

Contract ID	
Contract Name	

## M5A Contract

This GAS DISTRIBUTION CONTRACT ("Contract"), made as of the \_\_\_\_\_ day of \_\_\_\_\_, 200\_

BETWEEN:

UNION GAS LIMITED

hereinafter called "Union"

- and -

COMPANY NAME

hereinafter called "Customer"

**WHEREAS**, Customer has requested Union and Union has agreed to provide Customer Services;

**AND WHEREAS**, if Customer has elected direct purchase services, Customer will be responsible for supplying Gas to Union under a separate contract called the Southern Bundled T;

**AND WHEREAS**, Union will deliver Gas to Customer's Point(s) of Consumption under this Contract pursuant to the Rate Schedule identified in Schedule 1;

**IN CONSIDERATION** of the mutual covenants contained herein, the parties agree as follows:

### **1 INCORPORATIONS**

The following are hereby incorporated in and form part of this Contract:

- a) Contract Parameters contained in Schedule 1 as amended from time to time; and
- b) The latest posted version of Union's General Terms and Conditions subject to Section 12.18 of Union's General Terms and Conditions; and
- c) Rate Schedule M5A as amended from time to time and as approved by the Ontario Energy Board.

### **2 PRELIMINARY AND CONTINUING CONDITIONS**

This Contract and the rights and obligations of the parties hereunder shall be conditional upon the fulfillment and maintenance in good standing of the following conditions:

- a) Union shall have received from Customer the requisite financial assurances reasonably necessary to ensure Customer's ability to honour the provisions of this Contract which financial assurances, if required, will be determined solely by Union; and
- b) If Customer has elected direct purchase services, Customer and Union shall have executed and maintained in good standing a Southern Bundled T.

The above conditions must be initially satisfied by Customer 25 days prior to the Day of First Delivery.

### **3 CONTRACT TERM**

This Contract shall be effective from the date hereof. However, the Service, obligations, terms and conditions hereunder, shall commence on the Day of First Delivery. Subject to the provisions hereof, this Contract shall continue in full force and effect for each Contract Year until notice to terminate is provided by either Union or Customer. Such notice must be delivered at least three (3) months prior to the end of a Contract Year.

### **4 SERVICES PROVIDED**

Union agrees to provide Services as specified in Schedule 1 and Customer agrees to pay for such Services pursuant to these Contract terms and conditions as set out in this Contract, the referenced attachments, and the rate(s) referenced in Schedule 1.

To be eligible for services under the M5A Rate Schedule, Customer must have an annual natural gas consumption of at least 350,000 m<sup>3</sup> and Daily Contracted Demand between 2,400 m<sup>3</sup> and 60,000 m<sup>3</sup>. If the Customer does not maintain this level of consumption during the current contract year or is not expected to maintain this level of consumption then, notwithstanding any other remedy available to Union under this Contract or any other term of this Contract, effective the following contract year, the Customer may no longer qualify for service under the M5A Rate Schedule and may be placed on an alternate service by Union.

If Customer has elected direct purchase services, and if Union does not receive Gas from Customer under the Southern Bundled T, then Union's obligations to provide Services under this Contract may, at Union's option, be suspended or terminated by Union. This suspension or termination will be effective as of the date specified in Union's notice to Customer, notwithstanding the General Terms and Conditions.

### **5 MINIMUM ANNUAL VOLUME**

#### **5.01 *FIRM MINIMUM ANNUAL VOLUME***

In each Contract Year, the Customer shall consume or, in any event, pay for the Adjusted Firm Minimum Annual Volume ("AFMAV") as determined in the formula below. This AFMAV will not be less than the minimum quantity required to qualify for firm service in the M5A Rate Schedule.

The firm quantity not consumed in any Contract Year (the "Firm Deficiency Volume" or "FDV") shall be as determined in the formula below.

$$\text{AFMAV} = \text{FMAV} \times [(\text{U} - \text{D}_F) / \text{U}]$$

$$\text{FDV} = \text{AFMAV} - (\text{FV} - \text{F})$$

Where:

<b>FMAV</b>	=	Firm Minimum Annual Volume (as identified in Schedule 1)
<b>U</b>	=	number of days in the Contract Year
<b>D<sub>F</sub></b>	=	number of days of Force Majeure in the Contract Year
<b>FV</b>	=	total firm volume taken in the Contract Year

**F** = volumes delivered to the Points of Consumption during Force Majeure

The payment required for the FDV shall be calculated by multiplying FDV by the MAV Delivery charge specified in the M5A Rate Schedule as of the last day of the Contract Year. This payment would only apply if the FDV was greater than zero.

## **5.02 INTERRUPTIBLE MINIMUM ANNUAL VOLUME**

In each Contract Year, the Customer shall consume or, in any event, pay for the Adjusted Interruptible Minimum Annual Volume ("AIMAV") as determined in the formula below. The AIMAV will not be less than the minimum quantity required to qualify for interruptible service under the M5A Rate Schedule.

The interruptible quantity not consumed in any Contract Year (the "Interruptible Deficiency Volume") ("IDV") shall be determined in the formula below.

$$\text{AIMAV} = \text{IMAV} - (\text{CD}_I \times \text{D}_I)$$

$$\text{IDV} = \text{AIMAV} - (\text{IV} - \text{I})$$

Where:

**IMAV** = Interruptible Minimum Annual Volume (as identified in Schedule 1)  
**CD<sub>I</sub>** = Interruptible Contract Demand  
**D<sub>I</sub>** = number of days of interruption in the Contract Year  
**IV** = total interruptible volume taken in the Contract Year  
**I** = volumes delivered to the Points of Consumption during an interruption

The payment required for the "IDV" shall be calculated by multiplying the IDV by the MAV Delivery charge as specified in the Rate M5A Rate Schedule as of the last day of the Contract Year. This payment would only apply if the IDV was greater than zero.

## **6 CONTRACT SUCCESSION**

This Contract replaces all previous Gas Distribution Contracts, subject to settlement of any Surviving Obligations.

The undersigned execute this Contract as of the above date. If an Agent on behalf of Customer executes this Contract then, if requested by Union, Agent or Customer shall at any time provide a copy of such authorization to Union.

UNION GAS LIMITED

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Authorized Signatory

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Please print name

CUSTOMER

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I have the authority to bind the Corporation, or Adhere C/S, if applicable

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Please print name