adjustment</u>					
4	Volume (10 <sup>3</sup> m <sup>3</sup> )	171,280	171,280	45,232	45,232
5	Zonal Commodity Differential (cents / m <sup>3</sup> )	<u>0.6014</u>	<u>0.2403</u>	<u>0.6014</u>	<u>0.2403</u>
6	Cost (\$000's)	1,030	412	272	109
<u>Northern Zone Adjustment</u>					
7	Volume (10 <sup>3</sup> m <sup>3</sup> )	384,941	384,941	130,990	130,990
8	Zonal Commodity Differential (cents / m <sup>3</sup> )	<u>2.6888</u>	<u>1.0745</u>	<u>2.6888</u>	<u>1.0745</u>
9	Cost (\$000's)	10,350	4,136	3,522	1,407
<u>Eastern Zone Adjustment</u>					
10	Volume (10 <sup>3</sup> m <sup>3</sup> )	315,903	315,903	144,011	144,011
11	Zonal Commodity Differential (cents / m <sup>3</sup> )	<u>3.5766</u>	<u>1.4292</u>	<u>3.5766</u>	<u>1.4292</u>
12	Cost (\$000's)	11,298	4,515	5,151	2,058
13	Total Cost Differential (\$000's)	<u>22,679</u>	<u>9,063</u>	<u>8,945</u>	<u>3,574</u>
14	Remaining Cost (\$000's) (line 3 - line 13)	<u>47,599</u>	<u>19,021</u>	<u>15,281</u>	<u>3,879</u>
15	Total Volume (10 <sup>3</sup> m <sup>3</sup> )	884,421	884,421	322,887	322,887
<u>Rate By Zone (cents/m<sup>3</sup>)</u>					
16	Avg. Ft. Frances (line 14 / line 15 *100)	5.3819	2.1507	4.7325	1.2015
17	Western District	5.9834	2.3910	5.3340	1.4418
18	Northern Zone	8.0707	3.2252	7.4213	2.2760
19	Eastern Zone	8.9585	3.5799	8.3091	2.6307

### Allocation of Costs

### R20 Annual Billing Units By Zone

Sales & Bundled-T Volume ( $10^3 \text{ m}^3$ )

Gas Supply Demand Volume ( $10^3 \text{ m}^3 / \text{day}$ )

11	Annual Billing Volume	-	2,650	702	3,521	6,873
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UNION GAS LIMITED  
Northern & Eastern Operations Area  
Combination of Costs Allocated to Rate 20  
Excluding Gas Supply Optimization

Line No.	Particulars	Fort Frances (a)	Western Zone (b)	Northern Zone (c)	Eastern Zone (d)	Total (\$000's) (e)
<b><u>Commodity Transportation 2</u></b>						
1	Commodity Related Costs					223
2	Demand Related Costs					3,701
3	Total Costs (\$000's) (1)					3,924
4	Volume (Second Block) (10 <sup>3</sup> m <sup>3</sup> )	-	10,903	6,194	31,381	
5	Commodity Transportation (cents / m <sup>3</sup> )	0.1535	0.2673	0.4138	0.5393	
6	Base Cost (line 4 * line 5 / 100)	-	29	26	169	224
7	Remaining Cost Recovered in Commodity Trans 1 (line 3 - line 6)					3,700
<b><u>Commodity Transportation 1</u></b>						
8	Total Cost Differential (cents / m <sup>3</sup> )	-	0.8418	3.7633	5.0058	
9	Adjustment Factor	-	40%	40%	40%	
10	Adjusted Differential (line 8 * line 9)	-	0.3367	1.5053	2.0023	
11	Volume (First Block) (10 <sup>3</sup> m <sup>3</sup> )	-	24,899	7,775	40,782	
12	Cost Differential (\$000's)	-	84	117	817	1,017
13	Remaining Costs (\$000's) (line 7 - line 12)					2,683
14	Total Volume (First Block)					73,456
15	Avg. Fort Frances Zone Rate					3.6521
16	Zone Rates (cents / m <sup>3</sup> ) (line 10 + line 15)	3.6521	3.9888	5.1574	5.6544	
<b><u>Gas Supply Demand Charge</u></b>						
17	Total Gas Supply Demand Costs (\$000's) (2)					5,551
18	Total Demand Differential (cents / m <sup>3</sup> / day)	-	22.1591	106.5707	140.5313	
19	Adjustment Factor	-	60%	60%	60%	
20	Adjusted Differential (line 18 * line 19)	-	13.2955	63.9424	84.3188	
21	Annual Demand Volume (10 <sup>3</sup> m <sup>3</sup> / day)	-	2,650	702	3,521	
22	Cost Differential (\$000's)	-	352	449	2,969	3,770
23	Remaining Costs (\$000's) (line 17 - line 22)					1,781
24	Total Annual Demand Volume (10 <sup>3</sup> m <sup>3</sup> / day)					6,873
25	Avg. Fort Frances Zone Rate					25.9154
26	Zone Rates (cents / m <sup>3</sup> ) (line 20 + line 25)	25.9154	39.2109	89.8578	110.2342	

**Notes:**

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 21, Page 5 of 9, line 7, column (c).  
(2) EB-2011-0210, Rate Order, Working Papers, Schedule 21, Page 5 of 9, line 6, column (c).

## Allocation of Costs

### R100 Annual Billing Units By Zone

Sales & Bundled-T Volume ( $10^3 \text{ m}^3$ )

Gas Supply Demand Volume ( $10^3 \text{ m}^3 / \text{day}$ )

11	Annual Billing Volume	2,880	2,640	41,351	25,104	71,975
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UNION GAS LIMITED  
Northern & Eastern Operations Area  
Combination of Costs Allocated to Rate 100  
Excluding Gas Supply Optimization

Line No.	Particulars	Fort Frances (a)	Western Zone (b)	Northern Zone (c)	Eastern Zone (d)	Total (\$000's) (e)
<b><u>Commodity Transportation 2</u></b>						
1	Commodity Related Costs					9,762
2	Demand Related Costs					42,823
3	Total Costs (\$000's) (1)					52,586
4	Volume (Second Block) (10 <sup>3</sup> m <sup>3</sup> )	34,289	35,928	776,077	477,087	
5	Commodity Transportation (cents / m <sup>3</sup> )	0.1535	0.2673	0.4138	0.5393	
6	Base Cost (line 4 * line 5 / 100)	53	96	3,211	2,573	5,933
7	Remaining Cost Recovered in Commodity Trans 1 (line 3 - line 6)					46,653
<b><u>Commodity Transportation 1</u></b>						
8	Total Cost Differential (cents / m <sup>3</sup> )	-	0.8418	3.7633	5.0058	
9	Adjustment Factor	-	30%	30%	30%	
10	Adjusted Differential (line 8 * line 9)	-	0.2525	1.1290	1.5017	
11	Volume (First Block) (10 <sup>3</sup> m <sup>3</sup> )	14,695	15,398	332,604	204,466	
12	Cost Differential (\$000's)	-	39	3,755	3,070	6,864
13	Remaining Costs (\$000's) (line 7 - line 12)					39,789
14	Total Volume (First Block)					567,163
15	Avg. Fort Frances Zone Rate					7.0154
16	Zone Rates (cents / m <sup>3</sup> ) (line 10 + line 15)	7.0154	7.2679	8.1444	8.5171	
<b><u>Gas Supply Demand Charge</u></b>						
17	Total Gas Supply Demand Costs (\$000's) (2)					99,922
18	Total Demand Differential (cents / m <sup>3</sup> / day)	-	22.1591	106.5707	140.5313	
19	Adjustment Factor	-	70%	70%	70%	
20	Adjusted Differential (line 18 * line 19)	-	15.5114	74.5995	98.3719	
21	Annual Demand Volume (10 <sup>3</sup> m <sup>3</sup> / day)	2,880	2,640	41,351	25,104	
22	Cost Differential (\$000's)	-	410	30,847	24,695	55,952
23	Remaining Costs (\$000's) (line 17 - line 22)					43,970
24	Total Annual Demand Volume (10 <sup>3</sup> m <sup>3</sup> / day)					71,975
25	Avg. Fort Frances Zone Rate					61.0900
26	Zone Rates (cents / m <sup>3</sup> ) (line 20 + line 25)	61.0900	76.6014	135.6895	159.4619	

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 21, Page 7 of 9, line 7, column (c).  
(2) EB-2011-0210, Rate Order, Working Papers, Schedule 22, Page 7 of 9, line 6, column (c).

Northern & Eastern Operations Area  
Derivation of Zonal Differentials  
Effective January 1, 2013

						Zonal Differential Transport			Zonal Differential Storage		
Line No.		Fort Frances District	Western Zone	Northern Zone	Eastern Zone	Fort Frances to West	Fort Frances to North	Fort Frances to East	Fort Frances to West	Fort Frances to North	Fort Frances to East
	Particulars	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
<u>Commodity Charges</u>											
<u>Firm Service (cents / m<sup>3</sup>)</u>											
1	Commodity Transportation	0.1535	0.2673	0.4119	0.5393						
2	Centra Transmission Commodity	0.0000	-	-	-						
3	MichCon Commodity	-	-	0.0019	-						
4	Commodity Transportation	<u>0.1535</u>	<u>0.2673</u>	<u>0.4138</u>	<u>0.5393</u>	<u>0.0813</u>	<u>0.1860</u>	<u>0.2756</u>	<u>0.0325</u>	<u>0.0743</u>	<u>0.1101</u>
5	Contract Daily Demand at 100% Load Factor	<u>3.2540</u>	<u>3.9820</u>	<u>6.7570</u>	<u>7.8740</u>	<u>0.5201</u>	<u>2.5028</u>	<u>3.3009</u>	<u>0.2079</u>	<u>1.0002</u>	<u>1.3191</u>
6	Total Commodity Charges at 100% Load Factor	<u>3.4075</u>	<u>4.2493</u>	<u>7.1708</u>	<u>8.4133</u>	<u>0.6014</u>	<u>2.6888</u>	<u>3.5766</u>	<u>0.2403</u>	<u>1.0745</u>	<u>1.4292</u>
<u>Demand Charges</u>											
7	CD Transportation Demand Rate (cents / m <sup>3</sup> / day)	72.9367	121.1232	186.2431	239.4954						
8	Centra Transmission Demand	19.7644	-	-	-						
9	Centra Minnesota Pipelines Demand	6.2630	-	-	-						
10	MichCon Demand	-	-	19.2918	-						
11	Total Demand Charges	<u>98.9641</u>	<u>121.1232</u>	<u>205.5348</u>	<u>239.4954</u>	<u>15.8323</u>	<u>76.1431</u>	<u>100.4075</u>	<u>6.3268</u>	<u>30.4276</u>	<u>40.1238</u>

**UNION GAS LIMITED**  
Calculation of Supplemental Service Charges  
Commissioning and Decommissioning Rates  
Effective January 1, 2013

Line No.	Particulars	Ft. Frances (a)	Western (b)	Northern (c)	Eastern (d)
<b>Northern and Eastern Operations Area</b>					
<b><u>Rate 20 - At 50% Load Factor</u></b>					
Delivery (cents / m <sup>3</sup> )					
1	Monthly Demand (1)	27.8179	27.8179	27.8179	27.8179
2	Line 1 x 12 months	333.8151	333.8151	333.8151	333.8151
3	Line 2 / 365 days	0.9146	0.9146	0.9146	0.9146
4	Line 3 @ 50% Load Factor	1.8291	1.8291	1.8291	1.8291
5	Commodity Charge (1)	0.5375	0.5375	0.5375	0.5375
6	Total Delivery Commissioning	<u>2.3666</u>	<u>2.3666</u>	<u>2.3666</u>	<u>2.3666</u>
Gas Supply (cents / m <sup>3</sup> )					
7	Monthly Demand (1)	21.7512	35.0467	85.6936	106.0700
8	Gas Supply Demand - Price Adjustment (1)	0.0000	0.0000	0.0000	0.0000
9	(Line 7 + Line 8) x 12 months	261.0139	420.5599	1,028.3227	1,272.8395
10	Line 9 / 365 days	0.7151	1.1522	2.8173	3.4872
11	Line 10 @ 50% Load Factor	1.4302	2.3044	5.6346	6.9745
12	Commodity Transportation 1 (1)	3.3924	3.7291	4.8977	5.3947
13	Commodity Transportation 1 - Price Adjustment	0.0000	0.0000	0.0000	0.0000
14	(Line 12 + Line 13) x (4/5)	2.7139	2.9832	3.9181	4.3157
15	Commodity Transportation 2 (1)	0.1535	0.2673	0.4138	0.5393
16	Line 15 * (1/5)	0.0307	0.0535	0.0828	0.1079
17	Total Commodity Transportation Charge for Commissioning Rate	<u>4.1748</u>	<u>5.3411</u>	<u>9.6355</u>	<u>11.3980</u>
<b><u>Rate 100 - At 70% Load Factor</u></b>					
Delivery (cents / m <sup>3</sup> )					
18	Monthly Demand (2)	15.3415	15.3415	15.3415	15.3415
19	Line 18 x 12 months	184.0975	184.0975	184.0975	184.0975
20	Line 19 / 365 days	0.5044	0.5044	0.5044	0.5044
21	Line 20 @ 70% Load Factor	0.7205	0.7205	0.7205	0.7205
22	Commodity Charge (2)	0.2137	0.2137	0.2137	0.2137
23	Total Delivery Commissioning	<u>0.9342</u>	<u>0.9342</u>	<u>0.9342</u>	<u>0.9342</u>
Gas Supply (cents / m <sup>3</sup> )					
24	Monthly Demand (2)	61.0900	76.6014	135.6895	159.4619
25	Line 24 x 12 months	733.0800	919.2168	1,628.2740	1,913.5428
26	Line 25 / 365 days	2.0084	2.5184	4.4610	5.2426
27	Line 26 @ 70% Load Factor	2.8692	3.5977	6.3729	7.4894
28	Commodity Transportation 1 (2)	7.0154	7.2679	8.1444	8.5171
29	Line 28 * (3/7)	3.0066	3.1148	3.4905	3.6502
30	Commodity Transportation 2 (2)	0.1535	0.2673	0.4138	0.5393
31	Line 30 * (4/7)	0.0877	0.1527	0.2364	0.3082
32	Total Commodity Transportation Charge for Commissioning Rate	<u>5.9635</u>	<u>6.8653</u>	<u>10.0998</u>	<u>11.4478</u>

**Notes:**

- (1) EB-2011-0210, Rate Order, Appendix A, Page 3.  
(2) EB-2011-0210, Rate Order, Appendix A, Page 4.

UNION GAS LIMITED  
Southern Operations Area  
Calculation of Supplemental Service Charges  
Effective January 1, 2013

Line No.	Particulars	cents / m <sup>3</sup> (a)	\$ / GJ (b)
	Minimum annual gas supply commodity charge - Rate M4, Rate M5A		
1	Compressor Fuel	0.2545	
2	Transportation Tolls	4.3997	
3	Administration Charge	0.1933	
4	Minimum annual gas supply commodity charge	<u>4.8475</u>	<u>1.282</u>
	<u>Gas Supply Commodity Charges</u>		
5	Commodity Cost of Gas	12.3142	
6	FT Transportation Commodity	0.5393	
7	FT Fuel	0.2545	
8	Total Gas Supply Commodity Charge	<u>13.1080</u>	<u>3.466</u>
	<u>Firm Gas Supply Service Monthly Demand Charge</u>		
9	FT Demand Charge	<u>239.4954</u>	<u>63.325</u>

UNION GAS LIMITED  
Southern Operations Area  
Calculation of Supplemental Service Charges  
Effective January 1, 2013

Line No.	Particulars			cents / m <sup>3</sup> (a)	\$ / GJ (b)
	Firm backstop gas:				
	Demand:				
1	Monthly space charge	0.0427			
2	Units required (1)	Note: Each unit of added delivery requires 43 m <sup>3</sup> of additional inventory.	43		
3	Number of months		12	22.0412 (a)	
	Inventory carrying costs:				
4	Sales WACOG		17.1613		
5	Overrun storage withdrawal		0.4103		
6			17.5716		
7	Units required (m <sup>3</sup> )		43		
8	Pre-tax return (%)		8.170%	61.7307 (b)	
9	Annual demand charge			83.7720 (a) + (b)	
10				12	
11	Monthly demand charge			6.9810	1.846
	Commodity:				
12	Sales WACOG			17.1613	
13	Overrun storage withdrawal			0.4103	
14	Overrun transportation			1.1743	
15	Commodity charge			18.7459	4.957
	Reasonable efforts backstop gas:				
16	M1 Block 1 plus Storage			4.5164	
17	Sales WACOG			17.1613	
18				21.6777	5.732
	Supplemental inventory:				
19	Sales WACOG			17.1613	
20	Injection commodity			0.2083	
21	Space charge	0.0427	x 12	0.5126	
22				17.8822	4.728
	Carrying costs (1/2 year)				
23	17.8822	x	8.170%	/ 2	0.7305
24				18.6127	4.921
	Supplemental gas sales:				
25	Supplemental inventory			18.6127	
26	Overrun storage withdrawal			0.4103	
27	Overrun transportation			1.1743	
28				20.1973	
	Failure to Deliver:				
29	M1 Block 1 plus Storage			4.5164	1.194
30	Failure to Deliver Adjustment			5.1708	1.367
31	Failure to Deliver Charge			9.6872	2.561

Notes:

(1) Each unit of added delivery requires 43 m<sup>3</sup> of additional inventory.

UNION GAS LIMITED  
Southern Operations Area  
Calculation of Supplemental Service Charges  
Calculation of Minimum, Maximum & Seasonal Charges  
Effective January 1, 2013

Line No.			cents / m <sup>3</sup> (a)
	<u>Minimum Charges</u>		
	Rate M4	Minimum annual delivery commodity charge:	
1		Monthly delivery commodity charge (1st Block M4)	0.9621
2		Administration Fee	0.1933
3		Minimum annual delivery commodity charge	1.1554
	Rate M5	Minimum annual delivery commodity charge:	
4		Monthly delivery commodity charge (1st Block M5)	2.9712
5		Administration Fee	0.1933
6		Minimum annual delivery commodity charge	3.1645
	<u>Maximum Charges</u>		
	Rate 25 Interruptible		
7		Average Rate 10 Firm Delivery Charge	5.6536
8		Percent of Average Firm Delivery Price	90%
9		R25 Maximum interruptible delivery commodity charge	5.0882
	Rate M7 Interruptible	Maximum interruptible delivery commodity charge:	
10		M7 firm commodity charge	0.3206
11		M7 firm demand charge commoditized using 23% Load Factor	3.6249
12		M7 maximum interruptible charge	3.9455
13	Rate T1 Interruptible	Maximum interruptible delivery commodity charge	3.9455
14	Rate T2 Interruptible	Maximum interruptible delivery commodity charge	3.9455
	<u>Rate M7 - Commissioning and Decommissioning Rate</u>		
	<u>Delivery (cents / m<sup>3</sup>)</u>		
15	Monthly Demand (1)		25.3924
16	x 12 months		304.7091
17	/ 365 days		0.8348
18	@ Class Average Firm Load Factor : 142,488 (2) / (14,220 (2) / 12 * 365) = 32.9%		2.5344
19	Commodity Charge (1)		0.3206
20	Commodity - Price Adjustment		-
21	Total Delivery Commissioning		2.8549

Notes:

- (1) EB-2011-0210, Rate Order, Appendix A, Page 8.  
(2) EB-2011-0210, Rate Order, Working Papers, Schedule 14, Page 7, column (a).

UNION GAS LIMITED  
Southern Operations Area  
Calculation of Supplemental Service Charges  
Effective January 1, 2013

Line No.		Union Supplies Fuel	Customer Supplies Fuel
<b><u>Rate T1 / Rate T2 / Rate T3 - At 100% Load Factor</u></b>			
<u>Authorized Storage Overrun (\$ / GJ)</u>			
1	Monthly Demand (1)	1.624	1.624
2	x 12 months	19.493	19.493
3	/ 365 days	0.053	0.053
4	@ 100% Load Factor	0.053	0.053
5	Commodity Charge (WACOG / Heat Value * Overrun Fuel Ratio + Injection Commodity) (2)	0.055	0.008
6	Total Storage Overrun	<u>0.108</u>	<u>0.061</u>
<b><u>Rate T1 - At 100% Load Factor</u></b>			
<u>Authorized Transportation Overrun (cents / m<sup>3</sup>)</u>			
7	Monthly Demand (3)	31.9554	31.9554
8	x 12 months	383.4643	383.4643
9	/ 365 days	1.0506	1.0506
10	@ 100% Load Factor	1.0506	1.0506
11	Commodity Charge (WACOG / 10 * Transportation Fuel Ratio + Firm Commodity Transport) (4)	0.1238	0.0712
12	Total Transportation Overrun	<u>1.1743</u>	<u>1.1218</u>
<b><u>Rate T2 - At 100% Load Factor</u></b>			
<u>Authorized Transportation Overrun (cents / m<sup>3</sup>)</u>			
13	Monthly Demand (5)	20.1911	20.1911
14	x 12 months	242.2926	242.2926
15	/ 365 days	0.6638	0.6638
16	@ 100% Load Factor	0.6638	0.6638
17	Commodity Charge (WACOG / 10 * Transportation Fuel Ratio + Firm Commodity Transport) (6)	0.0597	0.0078
18	Total Transportation Overrun	<u>0.7235</u>	<u>0.6716</u>
<b><u>Rate T3 - At 100% Load Factor</u></b>			
<u>Authorized Transportation Overrun (cents / m<sup>3</sup>)</u>			
19	Monthly Demand (7)	9.3582	9.3582
20	x 12 months	112.2978	112.2978
21	/ 365 days	0.3077	0.3077
22	@ 100% Load Factor	0.3077	0.3077
23	Commodity Charge (7)	0.0707	0.0107
24	Total Transportation Overrun	<u>0.3783</u>	<u>0.3184</u>

Notes:

- (1) EB-2011-0210, Rate Order, Appendix A, Page 9, 10 and 11.
- (2)  $\$210.506/10^3\text{m}^3 / 37.82 \text{ GJ}/10^3\text{m}^3 * 0.853\% + \$0.008/\text{GJ}$ .
- (3) EB-2011-0210, Rate Order, Appendix A, Page 10.
- (4)  $\$210.506/10^3\text{m}^3 / 10 * 0.250\% + 0.0712 \text{ cents}/\text{m}^3$ .
- (5) EB-2011-0210, Rate Order, Appendix A, Page 11.
- (6)  $\$210.506/10^3\text{m}^3 / 10 * 0.247\% + 0.0078 \text{ cents}/\text{m}^3$ .
- (7) EB-2011-0210, Rate Order, Appendix A, Page 12.

**UNION GAS LIMITED**  
Southern Operations Area  
Calculation of Union Supplied Fuel Rates for  
In-Franchise Semi-UnBundled Rates T1, T2 and T3  
Effective January 1, 2013

Line No.		Customer <u>Supplies Fuel</u> (a)	Union <u>Supplies Fuel</u> (b)
<b><u>Rate T1 Transportation Service (cents/m<sup>3</sup>)</u></b>			
1	Ontario Landed Reference Price as per EB-2012-0437		21.0506
2	2013 Fuel Ratio as per EB-2011-0210	0.250%	0.250%
3	Fuel Rate (line 1 * line 2)		0.0526
4	Firm Transportation Commodity Charge All volumes	0.0712	0.1238
5	Interruptible Transportation Commodity Charge	3.8929	3.9455
<b><u>Rate T2 Transportation Service (cents/m<sup>3</sup>)</u></b>			
6	Ontario Landed Reference Price as per EB-2012-0437		21.0506
7	2013 Fuel Ratio as per EB-2011-0210	0.247%	0.247%
8	Fuel Rate (line 6 * line 7)		0.0519
9	Firm Transportation Commodity Charge All volumes	0.0078	0.0597
10	Interruptible Transportation Commodity Charge	3.8936	3.9455
<b><u>Rate T3 Transportation Service (cents/m<sup>3</sup>)</u></b>			
11	Ontario Landed Reference Price as per EB-2012-0437		21.0506
12	2013 Fuel Ratio as per EB-2011-0210	0.285%	0.285%
13	Fuel Rate (line 11 * line 12)		0.0599
14	Firm Transportation Commodity Charge	0.0107	0.0707
<b><u>Rate T1, Rate T2 &amp; Rate T3 Storage Service (\$/GJ)</u></b>			
15	Ontario Landed Reference Price as per EB-2012-0437		5.566
16	2013 Fuel Ratio as per EB-2011-0210	0.395%	0.395%
17	Fuel Rate (line 15 * line 16)		0.022
18	Storage Commodity Charge	0.008	0.030
<b><u>Rate T1, Rate T2 &amp; Rate T3 Annual Firm Injection/Withdrawal Right (\$/GJ)</u></b>			
19	Customer provides deliverability Inventory Rate	1.197 (1)	
<b><u>Inventory Carrying Costs</u></b>			
20	Space	75,177,124 (2)	
21	Inventory Percentage	20%	
22	Inventory (line 20 x line 21)	15,035,425	
23	Ontario Landed Reference Price as per EB-2012-0437	5.566	
24	ICC %	8.2%	
25	Inventory Carrying Costs (line 22 * line 23 * line 24)	6,837	
26	Deliverability Demand Allocation Units	1,332,764 (3)	
27	Line 25 / line 26 x 1000 / 12	0.428	
28	Union provides deliverability Inventory as per EB-2011-0210 (line 19 + line 27)	1.624	

**Notes:**

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 19, Page 1, line 3, column (i).  
(2) EB-2011-0210, Rate Order, Working Papers, Schedule 19, Page 2, line 8, column (b).  
(3) EB-2011-0210, Rate Order, Working Papers, Schedule 19, Page 1, line 5, column (e).

UNION GAS LIMITED  
Rate T1 Transportation Redesign based on 2013 Revenue Requirement  
Revenue Proof for Approved Rate T1 and Rate T2

Line No.	Particulars	Annual Billing Units (a)	Rates (cents/m <sup>3</sup> ) (b)	Revenue (\$000's) (c)	Revenue Requirement (\$000's) (d)	Revenue to Cost Ratio (e) = (c / d)
<b><u>Rate T1 with Current Rate Design (1)</u></b>						
1	Monthly Charge	972	\$6,304.12	6,128	6,128	1.000
	Firm Transportation Demand (10 <sup>3</sup> m <sup>3</sup> /day/month)					
2	First 140,870 m <sup>3</sup> per month	75,422	17.0581	12,866		
3	All Over 140,870 m <sup>3</sup> per month	167,088	11.6562	19,476		
4	Total Firm Transportation Demand	242,509		32,342	33,695	0.960
	Firm Transportation Commodity (10 <sup>3</sup> m <sup>3</sup> )					
5	First 2,360,653 m <sup>3</sup> per month	1,352,116	0.0220	298	298	
6	All Over 2,360,653 m <sup>3</sup> per month	3,655,396	0.0110	401	401	
7	Interruptible	421,771	0.9882	4,168	4,168	
8	Total Transportation Commodity	5,429,284		4,867	4,867	1.000
9	Customer Supplied Fuel		0.247%	2,098	2,098	
10	Total 2013 Approved Current Rate T1 Transportation	5,429,284		45,434	46,787	0.971
<b><u>Approved Rate T1 and Rate T2 Redesign</u></b>						
<b><u>2013 Approved Rate T1 Transportation Redesign</u></b>						
11	Monthly Charge	528	\$1,936.13	1,022	1,022	1.000
	Firm Transportation Demand (10 <sup>3</sup> m <sup>3</sup> /day/month)					
12	First 28,150 m <sup>3</sup> per month	12,448	31.9554	3,978		
13	Next 112,720 m <sup>3</sup> per month	13,002	22.0775	2,871		
14	Total Firm Transportation Demand	25,450		6,848	8,201	0.835
	Firm Transportation Commodity (10 <sup>3</sup> m <sup>3</sup> )					
15	All Volumes	485,700	0.0712	346	346	
16	Interruptible	63,286	1.2341	781	781	
17	Total Transportation Commodity	548,986		1,127	1,127	1.000
18	Customer Supplied Fuel		0.250%	244	244	
19	Total 2013 Approved Rate T1 Transportation Redesign	548,986		9,241	10,595	0.872
<b><u>2013 Approved Rate T2 Transportation Redesign</u></b>						
20	Monthly Charge	444	\$6,000.00	2,664	5,106	0.522
	Firm Transportation Demand (10 <sup>3</sup> m <sup>3</sup> /day/month)					
21	First 140,870 m <sup>3</sup> per month	49,971	20.1911	10,090		
22	All Over 140,870 m <sup>3</sup> per month	167,088	10.6802	17,845		
23	Total Firm Transportation Demand	217,059		27,935	25,493	1.096
	Firm Transportation Commodity (10 <sup>3</sup> m <sup>3</sup> )					
24	All Volumes	4,521,813	0.0078	353	353	
25	Interruptible	358,485	0.9447	3,387	3,387	
26	Total Transportation Commodity	4,880,298		3,740	3,740	1.000
27	Customer Supplied Fuel		0.247%	1,854	1,854	
28	Total 2013 Approved Rate T2 Transportation Redesign	4,880,298		36,193	36,193	1.000
29	Grand Total 2013 Approved Rate T1 and Rate T2 Redesign	5,429,284		45,434	46,787	0.971

**Notes:**

(1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, Page 8.

**UNION GAS LIMITED**  
**Derivation of Unit Rate Changes related to Gas Costs in Distribution Rates**  
**effective January 1, 2013**

Line No.	<b>Derivation of Amounts for Recovery</b>		
	<u>Change in Gas Cost:</u>		
1	Ontario Landed Reference Price as per EB-2012-0437	(\$/10 <sup>3</sup> m <sup>3</sup> )	210,506
2	Ontario Landed Reference Price as per EB-2012-0249	(\$/10 <sup>3</sup> m <sup>3</sup> )	182,406
3	Change in Gas Cost (line 1 - line 2)	(\$/10 <sup>3</sup> m <sup>3</sup> )	<u>28,100</u>
4	Fuel and UFG volume: 2013 approved	(10 <sup>3</sup> m <sup>3</sup> )	<u>85,662</u>
5	Amount for Recovery - Fuel & UFG (line 3 x line 4)	(\$000's)	<u>2,408</u>
6	Average Gas in Inventory: 2013 approved	(10 <sup>3</sup> m <sup>3</sup> )	774,843
7	Change in Gas Costs related to Inventory (line 3 x line 6)	(\$000's)	21,773
8	Composite Rate of Return		5.15% (1)
9	Amount for Recovery - Gas in Storage (line 7 x line 8)	(\$000's)	<u>1,122</u>
10	Total Gas Cost Change to Distribution Rates (line 5 + line 9)	(\$000's)	<u><u>3,530</u></u>

**Derivation of Unit Rate Changes by Rate Class**

Rate Class		Fuel & Unaccounted for Gas			Gas in Storage Carrying Costs			Total Gas Cost Change to Distribution Rates (\$000's) (g) = (c+f)	2013 Annual Distribution Volume (4) (10³m³) (h)	Unit Rate Change (5) (cents/m³) (i) = (g/h)
		Cost Allocation (2)	Allocation Factor	Amount for Recovery	Cost Allocation (3)	Allocation Factor	Amount for Recovery			
		(\$000's) (a)	(%) (b)	(\$000's) (c)	(\$000's) (d)	(%) (e)	(\$000's) (f)			
11	R01	1,615	23.94%	577	21,804	18.30%	205	782	884,421	0.0884
12	R10	508	7.54%	181	5,717	4.80%	54	235	322,887	0.0729
13	R20	181	2.68%	64	1,533	1.29%	14	79	629,802	0.0125
14	R25	-	0.00%	-	-	0.00%	-	-	159,555	-
15	R100	6	0.08%	2	107	0.09%	1	3	1,895,488	0.0002
16	M1	2,466	36.55%	880	60,609	50.86%	571	1,451	2,939,543	0.0494
17	M2	824	12.22%	294	20,667	17.34%	195	489	975,571	0.0501
18	M4	342	5.07%	122	3,024	2.54%	28	151	404,678	0.0372
19	M5A	431	6.39%	154	4,078	3.42%	38	192	535,132	0.0359
20	M7	127	1.89%	45	1,113	0.93%	10	56	147,143	0.0380
21	M9	54	0.80%	19	511	0.43%	5	24	60,750	0.0398
22	M10	0	0.00%	0	5	0.00%	0	0	189	0.0582
23	T1	-	0.00%	-	-	0.00%	-	-	(5)	
24	T2	-	0.00%	-	-	0.00%	-	-	(5)	
25	T3	-	0.00%	-	-	0.00%	-	-	(5)	
26	M12	-	0.00%	-	-	0.00%	-	-	(5)	
27	M13	44	0.65%	16	-	0.00%	-	16	(5)	
28	M16	148	2.19%	53	-	0.00%	-	53	(5)	
29	C1	-	0.00%	-	-	0.00%	-	-	(5)	
30	Total	6,746	100.00%	2,408	119,168	100.00%	1,122	3,530		

**Notes:**

(1) Calculation of the Composite Return:

Common Equity (after tax)	36.00%	8.93%	3.21%
Gross-Up for tax (@ 25.50%)			<u>1.10%</u>
Common Equity (pre-tax)			4.31%
Short-Term Debt	64.00%	1.31%	<u>0.84%</u>
Composite Rate of Return			<u><u>5.15%</u></u>

(2) EB-2011-0210, Decision Cost Study, Operating Expenses, A. Cost of Gas & Production, Other Supplies - UFG and

EB-2011-0210, Decision Cost Study, Operating Expenses, C. Underground Storage & D. Transmission, Compressor Fuel.

(3) EB-2011-0210, Decision Cost Study, Storage Excluding Dehydrator Space, Working Capital, Gas in Storage.

(4) EB-2011-0210, Rate Order, Working Papers, Schedule 14, Column (a).

(5) Union supplied fuel (USF) rate changes for Rates T1, T2, T3, M12, M13, M16 and C1 are based on approved 2013 fuel ratios and proposed Ontario Landed Reference Price. Changes in Union-supplied fuel rates for Rate T1, T2, T3, M12, M13, M16 and C1 are presented at Appendix A, Schedule "C", and EB-2011-0210, Rate Order, Working Papers, Schedule 22, Page 6.

UNION GAS LIMITED  
2013 Rate Continuity including update to Gas Costs in Distribution rates

Line No.	Particulars (cents/m <sup>3</sup> )	Approved Distribution Rate per Board Decision (1) (a)	Gas Cost Change to Distribution Rates (2) (b)	Final Distribution Rate per Appendix A (3) (c) = (a + b)
<b>Rate 01</b>				
Monthly Delivery Charge - All Zones				
1	First 100 m <sup>3</sup>	9.6463	0.0884	9.7347
2	Next 200 m <sup>3</sup>	9.1218	0.0884	9.2102
3	Next 200 m <sup>3</sup>	8.7491	0.0884	8.8375
4	Next 500 m <sup>3</sup>	8.4071	0.0884	8.4955
5	Over 1,000 m <sup>3</sup>	8.1246	0.0884	8.2130
<b>Rate 10</b>				
Monthly Delivery Charge - All Zones				
6	First 1,000 m <sup>3</sup>	7.6341	0.0729	7.7070
7	Next 9,000 m <sup>3</sup>	6.2205	0.0729	6.2934
8	Next 20,000 m <sup>3</sup>	5.4143	0.0729	5.4872
9	Next 70,000 m <sup>3</sup>	4.8982	0.0729	4.9711
10	Over 100,000 m <sup>3</sup>	2.9430	0.0729	3.0159
<b>Rate 20</b>				
Delivery Commodity Charge				
11	First 852,000 m <sup>3</sup>	0.5250	0.0125	0.5375
12	All over 852,000 m <sup>3</sup>	0.3806	0.0125	0.3932
<b>Rate 100</b>				
Delivery Commodity Charge				
13	All Zones	0.2135	0.0002	0.2137
<b>Rate M1</b>				
Delivery Commodity Charge				
14	First 100 m <sup>3</sup>	3.7302	0.0494	3.7795
15	Next 150 m <sup>3</sup>	3.5237	0.0494	3.5730
16	All over 250 m <sup>3</sup>	3.0352	0.0494	3.0845
<b>Rate M2</b>				
Delivery Commodity Charge				
17	First 1,000 m <sup>3</sup>	4.0915	0.0501	4.1416
18	Next 6,000 m <sup>3</sup>	4.0152	0.0501	4.0653
19	Next 13,000 m <sup>3</sup>	3.7878	0.0501	3.8379
20	All over 20,000 m <sup>3</sup>	3.5149	0.0501	3.5650
<b>Rate M4</b>				
Monthly delivery commodity charge:				
21	First block	0.9249	0.0372	0.9621
22	All remaining use	0.3871	0.0372	0.4243
<b>Rate M5A</b>				
23	Firm Monthly delivery commodity charge	1.9018	0.0359	1.9377
Interruptible daily delivery commodity charge				
24	4,800 m <sup>3</sup> to 17,000 m <sup>3</sup>	2.9353	0.0359	2.9712
25	17,000 m <sup>3</sup> to 30,000 m <sup>3</sup>	2.8054	0.0359	2.8413
26	30,000 m <sup>3</sup> to 50,000 m <sup>3</sup>	2.7371	0.0359	2.7730
27	50,000 m <sup>3</sup> to 70,000 m <sup>3</sup>	2.6892	0.0359	2.7251
28	70,000 m <sup>3</sup> to 100,000 m <sup>3</sup>	2.6549	0.0359	2.6908
29	100,000 m <sup>3</sup> to 140,870 m <sup>3</sup>	2.6212	0.0359	2.6571
<b>Rate M7</b>				
30	Firm Monthly delivery commodity charge	0.2826	0.0380	0.3206
<b>Rate M9</b>				
31	Monthly Delivery Commodity Charge	0.1592	0.0398	0.1990
<b>Rate M10</b>				
32	Monthly delivery commodity charge	5.1152	0.0582	5.1734

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (h).
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 24, Page 1, column (i).
- (3) EB-2011-0210, Rate Order, Appendix A, column (c).

UNION GAS LIMITED  
2013 Rate Continuity including Update to Gas Costs in Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2011-0210 Approved Rate per Board Decision (1) (a)	Gas Cost Change to Rates (b)	EB-2011-0210 Final Rate per Appendix A (2) (c) = (a + b)
<u>M13 Transportation of Locally Produced Gas</u>				
1	Commodity charge - Union supplies fuel	0.007	0.001	0.009
2	Authorized Overrun - Union supplies fuel	0.076	0.001	0.077
<u>M16 Storage Transportation Service</u>				
Transportation Fuel Charges to Dawn:				
3	East of Dawn - Union supplied fuel	0.007	0.001	0.009
4	West of Dawn - Union supplied fuel	0.007	0.001	0.009
Transportation Fuel Charges to Pools:				
5	East of Dawn - Union supplied fuel	0.007	0.001	0.009
6	West of Dawn - Union supplied fuel	0.021	0.003	0.024
<u>Authorized Overrun</u>				
Transportation Fuel Charges to Dawn:				
7	East of Dawn - Union supplied fuel	0.065	0.001	0.067
8	West of Dawn - Union supplied fuel	0.076	0.001	0.077
Transportation Fuel Charges to Pools:				
9	East of Dawn - Union supplied fuel	0.032	0.001	0.033
10	West of Dawn - Union supplied fuel	0.056	0.003	0.059
<u>C1 Storage &amp; Cross Franchise Transportation Service</u>				
<u>Transportation service</u>				
Commodity charges:				
11	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.012	0.002	0.014
12	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.010	0.001	0.011
13	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.014	0.002	0.016
14	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.021	0.003	0.024
15	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.007	0.001	0.009
16	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.013	0.002	0.015
17	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.007	0.001	0.009
18	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.007	0.001	0.009
19	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.035	0.005	0.041
20	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.015	0.002	0.017
21	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.047	0.007	0.054
22	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.025	0.004	0.029
23	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.019	0.003	0.022
24	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.018	0.003	0.021
<u>Authorized Overrun</u>				
Firm transportation commodity charges:				
25	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.047	0.002	0.049
26	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.045	0.001	0.046
27	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.049	0.002	0.051
28	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.056	0.003	0.059
29	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.115	0.006	0.120
30	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.120	0.006	0.127
31	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.041	0.006	0.047
32	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.041	0.006	0.047
33	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.130	0.010	0.140
34	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.110	0.007	0.117
35	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.154	0.012	0.166
36	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.133	0.008	0.141
37	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.060	0.007	0.068
38	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.059	0.007	0.066

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, pages 10 and 11, column (h) divided by 37.75 GJ/10<sup>3</sup>m<sup>3</sup>.  
(2) EB-2011-0210, Rate Order, Appendix A, column (c).

UNION GAS LIMITED  
Union In-franchise - General Service  
Summary of 2013 Retroactive Rate Adjustments by Rate Class

Line No.	Rate Class (\$000's)	Total Amount for Recovery/(Refund) Jan. 01 - Jan. 31, 2013 (a)	Billing Units for Disposition (1) (10 <sup>3</sup> m <sup>3</sup> ) (b)	Unit Price Adjustment for Prospective Recovery (cents/m <sup>3</sup> ) (c) = (a/b) x 100
<u>Northern and Eastern Operations Area</u>				
	Rate 01			
1	Delivery	3,638	715,042	0.5088
2	Gas Transportation	(435)	715,042	(0.0608)
3	Storage	1,508	715,042	0.2109
4	Gas Supply Administration Charge	(148)	518,344	(0.0286)
5	Total Rate 01	<u>4,563</u>		
	Rate 10			
6	Delivery	714	272,136	0.2623
7	Gas Transportation	(214)	272,136	(0.0786)
8	Storage	327	272,136	0.1201
9	Gas Supply Administration Charge	(29)	130,939	(0.0225)
10	Total Rate 10	<u>797</u>		
<u>Southern Operations Area</u>				
	Rate M1			
11	Delivery	1,037	2,415,555	0.0429
12	Gas Transportation	(1,116)	1,866,122	(0.0598)
13	Storage	(1,240)	2,415,555	(0.0513)
14	Gas Supply Administration Charge	(476)	1,866,122	(0.0255)
15	Total Rate M1 (2)	<u>(1,795)</u>		
	Rate M2			
16	Delivery	665	804,982	0.0826
17	Gas Transportation	(188)	315,029	(0.0598)
18	Storage	65	804,982	0.0080
19	Gas Supply Administration Charge	(80)	315,029	(0.0255)
20	Total Rate M2 (2)	<u>460</u>		
21	Total In-franchise - General Service	<u>4,026</u>		

Notes:

- (1) EB-2011-0210 Forecast volumes for the prospective period from February 01, 2013 to December 31, 2013.  
(2) Rate M1/M2 Supplemental Meter Service: the additional meter charge of \$15/month billed in January 2013 will be refunded to those specific accounts with February bills.

UNION GAS LIMITED  
Summary of 2013 Retroactive Rate Adjustments for Rate 01

Line No.	Particulars	EB-2012-0437 January 1, 2013 Rates (cents/m <sup>3</sup> ) (a)	EB-2011-0210 January 1, 2013 Rates (cents/m <sup>3</sup> ) (b)	Rate Difference (cents/m <sup>3</sup> ) (c) = (b - a)	Billing Units (1) (10 <sup>3</sup> m <sup>3</sup> ) (d)	Revenue Adjustment (\$000's) (e) = (d * c) / 100	Billing Units for Disposition (2) (10 <sup>3</sup> m <sup>3</sup> ) (f)	Prospective Rate Adjustment (cents/m <sup>3</sup> ) (g) = (e / f) * 100
1	Monthly Charge	\$21.00	\$21.00	-	-	-		
	Monthly Delivery Charge							
2	First 100 m <sup>3</sup>	7.5664	9.7347	2.1682	30,674	665		
3	Next 200 m <sup>3</sup>	7.0559	9.2102	2.1542	55,900	1,204		
4	Next 200 m <sup>3</sup>	6.6932	8.8375	2.1442	34,168	733		
5	Next 500 m <sup>3</sup>	6.3604	8.4955	2.1350	22,518	481		
6	Over 1,000 m <sup>3</sup>	6.0855	8.2130	2.1274	26,120	556		
7	Total Delivery				<u>169,380</u>	<u>3,638</u>	715,042	0.5088
	Gas Transportation							
8	Fort Frances	5.8897	4.9387	(0.9510)	2,356	(22)		
9	Western	6.2981	5.5401	(0.7580)	32,761	(248)		
10	Northern	7.6495	7.6275	(0.0220)	73,747	(16)		
11	Eastern	8.7597	8.5153	(0.2444)	60,516	(148)		
12	Total Transportation				<u>169,380</u>	<u>(435)</u>	715,042	(0.0608)
	Storage							
13	Fort Frances	1.8724	2.1507	0.2783	2,356	7		
14	Western	1.8700	2.3910	0.5210	32,761	171		
15	Northern	2.2540	3.2252	0.9712	73,747	716		
16	Eastern	2.5640	3.5799	1.0159	60,516	615		
17	Total Transportation				<u>169,380</u>	<u>1,508</u>	715,042	0.2109
	Gas Supply Administration Charge							
18	All Zones	0.3138	0.1933	(0.1205)	<u>123,080</u>	<u>(148)</u>	518,344	(0.0286)
19	Total Rate 01					<u><u>4,563</u></u>		

Notes:

- (1) EB-2011-0210 Forecast volumes for the retroactive period from January 01, 2013 to January 31, 2013.  
(2) EB-2011-0210 Forecast volumes for the prospective period from February 01, 2013 to December 31, 2013.

UNION GAS LIMITED  
Summary of 2013 Retroactive Rate Adjustments for Rate 10

Line No.	Particulars	EB-2012-0437 January 1, 2013 Rates (cents/m <sup>3</sup> ) (a)	EB-2011-0210 January 1, 2013 Rates (cents/m <sup>3</sup> ) (b)	Rate Difference (cents/m <sup>3</sup> ) (c) = (b - a)	Billing Units (1) (10 <sup>3</sup> m <sup>3</sup> ) (d)	Revenue Adjustment (\$000's) (e) = (d * c) / 100	Billing Units for Disposition (2) (10 <sup>3</sup> m <sup>3</sup> ) (f)	Prospective Rate Adjustment (cents/m <sup>3</sup> ) (g) = (e / f) * 100
1	Monthly Charge	\$70.00	\$70.00	-	-	-		
	Monthly Delivery Charge							
2	First 1,000 m <sup>3</sup>	6.0731	7.7070	1.6339	2,454	40		
3	Next 9,000 m <sup>3</sup>	4.8064	6.2934	1.4870	18,418	274		
4	Next 20,000 m <sup>3</sup>	4.0839	5.4872	1.4033	14,216	199		
5	Next 70,000 m <sup>3</sup>	3.6215	4.9711	1.3496	10,220	138		
6	Over 100,000 m <sup>3</sup>	1.8694	3.0159	1.1465	5,444	62		
7	Total Delivery				50,751	714	272,136	0.2623
	Gas Transportation							
8	Fort Frances	5.4555	4.3170	(1.1385)	439	(5)		
9	Western	5.8639	4.9184	(0.9455)	7,388	(70)		
10	Northern	7.2153	7.0058	(0.2095)	20,878	(44)		
11	Eastern	8.3255	7.8935	(0.4320)	22,046	(95)		
12	Total Transportation				50,751	(214)	272,136	(0.0786)
	Storage							
13	Fort Frances	1.1964	1.2015	0.0051	439	0		
14	Western	1.1941	1.4418	0.2477	7,388	18		
15	Northern	1.5796	2.2760	0.6964	20,878	145		
16	Eastern	1.8907	2.6307	0.7400	22,046	163		
17	Total Transportation				50,751	327	272,136	0.1201
	Gas Supply Administration Charge							
18	All Zones	0.3138	0.1933	(0.1205)	24,459	(29)	130,939	(0.0225)
19	Total Rate 10					797		

Notes:

- (1) EB-2011-0210 Forecast volumes for the retroactive period from January 01, 2013 to January 31, 2013.  
(2) EB-2011-0210 Forecast volumes for the prospective period from February 01, 2013 to December 31, 2013.

UNION GAS LIMITED  
2013 Retroactive Rate Adjustments for Rate M1

Line No.	Particulars	EB-2012-0437 January 1, 2013 Rates (cents/m <sup>3</sup> ) (a)	EB-2011-0210 January 1, 2013 Rates (cents/m <sup>3</sup> ) (b)	Rate Difference (cents/m <sup>3</sup> ) (c) = (b - a)	Billing Units (1) (10 <sup>3</sup> m <sup>3</sup> ) (d)	Revenue Adjustment (\$000's) (e) = (d * c) / 100	Billing Units for Disposition (2) (10 <sup>3</sup> m <sup>3</sup> ) (f)	Prospective Rate Adjustment (cents/m <sup>3</sup> ) (g) = (e / f) * 100
1	Monthly Charge (3)	\$21.00	\$21.00	-	-	-		
	Monthly Delivery Charge							
2	First 100 m <sup>3</sup>	3.5562	3.7795	0.2234	97,830	219		
3	Next 150 m <sup>3</sup>	3.3617	3.5730	0.2114	138,105	292		
4	Over 250 m <sup>3</sup>	2.9017	3.0845	0.1829	288,053	527		
5	Total Delivery				<u>523,988</u>	<u>1,037</u>	2,415,555	0.0429
6	Storage	0.9735	0.7368	(0.2367)	523,988	(1,240)	2,415,555	(0.0513)

Notes:

- (1) EB-2011-0210 Forecast volumes for the retroactive period from January 01, 2013 to January 31, 2013.
- (2) EB-2011-0210 Forecast volumes for the prospective period from February 01, 2013 to December 31, 2013.
- (3) Supplemental Meter Service: the additional meter charge of \$15/month billed in January 2013 will be refunded to those specific accounts with February bills.

UNION GAS LIMITED  
2013 Retroactive Rate Adjustments for Rate M2

Line No.	Particulars	EB-2012-0437 January 1, 2013 Rates (cents/m <sup>3</sup> ) (a)	EB-2011-0210 January 1, 2013 Rates (cents/m <sup>3</sup> ) (b)	Rate Difference (cents/m <sup>3</sup> ) (c) = (b - a)	Billing Units (1) (10 <sup>3</sup> m <sup>3</sup> ) (d)	Revenue Adjustment (\$000's) (e) = (d * c) / 100	Billing Units for Disposition (2) (10 <sup>3</sup> m <sup>3</sup> ) (f)	Prospective Rate Adjustment (cents/m <sup>3</sup> ) (g) = (e / f) * 100
1	Monthly Charge (3)	\$70.00	\$70.00	-	-	-		
	Monthly Delivery Charge							
2	First 1,000 m <sup>3</sup>	3.7639	4.1416	0.3778	6,725	25		
3	Next 6,000 m <sup>3</sup>	3.6850	4.0653	0.3804	39,314	150		
4	Next 9,000 m <sup>3</sup>	3.4499	3.8379	0.3881	55,818	217		
5	Over 20,000 m <sup>3</sup>	3.1678	3.5650	0.3973	68,732	273		
6	Total Delivery				170,589	665	804,982	0.0826
7	Storage	0.7172	0.7550	0.0378	170,589	65	804,982	0.0080

Notes:

- (1) EB-2011-0210 Forecast volumes for the retroactive period from January 01, 2013 to January 31, 2013.
- (2) EB-2011-0210 Forecast volumes for the prospective period from February 01, 2013 to December 31, 2013.
- (3) Supplemental Meter Service: the additional meter charge of \$15/month billed in January 2013 will be refunded to those specific accounts with February bills.

UNION GAS LIMITED  
Retroactive Rate Adjustments for South Sales Service

Line No.	Particulars	EB-2012-0437 January 1, 2013 Rates (cents/m <sup>3</sup> ) (a)	EB-2011-0210 January 1, 2013 Rates (cents/m <sup>3</sup> ) (b)	Rate Difference (cents/m <sup>3</sup> ) (c) = (b - a)	Billing Units (1) (10 <sup>3</sup> m <sup>3</sup> ) (d)	Revenue Adjustment (\$000's) (e) = (d * c) / 100	Billing Units for Disposition (2) (10 <sup>3</sup> m <sup>3</sup> ) (f)	Prospective Rate Adjustment (cents/m <sup>3</sup> ) (g) = (e / f) * 100
1	Transportation	4.6821	4.3997	(0.2824)	468,429	(1,323)	2,212,186	(0.0598)
2	Gas Supply Administration Charge	0.3138	0.1933	(0.1205)	468,429	(565)	2,212,186	(0.0255)
3	Total South Sales Service					<u>(1,887)</u>		<u>(0.0853)</u>

Notes:

- (1) EB-2011-0210 Forecast volumes for the retroactive period from January 01, 2013 to January 31, 2013.  
(2) EB-2011-0210 Forecast volumes for the prospective period from February 01, 2013 to December 31, 2013.

UNION GAS LIMITED  
Calculation of Firm All Day (F24-T) Transportation Service Charges  
Effective January 1, 2013

Line No.	Particulars	(\$ 000's)
	<u>Cost of Service</u>	
1	Operating & Maintenance Costs (1)	359
2	Depreciation Expense	-
3	Return, Income and Capital Taxes	-
4	Total Cost of Service	<u>359</u>
5	Demand (GJ/day) (1)	442,154
6	Demand Rate (\$/GJ) ((line 4 * 1000) / (line 5 *12))	0.068
7	Demand Rate Commoditized (\$/GJ) (line 6 *12 /365)	0.002
8	Demand Rate (\$/10 <sup>3</sup> m <sup>3</sup> ) (line 6 * 37.75)	2.557

Notes:

(1) Assumes costs allocated directly to F24-T associated with five of nine additional nomination windows (\$647,000 \* 5 /9 = \$359,000) and updated demands as per Board Decision, page 63.

UNION GAS LIMITED  
Derivation of M12-X Transportation Rate  
Effective January 1, 2013

Line No.	Particulars	
	<u>M12-X - Monthly Firm Demand Rate</u>	
1	M12 Dawn to Parkway Firm Demand Rate	2.382
2	C1 Parkway to Dawn Firm Demand Rate	<u>0.579</u>
3	M12-X Demand Rate (\$/GJ) (line 1 + line 2)	2.961
4	M12-X Demand Rate Commoditized (line 3 * 12 / 365)	0.097
5	M12-X Demand Rate (\$/10 <sup>3</sup> m <sup>3</sup> ) (line 3 * 37.75)	111.795

UNION GAS LIMITED  
Derivation of M13 Monthly Fixed Charge per Customer Station  
Effective January 1, 2013

Line No.	Particulars	(\$ 000's)
	<u>Rate Base (1)</u>	
1	Average net plant investment	495
2	Working capital	42
	Total rate base before deduction of	
3	accumulated deferred income taxes	536
4	Accumulated deferred income taxes	(15)
5	Total rate base (line 3 - line 4)	521
	<u>Cost of Service (1)</u>	
6	Operating and maintenance costs	148
7	Depreciation expense	22
8	Return	38
9	Property taxes and income taxes	6
10	Accumulated deferred tax drawdown	(3)
11	Total cost of service	211
12	Cost of Service allocated to commodity (2)	44
13	Cost of Service allocated to demand (line 11 - line 12)	167
14	Number of customer stations	15
15	Monthly fixed charge per customer station (\$000's/month) (line 13 / (line 14 * 12))	0.927

Notes:

(1) EB-2011-0210, Exhibit G3, Tab 2, Schedule 2, Page 2, updated for EB-2011-0210 Board Decision.

(2) EB-2011-0210, Exhibit G3, Tab 2, Schedule 4, Page 2, updated for EB-2011-0210 Board Decision.

UNION GAS LIMITED  
Derivation of M16 Monthly Fixed Charge per Customer Station  
Effective January 1, 2013

Line No.	Particulars	(\$ 000's)
	<u>Rate Base - Other Transmission Demand</u>	
1	Net plant investment	15
2	Working capital	0
	Total rate base before deduction of	
3	accumulated deferred income taxes	16
4	Accumulated deferred income taxes	(0)
5	Total rate base (line 3 - line 4)	15
	<u>Cost of Service - Other Transmission Demand</u>	
6	Operating and maintenance costs	69
7	Depreciation expense	1
8	Return	1
9	Property taxes and income taxes	0
10	Accumulated deferred tax drawdown	(0)
11	Total cost of service (1)	71
12	Number of customer stations	4
13	Monthly fixed charge per customer station (\$000's/month) (line 11 / (line 12 * 12))	1.474

Notes:

(1) EB-2011-0210, Exhibit G3, Tab 2, Schedule 17, Page 2, updated for EB-2011-0210 Board Decision.

UNION GAS LIMITED  
Derivation of M16 Monthly Demand Charge For Customers Served East of Dawn  
Effective January 1, 2013

Line No.	Particulars		
1	M12 Dawn to Parkway Firm Demand charge with Dawn compression (\$/10 <sup>3</sup> m <sup>3</sup> /day/month)	(1)	89.937
2	Distance - Dawn to Stratford lateral (km)		121.450
3	Distance - Dawn to Parkway (km)		<u>228.940</u>
4	Distance adjusted Dawn to Parkway demand charge (line 1 * line 2 / line 3) (\$/10 <sup>3</sup> m <sup>3</sup> /day/month)		47.710
5	Percentage of Easterly flow from April 1 - Oct. 31 (214 days/365 days)		<u>58.6%</u>
6	Distance weighted demand charge East of Dawn (line 4 * line 5) (\$/10 <sup>3</sup> m <sup>3</sup> /day/month)		27.973
7	Distance weighted demand charge East of Dawn (line 6 / 37.75) (\$/GJ/day/month)		<u><u>0.741</u></u>

Notes:

(1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, Page 9, Line 5, column (h).

UNION GAS LIMITED  
Derivation of M13/M16 Transmission Commodity Charge  
Effective January 1, 2013

Line No.	Particulars	(\$ 000's)
	Rate Base (1)	
1	Net plant investment	137,499
2	Working capital	2,669
3	Accumulated deferred taxes	(4,149)
4	Total rate base	<u>136,018</u>
	Cost of Service (1)	
5	Return	9,956
6	Operating & maintenance costs	4,897
7	Depreciation expense	5,929
8	Property taxes and income taxes	3,651
9	Accumulated deferred tax drawdown	(903)
10	Total Cost of Service	<u>23,530</u>
11	In-franchise Design Day Demand ( $10^3\text{m}^3/\text{day}$ ) (2)	50,580
12	Cost per unit of Demand ( $\$/10^3\text{m}^3$ ) ((line 10*1000) / (line 11 * 12))	<u>38.77</u>
13	Commoditized cost ( $\$/10^3\text{m}^3$ ) (line 12 *12 /365)	1.275
14	Commoditized cost ( $\$/\text{GJ}$ ) (line 13 / 37.75)	0.034

Notes:

- (1) EB-2011-0210, Exhibit G3, Tab 2, Schedule 14, In-franchise only, updated for EB-2011-0210 Board Decision.
- (2) EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, Page 8, Line 2 plus Line 5, UG Northern & Eastern allocation, updated for EB-2011-0210 Board Decision.

UNION GAS LIMITED  
Derivation of C1 - Long Term Firm Transportation Demand Rates  
Effective January 1, 2013

Line No.	Particulars (\$ 000's)	Dawn- St. Clair/Ojibway (a)	C1 Firm Transportation Demand Rates (b)
	<u>Rate Base (1)</u>		
1	Net plant investment	27,149	
2	Working capital	863	
	Total rate base before deduction of		
3	accumulated deferred income taxes	28,013	
4	Accumulated deferred income taxes	(901)	
5	Total rate base	27,111	
	<u>Cost of Service (1)</u>		
6	Cost of gas	972	
7	Operating and maintenance costs	1,457	
8	Depreciation	1,585	
9	Taxes	1,287	
10	Return on rate base	1,984	
11	Deferred tax drawdown	(196)	
12	Total cost of service	7,089	
	<u>Transportation Demand Allocation Unit: (2)</u>		
13	Maximum day demand ( $10^3\text{m}^3$ )	15,188	
	<u>Transportation Demand Rates:</u>		
	Monthly demand per unit ( $\$/10^3\text{m}^3/\text{d/month}$ )		
14	Dawn - St.Clair / Ojibway ((line 12 * 1000) / (line 13 * 12))	38.893	
15	C1 Long Term Firm Contingency Costs (\$000's) (3)	30	
16	C1 Long Term Firm annual billing units ( $10^3\text{m}^3$ ) (4)	27,166	
17	Monthly demand charge for contingency ((line 15 * 1000 / line 16))	1.094	
18	Dawn - St. Clair / Ojibway demand ( $\$/10^3\text{m}^3/\text{d/month}$ ) (line 14 + line 17)		39.987
19	Dawn to Kirkwall demand ( $\$/10^3\text{m}^3/\text{d/month}$ )		75.903
20	Dawn to Parkway demand ( $\$/10^3\text{m}^3/\text{d/month}$ )		89.937
21	Kirkwall to Parkway demand ( $\$/10^3\text{m}^3/\text{d/month}$ )		14.033
22	Parkway to Dawn demand ( $\$/10^3\text{m}^3/\text{d/month}$ )		21.858
23	Kirkwall to Dawn demand ( $\$/10^3\text{m}^3/\text{d/month}$ )		38.548

Notes:

- (1) EB-2011-0210, Exhibit G3, Tab 2, Schedule 18, Page 1, updated for EB-2011-0210 Board Decision.  
(2) EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, Page 9, Line 2, updated for EB-2011-0210 Board Decision.  
(3) EB-2011-0210, Exhibit G3, Tab 2, Schedule 11, Page 2, updated for EB-2011-0210 Board Decision.  
(4) EB-2011-0210, Rate Order, Working Papers, Schedule 14, Page 11, Line 3 \* 12, column (a).

UNION GAS LIMITED  
Derivation of C1 - Firm Kirkwall to Dawn Transportation Rate  
Effective January 1, 2013

Line No.	Particulars	
	<u>Kirkwall to Dawn - Monthly Firm Demand Rate (No compression)</u>	
1	M12 Dawn to Kirkwall firm demand rate without Dawn compression (\$/10 <sup>3</sup> m <sup>3</sup> /day/month)	65.748
2	Kirkwall to Dawn demand rate - 214 days service (\$/10 <sup>3</sup> m <sup>3</sup> ) (line 1 * 214/365)	38.548
3	Kirkwall to Dawn demand rate - 214 days service (\$/GJ) (line 2 / 37.75)	1.021
4	Kirkwall to Dawn demand rate commoditized (\$/GJ) (line 3 *12 / 365)	0.034

UNION GAS LIMITED  
Derivation of C1 - Firm Transportation Commodity Charges  
Effective January 1, 2013

Line No.	Particulars	Parkway to Kirkwall/Dawn		Dawn to Kirkwall		Dawn to Parkway		Kirkwall to Parkway		Dawn - St.Clair		Dawn - Ojibway	
		Nov. 1 - Mar. 31	April 1 - Oct. 31	Nov. 1 - Mar. 31	April 1 - Oct. 31	Nov. 1 - Mar. 31	April 1 - Oct. 31	Nov. 1 - Mar. 31	April 1 - Oct. 31	Nov. 1 - Mar. 31	April 1 - Oct. 31	Nov. 1 - Mar. 31	April 1 - Oct. 31
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	M12 commodity rate for Easterly flow with Dawn compression excluding unaccounted for losses (\$/10 <sup>3</sup> m <sup>3</sup> )			1.047	0.286	1.496	0.680						
2	Distance - Dawn to Parkway (km)					228.94	228.94						
3	M12 charge (\$/10 <sup>3</sup> m <sup>3</sup> per km) (line 1 / line 2)					0.007	0.003			0.007	0.003		
4	<u>Rate C1 - Firm Transportation Commodity Charges</u> Distance (km)									29.40	29.40		
5	Applying M12 charges per 10 <sup>3</sup> m <sup>3</sup> /km: Average cost (\$/10 <sup>3</sup> m <sup>3</sup> ) (line 3 * line 4)									0.192	0.087		
6	M12 commodity rate for Easterly flow with Dawn compression excluding unaccounted for losses (\$/10 <sup>3</sup> m <sup>3</sup> ) (line 1)			1.047	0.286	1.496	0.680						
7	M12 commodity rate for Easterly flow without Dawn compression excluding unaccounted for losses (\$/10 <sup>3</sup> m <sup>3</sup> )							0.449	0.394				
8	M12 commodity rate for Westerly flow with Dawn compression excluding unaccounted for losses (\$/10 <sup>3</sup> m <sup>3</sup> )	0.000	0.210										
9	C1 Ojibway Fuel (\$/10 <sup>3</sup> m <sup>3</sup> )											0.259	0.513
10	Plus unaccounted for losses (\$/10 <sup>3</sup> m <sup>3</sup> )	0.278	0.278	0.278	0.278	0.278	0.278	0.278	0.278	0.278	0.278	0.278	0.278
11	Rate C1 Firm Commodity Charges (\$/10 <sup>3</sup> m <sup>3</sup> )	0.278	0.488	1.325	0.564	1.774	0.958	0.727	0.673	0.470	0.366	0.537	0.791

UNION GAS LIMITED

Derivation of C1 - Firm Dawn to Dawn-Vector Transportation Rate  
Effective January 1, 2013

Line

No. Particulars

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Dawn to Dawn-Vector - Monthly Firm Demand Rate

1	Dawn Compression Revenue Requirement (\$000's) (1)	1,198
2	Maximum Day Demand (GJ)	573,357
3	Monthly Demand per Unit (\$/GJ/d/month) ((line 1 * 1000) / (line 2 * 12))	0.174
4	Adjusted Monthly Demand per Unit (\$/GJ/d/month) (line 3 * (60/365))	0.029
5	Adjusted Monthly Demand per Unit (\$/10 <sup>3</sup> m <sup>3</sup> /d/month) (line 4 * 37.75)	1.080

Notes:

(1) Dawn transmission compression-related costs related to the Ojibway/St.Clair transmission system.

UNION GAS LIMITED

Derivation of C1 - Firm Dawn to Dawn-Vector Transportation Fuel Ratio - April 1 to October 31  
Effective January 1, 2013

Line No.	Particulars		Fuel (a)	UFG (b)	Total (c)
1	Total Fuel and UFG	GJ	22,525	19,435	41,960
2	Forecasted Activity 60 days (1)	GJ	4,904,944	N/A	N/A
3	Fuel Ratio Over 60 days (2)	%	0.459%	N/A	N/A
4	Forecasted Activity 214 days (3)	GJ	12,709,732	12,709,732	12,709,732
5	Fuel Ratio Over 214 days (4)	%	0.177%	0.153%	0.330%

Notes:

(1) Activity: July and August.

(2) Line 1 / Line 2.

(3) Summer Activity: April to October.

(4) Line 1 / Line 4.

UNION GAS LIMITED  
Derivation of C1 - Firm Dawn to Dawn-TCPL Transportation Rate  
Effective January 1, 2013

Line No.	Particulars	
	<u>Dawn to Dawn (TCPL) - Monthly Firm Demand Rate</u>	
1	Dawn Compression Revenue Requirement (\$000's) (1)	1,198
2	Maximum Day Demand (GJ)	573,357
3	Monthly Demand per Unit (\$/GJ/d/month) ((line 1 * 1000) / (line 2 * 12))	0.174
4	Adjusted Monthly Demand per Unit (\$/GJ/d/month) (line 3 * (90/365))	0.043
5	Dawn Station Demand Revenue Requirement (2)	548
6	Maximum Day Demand (GJ)	500,000
7	Monthly Demand per Unit (\$/GJ/d/month) ((line 5 * 1000) / (line 6 * 12))	0.091
8	Monthly Firm Demand Rate - 90 day service (\$/GJ/d/month) (line 4 + line 7)	0.134
9	Monthly Firm Demand Rate - 90 day service (\$/10 <sup>3</sup> m <sup>3</sup> /d/month) (line 8 * 37.75)	5.066

Notes:

- (1) Dawn transmission compression-related costs related to the Ojibway/St.Clair transmission system.  
(2) EB-2011-0210, Exhibit G3, Tab 2, Schedule 12, Page 2, updated for EB-2011-0210 Board Decision.

UNION GAS LIMITED

Derivation of C1 - Firm Dawn to Dawn-TCPL Transportation Fuel Ratio - November 1 to March 31  
Effective January 1, 2013

Line No.	Particulars		Fuel (a)	UFG (1) (b)	Total (c)
1	Total Fuel and UFG Over 90 Days	GJ	9,435	7,646	17,081
2	2013 Forecasted Activity (2)	GJ	5,000,000	5,000,000	5,000,000
3	Fuel Ratio Over 90 Days (3)	%	0.189%	0.153%	0.342%

Notes:

(1) The transportation fuel ratio for service between April 1 and October 31 will be 0.153% (UFG only).

(2) Activity for January and February.

(3) Line 1 / Line 2.

UNION GAS LIMITED  
Calculation of Heritage Pool M16 Transmission Commodity and Fuel Charges  
Effective January 1, 2013

Line No.	Particulars	Rates (1) (\$/GJ)	Costs (\$)
1	Transmission commodity charge to Dawn (\$/GJ) (2)	0.034	30,387
2	Commodity charge to Dawn (2)	0.007	6,634
3	Commodity charge to the Pool (3)	0.021	<u>18,864</u>
4	Total		<u><u>55,884</u></u>

Notes:

(1) EB-2011-0210, Rate Order, Appendix A, Page 15, Line 4, column (c) and EB-2011-0210, Rate Order, Working Papers, Schedule 24, Page 3, Line 4 and Line 6, column (a).

(2) Transportation to Dawn of 900,000 GJ.

(3) Transportation to the Pool of 900,000 GJ.

UNION GAS LIMITED  
Summary of S&T Transactional Margin Included In 2013 In-Franchise Rates

Line No.	Particulars (\$ 000's)	Total Revenue (1) (a)	Allocated Cost (2) (b)	Total Margin (c) = (a - b)	Shareholder Portion of Margin (d) = (c) * 10%	Margin Included in 2013 Rates (e) = (c - d)
<b>Long-Term Transportation</b>						
1	M12 Long-term Transportation	120,604	125,384	(4,781)		
2	M12-X	13,896	11,623	2,272		
3	F24-T	359	359	0		
4	M12 Fuel	22,674	22,673	1		
5	C1 Long-term Transportation	6,954	1,669	5,286		
6	C1 Fuel	626	632	(6)		
7	M13	411	211	200		
8	M16	736	451	286		
9	Heritage Pool M16 Transmission Charge (3)			56		
10	Total Long-Term Transportation	<u>166,260</u>	<u>163,002</u>	<u>3,314</u>	<u>-</u>	<u>3,314</u>
<b>Short-Term Transportation</b>						
11	Short-term Transportation	11,067	5,843	5,224		
12	Other Transactional	<u>1,067</u>	<u>-</u>	<u>1,067</u>		
13	Total Short-Term Transportation	<u>12,134</u>	<u>5,843</u>	<u>6,291</u>	<u>-</u>	<u>6,291</u>
<b>Short-term Storage and Other Balancing Services Acct. 179-70</b>						
14	Short Term Peak Storage Services	7,883	5,626	2,257		
15	Less: Non-utility System Integrity Costs (4)	-	(300)	300		
16	Off Peak Storage/Balancing/Loans Services	<u>2,500</u>	<u>-</u>	<u>2,500</u>		
17	Total Short-term Storage and Other Balancing Services	<u>10,383</u>	<u>5,327</u>	<u>5,056</u>	<u>506</u>	<u>4,551</u>
18	Total S&T Transactional Margin Included in 2013 Rates	<u><u>188,777</u></u>	<u><u>174,171</u></u>	<u><u>14,661</u></u>	<u><u>506</u></u>	<u><u>14,156</u></u>

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, Page 9 - 11, column (g).  
(2) EB-2011-0210, Rate Order, Working Papers, Schedule 14, Page 9 - 11, column (e).  
(3) EB-2011-0210, Rate Order, Working Papers, Schedule 39, line 4.  
(4) Exclude the non-utility portion of system integrity costs of \$0.300 million as per Board Decision.

UNION GAS LIMITED  
Allocation of 2013 Storage-related S&T transactional margin to in-franchise rate classes

Line No.	Particulars	2013 ALLOCATORS			Off Peak Storage (4) (\$000's) (d)	S-T Peak Storage, Loans & Hub Balancing (4) (\$000's) (e)	Total Storage Related S&T Margin (\$000's) (f) = (d+e)
		Storage Excess (1) (10 <sup>3</sup> m <sup>3</sup> ) (a)	Union North Allocator (2) (10 <sup>3</sup> m <sup>3</sup> ) (b)	Union South Allocator (3) (10 <sup>3</sup> m <sup>3</sup> ) (c)			
1	Rate 01	314,050	6,498	-	(337)	(345)	(682)
2	Rate 10	82,217	1,701	-	(88)	(90)	(178)
3	Rate 20	21,975	455	-	(24)	(24)	(48)
4	Rate 100	1,546	32	-	(2)	(2)	(3)
5	Rate 25	-	-	-	-	-	-
6	Total Union North	419,789	8,685	-	(450)	(461)	(911)
7	Rate M1	879,328	-	28,724	(763)	(780)	(1,543)
8	Rate M2	300,327	-	9,650	(256)	(262)	(518)
9	Rate M4	45,892	-	3,113	(83)	(85)	(167)
10	Rate M5 (F)	19	-	51	(1)	(1)	(3)
11	Rate M5 (I)	62,284	-	-	-	-	-
12	Rate M7 (F)	16,872	-	1,128	(30)	(31)	(61)
13	Rate M7 (I)	-	-	-	-	-	-
14	Rate M9	7,787	-	362	(10)	(10)	(19)
15	Rate M10	82	-	11	(0)	(0)	(1)
16	Rate T1 (F)	283,536	-	22,195	(590)	(603)	(1,192)
17	Rate T1 (I)	-	-	-	-	-	-
18	Rate T3	80,826	-	2,511	(67)	(68)	(135)
19	Total Union South	1,676,953	-	67,745	(1,800)	(1,840)	(3,640)
20	Total In-franchise	2,096,742	8,685	67,745	(2,250)	(2,301)	(4,551)

Notes:

- (1) EB-2011-0210, Exhibit G3, Tab 5, Schedule 21, pages 10-12, STORAGEEXCESS allocation factor, updated for EB-2011-0210 Board Decision.
- (2) EB-2011-0210, Exhibit G3, Tab 5, Schedule 21, page 21, XSPK&AVG allocation factor, updated for EB-2011-0210 Board Decision.
- (3) EB-2011-0210, Exhibit G3, Tab 5, Schedule 21, pages 10-11, OTHERTRANS allocation factor, updated for EB-2011-0210 Board Decision.
- (4) Split between Union North and Union South using column (a). Allocated to Union North rate classes using column (b) and Union South rate classes using column (c).

UNION GAS LIMITED  
Allocation of 2013 Transportation-related S&T transactional margin to in-franchise rate classes

Line No.	Rate Class	Union North Allocation Units (10 <sup>3</sup> m <sup>3</sup> /day) (1)	Union North Margin (\$000's) (b)	Union South Allocation Units (10 <sup>3</sup> m <sup>3</sup> /day) (2)	Union South Margin (\$000's) (d)	Total Margin (\$000's) (3) (e) = (b + d)
		(a)	(b)	(c)	(d)	(e) = (b + d)
1	Rate 01	6,498	(2,628)			(2,628)
2	Rate 10	1,701	(688)			(688)
3	Rate 20	455	(184)			(184)
4	Rate 100	32	(13)			(13)
5	Rate 25	-	-			-
6	Total Union North	<u>8,685</u>	<u>(3,513)</u>			<u>(3,513)</u>
7	Rate M1			28,724	(2,583)	(2,583)
8	Rate M2			9,650	(868)	(868)
9	Rate M4			3,113	(280)	(280)
10	Rate M5			51	(5)	(5)
11	Rate M7			1,128	(101)	(101)
12	Rate M9			362	(33)	(33)
13	Rate M10			11	(1)	(1)
14	Rate T1			22,195	(1,996)	(1,996)
15	Rate T3			<u>2,511</u>	<u>(226)</u>	<u>(226)</u>
16	Total Union South			<u>67,745</u>	<u>(6,092)</u>	<u>(6,092)</u>
17	Total Long-term and Short-term Transportation Revenue					<u>(9,605)</u>

Notes:

- (1) EB-2011-0210, Exhibit G3, Tab 5, Schedule 21, page 21, XSPK&AVG allocation factor, updated for EB-2011-0210 Board Decision.
- (2) EB-2011-0210, Exhibit G3, Tab 5, Schedule 21, pages 10-11, OTHERTRANS allocation factor, updated for EB-2011-0210 Board Decision.
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 40, Line 10 + Line 13, column (e).

UNION GAS LIMITED  
Allocation of Long-term and Short-term Transportation-related S&T Margin to Union North and Union South

Line No.	Particulars (\$000's)	Design Day Demand (10 <sup>3</sup> m <sup>3</sup> /d) (1) (a)	Easterly Flow Volume (10 <sup>3</sup> m <sup>3</sup> /d) (2) (b)	Available Capacity (10 <sup>3</sup> m <sup>3</sup> /d) (c) = (a - b)	Distance (km) (d)	Available Capacity - Distance (10 <sup>3</sup> m <sup>3</sup> /d x km) (e) = (c x d)	Allocated Proportion (%) (g)	Allocated Proportion (\$000's) (f)
	<u>Union North</u>							
1	North In-fran	6,956	938	6,018	228.94	1,377,858	37%	3,513
	<u>Union South</u>							
2	South: In-fran	43,674	21,874	21,800	82.15	1,790,897	48%	4,566
3	St. Clair	2,833	1,419	1,414	29.40	41,571	1%	106
4	Ojibway	9,619	4,818	4,801	116.05	557,186	15%	1,420
5	Total Union South	56,126	28,111	28,015		2,389,654	63%	6,092
6	Total Union North and Union South	63,082	29,048	34,034		3,767,512	100%	9,605 (3)

Notes:

- (1) EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, Page 8, Line 5, Union North, updated for EB-2011-0210 Board Decision.  
EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, Page 8, Line 2, South In-fran, updated for EB-2011-0210 Board Decision.  
EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, Page 9, Line 4, St. Clair-Ojibway, updated for EB-2011-0210 Board Decision.
- (2) Easterly annual volumes on Dawn to Parkway for Union North and Union South are 342,196 10<sup>3</sup>m<sup>3</sup> and 10,260,364 10<sup>3</sup>m<sup>3</sup> respectively divided by 365.
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 40, Line 10 + Line 13, column (e).

UNION GAS LIMITED  
Summary of Gas Supply Optimization Margin Included In 2013 Gas Supply Transportation Rates

Line No.	Particulars (\$ 000's)	Total Revenue (1) (a)	Allocated Cost (b)	Total Margin (c) = (a - b)	Shareholder Portion of Margin (d) = (c) * 10%	Margin Included in 2013 Gas Supply Transportation Rates (e) = (c - d)
	Exchanges (2)					
1	Base Exchanges	9,118	-	9,118	912	8,206
2	FT-RAM Related Exchanges	5,800	-	5,800	580	5,220
3	Total Exchanges Revenue	<u>14,918</u>	<u>-</u>	<u>14,918</u>	<u>1,492</u>	<u>13,426</u>

Notes:

(1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, Page 11, Line 18, column (g).

(2) EB-2011-0210, Board Decision, page 40.

UNION GAS LIMITED  
2013 Gas Supply Optimization Margin - Allocation of Ratepayer Portion and Calculation of Unit Rates

Line No.	Rate Class	Union North FT Demand Allocation Units TRANSALLO (\$000's) (a)	Union North Margin (\$000's) (b)	Union South Landed Supply Allocation Units S_SUPPLYVOL (10 <sup>3</sup> m <sup>3</sup> ) (c)	Union South Margin (\$000's) (d)	Total Margin (\$000's) (1) (e) = (b + d)	2013 Forecast Volume (10 <sup>3</sup> m <sup>3</sup> ) (f)	Unit Rate (cents/m <sup>3</sup> ) (g) = (e / f)
1	Rate 01	65,876	(3,920)			(3,920)	884,421	(0.4432)
2	Rate 10	22,548	(1,342)			(1,342)	322,887	(0.4156)
3	Rate 20	8,016	(477)			(477) (2)		
4	Rate 100	-	-			-	-	-
5	Rate 25	1,961	(117)			(117)	42,913	(0.2720)
6	Total Union North	98,400	(5,856)			(5,856)		
7	Rate M1			2,271,443	(6,415)	(6,415)	2,271,443	(0.2824)
8	Rate M2			378,137	(1,068)	(1,068)	378,137	(0.2824)
9	Rate M4			16,855	(48)	(48)	16,855	(0.2824)
10	Rate M5 - Firm			226	(1)	(1)	226	(0.2824)
11	Rate M5 - Int			13,906	(39)	(39)	13,906	(0.2824)
12	Rate M10			48	(0)	(0)	48	(0.2824)
13	Total Union South			2,680,616	(7,571)	(7,571)	2,680,616	
14	Total Exchanges Revenue					(13,426)		

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 43, Line 3, column (e).  
(2) Rate 20 margin with be refunded 60% in the Gas Supply Demand Charge and 40% in the Commodity Transportation 1 Charge.  
The Rate 20 unit rates are calculated below:

Margin Allocated to Gas Supply Demand Charge (\$000's)	(286)
Total Gas Supply Demand Billing Units (10 <sup>3</sup> m <sup>3</sup> )	6,873
Unit Rate (cents/m <sup>3</sup> )	(4.1642)
Margin Allocated to Commodity Transportation Charge 1 (\$000's)	(191)
Total Commodity Transportation 1 Billing Units (10 <sup>3</sup> m <sup>3</sup> )	73,456
Unit Rate (cents/m <sup>3</sup> )	(0.2597)

UNION GAS LIMITED  
Allocation of Exchange Revenue to Union North and Union South

Line No.	Particulars (\$000s)	Union South	Union North						Total
		<u>CDA</u> (a)	<u>NCDA</u> (b)	<u>SSMDA</u> (c)	<u>EDA</u> (d)	<u>NDA</u> (e)	<u>Other (1)</u> (f)	<u>Union North</u> (g) = (b + c + d + e + f)	<u>North &amp; South</u> (h) = (a + g)
1	Base exchanges	\$ 5,794	\$ -	\$ 320	\$ 2,558	\$ -	\$ 446	\$ 3,324	\$ 9,118
2	FT-RAM related exchanges	\$ 2,618	\$ 363	\$ 81	\$ 1,611	\$ 1,128	\$ -	\$ 3,182	\$ 5,800
3	Total Exchanges	\$ 8,412	\$ 363	\$ 400	\$ 4,169	\$ 1,128	\$ 446	\$ 6,506	\$ 14,918
4	90% Rate Payer Portion	\$ 7,571	\$ 326	\$ 360	\$ 3,752	\$ 1,015	\$ 402	\$ 5,856	\$ 13,426
5	10% Union Incentive Payment	\$ 841	\$ 36	\$ 40	\$ 417	\$ 113	\$ 45	\$ 651	\$ 1,492

Notes:

(1) Represents northern component of contract for Dawn-Parkway transportation on TCPL. The southern component of this same contract has been included in column (a) Union South.

Filed: 2012-12-13  
 EB-2011-0210  
 Rate Order  
 Working Papers  
Schedule 45

UNION GAS LIMITED  
2013 UDC Costs in Rates for Deferral Account 179-108

Line No.	Rate Class	2013 Forecast (1) (10 <sup>3</sup> m <sup>3</sup> ) (a)	UDC (\$000's) (b)	UDC Recovered in Rates (\$/10 <sup>3</sup> m <sup>3</sup> ) (c) = (b) / (a)
	<u>Union North</u>			
1	R01	884,421	8,140	9.2037
2	R10	322,887	2,131	6.5999
3	R20	121,935	293	2.4049
4	R25	-	-	-
5	R100	-	-	-
6	Total Union North		<u>10,564</u>	

Notes:

(1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (a).

UNION GAS LIMITED  
Total Upstream Transportation Costs in Union North Rates  
Effective January 1, 2013

Line No.	Particulars (\$000's)	Approved Delivery, Transportation and Storage Revenue (1) (a)	Upstream Transportation Costs (2) (b)	Approved Revenue less Upstream Transportation Costs (c) = (a+b)
1	Rate 01	254,909	(85,031)	169,878
2	Rate 10	50,081	(28,119)	21,961
3	Rate 20	23,472	(9,495)	13,978
4	Rate 25	6,483	(2,105)	4,378
5	Rate 100	15,644	(73)	15,572
6	Total Union North	<u>350,590</u>	<u>(124,823)</u>	<u>225,767</u>

Notes:

(1) EB-2011-0210, Rate Order, Working Papers, Schedule 13, column (f).

(2) Excludes FT Transportation fuel of \$1.463 million and Black Creek Storage of \$0.042 million.