

September 30, 2014

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

Dear Ms. Walli:

Re: EB-2014-0271 – Union Gas Limited – 2015 Rates Evidence

Union Gas (“Union”) filed an Application on September 12, 2014 with the Ontario Energy Board (the “Board”) for an order of the Board approving or fixing rates for the distribution, transmission and storage of natural gas, effective January 1, 2015.

In its cover letter, Union stated that its supporting evidence would be filed at a later date. Please find Union’s evidence attached.

If the proposed rate changes are approved by the Board the total bill increase for a typical Southern Operations residential customer consuming 2,200 m³ per year would amount to \$1 - \$2 per year. For a typical Northern or Eastern Operations customer consuming 2,200 m³ per year, the total bill increase would amount to \$1 - \$4 per year.

Union seeks the Board’s issuance of the final Rate Order by November 30, 2014 to ensure the implementation of 2015 rates by January 1, 2015. In the event that the Board does not issue a rate order by November 30, 2014 for implementation by Union on January 1, 2015, Union seeks an Order of the Board declaring Union’s rates as filed interim as of January 1, 2015. Union proposes to deal with any retrospective impact of the Board’s Decision through a rate rider for general service rate classes and a one-time adjustment for all other rate classes, which will recover any changes in rates ultimately approved by the Board’s order with effect from January 1, 2015.

Yours truly,

[Original signed by]

Chris Ripley
Manager, Regulatory Applications

c.c.: EB-2013-0365 Intervenor
Crawford Smith, Torys

PREFILED EVIDENCE

The purpose of this evidence is to describe proposed changes to Union's regulated transportation, storage and distribution rates effective January 1, 2015 determined in accordance with the Board-approved EB-2013-0202 Application, Settlement Agreement and supporting evidence (collectively "the Agreement"). The Board approved the Agreement on October 7, 2013.

The Board-approved Agreement sets out a multi-year incentive ratemaking mechanism ("IRM") for calendar years 2014 to 2018. The framework includes a price cap index ("PCI"), where rates are a function of: an inflation factor ("I"), a productivity factor ("X"), certain non-routine adjustments (Z factors), certain predetermined pass-throughs (Y factors), and an adjustment for normalized average consumption ("NAC") to reflect changes in consumption in the General Service rate classes. The 2015 rate setting process described below follows the same approach used to set 2014 rates in EB-2013-0365.

This evidence is organized under the following headings:

Tab 1

1. Base Rate Adjustments
2. 2015 Inflation Factor and Productivity Factor
3. Z Factor Adjustments
4. Y Factor Adjustments

1 5. Normalized Average Consumption Adjustment

2 6. Customer Bill Impacts

3 7. Rate Schedule Changes

4 8. New Deferral Accounts

5 9. Deferral Account Closure Requests

6 10. Implementation

7
8 Tab 2

9 Parkway Delivery Obligation Reporting

10
11 A description of the supporting schedules referred to below is provided in the Overview of
12 Working Papers document. A summary of Union's 2015 proposed revenue changes is
13 provided in Table 1.

Table 1
Proposed Changes to Revenue
Effective January 1, 2015

Line No.	Particulars	(\$000's)
	<u>Summary Change in Revenue:</u>	
1	2015 Proposed in EB-2014-0271	1,088,586
2	2014 Approved in EB-2014-0208	<u>1,067,072</u>
3	Net Change (line 1 - line 2)	<u><u>21,514</u></u>
	<u>Detail Change in Revenue:</u>	
4	2015 Price Cap Index (0.82%)	7,362
5	2015 DSM Budget Change	538
6	2015 Capital Pass-throughs	6,571
7	2015 Parkway Delivery Obligation	<u>7,043</u>
8	Total (lines 4 through 7)	<u><u>21,514</u></u>

1

2 **1. BASE RATE ADJUSTMENTS**

3 Allocation of Kirkwall Metering Costs

4 In its EB-2013-0365 Decision (Union's 2014 rates proceeding), the Board ordered Union to

5 adjust the Kirkwall Station cost allocation methodology to take into account all volumes flowing

6 though the Kirkwall metering station and allocate costs based only on demand. The Board

7 ordered Union to make the appropriate adjustments to rates effective January 1, 2015 and file the

8 changes as part of its 2015 rates application. In accordance with the Board Decision, Union has

9 re-allocated the Kirkwall Station costs and included the rate adjustments in 2015 proposed rates.

1 In Union's 2013 Board-approved cost allocation study (per EB-2011-0210), the Dawn-
2 Parkway demand costs, including \$1.570 million of Kirkwall Station costs, were allocated in
3 proportion to distance weighted design day demands. Specifically, of the \$1.570 million in
4 Kirkwall Station costs, \$1.314 million (or 84%) was allocated to Rate M12, \$0.178 million
5 (or 11%) was allocated to Union South in-franchise rate classes and \$0.079 million (or 5%)
6 was allocated to Union North in-franchise rate classes.

7
8 In accordance with the Board's Decision in EB-2013-0365, Union re-allocated the Kirkwall
9 Station costs of \$1.570 million in proportion to all demands flowing through the Kirkwall
10 station. As provided in EB-2013-0365, Exhibit B1.3, the 2013 ex-franchise (Rate M12)
11 demands at Kirkwall are $24,939 \times 10^3 \text{ m}^3$ (or 98%) and the Union South in-franchise demands at
12 Kirkwall are $559 \times 10^3 \text{ m}^3$ (or 2%). Accordingly, \$1.536 million of the \$1.570 million in
13 Kirkwall Station costs has been allocated to Rate M12 and \$0.034 million has been allocated
14 to Union South in-franchise rate classes.

15
16 Consistent with the allocation of Dawn-Parkway demand costs in Union's cost allocation
17 study, the Union South in-franchise costs of \$0.034 million have been allocated to Union
18 South in-franchise rate classes based on the 2013 Board-approved Dawn-Parkway design day
19 demands.

20
21 The re-allocation of 2013 Board-approved Kirkwall Station costs results in a cost increase to
22 Rate M12 of \$0.222 million, a decrease to Union South in-franchise rate classes of \$0.143

million and a decrease to Union North in-franchise rate classes of \$0.079 million. Please see Working Papers, Schedule 9 for the difference between the 2013 Board-approved cost allocation and the re-allocation of Kirkwall Station costs per the Board's Decision.

2. 2015 INFLATION FACTOR AND PRODUCTIVITY FACTOR

The inflation factor used in Union's PCI mechanism is the actual year-over-year percentage change in the annualized average of four quarters (using Q2 to Q2) of Statistics Canada's Gross Domestic Product Implicit Price Index Final Domestic Demand ("GDP IPI FDD"). The inflation factor is adjusted annually on this basis with no restatement for adjustments by Statistics Canada. For 2015 rates, the inflation factor is 2.05%. It is based on the actual change in the GDP IPI FDD from 2013 Q2 to 2014 Q2. The calculation is provided at Working Papers, Schedule 1.

The approved annual productivity ("X") factor for the IRM term is expressed as a percentage of inflation. Specifically, for each year of the IRM term productivity is 60% of GDP IPI FDD, inclusive of a stretch factor. This results in an annual rate escalation factor, before the impact of Y and Z factors and earnings sharing, of 40% of GDP IPI FDD. For 2015 rates, the X factor is 1.23% and the PCI is 0.82%.

1 **3. Z FACTOR ADJUSTMENTS**

2 Treatment of Tax Savings

3 Consistent with the Board-approved Agreement, Union will maintain an equal and
4 symmetrical sharing of tax changes over the IRM term, sharing the impact of tax changes
5 50:50 as applied to the tax level reflected in rates. For 2015, there are no impacts related to
6 tax.

7
8 **4. Y FACTOR ADJUSTMENTS**

9 The Board-approved Agreement provided for a number of Y factors which are not adjusted as
10 part of the price cap formula and are passed through to customers in rates. The Y factors are:

- 11 • Cost of gas and upstream transportation costs as defined in EB-2011-0210;
12 • DSM budget changes as determined in EB-2011-0327 and any subsequent Board
13 proceeding;
14 • Lost Revenue Adjustment Mechanism (“LRAM”) for the contract rate classes;
15 • Unaccounted for gas volume variances; and,
16 • Major capital additions

17
18 **4.1 Cost of Gas and Upstream Transportation Costs**

19 Union’s current upstream gas costs are as filed in Union’s October 1, 2014 QRAM (EB-2014-
20 0208). Changes in upstream gas costs will continue to be determined using the Board-
21 approved QRAM methodology. Working Papers, Schedule 15 provides the allocation of
22 upstream transportation costs by rate class.

1 4.2 DSM Budget Changes

2 Consistent with the Board-approved Agreement filed in Union's 2012-2014 DSM Plan
3 proceeding (EB-2011-0327), Union included a DSM budget of \$32.049 million in 2014 rates.
4 Union's next generation DSM framework begins in 2015, and is the subject of the EB-2014-
5 0134 proceeding. When finalized, the DSM framework guides the development of natural gas
6 distributors' DSM plans and programs between 2015 and 2020. The final DSM framework
7 and guidelines will determine Union's DSM budget. Given that there is no approved DSM
8 Plan in place for 2015, Union proposes to include a DSM budget of \$32.588 million in 2015
9 rates. This represents an increase of \$0.538 million based on an inflation factor of 1.68%
10 multiplied by the DSM budget of \$32.049 million included in 2014 rates. Any true up will be
11 dealt with in the Demand Side Management Variance Account ("DSMVA"). Union has
12 allocated the 2015 DSM program costs consistent with the allocation of DSM program costs
13 in 2014 rates. The allocation to rate classes can be found at Working Papers, Schedule 11.

14
15 4.3 LRAM for the Contract Rate Classes

16 For contract rate classes, Union will continue to adjust volumes and calculate rates to capture
17 the LRAM volume impacts. As the 2013 DSM audit process is not yet complete, Union
18 proposes to adjust volumes by 2013 unaudited results. Union will update the evidence when
19 2013 audited LRAM volumes are available. Working Papers, Schedule 17 provides the
20 LRAM volume adjustments by rate class.

1 4.4 Unaccounted for Gas Volume Variances

2 Consistent with the Board-approved Agreement, unaccounted for gas (“UFG”) cost changes
3 resulting from a difference between the UFG volume included in rates and the actual UFG
4 volume will be recorded in the UFG volume deferral account. The amount to be recorded in
5 the UFG volume deferral account will be calculated using the most recent Board-approved
6 WACOG. The amount of the UFG volume deferral account to be cleared to customers will be
7 subject to a symmetrical dead-band of \$5 million, with amounts within such dead-band being
8 to Union’s account only.

10 4.5 Major Capital Additions

11 Consistent with the Board-approved Agreement, parties agreed that Union’s 2014-2018 IRM
12 term would include Y factor treatment for major capital projects, subject to the projects
13 meeting certain eligibility criteria. Union will include a capital pass-through mechanism to
14 adjust rates during the IRM term to reflect the associated impacts of significant capital
15 investments made throughout the IRM term deemed “not-business-as-usual”.

17 Parkway West Project

18 The Parkway West Project was approved by the Board in the Leave-to-Construct application
19 (EB-2012-0433). In EB-2013-0365, the Board approved the capital pass-through treatment of
20 Parkway West and the costs in 2014 rates. Union has included the 2015 costs associated with the
21 Parkway West Project in 2015 rates. Please see Working Papers, Schedule 10, for the 2015 rate
22 adjustments by rate class associated with the Parkway West Project.

Brantford-Kirkwall / Parkway D Project

The Brantford-Kirkwall / Parkway D Project was approved by the Board in the Leave-to-Construct application (EB-2013-0074), with the Brantford-Kirkwall pipeline construction conditional on the NEB approval of TransCanada King's North project. The Brantford-Kirkwall / Parkway D Project meets the criteria for Y factor treatment for major capital projects, and as such, Union has included the 2015 costs associated with Brantford-Kirkwall / Parkway D Project in 2015 rates. The Brantford-Kirkwall / Parkway D Project meets the criteria as a major facility expansion project:

- i. The net delivery revenue requirement impact for the Brantford-Kirkwall / Parkway D Project is greater than \$5 million. The net revenue requirement calculation is provided at Tab 1, Appendix G.
- ii. The capital cost of the Brantford-Kirkwall / Parkway D Project exceeds \$50 million (\$204 million as filed in EB-2013-0074).
- iii. The project is outside the base rates on which the 2014-2018 IRM framework was set.
- iv. The Brantford-Kirkwall / Parkway D Project is essential to the movement of natural gas in Ontario. The Project addresses the increased demands at Parkway resulting from the changing dynamics in the flow of natural gas in North America.
- v. The Brantford-Kirkwall / Parkway D Project was identified to stakeholders and the Board in Union's Leave-to-Construct application (EB-2013-0074).
- vi. The Brantford-Kirkwall / Parkway D Project was the subject of a full regulatory review in the Leave-to Construct application (EB-2013-0074) which the Board ultimately approved.

vii. Union will allocate the Brantford-Kirkwall / Parkway D Project net revenue requirement using the 2013 Board-approved cost methodology. Please see Working Papers, Schedule 10, for the 2015 rate adjustments by rate class associated with the Brantford-Kirkwall / Parkway D Project.

viii. In the Brantford-Kirkwall / Parkway D Project proceeding, the Board approved a deferral account to track the difference between the actual revenue requirement related to the costs for the Brantford-Kirkwall / Parkway D Project and the revenue requirement included in rates as approved by the Board (No. 179-137).

5. NORMALIZED AVERAGE CONSUMPTION ADJUSTMENT

Consistent with the Board-approved Agreement, Union will adjust General Service rates annually during the 2014-2018 IRM for the changes in NAC. NAC incorporates all volume changes, including changes due to average use and DSM activities (LRAM) for General Service rate classes.

For 2015, Union will adjust the general service storage and delivery rates for the 2013 actual NAC, using the Board-approved weather normal methodology blend of 50:50 (30-year average and 20-year declining trend). For 2015, the NAC adjustment will be the variance between 2012 Actual NAC and 2013 Actual NAC, as seen in Table 2 below. Union is proposing to eliminate the NAC adjustment for Union North Rate 01 and Rate 10 gas transportation rates as discussed further below.

Table 2

UNION GAS LIMITED
Calculation of 2015 NAC Target Percentage Change
to General Service Rate Classes

Line No.	Particulars (m ³)	2012 Actual NAC (1)(2) (a)	2013 Actual NAC (1)(3) (b)	NAC Variance (c) = (b - a)	2015 NAC Target % Change (d) = (c / b)
1	Rate 01	2,898	2,901	3	0.1%
2	Rate 10	167,443	169,025	1,582	0.9%
3	Rate M1	2,751	2,761	10	0.4%
4	Rate M2	165,085	169,121	4,036	2.4%

Notes:

- (1) NAC based on 2013 Board-approved 50:50 Normal weather methodology.
- (2) 2012 actual NAC calculated using 2014 weather normal.
- (3) 2013 actual NAC calculated using 2015 weather normal.

Rate 01 and Rate 10 Gas Transportation Rates

Union proposes to eliminate the NAC volume adjustment from Union North Rate 01 and Rate 10 gas supply transportation rates for the remainder of its IRM term and keep the billing units associated with these rates at 2014 Board-approved levels. Union is proposing this approach in recognition that 99.8% of the costs recovered in the Union North gas supply transportation rates are upstream transportation costs, which are considered a Y factor under Union's 2014 to 2018 IRM Settlement Agreement per EB-2013-0202.

A NAC volume adjustment for Union North gas supply transportation rates is not required given Y factor treatment for the upstream transportation costs recovered in these rates. Given

1 that 99.8% of the costs recovered in the Union North gas supply transportation rates are pass-
2 through costs, any margin variance related to Union North gas supply transportation rates as a
3 result of changes in NAC is insignificant.

4
5 Union's proposal to eliminate the NAC volume adjustment in Union North Rate 01 and Rate 10
6 gas supply transportation rates is consistent with the treatment of Union South gas supply
7 transportation rates. Union South gas supply transportation rates recover upstream transportation
8 costs and do not incorporate a NAC adjustment.

9
10 Union will include the cost impact of making the change in the gas transportation rates for 2014
11 as part of the 2014 Deferral Disposition proceeding. For 2015, Union proposes to eliminate the
12 NAC volume adjustment from Rate 01 and Rate 10 gas supply transportation rates on a
13 prospective basis for consistency and administrative ease rather than include the costs in the
14 annual deferral disposition proceeding. Accordingly, Union's 2015 proposed Union North Rate
15 01 and Rate 10 gas supply transportation rates do not include a NAC volume adjustment in
16 billing units.

17
18 **6. CUSTOMER BILL IMPACTS**

19 For most residential customers in the Southern Operations area the annual rate increase
20 amounts to \$1.78 per year for a customer consuming 2,200 m³ annually. For most residential
21 customers in the Northern Operations area the annual rate increase is between \$1.83 and
22 \$3.55 per year for a customer consuming 2,200 m³ annually. Working Papers, Schedule 6

provides average 2015 unit price changes for all in-franchise rate classes. Working Papers, Schedule 7 provides customer bill impacts for General Service rate classes M1, M2, Rate 01 and Rate 10.

7. RATE SCHEDULE CHANGES

Proposed Changes to Rate 25 Gas Supply Charges

Rate 25 is an interruptible service available to both sales service and T-service contract rate customers in Union North. As per the Union North Schedule "A", the Rate 25 gas supply service is offered to sales service contract rate customers through a rate negotiated within a Board-approved minimum and maximum gas supply charge, or range.

Union proposes to decrease the minimum gas supply charge from 14.3135 cents/m³ to 1.4848 cents/m³ and to increase the maximum gas supply charge from 140.5622 cents/m³ to 675.9484 cents/m³ effective January 1, 2015.

Union is proposing to modify the Rate 25 minimum and maximum gas supply charges on Union North Schedule "A" to recognize that the current approved charges do not reflect the potential range of costs of providing interruptible gas supply service to Union North customers. Specifically, the costs to provide Rate 25 gas supply service can fall below the current approved minimum gas supply charge or exceed the current approved maximum gas supply charge.

1 Should the costs of providing interruptible gas supply service fall below or exceed the approved
2 gas supply charges, Union would need to curtail Rate 25 gas supply service. Union's proposal to
3 modify the Rate 25 minimum and maximum gas supply charges will reduce the possibility of the
4 Rate 25 gas supply service being curtailed due to costs that fall below or exceed the approved
5 rates. Union's proposal will not impact other ratepayers and will ensure that customers will
6 continue to have access to Rate 25 sales service even during times of extreme price volatility.

7
8 Minimum Gas Supply Charge

9 In the past year, the cost of gas supply commodity at Empress reached a low of 1.4251 cents/m³
10 on September 30, 2013¹. This gas supply commodity cost is significantly below the gas
11 commodity charge of 13.4621 cents/m³ included in the current approved Rate 25 minimum gas
12 supply charge.

13
14 To ensure the Rate 25 minimum gas supply charge continues to reflect the potential costs of
15 providing interruptible gas supply service, Union proposes to maintain the current rate design but
16 update the gas commodity charge and variable transportation costs that underpin the current Rate
17 25 minimum gas supply charge. Specifically, Union proposes to include the lowest traded price
18 of gas at Empress of 1.4251 cents/m³ and TCPL transportation fuel costs to the Union EDA of
19 0.0597 cents/m³, for a total proposed Rate 25 minimum gas supply charge of 1.4848 cents/m³.
20 Please see Table 3 below for the derivation of the proposed Rate 25 minimum gas supply charge.

¹ Source: Natural Gas Exchange (www.ngx.com) – \$0.3775/GJ transaction dated September 30, 2013 for delivery the next day on October 1, 2013.

Table 3
Derivation of the Proposed Rate 25 Minimum Gas Supply Charge

Line No.	Particulars	Rate (cents/m ³) (a)
1	Gas Commodity Charge (1)	1.4251
	<u>Variable TCPL Firm Transportation Costs</u>	
2	Transportation Fuel (line 1 x 4.1883%) (2)	0.0597
3	Transportation Commodity Charge (3)	0.0000
4	Minimum Gas Supply Charge	<u>1.4848</u>

Notes:

- (1) \$0.3775/GJ converted to cents/m³ using Board-approved heat value of 37.75 GJ/10³m³.
- (2) Assumed TCPL EDA fuel ratio of 4.1883%, as per EB 2014-0208 (October 2014 QRAM).
- (3) Assumed TCPL commodity charge of 0.00, as per EB 2014-0208 (October 2014 QRAM).

1

2 Maximum Gas Supply Charge

3 To ensure that the Rate 25 maximum gas supply charge is sufficiently high to reflect the

4 potential costs of offering Rate 25 gas supply service, Union proposes to set the charge 50%

5 higher than the highest landed costs seen in the marketplace to serve the Union North delivery

6 areas. To determine the highest landed cost, Union considered (a) gas commodity costs and (b)

7 interruptible transportation costs to the Union North delivery areas.

8

9 (a) Gas Supply Commodity Costs

10 From January to March 2014, gas commodity costs were exceptionally high. Gas supply

11 commodity prices at Empress reached a high of \$47.775/GJ² on February 28, 2014, as reflected

12 in the Empress NGX Fixed Price trades. Gas commodity prices at Dawn reached a high of

² Source: Natural Gas Exchange (www.ngx.com) – Physical Gas, Fixed Price at Empress, transacted on February 28, 2014 for delivery on March 1, 2 and 3, 2014.

1 \$78.73/GJ³ on the same day. These gas commodity prices at Empress and Dawn far exceeded
2 the current Rate 25 maximum gas supply charge of 140.5622 cents/m³ (or \$37/GJ).

3
4 (b) Interruptible Transportation Costs

5 Since the implementation of the NEB's RH-003-2011 Decision on July 1, 2013, TCPL's
6 interruptible transportation ("IT") tolls have been as high as 55 times the firm transportation
7 ("FT") toll.

8
9 On March 4, 2014 the gas commodity price at Empress and the minimum IT floor price to the
10 Union EDA reached a high of \$119.3728/GJ. On this day, the highest price of gas at Empress
11 was \$38.10/GJ⁴, the TCPL IT bid floor from Empress to the Union EDA was \$79.2192/GJ⁵ and
12 the estimated fuel from Empress to the Union EDA was \$2.05359/GJ. The combined cost of
13 \$119.3728/GJ is equal to 450.6323 cents/m³.

14
15 Union proposes to set the Rate 25 maximum gas supply charge at 675.9484 cents/m³, equal to
16 50% higher than the highest landed gas price of 450.6323 cents/m³. The 50% higher threshold
17 was chosen to allow for flexibility should prices going forward exceed those actually seen in the

³ Source: April 2014 issue of Canadian Gas Pricing Reporter, , page 16, NGX Union-Dawn Spot Day Ahead Index, high price for transactions done on February 28th for delivery on the weekend of March 1-3, 2014 as US\$75.00/MMBtu converted to C\$/GJ, using the exchange rate of US\$1.00=C\$1.1075 and 1 MMBtu = 1.055056 GJ.

⁴ Source: Natural Gas Exchange (www.ngx.com)

⁵ Source: TCPL Interruptible Transportation Bid Floors – available at <http://itbidfloors.transcanada.com>

1 marketplace. Please see Table 4 below for the derivation of the proposed Rate 25 maximum gas
2 supply charge.

Table 4
Derivation of Proposed Rate 25 Maximum Gas Supply Charge

Line No.	Particulars	Rate (cents/m ³) (a)
1	Gas Commodity Charge (1)	143.8275
	<u>TCPL Interruptible Transportation Costs</u>	
2	Minimum IT Toll (2)	299.0525
3	Transportation Fuel (line 1 x 5.39%) (3)	<u>7.7523</u>
4	Total	<u>450.6323</u>
5	Maximum Gas Supply Charge (line 4 x 1.5)	<u>675.9484</u>

Notes:

- (1) Empress commodity price of \$38.10/GJ converted to cents/m³ using a heat value of 37.75 GJ/10³m³.
- (2) Minimum TCPL IT Bid floor price of \$79.2192/GJ converted using a heat value of 37.75 GJ/10³m³.
- (3) TCPL EDA fuel ratio of 5.39%, as per TCPL IT Bid Floor for March 4, 2014.

3 Please see Tab 1, Appendix H, for a black-lined version of the Union North Schedule “A” rate
4 schedule.

5

6 **8. NEW DEFERRAL ACCOUNTS**

7 Energy East Pipeline Project Consultation Costs

8 By letter dated November 12, 2013, the Minister of Energy requested that the Board examine
9 and report on TCPL’s proposed Energy East Pipeline project from an Ontario perspective. A
10 material portion of the costs incurred in complying with the Minister’s request will be funded
11 from existing Board revenues, and the balance will be recovered under section 30 of the Ontario

1 Energy Board Act, 1998 (the “Act”) from all entities which are subject to the Board’s cost
2 assessment under section 26 of the Act. On July 11, 2014, the Board allowed Union to create a
3 deferral account for its allocation of the Energy East consultation costs. The draft accounting
4 order can be found at Tab 1, Appendix F.

5
6 **9. DEFERRAL ACCOUNT CLOSURE REQUESTS**

7 **Shared Savings Mechanism (“SSM”) Deferral Account (No. 179-115)**

8 The SSM deferral account was established in 2006, in accordance with the mechanism
9 approved by the Board in the EB-2005-0507 proceeding, to record any shareholder incentive
10 earned by Union related to DSM activities. A new DSM Incentive Deferral Account
11 (“DSMIDA”) was approved in the 2012 Rates Proceeding (EB-2011-0025) as a result of the
12 2012-2014 DSM Guidelines. Therefore, Union requests approval to close the SSM deferral
13 account effective January 1, 2015.

14
15 **Pension Charge on Transition to U.S. GAAP Deferral Account (No. 179-127)**

16 The Board approved this deferral account in its EB-2011-0025 Decision. In its 2012 Deferrals
17 (EB-2013-0109) Decision, the Board approved the disposal of the transition costs. No further
18 costs related to this transition are expected. Union requests closure of the Pension Charge on
19 Transition to U.S. GAAP Deferral Account.

1 Upstream Transportation FT-RAM Optimization Deferral Account (No. 179-130)

2 Union requests closure of the Upstream Transportation FT-RAM Optimization Deferral
3 Account (No. 179-130). In 2013, the variance between net revenues from upstream
4 transportation optimization activities (which includes FT-RAM optimization) and the amount
5 credited to ratepayers in rates effective January 1, 2013 are captured in the Upstream
6 Transportation Optimization Deferral Account (No. 179-131).

7
8 **10. IMPLEMENTATION**

9 Union proposes to implement new rates effective January 1, 2015 as described in the Rate
10 Setting Process of the EB-2013-0202 Settlement Agreement at Section 13.1. Union therefore
11 requests a decision by November 30, 2014. This timing allows 2015 rates to be implemented
12 prospectively and aligns with the January 2015 QRAM process.

13
14 In the event that the Board does not issue a rate order by November 30, 2014 for implementation
15 by Union on January 1, 2015, Union seeks an Order of the Board declaring Union's rates as filed
16 interim as of January 1, 2015. Union proposes to deal with any retrospective impact of the
17 Board's Decision through a rate rider for general service rate classes and a one-time adjustment
18 for all other rate classes, which will recover any changes in rates ultimately approved by the
19 Board's order with effect from January 1, 2015.

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EB-2014-0271
Rate Order for 2015 Rates
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APPENDIX A

UNION GAS LIMITED
Union North
Summary of Changes to Sales Rates
Rate 01A - Small Volume General Firm Service

Line No.	Particulars (cents/m ³)	EB-2014-0208 Approved October 1, 2014 Rate	Rate Change	EB-2014-0271 Approved January 1, 2015 Rate
		(a)		(c)
1	Monthly Charge - All Zones	\$21.00		\$21.00
	Monthly Delivery Charge - All Zones			
2	First 100 m ³	9.1540	(0.0939)	9.0601
3	Next 200 m ³	8.8074	0.0246	8.8320
4	Next 200 m ³	8.4507	0.0236	8.4743
5	Next 500 m ³	8.1233	0.0227	8.1460
6	Over 1,000 m ³	7.8529	0.0220	7.8749
7	Delivery - Price Adjustment (All Volumes)	(1.4619) (1)	1.4619	-
	Gas Transportation Service			
8	Fort Frances	4.1399	0.0016	4.1415
9	Western Zone	4.0901	0.0016	4.0917
10	Northern Zone	5.3079	0.0021	5.3100
11	Eastern Zone	6.0365	0.0022	6.0387
12	Transportation - Price Adjustment (All Zones)	(0.2783) (2)	1.3610	1.0827 (3)
	Storage Service			
13	Fort Frances	2.0636	0.1133	2.1769
14	Western Zone	2.2941	0.1261	2.4202
15	Northern Zone	3.0945	0.1701	3.2646
16	Eastern Zone	3.4348	0.1888	3.6236
17	Storage - Price Adjustment (All Zones)	(0.2162) (4)	0.2162	-
	Commodity Cost of Gas and Fuel			
18	Fort Frances	14.7710	(0.0004)	14.7706
19	Western Zone	14.8477	(0.0004)	14.8473
20	Northern Zone	14.9970	(0.0004)	14.9966
21	Eastern Zone	15.1154	(0.0004)	15.1150
22	Commodity and Fuel - Price Adjustment (All Zones)	1.8734 (5)	0.0023	1.8757 (6)

Notes:

- (1) Includes a temporary credit of (0.7365) and (0.7254) cents/m³ expiring December 31, 2014.
- (2) Includes Prospective Recovery of 0.0038, 0.8953, 0.1836, and temporary credits of (0.4325) and (0.9285) cents/m³ expiring December 31, 2014.
- (3) Includes Prospective Recovery of 0.0038, 0.8953, and 0.1836.
- (4) Includes a temporary credit of (0.2162) cents/m³ expiring December 31, 2014.
- (5) Includes Prospective Recovery of 1.5585, 0.2108, (0.1773), and 0.2837 cents/m³ and a temporary credit of (0.0023) cents/m³ expiring December 31, 2014.
- (6) Includes Prospective Recovery of 1.5585, 0.2108, (0.1773) and 0.2837.

UNION GAS LIMITED
Union North
Summary of Changes to Sales Rates
Rate 10 - Large Volume General Firm Service

Line No.	Particulars (cents/m ³)	EB-2014-0208 Approved October 1, 2014 Rate (a)	Rate Change (b)	EB-2014-0271 Approved January 1, 2015 Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
2	First 1,000 m ³	7.2431	(0.0805)	7.1626
3	Next 9,000 m ³	5.9134	(0.0657)	5.8477
4	Next 20,000 m ³	5.1639	(0.0370)	5.1269
5	Next 70,000 m ³	4.6776	(0.0335)	4.6441
6	Over 100,000 m ³	2.8353	(0.0203)	2.8150
7	Delivery - Price Adjustment (All Volumes)	(1.7083) (1)	1.7083	-
	Gas Transportation Service			
8	Fort Frances	3.6363		3.6363
9	Western Zone	3.5873	(0.0001)	3.5872
10	Northern Zone	4.7871		4.7871
11	Eastern Zone	5.5049	(0.0001)	5.5048
12	Transportation - Price Adjustment (All Zones)	(0.1371) (2)	1.2291	1.0920 (3)
	Storage Service			
13	Fort Frances	1.1356	0.0519	1.1875
14	Western Zone	1.3627	0.0622	1.4249
15	Northern Zone	2.1512	0.0982	2.2494
16	Eastern Zone	2.4865	0.1134	2.5999
17	Storage - Price Adjustment (All Zones)	(0.1780) (4)	0.1780	-
	Commodity Cost of Gas and Fuel			
18	Fort Frances	14.7710	(0.0004)	14.7706
19	Western Zone	14.8477	(0.0004)	14.8473
20	Northern Zone	14.9970	(0.0004)	14.9966
21	Eastern Zone	15.1154	(0.0004)	15.1150
22	Commodity and Fuel - Price Adjustment (All Zones)	1.8734 (5)	0.0023	1.8757 (6)

Notes:

- (1) Includes a temporary credit of (1.2409) and (0.4674) cents/m³ expiring December 31, 2014.
- (2) Includes Prospective Recovery of 0.0038, 0.8953, 0.1929, and temporary credits of (0.7844) and (0.4447) cents/m³ expiring December 31, 2014.
- (3) Includes Prospective Recovery of 0.0038, 0.8953 and 0.1929.
- (4) Includes a temporary credit of (0.1780) cents/m³ expiring December 31, 2014.
- (5) Includes Prospective Recovery of 1.5585, 0.2108, (0.1773), and 0.2837 cents/m³ and a temporary credit of (0.0023) cents/m³ expiring December 31, 2014.
- (6) Includes Prospective Recovery of 1.5585, 0.2108, (0.1773), and 0.2837 cents/m³.

UNION GAS LIMITED
Union North
Summary of Changes to Sales Rates
Rate 20 - Medium Volume Firm Service

Line No.	Particulars (cents/m ³)	EB-2014-0208 Approved October 1, 2014 Rate	Rate Change	EB-2014-0271 Approved January 1, 2015 Rate
		(a)		(c)
1	Monthly Charge	\$987.27	(\$14.83)	\$972.44
	Delivery Demand Charge			
2	First 70,000 m ³	27.8830	0.0079	27.8909
3	All over 70,000 m ³	16.3966	0.0046	16.4012
	Delivery Commodity Charge			
4	First 852,000 m ³	0.5423	0.0007	0.5430
5	All over 852,000 m ³	0.3963	0.0005	0.3968
	Monthly Gas Supply Demand Charge			
6	Fort Frances	21.9979		21.9979
7	Western Zone	24.8383	0.6308	25.4691
8	Northern Zone	62.6086	1.5902	64.1988
9	Eastern Zone	82.3638	2.0919	84.4557
10	Gas Supply Demand - Price Adjustment (All Zones)	-		-
	Commodity Transportation 1			
11	Fort Frances	3.0513		3.0513
12	Western Zone	3.1266		3.1266
13	Northern Zone	3.9709		3.9709
14	Eastern Zone	4.4184		4.4184
15	Transportation 1 - Price Adjustment (All Zones)	1.1443 (1)		1.1443 (1)
	Commodity Transportation 2			
16	Fort Frances	-		-
17	Western Zone	-		-
18	Northern Zone	-		-
19	Eastern Zone	-		-
	Commodity Cost of Gas and Fuel			
20	Fort Frances	14.6187	(0.0004)	14.6183
21	Western Zone	14.6946	(0.0004)	14.6942
22	Northern Zone	14.8424	(0.0004)	14.8420
23	Eastern Zone	14.9595	(0.0004)	14.9591
24	Commodity and Fuel - Price Adjustment (All Zones)	1.8734 (2)	0.0023	1.8757 (3)
	Bundled Storage Service (\$/GJ)			
25	Monthly Demand Charge	9.692	0.079	9.771
26	Commodity Charge	0.157	0.001	0.158
27	Storage Demand - Price Adjustment	-		-

Notes:

- (1) Includes Prospective Recovery of 0.0038, 0.8953, and 0.2452 cents/m³.
- (2) Includes Prospective Recovery of 1.5585, 0.2108, (0.1773), and 0.2837 cents/m³ and a temporary credit of (0.0023) cents/m³ expiring December 31, 2014.
- (3) Includes Prospective Recovery of 1.5585, 0.2108, (0.1773), and 0.2837 cents/m³.

UNION GAS LIMITED
Union North
Summary of Changes to Sales Rates
Rate 100 - Large Volume High Load Factor Firm Service

Line No.	Particulars (cents/m ³)	EB-2014-0208 Approved October 1, 2014 Rate (a)	Rate Change (b)	EB-2014-0271 Approved January 1, 2015 Rate (c)
1	Monthly Charge	\$1,477.44	(\$13.15)	\$1,464.29
2	Delivery Demand Charge All Zones	15.3755	0.0203	15.3958
3	Delivery Commodity Charge All Zones	0.2162	0.0030	0.2192
4	Monthly Gas Supply Demand Charge Fort Frances	59.0298		59.0298
5	Western Zone	62.3453		62.3453
6	Northern Zone	106.4130		106.4130
7	Eastern Zone	129.4620		129.4620
8	Gas Supply Demand - Price Adjustment (All Zones)	-		-
9	Commodity Transportation 1 Fort Frances	5.4887		5.4887
10	Western Zone	5.5452		5.5452
11	Northern Zone	6.1784		6.1784
12	Eastern Zone	6.5140		6.5140
13	Transportation 1 - Price Adjustment (All Zones)	-		-
14	Commodity Transportation 2 Fort Frances	-		-
15	Western Zone	-		-
16	Northern Zone	-		-
17	Eastern Zone	-		-
18	Commodity Cost of Gas and Fuel Fort Frances	14.6187	(0.0004)	14.6183
19	Western Zone	14.6946	(0.0004)	14.6942
20	Northern Zone	14.8424	(0.0004)	14.8420
21	Eastern Zone	14.9595	(0.0004)	14.9591
22	Commodity and Fuel - Price Adjustment (All Zones)	1.8734 (1)	0.0023	1.8757 (2)
23	Bundled Storage Service (\$/GJ) Monthly Demand Charge	9.692	0.079	9.771
24	Commodity Charge	0.157	0.001	0.158
25	Storage Demand - Price Adjustment	-		-

Notes:

- (1) Includes Prospective Recovery of 1.5585, 0.2108, (0.1773), and 0.2837 cents/m³ and a temporary credit of (0.0023) cents/m³ expiring December 31, 2014.
(2) Includes Prospective Recovery of 1.5585, 0.2108, (0.1773), and 0.2837 cents/m³.

UNION GAS LIMITED
Union North
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2014-0208 Approved October 1, 2014 Rate	Rate Change	EB-2014-0271 Approved January 1, 2015 Rate
		(a)	(b)	(c)
1	<u>Rate 25 - Large Volume Interruptible Service</u> Monthly Charge	\$360.72	(\$8.40)	\$352.32
2	Delivery Charge - All Zones * Maximum	4.7842	(0.0444)	4.7398
3	Gas Supply Charges - All Zones Minimum	14.3135	(12.8287)	1.4848
4	Maximum	140.5622	535.3862	675.9484

* see Appendix C.

UNION GAS LIMITED
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2014-0208 Approved October 1, 2014 Rate (a)	Rate Change (b)	EB-2014-0271 Approved January 1, 2015 Rate (c)
	<u>Utility Sales</u>			
1	Commodity and Fuel	15.1033	(0.0004)	15.1029
2	Commodity and Fuel - Price Adjustment	4.1070 (1)	(0.1980)	3.9090 (2)
3	Transportation	3.2585		3.2585
4	Total Gas Supply Commodity Charge	<u>22.4688</u>	<u>(0.1984)</u>	<u>22.2704</u>
	<u>M4 Firm Commercial/Industrial</u>			
5	Minimum annual gas supply commodity charge	4.0106	(0.0003)	4.0103
	<u>M4 / M5A Interruptible Commercial/Industrial</u>			
6	Minimum annual gas supply commodity charge	4.0106	(0.0003)	4.0103
	<u>Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3</u>	<u>\$/GJ</u>		<u>\$/GJ</u>
	Monthly demand charges: (\$/GJ)			
7	Firm gas supply service	46.857		46.857
8	Firm backstop gas	1.924	(0.016)	1.908
	Commodity charges:			
9	Gas supply	3.894		3.894
10	Backstop gas	5.211	0.009	5.220
11	Reasonable Efforts Backstop Gas	5.990	0.022	6.012
12	Supplemental Inventory	Note (3)		Note (3)
13	Supplemental Gas Sales Service (cents/m ³)	21.4638	0.0186	21.4824
14	Failure to Deliver	2.545	0.022	2.567
15	Discretionary Gas Supply Service (DGSS)	Note (4)		Note (4)

Notes:

- (1) Includes Prospective Recovery of 3.6982, 0.2108 cents/m³ and temporary credit of (0.0023) and charge of 0.2003 cents/m³ expiring December 31, 2014.
- (2) Includes Prospective Recovery of 3.6982, and 0.2108 cents/m³.
- (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
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2014-0208 Approved October 1, 2014 Rate (a)	Rate Change (b)	EB-2014-0271 Approved January 1, 2015 Rate (c)
	<u>Rate M1 - Small Volume General Service Rate</u>			
1	Monthly Charge	\$21.00		\$21.00
2	First 100 m ³	3.8252	0.0904	3.9156
3	Next 150 m ³	3.6263	0.0922	3.7185
4	All over 250 m ³	3.1298	0.0796	3.2094
5	Delivery - Price Adjustment (All Volumes)	0.3193 (1)	(0.3193)	-
6	Storage Service	0.7491	(0.0075)	0.7416
7	Storage - Price Adjustment	0.0213 (2)	(0.0213)	-
	<u>Rate M2 - Large Volume General Service Rate</u>			
8	Monthly Charge	\$70.00		\$70.00
9	First 1,000 m ³	3.6225	0.0044	3.6269
10	Next 6,000 m ³	3.5557	0.0043	3.5600
11	Next 13,000 m ³	3.3608	0.0100	3.3708
12	All over 20,000 m ³	3.1215	0.0093	3.1308
13	Delivery - Price Adjustment (All Volumes)	(0.4171) (3)	0.4171	-
14	Storage Service	0.6624	(0.0196)	0.6428
15	Storage - Price Adjustment	(0.1379) (4)	0.1379	-

Notes:

- (1) Includes a temporary charge of 0.0917 and 0.2276 cents/m³ expiring December 31, 2014.
- (2) Includes a temporary charge of 0.0213 cents/m³ expiring December 31, 2014.
- (3) Includes a temporary charge of 0.2839 and a temporary credit of (0.7010) cents/m³ expiring December 31, 2014.
- (4) Includes a temporary credit of (0.1379) cents/m³ expiring December 31, 2014.

UNION GAS LIMITED
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2014-0208 Approved October 1, 2014 Rate (a)	Rate Change (b)	EB-2014-0271 Approved January 1, 2015 Rate (c)
	<u>Rate M4 - Firm comm/ind contract rate</u>			
	Monthly demand charge:			
1	First 8,450 m ³	46.8295	1.0109	47.8404
2	Next 19,700 m ³	20.9972	0.4532	21.4504
3	All over 28,150 m ³	17.6406	0.3808	18.0214
	Monthly delivery commodity charge:			
4	First block	0.9945	0.0566	1.0511
5	All remaining use	0.4365	0.0249	0.4614
6	Delivery - Price Adjustment (All Volumes)	-		-
7	Minimum annual firm delivery commodity charge	1.1866	0.0562	1.2428
	<u>Interruptible contracts *</u>			
8	Monthly Charge	\$683.97	(\$2.76)	\$681.21
	Daily delivery commodity charge:			
9	2,400 m ³ to 17,000 m ³	2.5883	0.0840	2.6723
10	17,000 m ³ to 30,000 m ³	2.4584	0.0840	2.5424
11	30,000 m ³ to 50,000 m ³	2.3901	0.0840	2.4741
12	50,000 m ³ to 60,000 m ³	2.3422	0.0840	2.4262
13	Delivery - Price Adjustment (All Volumes)	-		-
14	Minimum annual interruptible delivery commodity charge	2.7804	0.0836	2.8640
	<u>Rate M5A - interruptible comm/ind contract</u>			
	<u>Firm contracts *</u>			
15	Monthly demand charge	28.3977	0.1978	28.5955
16	Monthly delivery commodity charge	1.9510	0.0846	2.0356
17	Delivery - Price Adjustment (All Volumes)	-		-
	<u>Interruptible contracts *</u>			
18	Monthly Charge	\$683.97	(\$2.76)	\$681.21
	Daily delivery commodity charge:			
19	2,400 m ³ to 17,000 m ³	2.5883	0.0840	2.6723
20	17,000 m ³ to 30,000 m ³	2.4584	0.0840	2.5424
21	30,000 m ³ to 50,000 m ³	2.3901	0.0840	2.4741
22	50,000 m ³ to 60,000 m ³	2.3422	0.0840	2.4262
23	Delivery - Price Adjustment (All Volumes)	-		-
24	Minimum annual interruptible delivery commodity charge	2.7804	0.0836	2.8640

Notes:

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

UNION GAS LIMITED
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2014-0208 Approved October 1, 2014 Rate (a)	Rate Change (b)	EB-2014-0271 Approved January 1, 2015 Rate (c)
	<u>Rate M7 - Special large volume contract</u>			
	<u>Firm</u>			
1	Monthly demand charge	25.5491	0.7742	26.3233
2	Monthly delivery commodity charge	0.3249	0.0310	0.3559
3	Delivery - Price Adjustment	-		-
	<u>Interruptible *</u>			
4	Monthly delivery commodity charge: Maximum	4.0364	0.2846	4.3210
5	Delivery - Price Adjustment	-		-
	<u>Seasonal *</u>			
6	Monthly delivery commodity charge: Maximum	3.7923	0.2846	4.0769
7	Delivery - Price Adjustment	-		-
	<u>Rate M9 - Large wholesale service</u>			
8	Monthly demand charge	15.2792	0.9613	16.2405
9	Monthly delivery commodity charge	0.1964	0.0194	0.2158
10	Delivery - Price Adjustment	-		-
	<u>Rate M10 - Small wholesale service</u>			
11	Monthly delivery commodity charge	4.9340	0.5043	5.4383

Notes:

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

UNION GAS LIMITED
Union South
Summary of Changes to Contract Carriage Rates

Line No.	Particulars (cents/m ³)	EB-2014-0208 Approved October 1, 2014 Rate (a)	Rate Change (b)	EB-2014-0271 Approved January 1, 2015 Rate (c)
	<u>Contract Carriage Service</u>			
	<u>Rate T1 - Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.011		0.011
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.627	(0.002)	1.625
3	Customer provides deliverability inventory	1.210	(0.002)	1.208
4	Firm incremental injection	1.210	(0.002)	1.208
5	Interruptible withdrawal	1.210	(0.002)	1.208
	Commodity charges:			
6	Withdrawal	0.029		0.029
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.029		0.029
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - customer provides fuel	0.397%	0.003%	0.400%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge first 28,150 m ³	32.1516	0.6011	32.7527
12	Monthly demand charge next 112,720 m ³	22.2131	0.4153	22.6284
	Firm commodity charges:			
13	Union provides compressor fuel - All volumes	0.1243	0.0124	0.1367
14	Customer provides compressor fuel - All volumes	0.0720	0.0021	0.0741
	Interruptible commodity charges: *			
15	Maximum - Union provides compressor fuel	4.0364	0.2846	4.3210
16	Maximum - customer provides compressor fuel	3.9841	0.2743	4.2584
17	Transportation fuel ratio - customer provides fuel	0.251%	0.050%	0.301%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
18	Injection / Withdrawals	0.108		0.108
19	Customer provides compressor fuel	0.061		0.061
20	Transportation commodity charge (cents/m ³)	1.1813	0.0322	1.2135
21	Customer provides compressor fuel	1.1290	0.0219	1.1509
22	<u>Monthly Charge</u>	\$1,932.35	\$2.83	\$1,935.18

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

UNION GAS LIMITED
Union South
Summary of Changes to Contract Carriage Rates

Line No.	Particulars (cents/m ³)	EB-2014-0208 Approved October 1, 2014 Rate (a)	Rate Change (b)	EB-2014-0271 Approved January 1, 2015 Rate (c)
	<u>Contract Carriage Service</u>			
	<u>Rate T2 - Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.011		0.011
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.627	(0.002)	1.625
3	Customer provides deliverability inventory	1.210	(0.002)	1.208
4	Firm incremental injection	1.210	(0.002)	1.208
5	Interruptible withdrawal	1.210	(0.002)	1.208
	Commodity charges:			
6	Withdrawal	0.029		0.029
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.029		0.029
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - customer provides fuel	0.397%	0.003%	0.400%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge first 140,870 m ³	20.3436	0.5727	20.9163
12	Monthly demand charge all over 140,870 m ³	10.7608	0.3029	11.0637
	Firm commodity charges:			
13	Union provides compressor fuel - All volumes	0.0594	0.0068	0.0662
14	Customer provides compressor fuel - All volumes	0.0078	0.0003	0.0081
	Interruptible commodity charges: *			
15	Maximum - Union provides compressor fuel	4.0364	0.2846	4.3210
16	Maximum - customer provides compressor fuel	3.9848	0.2781	4.2629
17	Transportation fuel ratio - customer provides fuel	0.248%	0.032%	0.279%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
18	Injection / Withdrawals	0.108		0.108
19	Customer provides compressor fuel	0.061		0.061
20	Transportation commodity charge (cents/m ³)	0.7282	0.0257	0.7539
21	Customer provides compressor fuel	0.6766	0.0192	0.6958
22	<u>Monthly Charge</u>	\$6,013.02	(\$69.74)	\$5,943.28

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

UNION GAS LIMITED
Union South
Summary of Changes to Contract Carriage Rates

Line No.	Particulars (cents/m ³)	EB-2014-0208 Approved October 1, 2014 Rate (a)	Rate Change (b)	EB-2014-0271 Approved January 1, 2015 Rate (c)
<u>Rate T3 - Storage and Transportation</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
1	Firm space	0.011		0.011
Firm Injection/Withdrawal Right				
2	Union provides deliverability inventory	1.627	(0.002)	1.625
3	Customer provides deliverability inventory	1.210	(0.002)	1.208
4	Firm incremental injection	1.210	(0.002)	1.208
5	Interruptible withdrawal	1.210	(0.002)	1.208
Commodity charges:				
6	Withdrawal	0.029		0.029
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.029		0.029
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - customer provides fuel	0.397%	0.003%	0.400%
<u>Transportation (cents / m³)</u>				
11	Monthly demand charge	9.4605	0.9894	10.4499
12	Union provides compressor fuel - All volumes	0.0703	0.0185	0.0888
13	Customer provides compressor fuel - All volumes	0.0107	0.0001	0.0108
14	Transportation fuel ratio- Cust. provides fuel	0.286%	0.089%	0.375%
<u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges				
15	Injection / Withdrawals	0.108		0.108
16	Customer provides compressor fuel	0.061		0.061
17	Transportation commodity charge (cents/m ³)			
18	Customer provides compressor fuel	0.3813	0.0510	0.4323
		0.3218	0.0326	0.3544
<u>Monthly Charge</u>				
19	City of Kitchener	\$20,358.77	\$10.78	\$20,369.55
20	Natural Resource Gas	\$3,125.28	\$1.65	\$3,126.93
21	Six Nations	\$1,041.76	\$0.55	\$1,042.31

UNION GAS LIMITED
Union South
Summary of Changes to Unbundled Rates

Line No.	Particulars (cents/m ³)	EB-2014-0208 Approved October 1, 2014 Rate (a)	Rate Change (b)	EB-2014-0271 Approved January 1, 2015 Rate (c)
	<u>U2 Unbundled Service</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
	Standard Storage Service (SSS)			
1	Combined Firm Space & Deliverability	0.024		0.024
	Standard Peaking Service (SPS)			
2	Combined Firm Space & Deliverability	0.117	(0.001)	0.116
3	Incremental firm injection right	1.053	(0.001)	1.052
4	Incremental firm withdrawal right	1.053	(0.001)	1.052
	Commodity charges:			
5	Injection customer provides compressor fuel	0.026		0.026
6	Withdrawal customer provides compressor fuel	0.026		0.026
7	Storage fuel ratio - Customer provides fuel	0.397%	0.003%	0.400%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
8	Injection customer provides compressor fuel	0.061		0.061
9	Withdrawal customer provides compressor fuel	0.061		0.061

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2014-0208 Approved October 1, 2014 Rate (a)	Rate Change (b)	EB-2014-0271 Approved January 1, 2015 Rate (c)
	<u>M12 Transportation Service</u>			
	<u>Firm transportation</u>			
	Monthly demand charges:			
1	Dawn to Kirkwall	2.042	0.151	2.193
2	Dawn to Oakville/Parkway	2.420	0.184	2.604
3	Kirkwall to Parkway	0.378	0.033	0.411
4	F24-T	0.068	0.001	0.069
	<u>M12-X Firm Transportation</u>			
5	Between Dawn, Kirkwall and Parkway	3.008	0.236	3.244
	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	5.807	0.443	6.250
10	Commodity charges : 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 Oakville/Parkway - Union supplied fuel	Note (1)		Note (1)
13	Dawn to Kirkwall - Shipper supplied fuel	0.067 (1)	0.005	0.072 (1)
14	Dawn to Oakville/Parkway - Shipper supplied fuel	0.080 (1)	0.006	0.086 (1)
15	Kirkwall to Parkway - Union supplied fuel	Note (1)		Note (1)
16	Kirkwall to Parkway - Shipper supplied fuel	0.012	0.002	0.014
17	Westerly - Union supplied fuel	Note (1)		Note (1)
18	Westerly - Shipper supplied fuel	0.080 (1)	0.006	0.086 (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	0.099 (1)	0.008	0.107 (1)
	<u>M13 Transportation of Locally Produced Gas</u>			
21	Monthly fixed charge per customer station	\$931.32	\$7.64	\$938.96
22	Transmission commodity charge to Dawn	0.034		0.034
23	Commodity charge - Union supplies fuel	0.008		0.008
24	Commodity charge - Shipper supplies fuel	Note (2)		Note (2)
25	Authorized Overrun - Union supplies fuel	0.077	0.001	0.078
26	Authorized Overrun - Shipper supplies fuel	0.069 (2)		0.069 (2)

Notes:

- (1) Monthly fuel rates and ratios per Schedule "C".
(2) Plus customer supplied fuel per rate schedule.

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2014-0208 Approved October 1, 2014 Rate (a)	Rate Change (b)	EB-2014-0271 Approved January 1, 2015 Rate (c)
	<u>M16 Storage Transportation Service</u>			
1	Monthly fixed charge per customer station	\$1,481.63	\$12.15	\$1,493.78
	Monthly demand charges:			
2	East of Dawn	0.753	0.006	0.759
3	West of Dawn	1.065	(0.001)	1.064
4	Transmission commodity charge to Dawn	0.034		0.034
	Transportation Fuel Charges to Dawn:			
5	East of Dawn - Union supplied fuel	0.008		0.008
6	West of Dawn - Union supplied fuel	0.008		0.008
7	East of Dawn - Shipper supplied fuel	Note (1)		Note (1)
8	West of Dawn - Shipper supplied fuel	Note (1)		Note (1)
	Transportation Fuel Charges to Pools:			
9	East of Dawn - Union supplied fuel	0.008	0.002	0.010
10	West of Dawn - Union supplied fuel	0.024		0.024
11	East of Dawn - Shipper supplied fuel	Note (1)		Note (1)
12	West of Dawn - Shipper supplied fuel	Note (1)		Note (1)
	<u>Authorized Overrun</u>			
	Transportation Fuel Charges to Dawn:			
13	East of Dawn - Union supplied fuel	0.067	0.001	0.068
14	West of Dawn - Union supplied fuel	0.077	0.001	0.078
15	East of Dawn - Shipper supplied fuel	0.059 (1)		0.059 (1)
16	West of Dawn - Shipper supplied fuel	0.069 (1)		0.069 (1)
	Transportation Fuel Charges to Pools:			
17	East of Dawn - Union supplied fuel	0.033	0.002	0.035
18	West of Dawn - Union supplied fuel	0.059		0.059
19	East of Dawn - Shipper supplied fuel	0.025 (1)		0.025 (1)
20	West of Dawn - Shipper supplied fuel	0.035 (1)		0.035 (1)
	<u>C1 - Cross Franchise Transportation Service</u>			
	<u>Transportation service</u>			
	Monthly demand charges:			
21	St. Clair / Bluewater & Dawn	1.065	(0.001)	1.064
22	Ojibway & Dawn	1.065	(0.001)	1.064
23	Parkway to Dawn	0.589	0.051	0.640
24	Parkway to Kirkwall	0.589	0.051	0.640
25	Kirkwall to Dawn	1.038	0.090	1.128
26	Dawn to Kirkwall	2.042	0.151	2.193
27	Dawn to Parkway	2.420	0.184	2.604
28	Kirkwall to Parkway	0.378	0.033	0.411
29	Dawn to Dawn-Vector	0.029		0.029
30	Dawn to Dawn-TCPL	0.135	0.001	0.136
	Short-term:			
31	Maximum	75.00		75.00
	Commodity charges:			
32	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.014		0.014
33	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.011		0.011
34	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.016		0.016
35	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.024		0.024
36	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.008		0.008
37	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.015	0.001	0.016
38	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.008		0.008
39	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.008		0.008
40	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.040	0.001	0.041
41	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.017		0.017
42	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.053	0.002	0.055
43	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.029	0.002	0.031
44	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.022	0.001	0.023
45	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.020	0.002	0.022

Notes:

(1) Plus customer supplied fuel per rate schedule.

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2014-0208 Approved October 1, 2014 Rate (a)	Rate Change (b)	EB-2014-0271 Approved January 1, 2015 Rate (c)
<u>C1 - 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)	Note (1)		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)
19	Interruptible commodity charges: Maximum	75.00		75.00
20	Dawn(Tecumseh), Dawn(Facilities or TCPL), Dawn (Vector) and Dawn (TSLE)	Note (1)		Note (1)
<u>Authorized Overrun</u>				
Firm transportation commodity charges:				
21	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.049		0.049
22	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.046		0.046
23	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.051		0.051
24	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.059		0.059
25	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.121	0.006	0.127
26	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.127	0.007	0.134
27	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.046		0.046
28	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.046		0.046
29	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.140	0.006	0.146
30	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.117	0.005	0.122
31	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.166	0.008	0.174
32	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct. 31)	0.141	0.008	0.149
33	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.067	0.002	0.069
34	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct. 31)	0.065	0.004	0.069
35	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.035 (1)		0.035 (1)
36	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.035 (1)		0.035 (1)
37	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.035 (1)		0.035 (1)
38	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.035 (1)		0.035 (1)
39	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.019 (1)	0.067	0.086 (1)
40	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.019 (1)	0.067	0.086 (1)
41	Kirkwall to Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.034 (1)	0.003	0.037 (1)
42	Kirkwall to Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.034 (1)	0.003	0.037 (1)
43	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.067 (1)	0.005	0.072 (1)
44	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.067 (1)	0.005	0.072 (1)
45	Dawn to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.080 (1)	0.006	0.086 (1)
46	Dawn to Parkway - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.080 (1)	0.006	0.086 (1)
47	Kirkwall to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.012 (1)	0.002	0.014 (1)
48	Kirkwall to Parkway - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.012 (1)	0.002	0.014 (1)
49	Dawn to Dawn-Vector - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.001 (1)	(0.000)	0.001 (1)
50	Dawn to Dawn-Vector - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.001 (1)		0.001 (1)
51	Dawn to Dawn-TCPL - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.004 (1)		0.004 (1)
52	Dawn to Dawn-TCPL - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.004 (1)		0.004 (1)
53	Short Term Firm transportation commodity charges: Maximum	75.00		75.00

Notes:

(1) Plus customer supplied fuel per rate schedule.

APPENDIX B



RATE 01A - SMALL VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

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

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

MONTHLY RATES AND CHARGES

Zone Rate Schedule No.	<u>Fort Frances</u> 201	<u>Western</u> 101	<u>Northern</u> 301	<u>Eastern</u> 601
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$21.00	\$21.00	\$21.00	\$21.00
<u>DELIVERY CHARGE</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 100 m ³ per month @	9.0601	9.0601	9.0601	9.0601
Next 200 m ³ per month @	8.8320	8.8320	8.8320	8.8320
Next 200 m ³ per month @	8.4743	8.4743	8.4743	8.4743
Next 500 m ³ per month @	8.1460	8.1460	8.1460	8.1460
Over 1,000 m ³ per month @	7.8749	7.8749	7.8749	7.8749
Delivery-Price Adjustment (All Volumes)	-	-	-	-



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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, 2015
O.E.B. Order # EB-2014-0271

Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.



RATE 10 - LARGE VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

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

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

MONTHLY RATES AND CHARGES

Zone	<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 m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 1,000 m ³ per month @	7.1626	7.1626	7.1626	7.1626
Next 9,000 m ³ per month @	5.8477	5.8477	5.8477	5.8477
Next 20,000 m ³ per month @	5.1269	5.1269	5.1269	5.1269
Next 70,000 m ³ per month @	4.6441	4.6441	4.6441	4.6441
Over 100,000 m ³ per month @	2.8150	2.8150	2.8150	2.8150
Delivery-Price Adjustment (All Volumes)	-	-	-	-



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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 m³ per day must enter into a Service Agreement with Union.

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2015
O.E.B. Order # EB-2014-0271

Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.

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 m³ 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>	\$972.44
<u>DELIVERY CHARGES</u> (cents per month per m ³)	
Monthly Demand Charge for first 70,000 m ³ of Contracted Daily Demand	27.8909
Monthly Demand Charge for all units over 70,000 m ³ of Contracted Daily Demand	16.4012
Commodity Charge for first 852,000 m ³ of gas volumes delivered	0.5430
Commodity Charge for all units over 852,000 m ³ of gas volumes delivered	0.3968

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 (m³) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per m³, 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>	\$972.44	\$972.44	\$972.44	\$972.44
<u>DELIVERY CHARGES</u>	<u>cents per m³</u>	<u>cents per m³</u>	<u>cents per m³</u>	<u>cents per m³</u>
Commodity Charge for each unit of gas volumes delivered	2.3769	2.3769	2.3769	2.3769

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 \$220.55

BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement (\$/GJ/Month) \$9.771

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) \$0.158

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ) \$0.479

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, 2015
O.E.B. Order # EB-2014-0271

Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.

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 m³ or more or the interruptible portion of a maximum daily requirement for combined firm and interruptible service is 14,000 m³ 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 CHARGESAPPLICABLE TO ALL SERVICES – ALL ZONES (1)

<u>MONTHLY CHARGE</u>	\$352.32
<u>DELIVERY CHARGES</u>	<u>cents per m³</u>
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:	4.7398

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 (m^3) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per 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.

\$220.55

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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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, 2015
O.E.B. Order # EB-2014-0271

Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.



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 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

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Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.



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 m³ 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.

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

<u>MONTHLY CHARGE</u>	\$1,464.29
<u>DELIVERY CHARGES</u> (cents per Month per m ³ of Daily Contract Demand)	
Monthly Demand Charge for each unit of Contracted Daily Demand	15.3958
Commodity Charge for each unit of gas volumes delivered (cents/m ³)	0.2192

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 SERVICEGas 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 (m³) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per m³, 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>	\$1,464.29	\$1,464.29	\$1,464.29	\$1,464.29
<u>DELIVERY CHARGES</u>	<u>cents per m³</u>	<u>cents per m³</u>	<u>cents per m³</u>	<u>cents per m³</u>
Commodity Charge for each unit of gas volumes delivered	0.9423	0.9423	0.9423	0.9423

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	\$220.55
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BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement (\$/GJ/Month)	\$9.771
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Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$/GJ/Month)	-
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Commodity Charge for each unit of gas withdrawn from storage (\$/GJ)	\$0.158
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Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ)	\$0.479
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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
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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, 2015
O.E.B. Order # EB-2014-0271

Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.

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 CHARGESUNBUNDLED STORAGE SERVICE CHARGES

Storage Space Charge	
Applied to Contracted Maximum Storage Space (\$ per GJ per Month)	\$0.086
Fuel Ratio	
Applied to all gas injected and withdrawn from storage (%)	0.400%
Commodity Charge	
Applied to all gas injected and withdrawn from storage (\$ per GJ)	\$0.027

UNBUNDLED STORAGE SERVICE AUTHORIZED OVERRUN CHARGES

Fuel Ratio	
Applied to all gas injected and withdrawn from storage (%)	0.859%
Commodity Charge	
Applied to all gas injected and withdrawn from storage (\$ per GJ)	\$0.054

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)	\$1.822	\$1.822	\$1.822	\$7.941
Commodity (\$/GJ)	N/A	\$0.036	\$0.036	\$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

January 1, 2015
O.E.B. Order # EB-2014-0271

Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.



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Union Gas Limited
Union North
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

Rate 01A (cents / m³)

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
Storage	2.1769	2.4202	3.2646	3.6236
Storage - Price Adjustment	-	-	-	-
Commodity and Fuel (1)	14.7706	14.8473	14.9966	15.1150
Commodity and Fuel - Price Adjustment	1.8757	1.8757	1.8757	1.8757
Transportation	4.1415	4.0917	5.3100	6.0387
Transportation - Price Adjustment	1.0827	1.0827	1.0827	1.0827
Total Gas Supply Charge	<u>24.0474</u>	<u>24.3176</u>	<u>26.5296</u>	<u>27.7357</u>

Rate 10 (cents / m³)

Storage	1.1875	1.4249	2.2494	2.5999
Storage - Price Adjustment	-	-	-	-
Commodity and Fuel (1)	14.7706	14.8473	14.9966	15.1150
Commodity and Fuel - Price Adjustment	1.8757	1.8757	1.8757	1.8757
Transportation	3.6363	3.5872	4.7871	5.5048
Transportation - Price Adjustment	1.0920	1.0920	1.0920	1.0920
Total Gas Supply Charge	<u>22.5621</u>	<u>22.8271</u>	<u>25.0008</u>	<u>26.1874</u>

Notes:

(1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1917 cents/m³.



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Schedule "A"
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Union Gas Limited
Union North
Gas Supply Charges

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 20 (cents / m³)</u>				
Commodity and Fuel (1)	14.6183	14.6942	14.8420	14.9591
Commodity and Fuel - Price Adjustment	1.8757	1.8757	1.8757	1.8757
Commodity Transportation - Charge 1	3.0513	3.1266	3.9709	4.4184
Transportation 1 - Price Adjustment	1.1443	1.1443	1.1443	1.1443
Commodity Transportation - Charge 2	-	-	-	-
Monthly Gas Supply Demand	21.9979	25.4691	64.1988	84.4557
Gas Supply Demand - Price Adjustment	-	-	-	-
Commissioning and Decommissioning Rate	3.8874	4.1760	7.3980	9.0880

Rate 100 (cents / m³)

Commodity and Fuel (1)	14.6183	14.6942	14.8420	14.9591
Commodity and Fuel - Price Adjustment	1.8757	1.8757	1.8757	1.8757
Commodity Transportation - Charge 1	5.4887	5.5452	6.1784	6.5140
Commodity Transportation - Charge 2	-	-	-	-
Monthly Gas Supply Demand	59.0298	62.3453	106.4130	129.4620
Commissioning and Decommissioning Rate	5.1247	5.3047	7.6458	8.8721

Rate 25 (cents / m³)

Gas Supply Charge:	Interruptible Service			
	Minimum	1.4848	1.4848	1.4848
	Maximum	675.9484	675.9484	675.9484

Notes:

(1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1917 cents/m³.

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Chatham, Ontario

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

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

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

(C) Rates

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

a)	Monthly Charge		\$21.00
b)	Delivery Charge		
	First	100 m ³	3.9156 ¢ per m ³
	Next	150 m ³	3.7185 ¢ per m ³
	All Over	250 m ³	3.2094 ¢ per m ³
	Delivery – Price Adjustment (All Volumes)		0.0000 ¢ per m ³
c)	Storage Charge (if applicable)		0.7416 ¢ per m ³
	Storage - Price Adjustment (All Volumes)		0.0000 ¢ per m ³
	Applicable to all bundled customers (sales and bundled transportation service).		
d)	Gas Supply Charge (if applicable)		

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

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

(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 4.6572 ¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³.

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

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

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

Effective

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Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.

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

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

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

(C) Rates

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

a)	Monthly Charge		\$70.00	
b)	Delivery Charge			
	First	1 000 m ³	3.6269 ¢ per m ³	
	Next	6 000 m ³	3.5600 ¢ per m ³	
	Next	13 000 m ³	3.3708 ¢ per m ³	
	All Over	20 000 m ³	3.1308 ¢ per m ³	
	Delivery – Price Adjustment (All Volumes)		0.0000 ¢ per m ³	(1)
c)	Storage Charge (if applicable)		0.6428 ¢ per m ³	
	Storage - Price Adjustment (All Volumes)		0.0000 ¢ per m ³	(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.

(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 4.2697 ¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³.

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

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

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

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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 2 400 m³ and 60 000 m³.

(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 ³ of daily contracted demand		47.8404 ¢ per m ³
Next	19 700 m ³ of daily contracted demand		21.4504 ¢ per m ³
All Over	28 150 m ³ of daily contracted demand		18.0214 ¢ per m ³
(ii) A Monthly Delivery Commodity Charge			
First 422 250 m ³ delivered per month			1.0511 ¢ per m ³
Next volume equal to 15 days use of daily contracted demand			1.0511 ¢ per m ³
For remainder of volumes delivered in the month			0.4614 ¢ per m ³
Delivery- Price Adjustment (All Volumes)			0.0000 ¢ per m ³

(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 2.6239 ¢ per m³ and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m³ for all volumes purchased.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 4.6572 ¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

3. Firm 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 firm 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 1.2428 ¢ per m³ 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.



4. Interruptible Service

Union may agree, in its sole discretion, to combine a firm service with an interruptible service provided that the amount of interruptible volume to be delivered and agreed upon by Union and the customer shall be no less than 350,000 m³ per year.

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 m³</u>
2 400 m ³ ≤ CD < 17 000 m ³	2.6723 ¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³	2.5424 ¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³	2.4741 ¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³	2.4262 ¢ per m ³

Delivery- Price Adjustment (All Volumes) - ¢ per m³

(ii) Days Use of Interruptible Contract Demand

The price determined under Paragraph 4(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 ³
For each additional days use of contracted demand up to a maximum of 275 days, an additional discount of	0.00212 ¢ per m ³

(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"

(iv) Monthly Charge \$681.21 per month

- b) 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 350 000 m³ 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 2.8640 ¢ per m³, 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.

- c) 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 4.6572 ¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.



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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

(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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Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.

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 2 400 m³ and 60 000 m³ 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 m³</u>
2 400 m ³ ≤ CD < 17 000 m ³	2.6723 ¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³	2.5424 ¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³	2.4741 ¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³	2.4262 ¢ per m ³

Delivery- Price Adjustment (All Volumes)	0.0000 ¢ per m ³
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(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

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

(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"

(iv) Monthly Charge	\$681.21 per month
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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 350 000 m³ 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 2.8640 ¢ per m³, 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 4.6572 ¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³ 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 28.5955 ¢ per m³.
- 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 28.5955 ¢ per m³ of daily contracted demand and a delivery commodity price adjustment of 0.0000 ¢ per m³.
- 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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Chatham, Ontario

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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 60 000 m³; and
- b) who has site specific energy measuring equipment that will be used in determining energy balances.

(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 26.3233 ¢ per m³ for each m³ of daily contracted firm demand.

(ii) A Monthly Delivery Commodity Charge

(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of 0.3559 ¢ per m³ for each m³, and a Delivery - Price Adjustment of 0.0000 ¢ per m³.

(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 4.3210 ¢ per m³, and a Delivery - Price Adjustment of 0.0000 ¢ per m³.

(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 4.0769 ¢ per m³, and a Delivery - Price Adjustment of 0.0000 ¢ per m³.

(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".



(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 m³ 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 3.1315 ¢ per m³ and the total gas supply charge for utility sales provided in Schedule "A" per m³, 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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Chatham, Ontario

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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 16.2405 ¢ per m³ 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 0.2158 ¢ per m³, a Delivery Price Adjustment of 0.0000 ¢ per m³ 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 0.7497 ¢ per m³. 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 m³.



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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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Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.

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 5.4383 ¢ per m³ 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 4.6572 ¢ per m³ for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7 ¢ per m³ 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	\$1.908	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$5.220
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$6.012
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		\$2.567
f) Short Term Storage / Balancing Service (2) Maximum		\$6.000
g) Discretionary Gas Supply Service ("DGSS")		Note (3)



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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.

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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) whose qualifying annual transportation volume for combined firm and interruptible service is at least 2 500 000 m³ or greater and has a daily firm contracted demand up to 140,870 m³; 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 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	\$1.625			
Customer provides deliverability Inventory (4)	\$1.208			
c) Incremental Firm Injection Right:				
Applied to the contracted Maximum				
Incremental Firm Injection Right	\$1.208			
d) Annual Interruptible Withdrawal Right:				
Applied to the contracted Maximum				
Annual Interruptible Withdrawal Right	\$1.208			



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	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		\$0.029	0.400%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.029	0.400%	\$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/m³/mo</u>	Commodity Charge <u>Rate/m³</u>	For Customers Providing Their Own Compressor Fuel Fuel Ratio (5)	Commodity Charge <u>Rate/m³</u>
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand First 28,150 m ³ per month Next 112,720 m ³ per month	32.7527 ¢ 22.6284 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption Commodity Charge (All volumes)		0.1367 ¢	0.301%	0.0741 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum		4.3210 ¢	0.301%	4.2584 ¢

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	0.859%	\$0.061/GJ
Storage Withdrawals	\$0.108/GJ	0.859%	\$0.061/GJ
Transportation	1.2135 ¢/m ³	0.301%	1.1509 ¢/m ³

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 4.6572 ¢ per m³ or \$1.216 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	\$1,935.18
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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:

www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features

- 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.

Effective

January 1, 2015
O.E.B. Order # EB-2014-0271

Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.

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 m³. Firm and/or interruptible daily contracted demand of less than 140,870 m³ 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 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 Customer provides deliverability Inventory (4)	\$1.625 \$1.208			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.208			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.208			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio	Commodity Charge <u>Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.029	0.400%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.029	0.400%	\$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 m³/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 m³/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/m³/mo</u>	Commodity Charge <u>Rate/m³</u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio (5) (6)	Commodity Charge <u>Rate/m³</u>
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand				
First 140,870 m ³ per month	20.9163 ¢			
All over 140,870 m ³ per month	11.0637 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption				
Commodity Charge (All volumes)		0.0662 ¢	0.279%	0.0081 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption				
Maximum		4.3210 ¢	0.279%	4.2629 ¢

Notes:

- 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.
- Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/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.
- In negotiating the rate to be charged for the transportation of gas under Interruptible Transportation, the matters that are to be considered include:
 - The amount of the interruptible transportation for which customer is willing to contract,
 - The anticipated load factor for the interruptible transportation quantities,
 - Interruptible or curtailment provisions, and
 - Competition.
- 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.
- 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 m³/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 m³/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>	Fuel <u>Ratio</u>	Commodity <u>Charge</u>
Storage Injections	\$0.108/GJ	0.859%	\$0.061/GJ
Storage Withdrawals	\$0.108/GJ	0.859%	\$0.061/GJ
Transportation	0.7539 ¢/m ³	0.279%	0.6958 ¢/m ³

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 4.6572 ¢ per m³ or \$1.216 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	\$5,943.28
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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 m³/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/business/account-services/unionline/contracts-rates/T1-service-features

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 m³/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:

www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features

- 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, 2015
O.E.B. Order # EB-2014-0271

Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.



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 m³ 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	\$1.625			
Customer provides deliverability Inventory (4)	\$1.208			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.208			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.208			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio	Commodity Charge <u>Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.029	0.400%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.029	0.400%	\$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/m³/mo</u>	Commodity Charge <u>Rate/m³</u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio	Commodity Charge <u>Rate/m³</u>
a) Annual Firm Transportation Demand (1) Applied to the Firm Daily Contract Demand	10.4499 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the Customer's Point(s) of Redelivery		0.0888 ¢	0.375%	0.0108 ¢

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	0.859%	\$0.061/GJ
Storage Withdrawals	\$0.108/GJ	0.859%	\$0.061/GJ
Transportation	0.4323 ¢/m ³	0.375%	0.3544 ¢/m ³

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 m³ or \$9.402 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	\$ 20,369.55
NRG	\$ 3,126.93
Six Nations	\$ 1,042.31

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, 2015
O.E.B. Order # EB-2014-0271

Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.

**uniongas**Effective
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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 / m³Utility Sales

Commodity and Fuel	15.1029 (1)
Commodity and Fuel - Price Adjustment	3.9090
Transportation	3.2585
Total Gas Supply Commodity Charge	<u>22.2704</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	4.0103
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Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3\$/GJ

Monthly demand charges:	
Firm gas supply service	46.857
Firm backstop gas	1.908
Commodity charges:	
Gas supply	3.894
Backstop gas	5.220
Reasonable Efforts Backstop Gas	6.012
Supplemental Inventory	Note (2)
Supplemental Gas Sales Service (cents / m ³)	21.4824
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.567
Discretionary Gas Supply Service (DGSS)	Note (3)

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1917 cents/ m³.
- (2) 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.
- (3) Reflects the "back to back" price plus gas supply administration charge.

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Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.

**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.

STORAGE SERVICE	Demand Charge <u>Rate/GJ/mo</u>	Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
i) Standard Storage Service (SSS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.024		
b) Injection Commodity		0.400%	\$0.026
c) Withdrawal Commodity		0.400%	\$0.026
ii) Standard Peaking Service (SPS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.116		
b) Injection Commodity		0.400%	\$0.026
c) Withdrawal Commodity		0.859%	\$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	\$1.052		
b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$1.052		
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	0.859%	\$0.061
Withdrawal	0.859%	\$0.061

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, 2015
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Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.



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.

	Monthly Demand Charge (applied to daily contract demand) <u>Rate/GJ</u>	Commodity and Fuel Charges Fuel Ratio <u>%</u>	Commodity Charge <u>AND</u> <u>Rate/GJ</u>
<u>Firm Transportation (1)</u>			
Dawn to Parkway	\$2.604	Monthly fuel rates and ratios shall be in accordance with schedule "C".	
Dawn to Kirkwall	\$2.193		
Kirkwall to Parkway	\$0.411		
Parkway to Dawn	n/a		
<u>M12-X Firm Transportation</u>			
Between Dawn, Kirkwall and Parkway	\$3.244	Monthly fuel rates and ratios shall be in accordance with schedule "C".	
<u>Limited Firm/Interruptible Transportation (1)</u>			
Dawn to Parkway – Maximum	\$6.250	Monthly fuel rates and ratios shall be in accordance with schedule "C".	
Dawn to Kirkwall – Maximum	\$6.250		
Parkway (TCPL) to Parkway (Cons) (2)		0.155%	

Authorized Overrun (3)

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

	If Union supplies fuel Commodity Charge <u>Rate/GJ</u>	Commodity and Fuel Charges Fuel Ratio <u>%</u>	Commodity Charge <u>AND</u> <u>Rate/GJ</u>
Transportation Overrun			
Dawn to Parkway		Monthly fuel rates and ratios shall be in accordance with schedule "C".	\$0.086
Dawn to Kirkwall			\$0.072
Kirkwall to Parkway			\$0.014
Parkway to Dawn			\$0.086
Parkway (TCPL) Overrun (4)	n/a	0.694%	n/a
M12-X Firm Transportation			
Between Dawn, Kirkwall and Parkway		Monthly fuel rates and ratios shall be in accordance with schedule "C".	\$0.107

**(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 \$0.069/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 31st 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)

$$YCR = \sum_{1}^{4} [(0.001550 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [0.001550 \times (QT1 + QT3)) + (DWFxQT1) + F_{WT}] \text{ For Oct. 1 to May 31}$$

$$YCRR = \sum_{1}^{4} [(0.001550 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \times R \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [(0.001550 \times (QT1 + QT3)) + (DWFxQT1) + F_{WT}] \times R \text{ For Oct. 1 to May 31}$$

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_{WT} 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_{ST} 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 31st.

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, 2015
O.E.B. Order # EB-2014-0271

Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.

**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/m³) 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. "m³" shall mean cubic metre of gas and "10³m³" 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);

SCHEDULE "A"

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.

SCHEDULE "A"

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 (m³) or one thousand cubic metres (10³m³) 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

SCHEDULE "A"

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.

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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 (20th) 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 (20th) 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.

SCHEDULE "A"

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;

"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;

"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/m³) 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 Service HUB 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;

"m³" shall mean cubic metre of gas and **"10³m³"** 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 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 (m³) or one thousand cubic metres (10³m³) 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 (10th) 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 (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.
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 (20th) 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 (20th) 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) < = 100 GJ/d; Balancing (Direct Purchase) < = 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 < = 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.

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 Service HUB 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

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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 (1/20th) 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 (1/20th) 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, 2015

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	0.850	0.046	0.537	0.029	0.155	0.008
May	0.603	0.033	0.365	0.020	0.155	0.008
June	0.501	0.027	0.268	0.015	0.393	0.021
July	0.487	0.026	0.255	0.014	0.391	0.021
August	0.388	0.021	0.156	0.008	0.391	0.021
September	0.383	0.021	0.156	0.008	0.387	0.021
October	0.729	0.040	0.457	0.025	0.155	0.008
November	0.870	0.047	0.613	0.033	0.155	0.008
December	0.981	0.053	0.722	0.039	0.155	0.008
January	1.131	0.061	0.857	0.047	0.155	0.008
February	1.074	0.058	0.808	0.044	0.155	0.008
March	1.003	0.055	0.725	0.039	0.155	0.008

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	0.468	0.025	0.155	0.008	0.289	0.016
May	0.393	0.021	0.155	0.008	0.289	0.016
June	0.389	0.021	0.155	0.008	0.289	0.016
July	0.387	0.021	0.155	0.008	0.289	0.016
August	0.386	0.021	0.155	0.008	0.289	0.016
September	0.383	0.021	0.155	0.008	0.289	0.016
October	0.427	0.023	0.155	0.008	0.289	0.016
November	0.412	0.022	0.155	0.008	0.155	0.008
December	0.414	0.022	0.155	0.008	0.155	0.008
January	0.428	0.023	0.155	0.008	0.155	0.008
February	0.420	0.023	0.155	0.008	0.155	0.008
March	0.433	0.024	0.155	0.008	0.155	0.008

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

Firm or Interruptible Transportation Commodity

Effective January 1, 2015

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	1.458	0.165	1.145	0.134	0.763	0.127
May	1.211	0.151	0.973	0.125	0.763	0.127
June	1.109	0.146	0.876	0.120	1.001	0.140
July	1.095	0.145	0.863	0.119	0.999	0.140
August	0.996	0.140	0.764	0.114	0.999	0.140
September	0.991	0.139	0.764	0.114	0.995	0.140
October	1.337	0.158	1.065	0.130	0.763	0.127
November	1.478	0.166	1.221	0.138	0.763	0.127
December	1.589	0.172	1.330	0.144	0.763	0.127
January	1.739	0.180	1.465	0.152	0.763	0.127
February	1.682	0.177	1.416	0.149	0.763	0.127
March	1.611	0.173	1.333	0.145	0.763	0.127
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	1.076	0.072	0.763	0.055	0.897	0.134
May	1.001	0.068	0.763	0.055	0.897	0.134
June	0.997	0.068	0.763	0.055	0.897	0.134
July	0.995	0.068	0.763	0.055	0.897	0.134
August	0.994	0.068	0.763	0.055	0.897	0.134
September	0.991	0.067	0.763	0.055	0.897	0.134
October	1.035	0.070	0.763	0.055	0.897	0.134
November	1.020	0.069	0.763	0.055	0.763	0.127
December	1.022	0.069	0.763	0.055	0.763	0.127
January	1.036	0.070	0.763	0.055	0.763	0.127
February	1.028	0.069	0.763	0.055	0.763	0.127
March	1.041	0.070	0.763	0.055	0.763	0.127

**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	<u>DAWN (FACILITIES):</u>	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	<u>DAWN (TCPL):</u>	At the junction of Union's and TCPL's facilities, at or adjacent to Dawn (Facilities).
R	<u>DAWN (TECUMSEH):</u>	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	<u>DAWN (TSLE):</u>	At the junction of Union's and Enbridge Gas Distribution Inc.'s ("Enbridge") NPS 16 Tecumseh Sombra Line Extension facilities; at or adjacent to Dawn (Facilities)
R	<u>DAWN (VECTOR):</u>	At the junction of Union's and Vector Pipeline Limited Partnership ("Vector") facilities, at or adjacent to Dawn (Facilities).
R,D	<u>PARKWAY (TCPL):</u>	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	<u>KIRKWALL:</u>	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	<u>PARKWAY (CONSUMERS):</u>	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	<u>LISGAR:</u>	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

	Demand Charge Rate/Month	Commodity Charge Union Provides Fuel Rate/GJ	Customer Provides Own Fuel Fuel Ratio
1. Monthly fixed charge per Customer Station	\$938.96		
2. Transmission Commodity Charge		\$0.034	
3. Delivery Commodity Charge		\$0.008	0.155%

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 \$0.078 /GJ. Overrun will be authorized at Union's sole discretion.

	Commodity Charge Union Provides Fuel Rate/GJ	Customers Provides Own Fuel Commodity Charge Rate/GJ	Fuel Ratio
Authorized Overrun Charge	\$0.078	\$0.069	0.155%

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, 2015
O.E.B. Order # EB-2014-0271

Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.

**GENERAL TERMS & CONDITIONS
M13 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. "m³" shall mean cubic metre of gas and "10³m³" 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/m³) 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

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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,

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- 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,
 - 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 10³m³. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) 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

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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

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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 (20th) 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 (20th) 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

SCHEDULE "A"

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.

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/10³m³ 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/m³) 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 Service HUB 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;

"m³" shall mean cubic metre of gas and "10³m³" 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 10³m³, 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 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 10³m³. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) 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 (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 tenth (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.
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 (20th) 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 (20th) 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 Service HUB 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) \$1,493.78

Transmission Commodity Charge to Dawn (\$ per GJ) \$0.034

Transportation Fuel	Customers located East of Dawn	Customers located West of Dawn
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Fuel Charges to Dawn:

Commodity Rate - Union provides fuel (\$ per GJ)	\$0.008	\$0.008
Fuel Ratio - customer provides fuel (%)	0.155%	0.155%

Fuel Charge to the Pool

Commodity Rate - Union provides fuel (\$ per GJ)	\$0.010	\$0.024
Fuel Ratio - customer provides fuel (%)	0.190%	0.441%

b) Firm Transportation Demand Charges: (2)

Customers located East of Dawn	Customers located West of Dawn
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Monthly Demand Charge applied to contract demand (\$ per GJ)	\$0.759	\$1.064
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Authorized Overrun:

The authorized overrun rate payable on all quantities transported in excess of Union's obligation any day shall be:

	Customers located East of Dawn	Customers located West of Dawn
Firm Transportation:		
Charges to Dawn		
Commodity Rate - Union provides fuel (\$ per GJ)	\$0.068	\$0.078
Commodity Rate - customer provides fuel (\$ per GJ)	\$0.059	\$0.069
Fuel Ratio - customer provides fuel (%)	0.155%	0.155%
Charges to the Pool		
Commodity Rate - Union provides fuel (\$ per GJ)	\$0.035	\$0.059
Commodity Rate - customer provides fuel (\$ per GJ)	\$0.025	\$0.035
Fuel Ratio - customer provides fuel (%)	0.190%	0.441%

Overrun will be authorized at Union's sole discretion.



uniongas

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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, 2015
O.E.B. Order # EB-2014-0271

Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.

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. "m³" shall mean cubic metre of gas and "10³m³" 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/m³) 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

SCHEDULE "A"

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. "cricondenthm 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,

SCHEDULE "A"

- 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

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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 (m³) or one thousand cubic metres (10³m³) 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

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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

SCHEDULE "A"

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 (20th) 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 (20th) 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/m³) 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 Service HUB Contract" shall mean a contract between Shipper and Union under which Union provides interruptible HUB service;

"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;

"m³" shall mean cubic metre of gas and "10³m³" 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 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 (m³) or one thousand cubic metres (10³m³) 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 (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 tenth (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.
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 (20th) 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 (20th) 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 Service HUB 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.



uniongas

Effective
2015-01-01
Rate C1
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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 Commodity Charge		If Shipper supplies fuel Fuel Ratio	
		Apr.1-Oct.31 <u>Rate/GJ</u>	Nov.1-Mar.31 <u>Rate/GJ</u>	Apr.1-Oct.31 <u>%</u>	Nov.1-Mar.31 <u>%</u>
a) Firm Transportation					
Between:					
St.Clair & Dawn	\$1.064	\$0.011	\$0.014	0.204%	0.262%
Ojibway & Dawn	\$1.064	\$0.024	\$0.016	0.441%	0.299%
Bluewater & Dawn	\$1.064	\$0.011	\$0.014	0.204%	0.262%
From:					
Parkway to Kirkwall	\$0.640	\$0.016	\$0.008	0.289%	0.155%
Parkway to Dawn	\$0.640	\$0.016	\$0.008	0.289%	0.155%
Kirkwall to Dawn	\$1.128	\$0.008	\$0.008	0.155%	0.155%
Dawn to Kirkwall	\$2.193	\$0.017	\$0.041	0.313%	0.745%
Dawn to Parkway	\$2.604	\$0.031	\$0.055	0.563%	1.012%
Kirkwall to Parkway	\$0.411	\$0.022	\$0.023	0.405%	0.421%
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	0.335%	0.155%
Dawn to Dawn-TCPL	\$0.136	n/a	n/a	0.155%	0.346%
d) Interruptible Transportation between two points within Dawn*					
*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)				0.155%	0.155%

**(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		
	Commodity Charge		If Shipper supplies fuel		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	0.204%	0.262%	\$0.035
Ojibway & Dawn	\$0.059	\$0.051	0.441%	0.299%	\$0.035
Bluewater & Dawn	\$0.046	\$0.049	0.204%	0.262%	\$0.035
From:					
Parkway to Kirkwall	\$0.134	\$0.127	0.897%	0.763%	\$0.086
Parkway to Dawn	\$0.134	\$0.127	0.897%	0.763%	\$0.086
Kirkwall to Dawn	\$0.046	\$0.046	0.155%	0.155%	\$0.037
Dawn to Kirkwall	\$0.122	\$0.146	0.921%	1.353%	\$0.072
Dawn to Parkway	\$0.149	\$0.174	1.171%	1.620%	\$0.086
Kirkwall to Parkway	\$0.069	\$0.069	1.013%	1.029%	\$0.014
b) Firm Transportation within Dawn					
Dawn to Dawn-Vector	n/a	n/a	0.335%	0.155%	\$0.001
Dawn to Dawn-TCPL	n/a	n/a	0.155%	0.346%	\$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 \$0.069/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, 2015
O.E.B. Order # EB-2014-0271

Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.

**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/m³) 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. "m³" shall mean cubic metre of gas and "10³m³" 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.

SCHEDULE "A"

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 (m³) or one thousand cubic metres (10³m³) 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

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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 per cent (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.

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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 (20th) 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 (20th) 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.

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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 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;

"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/m³) 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 Service HUB Contract" shall mean a contract between Shipper and Union under which Union provides interruptible HUB service;

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"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;

"m³" shall mean cubic metre of gas and "10³m³" 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 (m³) or one thousand cubic metres (10³m³) 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 (10th) 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 (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.
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 (20th) 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 (20th) 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) < = 100 GJ/d; Balancing (Direct Purchase) < = 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 < = 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.

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 Service HUB 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.

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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 (1/20th) 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 (1/20th) 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	<u>DAWN (FACILITIES):</u>	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	<u>DAWN (TCPL):</u>	At the junction of Union's and TCPL's facilities, at or adjacent to Dawn (Facilities).
R, D	<u>DAWN (TECUMSEH):</u>	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	<u>DAWN (TSLE):</u>	At the junction of Union's and Enbridge Gas Distribution Inc.'s (" Enbridge ") NPS 16 Tecumseh Sombra Line Extension facilities; at or adjacent to Dawn (Facilities)
R, D	<u>DAWN (VECTOR):</u>	At the junction of Union's and Vector Pipeline Limited Partnership (" Vector ") facilities, at or adjacent to Dawn (Facilities).
R, D	<u>PARKWAY (TCPL):</u>	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	<u>KIRKWALL:</u>	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	<u>PARKWAY (CONSUMERS):</u>	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	<u>LISGAR:</u>	At the junction of the facilities of Union and Enbridge situated at 6620 Winston Churchill Boulevard, City of Mississauga.
R, D	<u>OJIBWAY:</u>	At the junction of Union's and Panhandle Eastern Pipe Line Company, LP's (" Panhandle ") facilities, located at the International Border between Canada and the United States in the St. Clair River.
R, D	<u>ST.CLAIR (MICHCON):</u>	At the junction of Michigan Consolidated Gas Company's (" MichCon ") 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, M4, M5A, M7, T1 and T2
Effective January 1, 2015

Line No.	Particulars (cents / m ³)	Monthly Charge Increase / (Decrease) (a)	Delivery Commodity Charge Increase / (Decrease) (b)	Delivery - Price Adjustment Increase / (Decrease) (c)	Gas Commodity Price Adjustment Rate (1) (d)
1	Rate 25 All Zones	(\$8.40)	(0.0004)		(0.2720)
2	Rate M4 Interruptible	(\$2.76)	0.0840		
3	Rate M5A Interruptible	(\$2.76)	0.0840		
4	Rate M7 Interruptible		0.0350		
5	Seasonal		0.0350		
6	Rate T1 - Interruptible Transportation - Union supplies fuel		0.0421		
7	Transportation - Customer supplies fuel		0.0318		
8	Rate T2 - Interruptible Transportation - Union supplies fuel		0.0269		
9	Transportation - Customer supplies fuel		0.0203		

Notes:

(1) Applies to sales service customers only.

APPENDIX E

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

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
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
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

**Accounting Entries for
Deferral Clearing Variance Account
Deferral Account No. 179-132**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-132 Other Deferred Charges – Deferral Clearing Variance Account
Credit	-	Account No. 179 Other Deferred Charges

To record as a debit (credit) in Deferral Account No. 179-132 a receivable from (payable to) ratepayers for the amount arising from differences between actual and forecast volumes used for the purposes of clearing non-gas commodity deferral account, earnings sharing and other balances.

Debit	-	Account No. 179-132 Other Deferred Charges – Deferral Clearing Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-132, interest on the balance in Deferral Account No. 179-132. 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
Normalized Average Consumption (NAC) Account
Deferral Account No. 179-133**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-133 Normalized Average Consumption Account
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Credit	-	Account No. 500 Sales Revenue
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To record as a debit (credit) in Deferral Account No. 179-133 the variance in revenue resulting from the difference between forecast normalized average consumption (NAC) included in rates as approved by the Board and actual NAC for general service rate classes Rate M1, Rate M2, Rate 01, and Rate 10.

Debit	-	Account No. 179-133 Normalized Average Consumption 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. 179-133, interest on the balance in Deferral Account No. 179-133. 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
Tax Variance Deferral Account
Deferral Account No. 179-134**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-134 Tax Variance Deferral Account
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Credit	-	Account No. 300 Operating Revenues
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To record as a debit (credit) in Deferral Account No. 179-134 50% of the variance in costs resulting from the difference between the actual tax rates and the approved tax rates included in rates as approved by the Board.

Debit	-	Account No. 179-134 Tax Variance Deferral 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. 179-134, interest on the balance in Deferral Account No. 179-134. 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
Unaccounted for Gas (UFG) Volume Variance Account
Deferral Account No. 179-135**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-135 UFG Volume Variance Account
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Credit	-	Account No. 654 Gas Losses
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To record as a debit (credit) in Deferral Account No. 179-135 the difference between the UFG recovered in revenue at rates approved by the Board and the actual cost of UFG expensed, in excess of \$5 million.

Debit	-	Account No. 179-135 UFG Volume 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. 179-135, interest on the balance in Deferral Account No. 179-135. 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
Parkway West Project Costs
Deferral Account No. 179-136**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-136 Other Deferred Charges – Parkway West Project Costs
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Credit	-	Account No. 579 Miscellaneous Operating Revenue
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To record, as a debit (credit) in Deferral Account No. 179-136, the difference between the actual revenue requirement related to the costs for the Parkway West Project and the revenue requirement included in rates as approved by the Board.

Debit	-	Account No.179-136 Other Deferred Charges – Parkway West Project Costs
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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. 179-136, interest on the balance in Deferral Account No. 179-136. 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
Brantford-Kirkwall/Parkway D Project Costs
Deferral Account No. 179-137**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-137 Other Deferred Charges – Brantford-Kirkwall/Parkway D Project Costs
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Credit	-	Account No. 579 Miscellaneous Operating Revenue
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To record, as a debit (credit) in Deferral Account No. 179-137, the difference between the actual revenue requirement related to the costs for the Brantford-Kirkwall/Parkway D Project and the revenue requirement included in rates as approved by the Board.

Debit	-	Account No.179-137 Other Deferred Charges – Brantford-Kirkwall/Parkway D Project Costs
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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. 179-137, interest on the balance in Deferral Account No. 179-137. 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
Parkway Obligation Rate Variance
Deferral Account No. 179-138**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-138 Other Deferred Charges – Parkway Obligation Rate Variance
Credit	-	Account No. 300 Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-138, the rate variances associated with the timing differences between the effective date of the Parkway delivery obligation changes and the temporary capacity and the inclusion of the cost impacts in approved rates (January 1 of the following year).

Debit	-	Account No.179-138 Other Deferred Charges – Parkway Obligation Rate Variance
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-138, interest on the balance in Deferral Account No. 179-138. 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.

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UNION GAS LIMITED

Accounting Entries for Energy East Pipeline Consultation Costs Deferral Account No. 179-XXX

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-XXX Other Deferred Charges – Energy East Pipeline Consultation Costs
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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-XXX, the consultation costs related to the Energy East Pipeline Project allocated by the Board.

Debit	-	Account No.179-XXX Other Deferred Charges – Energy East Pipeline Consultation Costs
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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-XXX, interest on the balance in Deferral Account No. 179-XXX. 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
Parkway West Project Revenue Requirement

Line No.	Particulars (\$000's)	Revenue Requirement				
		2014	2015	2016	2017	2018
		(a)	(b)	(c)	(d)	(e)
	<u>Rate Base Investment</u>					
1	Capital Expenditures	73,978	144,652	800	0	0
2	Average Investment	8,969	102,133	213,094	208,357	203,254
	<u>Revenue Requirement Calculation:</u>					
	<u>Operating Expenses:</u>					
3	Operating and Maintenance Expenses (1)	0	739	1,615	1,649	1,683
4	Depreciation Expense (2)	485	3,026	5,094	5,105	5,105
5	Property Taxes (3)	236	290	510	521	532
6	Total Operating Expenses	721	4,055	7,218	7,274	7,320
7	Required Return (4)	518	5,898	12,306	12,032	11,737
8	Total Operating Expenses and Return	1,239	9,953	19,524	19,306	19,057
	<u>Income Taxes:</u>					
9	Income Taxes - Equity Return (5)	104	1,182	2,466	2,411	2,352
10	Income Taxes - Utility Timing Differences (6)	(1,618)	(4,762)	(5,534)	(4,536)	(3,672)
11	Total Income Taxes	(1,515)	(3,580)	(3,068)	(2,124)	(1,320)
12	Total Revenue Requirement (7)	(276)	6,373	16,457	17,182	17,737
13	Incremental Project Revenue	0	0	0	0	0
14	Net Revenue Requirement	(276)	6,373	16,457	17,182	17,737

Notes:

- (1) 2018 O&M expenses include \$0.488 million in salary, wages and employee expenses, \$0.711 million in contract services and \$0.485 million in materials, utility cost, and company used fuel.
- (2) Depreciation expense at 2013 Board-approved depreciation rates.
- (3) Property taxes include \$0.247 million for land purchases, \$0.195 million for LCU compression and \$0.090 million for pipeline and building taxes.
- (4) The required return for 2018 assumes total rate base of \$203.254 million and a capital structure of 64% long-term debt at 4% and 36% common equity at the 2013 Board-approved return of 8.93%. The 2018 required return calculation is as follows:

$$\begin{aligned} &\$203.254 \text{ million} * 64\% * 4\% = \$5.203 \text{ million plus} \\ &\$203.254 \text{ million} * 36\% * 8.93\% = \$6.534 \text{ million for a total of } \$11.737 \text{ million.} \end{aligned}$$
- (5) Taxes related to the equity component of the return at a tax rate of 26.5%.
- (6) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.
- (7) As per EB-2012-0433 Schedule 12-1, Updated August 2013, line 9.

UNION GAS LIMITED
Brantford to Kirkwall and Parkway D Compressor Project Revenue Requirement

Line No.	Particulars (\$000's)	Revenue Requirement			
		2015	2016	2017	2018
		(a)	(b)	(c)	(d)
	<u>Rate Base Investment</u>				
1	Capital Expenditures	200,069	4,007	0	0
2	Average Investment	23,533	197,123	193,535	188,206
	<u>Revenue Requirement Calculation:</u>				
	<u>Operating Expenses:</u>				
3	Operating and Maintenance Expenses (1)	107	642	642	642
4	Depreciation Expense (2)	2,622	5,287	5,329	5,329
5	Property Taxes (3)	142	853	853	853
6	Total Operating Expenses	2,871	6,782	6,824	6,824
7	Required Return (4)	1,359	11,383	11,176	10,868
8	Total Operating Expenses and Return	4,230	18,165	18,001	17,693
	<u>Income Taxes:</u>				
9	Income Taxes - Equity Return (5)	272	2,281	2,240	2,178
10	Income Taxes - Utility Timing Differences (6)	(4,580)	(5,726)	(4,808)	(3,969)
11	Total Income Taxes	(4,307)	(3,445)	(2,568)	(1,791)
12	Total Revenue Requirement (7)	(77)	14,720	15,433	15,902
13	Incremental Project Revenue (8)	1,534	9,204	9,204	9,204
14	Net Revenue Requirement	(1,611)	5,516	6,229	6,698

Notes:

- (1) O&M expenses include \$0.012 million for pipeline related O&M and \$0.630 million of annual Parkway Compressor maintenance.
- (2) Depreciation expense at 2013 Board-approved depreciation rates.
- (3) Property taxes include \$0.187 million for compression and \$0.665 million for pipeline and building taxes.
- (4) The required return for 2018 assumes total rate base of \$188.206 million and a capital structure of 64% long-term debt at 4% and 36% common equity at the 2013 Board-approved return of 8.93%. The 2018 required return calculation is as follows:

$$\begin{aligned} &\$188.206 \text{ million} * 64\% * 4\% = \$4.818 \text{ million plus} \\ &\$188.206 \text{ million} * 36\% * 8.93\% = \$6.050 \text{ million for a total of } \$10.868 \text{ million.} \end{aligned}$$
- (5) Taxes related to the equity component of the return at a tax rate of 26.5%.
- (6) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.
- (7) As per EB-2013-0074 Schedule 10-1 line 9.
- (8) As per EB-2013-0074 Schedule 9-4.



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Union Gas Limited
Union North
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

Rate 01A (cents / m³)

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
Storage	2.1769	2.4202	3.2646	3.6236
Storage - Price Adjustment	-	-	-	-
Commodity and Fuel (1)	14.7706	14.8473	14.9966	15.1150
Commodity and Fuel - Price Adjustment	1.8757	1.8757	1.8757	1.8757
Transportation	4.1415	4.0917	5.3100	6.0387
Transportation - Price Adjustment	1.0827	1.0827	1.0827	1.0827
Total Gas Supply Charge	<u>24.0474</u>	<u>24.3176</u>	<u>26.5296</u>	<u>27.7357</u>

Rate 10 (cents / m³)

Storage	1.1875	1.4249	2.2494	2.5999
Storage - Price Adjustment	-	-	-	-
Commodity and Fuel (1)	14.7706	14.8473	14.9966	15.1150
Commodity and Fuel - Price Adjustment	1.8757	1.8757	1.8757	1.8757
Transportation	3.6363	3.5872	4.7871	5.5048
Transportation - Price Adjustment	1.0920	1.0920	1.0920	1.0920
Total Gas Supply Charge	<u>22.5621</u>	<u>22.8271</u>	<u>25.0008</u>	<u>26.1874</u>

Notes:

(1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1917 cents/m³.



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Union Gas Limited
Union North
Gas Supply Charges

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 20 (cents / m³)</u>				
Commodity and Fuel (1)	14.6183	14.6942	14.8420	14.9591
Commodity and Fuel - Price Adjustment	1.8757	1.8757	1.8757	1.8757
Commodity Transportation - Charge 1	3.0513	3.1266	3.9709	4.4184
Transportation 1 - Price Adjustment	1.1443	1.1443	1.1443	1.1443
Commodity Transportation - Charge 2	-	-	-	-
Monthly Gas Supply Demand	21.9979	25.4691	64.1988	84.4557
Gas Supply Demand - Price Adjustment	-	-	-	-
Commissioning and Decommissioning Rate	3.8874	4.1760	7.3980	9.0880

<u>Rate 100 (cents / m³)</u>				
Commodity and Fuel (1)	14.6183	14.6942	14.8420	14.9591
Commodity and Fuel - Price Adjustment	1.8757	1.8757	1.8757	1.8757
Commodity Transportation - Charge 1	5.4887	5.5452	6.1784	6.5140
Commodity Transportation - Charge 2	-	-	-	-
Monthly Gas Supply Demand	59.0298	62.3453	106.4130	129.4620
Commissioning and Decommissioning Rate	5.1247	5.3047	7.6458	8.8721

<u>Rate 25 (cents / m³)</u>				
Gas Supply Charge:	Interruptible Service			
	Minimum	1.4848	1.4848	1.4848
	Maximum	675.9484	675.9484	675.9484

Notes:

(1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1917 cents/m³.

Effective: January 1, 2015
O.E.B. Order # EB-2014-0271

Chatham, Ontario

Supersedes EB-2014-0208 Rate Schedule effective October 1, 2014.

2015 Rates
Overview of Working Papers

- Schedule 1** **Calculation of Price Cap Index** – This schedule provides the calculation of the average annual percentage change in the GDP IPI FDD over the four quarters ending June 2014.
- Schedule 2** **Calculation of Price Cap Adjustment** – This schedule takes the 2015 PCI and applies it to 2014 approved revenue adjusted for DSM costs, One-Time Adjustments per the decision, Capital Pass-through costs, and Upstream Transportation costs to arrive at the overall price cap adjustment.
- Schedule 3** **Summary of 2015 Proposed Rates** – This schedule summarizes the proposed changes to rates for 2015 by rate class.
- Schedule 4** **Detailed In-franchise and Ex-franchise Rates** – This schedule provides detailed support for the proposed rate changes summarized in Schedule 3.
- Schedule 5** **Rate Impact Continuity** – This schedule provides the rate class-specific impacts of each of the adjustments to the 2014 revenue to arrive at the final 2015 revenue.
- Schedule 6** **Percentage Change in Average Unit Price – In-franchise Rate Classes** – This schedule identifies average unit price changes for in-franchise rate classes.
- Schedule 7** **General Service Customer Bill Impacts** – This schedule provides illustrative customer bill impacts for general service customers in Rates M1, M2, R01, and R10.
- Schedule 8** **Summary of Approved 2014 Revenue Changes** – This schedule shows the approved revenue changes that occurred during the 2014 year.
- Schedule 9** **Allocation of 2015 One-Time Adjustments** – This schedule shows the allocation of the 2015 One-time Adjustments by rate class per the Decision, specifically the change to cost allocation of Kirkwall Metering.
- Schedule 10** **Summary of 2015 Capital Pass Through Adjustments** – This schedule summarizes the 2015 capital pass-through adjustments by rate class related to Union’s Parkway projects.

- Schedule 11** **Calculation of 2015 DSM Budget** – This schedule shows the calculation of the 2015 DSM budget included in 2015 rates.
- Schedule 12** **Calculation of 2015 NAC Target Percentage Change** – This schedule shows the calculation of the NAC target percentage change used to adjust billing units for General Service classes M1, M2, R01 and R10.
- Schedule 13** **Summary of S&T Transactional Margin Included in 2015 Rates** – This schedule shows the approved reference amounts included in 2015 rates.
- Schedule 14** **Summary of Gas Supply Optimization Margin Included in 2015 Rates** – This schedule summarizes the gas supply optimization margin amounts included in 2015 rates and shows the allocation of the ratepayer portion of the margin to rate classes.
- Schedule 15** **Total Upstream Transportation Costs in Union North Rates** – This schedule provides the upstream transportation costs by rate class. Adjustments to upstream transportation costs are managed through the QRAM and will not be adjusted as part of the price cap formula.
- Schedule 16** **Calculation of 2015 Gas Supply Admin Charge** – This schedule shows the calculation of the 2015 Gas Supply Administration charge included in Union’s Commodity & Fuel rate.
- Schedule 17** **2013 Lost Revenue Adjustment Mechanism (“LRAM”) Volumes for 2015 Rate Calculations** – This schedule provides the 2013 pre-audited LRAM-related volume adjustments by contract rate class for 2015 rate calculation.
- Schedule 18** **Calculation of Supplemental Service Charges** – This schedule provides the calculation of Union’s charges for supplemental services.
- Schedule 19** **Unbundled Delivery Rate Detail - Southern Operations Area** – This schedule provides the derivation of the Rate U2 delivery rates.

- Schedule 20* **Parkway Delivery Obligation** – This schedule identifies the 2015 delivery impacts to Union South In-Franchise customers and the 2015 incremental fuel costs related to the Parkway Delivery Obligation.
- Schedule 21* **Ex-Franchise Transportation Fuel Ratios** – This schedule shows the continuity of fuel ratios which include both the application of the Price Cap Index (PCI) and the Parkway Delivery Obligation (PDO) compressor fuel pass-through shown at Working Paper Schedule 20, page 2.
- Schedule 22* **In-Franchise Transportation Fuel Ratios** – This schedule shows the continuity of fuel ratios which include both the application of the Price Cap Index (PCI) and the Parkway Delivery Obligation (PDO) compressor fuel pass-through shown at Working Paper Schedule 20, page 2.
- Schedule 23* **Derivation of the Proposed Rate 25 Gas Supply Charges** – This schedule provides the derivation of the proposed Rate 25 minimum and maximum gas supply charges which appear in Union North Schedule 'A'.

UNION GAS LIMITED
Calculation of Price Cap Index
Effective January 1, 2015

Line No.	Particulars	Annual % Change in GDP IPI FDD (1)			
1	July - September 2013	1.65%			
2	October - December 2013	1.92%			
3	January - March 2014	1.99%			
4	April - June 2014	2.63%			
5	Inflation Factor (Average % Change)	2.05%			
		Inflation Factor	X Factor (2)	2015 PCI	
		(a)	(b)	(c) = (a-b)	
6	2015 Price Cap Index	2.05%	1.23%	0.82%	

Notes:

- (1) Gross Domestic Product Implicit Price Index Final Domestic Demand, sourced from Statistics Canada CanSim Table 380-0066.
- (2) Equal to 60% of the Inflation factor in column (a) per EB-2013-0202 Settlement Agreement, Page 12.

UNION GAS LIMITED
Calculation of Price Cap Adjustment
Effective January 1, 2015

Line No.	Particulars (\$000's)	General Service (a)	In-Franchise Contract (b)	Total In-Franchise (c) = (a+b)	Ex-Franchise (d)	Total Company (e) = (c+d)
	<u>Calculation of Price Cap Base Revenue</u>					
1	2014 Approved Revenue (1)	723,115	131,140	854,255	168,580	1,022,835
	Current year's pre-cap adjustments:					
2	2014 DSM	(19,513)	(12,537)	(32,049)	-	(32,049) (2)
3	2014 Capital Pass-Throughs	785	121	907	(633)	274 (3)
4	One-Time Adjustments - Decision	(171)	(51)	(222)	222	0 (4)
5	Upstream Transportation	(84,878)	(8,415)	(93,293)	-	(93,293) (5)
6	Price Cap Base Revenue	<u>619,338</u>	<u>110,259</u>	<u>729,597</u>	<u>168,169</u>	<u>897,766</u>
7	2015 Price Cap Adjustment (Line 6 * PCI %)	<u>5,079</u>	<u>904</u>	<u>5,983</u>	<u>1,379</u>	<u>7,362</u>
8	2015 PCI %	0.82% (5)				

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 8, column (e). Rates per Board-approved October 1, 2014 QRAM (EB-2014-0208), excluding Gas Supply Admin charge revenue, C1 Market Based Storage Services, Short-Term Transportation, Exchanges and Other Transactional revenue not subject to escalation.
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 3, column (c).
- (3) EB-2014-0271, Rate Order, Working Papers, Schedule 3, column (d).
- (4) EB-2014-0271, Rate Order, Working Papers, Schedule 3, column (e).
- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 1, column (c).

UNION GAS LIMITED
Summary of 2015 Proposed Rates

		Adjustments to 2014 Base Rates															
Line No.	Particulars	Current Approved Revenue (1) (\$000's)	Current Approved Rates (2) (cents / m³)	2014 DSM (3) (\$000's)	2014 Capital Pass-Throughs (4) (\$000's)	One-Time Adjustment (5) (\$000's)	Upstream Transportation (6) (\$000's)	Adjusted Revenue (\$000's)	Price Cap Index (7) (\$000's)	Price Cap Index (%)	2015 DSM (8) (\$000's)	2015 Capital Pass-Throughs (9) (\$000's)	Add Back Upstream Transportation (\$000's)	2015 Parkway Delivery Obligation (10) (\$000's)	Proposed Revenue (\$000's)	Proposed Rates (cents / m³)	Rate Change (%)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
North Delivery																	
1	Rate 01	161,006	17.3692	(3,780)	229	-	(1,836)	155,620	1,276	0.82%	3,843	(1,587)	1,836	-	160,987	17.3492	-0.1%
2	Rate 10	19,985	5.8176	(1,202)	30	-	(485)	18,329	150	0.82%	1,222	(201)	485	-	19,985	5.7636	-0.9%
3	Rate 20	13,502	2.1678	(987)	22	-	(132)	12,406	102	0.82%	1,004	(167)	132	-	13,476	2.1802	0.6%
4	Rate 25	4,472	2.8028	-	7	-	-	4,479	37	0.82%	-	(51)	-	-	4,464	2.7980	-0.2%
5	Rate 100	15,509	0.8261	(1,821)	19	-	(9)	13,698	112	0.82%	1,852	(142)	9	-	15,529	0.8368	1.3%
6	Total North Delivery	214,475		(7,789)	306	-	(2,461)	204,531	1,677		7,920	(2,147)	2,461	-	214,442		
South Delivery & Storage																	
7	Rate M1	389,720	13.3880	(10,585)	481	(73)	-	379,543	3,112	0.82%	10,763	(3,890)	-	2,936	392,465	13.4336	0.3%
8	Rate M2	50,452	4.5069	(3,946)	57	(24)	-	46,539	382	0.82%	4,012	(538)	-	992	51,387	4.4833	-0.5%
9	Rate M4	12,339	3.1506	(1,628)	13	(7)	-	10,716	88	0.82%	1,655	(138)	-	308	12,629	3.3158	5.2%
10	Rate M5A	13,300	2.5258	(2,717)	17	(0)	-	10,599	87	0.82%	2,763	(126)	-	40	13,363	2.6171	3.6%
11	Rate M7	4,146	2.8710	(917)	4	(3)	-	3,229	26	0.82%	933	(46)	-	139	4,281	3.0741	7.1%
12	Rate M9	729	1.2006	-	0	(1)	-	728	6	0.82%	-	(8)	-	53	780	1.2832	6.9%
13	Rate M10	9	4.9340	-	0	(0)	-	9	0	0.82%	-	(0)	-	1	10	5.4383	10.2%
14	Rate T1	10,690	1.9795	(1,824)	9	(4)	-	8,871	73	0.82%	1,855	(99)	-	179	10,878	2.0619	4.2%
15	Rate T2	42,433	0.8795	(2,642)	31	(23)	-	39,799	326	0.82%	2,687	(420)	-	1,070	43,462	0.9198	4.6%
16	Rate T3	4,441	1.6285	-	1	(8)	-	4,433	36	0.82%	-	(47)	-	345	4,768	1.7482	7.4%
17	Total South Delivery & Storage	528,260		(24,260)	612	(143)	-	504,468	4,137		24,668	(5,314)	-	6,064	534,023		
18	Total In-Franchise Delivery	742,735		(32,049)	918	(143)	(2,461)	709,000	5,814		32,588	(7,461)	2,461	6,064	748,466		

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 8, column (e).
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (c).
- (3) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (a).
- (4) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (m).
- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 9, column (g).
- (6) EB-2014-0271, Rate Order, Working Papers, Schedule 15, column (c).

Notes:

- (7) EB-2014-0271, Rate Order, Working Papers, Schedule 2, line 7.
- (8) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (f).
- (9) EB-2014-0271, Rate Order, Working Papers, Schedule 10, column (d).
- (10) EB-2014-0271, Rate Order, Working Papers, Schedule 20.

UNION GAS LIMITED
Summary of 2015 Proposed Rates

Line No.	Particulars	Adjustments to 2014 Base Rates															Rate Change (%)
		Current Approved Revenue (1) (\$000's)	Current Approved Rates (2) (cents / m³)	2014 DSM (3) (\$000's)	2014 Capital Pass-Throughs (4) (\$000's)	One-Time Adjustment (5) (\$000's)	Upstream Transportation (6) (\$000's)	Adjusted Revenue (\$000's)	Price Cap Index (7) (\$000's)	Price Cap Index (%)	2015 DSM (8) (\$000's)	2015 Capital Pass-Throughs (9) (\$000's)	Add Back Upstream Transportation (\$000's)	2015 Parkway Delivery Obligation (10) (\$000's)	Proposed Revenue (\$000's)	Proposed Rates (cents / m³)	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
<u>North Transportation & Storage</u>																	
1	Rate 01	77,520	8.3628	-	(10)	(59)	(62,211)	15,241	125	0.82%	-	1,537	62,211	9	79,122	8.5323	2.0%
2	Rate 10	24,431	7.1116	-	(1)	(15)	(20,347)	4,066	33	0.82%	-	396	20,347	3	24,846	7.2111	1.4%
3	Rate 20	7,949	6.5194	-	(0)	(4)	(6,775)	1,170	10	0.82%	-	104	6,775	1	8,060	6.6098	1.4%
4	Rate 25	1,455	3.3906	-	0	-	(1,436)	19	0	0.82%	-	(1)	1,436	-	1,454	3.3891	0.0%
5	Rate 100	165	-	-	(0)	(0)	(64)	101	1	0.82%	-	7	64	0	172	-	0.0%
6	Total North Transportation & Storage	<u>111,520</u>		<u>-</u>	<u>(11)</u>	<u>(79)</u>	<u>(90,832)</u>	<u>20,598</u>	<u>169</u>		<u>-</u>	<u>2,043</u>	<u>90,832</u>	<u>12</u>	<u>113,654</u>		
7	Gas Supply Admin Charge	<u>6,788</u>		<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>6,789</u>	<u>-</u>		<u>-</u>	<u>(14)</u>	<u>-</u>	<u>-</u>	<u>6,774</u>		
8	Total In-Franchise	<u>861,043</u>		<u>(32,049)</u>	<u>907</u>	<u>(222)</u>	<u>(93,293)</u>	<u>736,386</u>	<u>5,983</u>		<u>32,588</u>	<u>(5,432)</u>	<u>93,293</u>	<u>6,077</u>	<u>868,894</u>		
<u>Ex-Franchise</u>																	
9	Rate M12	159,756		-	(629)	217	-	159,345	1,307	0.82%	-	11,598	-	726	172,976		8.3%
10	Rate M13	420		-	0	-	-	420	3	0.82%	-	(1)	-	-	422		0.6%
11	Rate M16	761		-	0	-	-	761	6	0.82%	-	(2)	-	3	768		1.0%
12	Rate C1	45,092		-	(4)	5	-	45,093	63		-	134	-	237	45,526		1.0%
13	Total Ex-Franchise	<u>206,029</u>		<u>-</u>	<u>(633)</u>	<u>222</u>	<u>-</u>	<u>205,618</u>	<u>1,379</u>		<u>-</u>	<u>11,728</u>	<u>-</u>	<u>967</u>	<u>219,692</u>		
14	Total Company	<u>1,067,072</u>		<u>(32,049)</u>	<u>275</u>	<u>0</u>	<u>(93,293)</u>	<u>942,004</u>	<u>7,362</u>		<u>32,588</u>	<u>6,296</u>	<u>93,293</u>	<u>7,043</u>	<u>1,088,586</u>		

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 8, column (e).
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (c).
- (3) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (a).
- (4) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (m).
- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 9, column (g).
- (6) EB-2014-0271, Rate Order, Working Papers, Schedule 15, column (c).

Notes:

- (7) EB-2014-0271, Rate Order, Working Papers, Schedule 2, line 7.
- (8) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (f).
- (9) EB-2014-0271, Rate Order, Working Papers, Schedule 10, column (d).
- (10) EB-2014-0271, Rate Order, Working Papers, Schedule 20.

UNION GAS LIMITED
Union North
In-Franchise Customers
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Line No.	Particulars	Billing Units	Adjustments to 2014 Base Rates									
			Current Approved Forecast (1)	Current Approved Revenue (2)	Current Approved Rates (3)	2014 DSM (4)	2014 Capital Pass-Throughs (5)	One-Time Adjustment (6)	Upstream Transportation (7)	Adjusted Revenue	Price Cap Index	Price Cap Index
			Usage (a)	(\$000's) (b)	(cents / m³) (c)	(\$000's) (d)	(\$000's) (e)	(\$000's) (f)	(\$000's) (g)	(h) = (b+d+e+f+g)	(\$000's) (i)	(%) (j)
1	Rate 01 General Service											
	Monthly Charge	bills	3,839,732	80,634	\$21.00	-	168	-	-	80,802	663	
	Monthly Delivery Charge - All Zones											
2	First 100 m³	10³m³	273,335	25,021	9.1540	(1,177)	19	-	(578)	23,285	191	
3	Next 200 m³	10³m³	310,365	27,335	8.8074	(1,286)	21	-	(621)	25,449	209	
4	Next 200 m³	10³m³	135,394	11,442	8.4507	(538)	9	-	(260)	10,652	87	
5	Next 500 m³	10³m³	92,475	7,512	8.1233	(353)	6	-	(171)	6,994	57	
6	Over 1,000 m³	10³m³	115,393	9,062	7.8529	(426)	7	-	(206)	8,437	69	
7	Delivery Commodity charge - 01		926,963	80,372	8.6704	(3,780)	61	-	(1,836)	74,817	614	0.82%
8	Total Delivery - 01		926,963	161,006	17.3692	(3,780)	229	-	(1,836)	155,620	1,276	0.82%
	Gas Transportation											
9	Fort Frances	10³m³	12,888	534	4.1399	-	(0)	-	(533)	1	0	
10	Western	10³m³	179,519	7,343	4.0901	-	(1)	-	(7,329)	12	0	
11	Northern	10³m³	403,458	21,415	5.3079	-	(2)	-	(21,377)	36	0	
12	Eastern	10³m³	331,099	19,987	6.0365	-	(2)	-	(19,951)	34	0	
13	Transportation - 01		926,963	49,278	5.3161	-	(5)	-	(49,190)	83	1	0.82%
	Storage											
14	Fort Frances	10³m³	12,888	266	2.0636	-	(0)	(1)	(123)	143	1	
15	Western	10³m³	179,519	4,118	2.2941	-	(1)	(9)	(1,899)	2,210	18	
16	Northern	10³m³	403,458	12,485	3.0945	-	(2)	(26)	(5,756)	6,701	55	
17	Eastern	10³m³	331,099	11,373	3.4348	-	(2)	(24)	(5,243)	6,104	50	
18	Storage - 01		926,963	28,242	3.0467	-	(5)	(59)	(13,021)	15,157	124	0.82%
19	Total Rate 01		926,963	238,526	25.7320	(3,780)	219	(59)	(64,046)	170,860	1,401	0.82%

Notes:

- (1) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2014-0208, Appendix A, rates effective October 1, 2014 (Excludes Price Adjustments).
- (4) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2014-0271, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2014-0271, Rate Order, Working Papers, Schedule 15, column (c).

UNION GAS LIMITED
Union North
In-Franchise Customers
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Line No.	Particulars	Billing Units	2015 DSM (8) (\$000's)	2015 Capital Pass-Throughs (9) (\$000's)	Add Back Upstream Transportation (\$000's)	2015 Parkway Delivery Obligation (10) (\$000's)	Prior to MCC Change (11)		MCC Change (11)		NAC / LRAM Volume Adjustment (12) (10 ³ m ³)	Proposed			Rate Change (%)
							Proposed Revenue (\$000's)	Proposed Rates (cents / m ³)	Proposed Revenue (\$000's)	Proposed Rates (cents / m ³)		Usage including NAC & LRAM (t) = (a + s)	Revenue (\$000's)	Rates (cents / m ³)	
			(k)	(l)	(m) = (-g)	(n)	(o) = (h++k++m+n)	(p) = (o / a)	(q)	(r) = (q / a)	(s)	(t) = (a + s)	(u)	(v) = (u / t)	(w)
1	Rate 01 General Service Monthly Charge	bills	-	(1,157)	-	-	80,308	\$20.91	80,634	\$21.00	-	3,839,732	80,634	\$21.00	
	Monthly Delivery Charge - All Zones														
2	First 100 m ³	10 ³ m ³	1,196	(134)	578	-	25,117	9.1891	24,790	9.0695	283	273,618	24,790	9.0601	
3	Next 200 m ³	10 ³ m ³	1,307	(146)	621	-	27,440	8.8412	27,440	8.8412	321	310,686	27,440	8.8320	
4	Next 200 m ³	10 ³ m ³	547	(61)	260	-	11,486	8.4831	11,486	8.4831	140	135,534	11,486	8.4743	
5	Next 500 m ³	10 ³ m ³	359	(40)	171	-	7,541	8.1544	7,541	8.1544	96	92,571	7,541	8.1460	
6	Over 1,000 m ³	10 ³ m ³	433	(48)	206	-	9,096	7.8830	9,096	7.8830	119	115,512	9,096	7.8749	
7	Delivery Commodity charge - 01		<u>3,843</u>	<u>(430)</u>	<u>1,836</u>	<u>-</u>	<u>80,680</u>	<u>8.7037</u>	<u>80,353</u>	<u>8.6684</u>	<u>959</u>	<u>927,922</u>	<u>80,353</u>	<u>8.6595</u>	
8	Total Delivery - 01		<u>3,843</u>	<u>(1,587)</u>	<u>1,836</u>	<u>-</u>	<u>160,987</u>	<u>17.3672</u>	<u>160,987</u>	<u>17.3672</u>	<u>959</u>	<u>927,922</u>	<u>160,987</u>	<u>17.3492</u>	<u>-0.1%</u>
	Gas Transportation														
9	Fort Frances	10 ³ m ³	-	0	533	-	534	4.1415			-	12,888	534	4.1415	
10	Western	10 ³ m ³	-	3	7,329	-	7,345	4.0917			-	179,519	7,345	4.0917	
11	Northern	10 ³ m ³	-	10	21,377	-	21,423	5.3100			-	403,458	21,423	5.3100	
12	Eastern	10 ³ m ³	-	9	19,951	-	19,994	6.0387			-	331,099	19,994	6.0387	
13	Transportation - 01		<u>-</u>	<u>23</u>	<u>49,190</u>	<u>-</u>	<u>49,297</u>	<u>5.3181</u>			<u>-</u>	<u>926,963</u>	<u>49,297</u>	<u>5.3181</u>	<u>0.0%</u>
	Storage														
14	Fort Frances	10 ³ m ³	-	14	123	0	281	2.1792			13	12,901	281	2.1769	
15	Western	10 ³ m ³	-	221	1,899	1	4,349	2.4227			186	179,704	4,349	2.4202	
16	Northern	10 ³ m ³	-	669	5,756	4	13,185	3.2679			417	403,875	13,185	3.2646	
17	Eastern	10 ³ m ³	-	610	5,243	3	12,010	3.6273			342	331,441	12,010	3.6236	
18	Storage - 01		<u>-</u>	<u>1,514</u>	<u>13,021</u>	<u>9</u>	<u>29,825</u>	<u>3.2175</u>			<u>959</u>	<u>927,922</u>	<u>29,825</u>	<u>3.2142</u>	<u>5.5%</u>
19	Total Rate 01		<u>3,843</u>	<u>(50)</u>	<u>64,046</u>	<u>9</u>	<u>240,109</u>	<u>25.9027</u>			<u>959</u>	<u>927,922</u>	<u>240,109</u>	<u>25.8760</u>	<u>0.6%</u>

Notes:

- (8) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (f).
(9) EB-2014-0271, Rate Order, Working Papers, Schedule 10, column (d).
(10) EB-2014-0271, Rate Order, Working Papers, Schedule 20.
(11) MCC = Monthly Customer Charge.
(12) EB-2014-0271, Rate Order, Working Papers, Schedule 12, column (c) and EB-2014-0271, Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Adjustments to 2014 Base Rates									
			Current Approved Forecast (1)	Current Approved Revenue (2)	Current Approved Rates (3)	2014 DSM (4)	2014 Capital Pass-Throughs (5)	One-Time Adjustment (6)	Upstream Transportation (7)	Adjusted Revenue	Price Cap Index	Price Cap Index
			Usage (a)	(\$000's) (b)	(cents / m³) (c)	(\$000's) (d)	(\$000's) (e)	(\$000's) (f)	(\$000's) (g)	(h) = (b+d+e+f+g)	(\$000's) (i)	(%) (j)
1	Rate 10 General Service Monthly Charge	bills	24,629	1,724	\$70.00	-	10	-	-	1,734	14	
	Monthly Delivery Charge - All Zones											
2	First 1,000 m³	10³m³	25,196	1,825	7.2431	(120)	2	-	(49)	1,658	14	
3	Next 9,000 m³	10³m³	136,028	8,044	5.9134	(529)	9	-	(214)	7,309	60	
4	Next 20,000 m³	10³m³	86,525	4,468	5.1639	(294)	5	-	(118)	4,060	33	
5	Next 70,000 m³	10³m³	65,606	3,069	4.6776	(202)	3	-	(81)	2,789	23	
6	Over 100,000 m³	10³m³	30,175	856	2.8353	(56)	1	-	(22)	778	6	
7	Delivery Commodity charge - 10		343,530	18,261	5.3158	(1,202)	19	-	(485)	16,594	136	0.82%
8	Total Delivery - 10		343,530	19,985	5.8176	(1,202)	30	-	(485)	18,329	150	0.82%
	Gas Transportation											
9	Fort Frances	10³m³	2,824	103	3.6363	-	(0)	-	(103)	0	0	
10	Western	10³m³	48,124	1,726	3.5873	-	(0)	-	(1,725)	1	0	
11	Northern	10³m³	139,364	6,672	4.7871	-	(0)	-	(6,667)	5	0	
12	Eastern	10³m³	153,218	8,434	5.5049	-	(0)	-	(8,428)	6	0	
13	Transportation - 10		343,530	16,935	4.9297	-	(0)	-	(16,923)	12	0	0.82%
	Storage											
14	Fort Frances	10³m³	2,824	32	1.1356	-	(0)	(0)	(15)	17	0	
15	Western	10³m³	48,124	656	1.3627	-	(0)	(1)	(300)	355	3	
16	Northern	10³m³	139,364	2,998	2.1512	-	(1)	(6)	(1,370)	1,622	13	
17	Eastern	10³m³	153,218	3,810	2.4865	-	(1)	(8)	(1,741)	2,061	17	
18	Storage - 10		343,530	7,496	2.1819	-	(1)	(15)	(3,425)	4,054	33	0.82%
19	Total Rate 10		343,530	44,416	12.9293	(1,202)	28	(15)	(20,832)	22,395	184	0.82%

Notes:

- (1) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2014-0208, Appendix A, rates effective October 1, 2014 (Excludes Price Adjustments).
- (4) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2014-0271, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2014-0271, Rate Order, Working Papers, Schedule 15, column (c).

UNION GAS LIMITED
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Line No.	Particulars	Billing Units	2015 DSM (8) (\$000's)	2015 Capital Pass-Throughs (9) (\$000's)	Add Back Upstream Transportation (\$000's)	2015 Parkway Delivery Obligation (10) (\$000's)	Prior to MCC Change (11)		MCC Change (11)		NAC / LRAM Volume Adjustment (12) (10 ³ m ³)	Proposed			Rate Change (%)
							Proposed Revenue (\$000's)	Proposed Rates (cents / m ³)	Proposed Revenue (\$000's)	Proposed Rates (cents / m ³)		Usage including NAC & LRAM (t) = (a + s)	Revenue (\$000's)	Rates (cents / m ³)	
			(k)	(l)	(m) = (-g)	(n)	(o) = (h++k++l+m+n)	(p) = (o / a)	(q)	(r) = (q / a)	(s)	(t) = (a + s)	(u)	(v) = (u / t)	(w)
1	Rate 10 General Service Monthly Charge	bills	-	(64)	-	-	1,685	\$68.40	1,724	\$70.00	-	24,629	1,724	\$70.00	
	Monthly Delivery Charge - All Zones														
2	First 1,000 m ³	10 ³ m ³	122	(14)	49	-	1,829	7.2586	1,822	7.2296	236	25,432	1,822	7.1626	
3	Next 9,000 m ³	10 ³ m ³	538	(60)	214	-	8,061	5.9260	8,029	5.9024	1,273	137,301	8,029	5.8477	
4	Next 20,000 m ³	10 ³ m ³	299	(33)	118	-	4,478	5.1749	4,478	5.1749	810	87,335	4,478	5.1269	
5	Next 70,000 m ³	10 ³ m ³	205	(23)	81	-	3,075	4.6876	3,075	4.6876	614	66,220	3,075	4.6441	
6	Over 100,000 m ³	10 ³ m ³	57	(6)	22	-	857	2.8414	857	2.8414	282	30,458	857	2.8150	
7	Delivery Commodity charge - 10		1,222	(137)	485	-	18,300	5.3271	18,261	5.3156	3,215	346,746	18,261	5.2664	
8	Total Delivery - 10		1,222	(201)	485	-	19,985	5.8175	19,985	5.8175	3,215	346,746	19,985	5.7636	-0.9%
	Gas Transportation														
9	Fort Frances	10 ³ m ³	-	(0)	103	-	103	3.6363			-	2,824	103	3.6363	
10	Western	10 ³ m ³	-	(0)	1,725	-	1,726	3.5872			-	48,124	1,726	3.5872	
11	Northern	10 ³ m ³	-	(0)	6,667	-	6,671	4.7871			-	139,364	6,671	4.7871	
12	Eastern	10 ³ m ³	-	(0)	8,428	-	8,434	5.5048			-	153,218	8,434	5.5048	
13	Transportation - 10		-	(0)	16,923	-	16,935	4.9296			-	343,530	16,935	4.9296	0.0%
	Storage														
14	Fort Frances	10 ³ m ³	-	2	15	0	34	1.1986			26	2,851	34	1.1875	
15	Western	10 ³ m ³	-	35	300	0	692	1.4383			450	48,575	692	1.4249	
16	Northern	10 ³ m ³	-	159	1,370	1	3,164	2.2704			1,304	140,669	3,164	2.2494	
17	Eastern	10 ³ m ³	-	201	1,741	1	4,021	2.6243			1,434	154,652	4,021	2.5999	
18	Storage - 10		-	396	3,425	3	7,911	2.3029			3,215	346,746	7,911	2.2815	4.6%
19	Total Rate 10		1,222	195	20,832	3	44,831	13.0500			3,215	346,746	44,831	12.9290	0.0%

Notes:

- (8) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (f).
(9) EB-2014-0271, Rate Order, Working Papers, Schedule 10, column (d).
(10) EB-2014-0271, Rate Order, Working Papers, Schedule 20.
(11) MCC = Monthly Customer Charge.
(12) EB-2014-0271, Rate Order, Working Papers, Schedule 12, column (c) and EB-2014-0271, Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Adjustments to 2014 Base Rates									
			Current Approved Forecast (1)	Current Approved Revenue (2)	Current Approved Rates (3)	2014 DSM (4)	2014 Capital Pass-Throughs (5)	One-Time Adjustment (6)	Upstream Transportation (7)	Adjusted Revenue	Price Cap Index	Price Cap Index
			Usage (a)	(\$000's) (b)	(cents / m³) (c)	(\$000's) (d)	(\$000's) (e)	(\$000's) (f)	(\$000's) (g)	(h) = (b+d+e+f+g)	(\$000's) (i)	(%) (j)
1	Rate 20 Medium Volume Firm Service Monthly Charge	bills	748	738	\$987.27	-	3	-	-	742	6	
2	Monthly Demand Charge											
	First 70,000 m³	10³m³/d	23,260	6,485	27.8830	(428)	8	-	-	6,066	50	
3	All over 70,000 m³	10³m³/d	19,701	3,230	16.3966	(213)	4	-	-	3,021	25	
4	Monthly Commodity Charge											
	First 852,000 m³	10³m³	327,543	1,776	0.5423	(208)	4	-	(80)	1,492	12	
5	All over 852,000 m³	10³m³	295,310	1,170	0.3963	(137)	3	-	(52)	984	8	
6	Delivery (Commodity/Demand)		622,853	12,662	2.0329	(987)	19	-	(132)	11,563	95	0.82%
7	Transportation Account Charge	10³m³	460	101	\$220.55	-	-	-	-	101	1	
8	Total Delivery - 20		622,853	13,502	2.1678	(987)	22	-	(132)	12,406	102	0.82%
9	Gas Supply Demand Charge											
	Fort Frances		-	-	21.9979	-	-	-	-	-	-	
10	Western	10³m³	2,650	658	24.8383	-	(0)	(1)	(640)	18	0	
11	Northern	10³m³	702	440	62.6086	-	(0)	(0)	(427)	12	0	
12	Eastern	10³m³	3,521	2,900	82.3638	-	(0)	(3)	(2,819)	78	1	
13	Commodity Transportation 1											
	Fort Frances	10³m³	-	-	3.0513	-	-	-	-	-	-	
14	Western	10³m³	24,899	778	3.1266	-	-	-	(778)	-	-	
15	Northern	10³m³	7,775	309	3.9709	-	-	-	(309)	-	-	
16	Eastern	10³m³	40,782	1,802	4.4184	-	-	-	(1,802)	-	-	
17	Commodity Transportation 2											
	Fort Frances		-	-	-	-	-	-	-	-	-	
18	Western	10³m³	10,903	-	-	-	-	-	-	-	-	
19	Northern	10³m³	6,194	-	-	-	-	-	-	-	-	
20	Eastern	10³m³	31,381	-	-	-	-	-	-	-	-	
21	Storage (GJ's)											
	Demand	GJ/d	99,288	962	9.692	-	-	-	-	962	8	
22	Commodity	GJ	639,477	100	0.157	-	-	-	-	100	1	
23	Gas Supply Transportation - 20		121,935	7,949	6.5194	-	(0)	(4)	(6,775)	1,170	10	0.82%
24	Total Rate 20		622,853	21,452	3.4441	(987)	22	(4)	(6,907)	13,576	111	0.82%

Notes:

- (1) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2014-0208, Appendix A, rates effective October 1, 2014 (Excludes Price Adjustments).
- (4) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2014-0271, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2014-0271, Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units	2015 DSM (8) (\$000's)	2015 Capital Pass-Throughs (9) (\$000's)	Add Back Upstream Transportation (\$000's)	2015 Parkway Delivery Obligation (10) (\$000's)	Prior to MCC Change (11)		MCC Change (11)		NAC / LRAM Volume Adjustment (12) (10³m³)	Proposed			Rate Change (%)
							Proposed Revenue (\$000's)	Proposed Rates (cents / m³)	Proposed Revenue (\$000's)	Proposed Rates (cents / m³)		Usage including NAC & LRAM (t) = (a + s)	Revenue (\$000's)	Rates (cents / m³)	
			(k)	(l)	(m) = (-g)	(n)	(o) = (h++k++m+n)	(p) = (o / a)	(q)	(r) = (q / a)	(s)		(u)	(v) = (u / t)	(w)
1	Rate 20 Medium Volume Firm Service Monthly Charge	bills	-	(20)	-	-	727	\$972.44			-	748	727	\$972.44	
2	Monthly Demand Charge														
2	First 70,000 m³	10³m³/d	435	(64)	-	-	6,487	27.8909			-	23,260	6,487	27.8909	
3	All over 70,000 m³	10³m³/d	217	(32)	-	-	3,231	16.4012			-	19,701	3,231	16.4012	
4	Monthly Commodity Charge														
4	First 852,000 m³	10³m³	212	(31)	80	-	1,765	0.5389			(2,494)	325,049	1,765	0.5430	
5	All over 852,000 m³	10³m³	140	(20)	52	-	1,163	0.3938			(2,248)	293,062	1,163	0.3968	
6	Delivery (Commodity/Demand)		1,004	(146)	132	-	12,647	2,030.4			(4,742)	618,111	12,647	2,046.0	0.6%
7	Transportation Account Charge	10³m³	-	-	-	-	102	\$222.35			-	460	102	\$222.35	
8	Total Delivery - 20		1,004	(167)	132	-	13,476	2,163.6			(4,742)	618,111	13,476	2,180.2	0.6%
9	Gas Supply Demand Charge														
9	Fort Frances		-	-	-	-	-	21.9979			-	-	-	21.9979	
10	Western	10³m³	-	17	640	0	675	25.4691			-	2,650	675	25.4691	
11	Northern	10³m³	-	11	427	0	451	64.1988			-	702	451	64.1988	
12	Eastern	10³m³	-	76	2,819	1	2,974	84.4557			-	3,521	2,974	84.4557	
13	Commodity Transportation 1														
13	Fort Frances	10³m³	-	-	-	-	-	3.0513			-	-	-	3.0513	
14	Western	10³m³	-	-	778	-	778	3.1266			-	24,899	778	3.1266	
15	Northern	10³m³	-	-	309	-	309	3.9709			-	7,775	309	3.9709	
16	Eastern	10³m³	-	-	1,802	-	1,802	4.4184			-	40,782	1,802	4.4184	
17	Commodity Transportation 2														
17	Fort Frances		-	-	-	-	-	-			-	-	-	-	
18	Western	10³m³	-	-	-	-	-	-			-	10,903	-	-	
19	Northern	10³m³	-	-	-	-	-	-			-	6,194	-	-	
20	Eastern	10³m³	-	-	-	-	-	-			-	31,381	-	-	
21	Storage (GJ's)														
21	Demand	GJ/d	-	-	-	-	970	9.771			-	99,288	970	9.771	
22	Commodity	GJ	-	-	-	-	101	0.158			-	639,477	101	0.158	
23	Gas Supply Transportation - 20		-	104	6,775	1	8,060	6,609.8			-	121,935	8,060	6,609.8	1.4%
24	Total Rate 20		1,004	(63)	6,907	1	21,536	3,457.6			(4,742)	618,111	21,536	3,484.2	1.2%

Notes:

(8) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (f).

(9) EB-2014-0271, Rate Order, Working Papers, Schedule 10, column (d).

(10) EB-2014-0271, Rate Order, Working Papers, Schedule 20.

(11) MCC = Monthly Customer Charge.

(12) EB-2014-0271, Rate Order, Working Papers, Schedule 12, column (c) and EB-2014-0271, Rate Order, Working Papers, Schedule 17, column (a).

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Adjustments to 2014 Base Rates												
Line No.	Particulars	Billing Units	Current Approved Forecast (1) Usage (a)	Current Approved Revenue (2) (\$000's) (b)	Current Approved Rates (3) (cents / m³) (c)	2014 DSM (4) (\$000's) (d)	2014 Capital Pass-Throughs (5) (\$000's) (e)	One-Time Adjustment (6) (\$000's) (f)	Upstream Transportation (7) (\$000's) (g)	Adjusted Revenue (\$000's) (h) = (b+d+e+f+g)	Price Cap Index (\$000's) (i)	Price Cap Index (%) (j)
1	Rate 25 Large Volume Interruptible Service											
2	Monthly Charge	bills	842	304	\$360.72	-	1	-	-	305	3	
3	Monthly Delivery Charge	10³m³	159,555	4,160	2.6075	-	5	-	-	4,166	34	
4	Transportation Account Charge	bills	36	8	\$220.55	-	-	-	-	8	0	
5	Total Delivery - 25		159,555	4,472	2.8028	-	7	-	-	4,479	37	0.82%
6	Gas Supply Transportation	10³m³	42,913	1,455	3.3906	-	0	-	(1,436)	19	0	
7	Total Rate 25		159,555	5,927	3.7147	-	7	-	(1,436)	4,498	37	0.82%
8												
9	Rate 100 Large Volume Firm Service											
10	Monthly Charge	bills	226	334	\$1,477.44	-	1	-	-	335	3	
11	Demand	10³m³/d	71,975	11,067	15.3755	(1,366)	13	-	-	9,714	80	
12	Commodity	10³m³	1,877,394	4,059	0.2162	(455)	4	-	(9)	3,599	30	
13	Delivery (Commodity/Demand)		1,877,394	15,460	0.8235	(1,821)	18	-	(9)	13,647	112	0.82%
14	Transportation Account Charge	bills	226	50	\$220.55	-	-	-	-	50	0	
15	Total Delivery - 100		1,877,394	15,509	0.8261	(1,821)	19	-	(9)	13,698	112	0.82%
16												
17	Gas Supply Demand Charge											
18	Fort Frances	10³m³/d	-	-	59.0298	-	-	-	-	-	-	
19	Western	10³m³/d	-	-	62.3453	-	-	-	-	-	-	
20	Northern	10³m³/d	-	-	106.4130	-	-	-	-	-	-	
21	Eastern	10³m³/d	-	-	129.4620	-	-	-	-	-	-	
22	Commodity Transportation 1											
23	Fort Frances	-	-	-	5.4887	-	-	-	-	-	-	
24	Western	10³m³	-	-	5.5452	-	-	-	-	-	-	
25	Northern	10³m³	-	-	6.1784	-	-	-	-	-	-	
26	Eastern	10³m³	-	-	6.5140	-	-	-	-	-	-	
27	Commodity Transportation 2											
28	Fort Frances	-	-	-	-	-	-	-	-	-	-	
29	Western	10³m³	-	-	-	-	-	-	-	-	-	
30	Northern	10³m³	-	-	-	-	-	-	-	-	-	
31	Eastern	10³m³	-	-	-	-	-	-	-	-	-	
32	Storage (GJ's)											
33	Demand	GJ/d	15,600	149	9.692	-	(0)	(0)	(64)	86	1	
34	Commodity	GJ	100,000	16	0.157	-	(0)	(0)	-	15	0	
35	Gas Supply - 100		-	165	-	-	(0)	(0)	(64)	101	1	0.82%
36	Total Rate 100		1,877,394	15,674	0.8349	(1,821)	19	(0)	(73)	13,799	113	0.82%

Notes:

- (1) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2014-0208, Appendix A, rates effective October 1, 2014 (Excludes Price Adjustments).
- (4) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2014-0271, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2014-0271, Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units	2015 DSM (8) (\$000's) (k)	2015 Capital Pass-Throughs (9) (\$000's) (l)	Add Back Upstream Transportation (\$000's) (m) = (-g)	2015 Parkway Delivery Obligation (10) (\$000's) (n)	Prior to MCC Change (11)		MCC Change (11)		NAC / LRAM Volume Adjustment (12) (10 ³ m ³) (s)	Proposed			Rate Change (%) (w)
							Proposed Revenue (\$000's) (o) = (h++k++m+n)	Proposed Rates (cents / m ³) (p) = (o / a)	Proposed Revenue (\$000's) (q)	Proposed Rates (cents / m ³) (r) = (q / a)		Usage including NAC & LRAM (t) = (a + s)	Revenue (\$000's) (u)	Rates (cents / m ³) (v) = (u / t)	
1	Rate 25 Large Volume Interruptible Service														
2	Monthly Charge	bills	-	(11)	-	-	297	\$352.32			-	842	297	\$352.32	
3	Monthly Delivery Charge	10 ³ m ³	-	(40)	-	-	4,160	2.6071			-	159,555	4,160	2.6071	
4	Transportation Account Charge	bills	-	-	-	-	8	\$222.35			-	36	8	\$222.35	
4	Total Delivery - 25		-	(51)	-	-	4,464	2.7980			-	159,555	4,464	2.7980	-0.2%
5	Gas Supply Transportation	10 ³ m ³	-	(1)	1,436	-	1,454	3.3891			-	42,913	1,454	3.3891	
6	Total Rate 25		-	(52)	1,436	-	5,919	3.7095			-	159,555	5,919	3.7095	-0.1%
7	Rate 100 Large Volume Firm Service														
8	Monthly Charge	bills	-	(7)	-	-	331	\$1,464.29			-	226	331	\$1,464.29	
9	Demand	10 ³ m ³ /d	1,389	(101)	-	-	11,081	15.3958			-	71,975	11,081	15.3958	
10	Commodity	10 ³ m ³	463	(34)	9	-	4,067	0.2166			(21,655)	1,855,739	4,067	0.2192	
11	Delivery (Commodity/Demand)		1,852	(135)	9	-	15,479	0.8245			(21,655)	1,855,739	15,479	0.8341	1.3%
12	Transportation Account Charge	bills	-	-	-	-	50	\$222.35			-	226	50	\$222.35	
12	Total Delivery - 100		1,852	(142)	9	-	15,529	0.8272			(21,655)	1,855,739	15,529	0.8368	1.3%
13	Gas Supply Demand Charge														
14	Fort Frances	10 ³ m ³ /d	-	-	-	-	-	59.0298			-	-	-	59.0298	
15	Western	10 ³ m ³ /d	-	-	-	-	-	62.3453			-	-	-	62.3453	
16	Northern	10 ³ m ³ /d	-	-	-	-	-	106.4130			-	-	-	106.4130	
17	Eastern	10 ³ m ³ /d	-	-	-	-	-	129.4620			-	-	-	129.4620	
18	Commodity Transportation 1														
19	Fort Frances	-	-	-	-	-	-	5.4887			-	-	-	5.4887	
20	Western	10 ³ m ³	-	-	-	-	-	5.5452			-	-	-	5.5452	
21	Northern	10 ³ m ³	-	-	-	-	-	6.1784			-	-	-	6.1784	
22	Eastern	10 ³ m ³	-	-	-	-	-	6.5140			-	-	-	6.5140	
23	Commodity Transportation 2														
24	Fort Frances	-	-	-	-	-	-	-			-	-	-	-	
25	Western	10 ³ m ³	-	-	-	-	-	-			-	-	-	-	
26	Northern	10 ³ m ³	-	-	-	-	-	-			-	-	-	-	
27	Eastern	10 ³ m ³	-	-	-	-	-	-			-	-	-	-	
28	Storage (GJ's)														
29	Demand	GJ/d	-	6	64	0	156	9.771			-	15,600	156	9.771	
30	Commodity	GJ	-	1	-	0	16	0.158			-	100,000	16	0.158	
31	Gas Supply - 100		-	7	64	0	172	-			-	-	172	-	
32	Total Rate 100		1,852	(135)	73	0	15,702	0.8364			(21,655)	1,855,739	15,702	0.8461	1.3%

Notes:

- (8) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (f).
(9) EB-2014-0271, Rate Order, Working Papers, Schedule 10, column (d).
(10) EB-2014-0271, Rate Order, Working Papers, Schedule 20.
(11) MCC = Monthly Customer Charge.
(12) EB-2014-0271, Rate Order, Working Papers, Schedule 12, column (c) and EB-2014-0271, Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Adjustments to 2014 Base Rates									
			Current Approved Forecast (1)	Current Approved Revenue (2)	Current Approved Rates (3)	2014 DSM (4)	2014 Capital Pass-Throughs (5)	One-Time Adjustment (6)	Upstream Transportation (7)	Adjusted Revenue	Price Cap Index	Price Cap Index
			Usage (a)	(\$000's) (b)	(cents / m³) (c)	(\$000's) (d)	(\$000's) (e)	(\$000's) (f)	(\$000's) (g)	(h) = (b+d+e+f+g)	(\$000's) (i)	(%) (j)
1	M1 Monthly Charge	bills	12,706,802	266,843	\$21.00	-	361	-	-	267,203	2,191	
2	Monthly Delivery Commodity Charge											
3	First 100 m³	10³m³	876,748	33,538	3.8252	(3,512)	18	(24)	-	30,019	246	
4	Next 150 m³	10³m³	778,527	28,232	3.6263	(2,957)	15	(20)	-	25,270	207	
5	All over 250 m³	10³m³	1,255,698	39,301	3.1298	(4,116)	21	(28)	-	35,178	288	
5	Total Delivery - M1		2,910,973	367,914	12.6389	(10,585)	416	(73)	-	357,672	2,933	0.82%
6	Storage	10³m³	2,910,973	21,806	0.7491	-	66	-	-	21,872	179	
7	Total Rate M1		2,910,973	389,720	13.3880	(10,585)	481	(73)	-	379,543	3,112	0.82%
8	M2 Monthly Charge	bills	81,451	5,702	\$70.00	-	11	-	-	5,713	47	
9	Monthly Delivery Commodity Charge											
10	First 1,000 m³	10³m³	60,871	2,205	3.6225	(233)	1	(1)	-	1,972	16	
11	Next 6,000 m³	10³m³	296,230	10,533	3.5557	(1,113)	7	(7)	-	9,419	77	
12	Next 13,000 m³	10³m³	334,725	11,249	3.3608	(1,189)	7	(7)	-	10,060	82	
13	All over 20,000 m³	10³m³	427,626	13,348	3.1215	(1,411)	8	(9)	-	11,937	98	
13	Total Delivery - M2		1,119,452	43,037	3.8445	(3,946)	34	(24)	-	39,101	321	0.82%
14	Storage	10³m³	1,119,452	7,415	0.6624	-	22	-	-	7,438	61	
15	Total Rate M2		1,119,452	50,452	4.5069	(3,946)	57	(24)	-	46,539	382	0.82%

Notes:

- (1) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2014-0208, Appendix A, rates effective October 1, 2014 (Excludes Price Adjustments).
- (4) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2014-0271, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2014-0271, Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units	2015 DSM (8) (\$000's)	2015 Capital Pass-Throughs (9) (\$000's)	Add Back Upstream Transportation (\$000's)	2015 Parkway Delivery Obligation (10) (\$000's)	Prior to MCC Change (11)		MCC Change (11)		NAC / LRAM Volume Adjustment (12) (10 ³ m ³)	Proposed			Rate Change (%)
							Proposed Revenue (\$000's)	Proposed Rates (cents / m ³)	Proposed Revenue (\$000's)	Proposed Rates (cents / m ³)		Usage including NAC & LRAM (t) = (a + s)	Revenue (\$000's)	Rates (cents / m ³)	
			(k)	(l)	(m) = (-g)	(n)	(o) = (h++k++m+n)	(p) = (o / a)	(q)	(r) = (q / a)	(s)	(t) = (a + s)	(u)	(v) = (u / t)	(w)
1	M1														
	Monthly Charge	bills	-	(2,613)	-	-	266,782	\$21.00	266,843	\$21.00	-	12,706,802	266,843	\$21.00	
	Monthly Delivery Commodity Charge														
2	First 100 m ³	10 ³ m ³	3,572	(297)	-	974	34,515	3.9367	34,454	3.9298	3,175	879,923	34,454	3.9156	
3	Next 150 m ³	10 ³ m ³	3,006	(250)	-	820	29,055	3.7320	29,055	3.7320	2,820	781,347	29,055	3.7185	
4	All over 250 m ³	10 ³ m ³	4,185	(348)	-	1,142	40,447	3.2210	40,447	3.2210	4,548	1,260,246	40,447	3.2094	
5	Total Delivery - M1		10,763	(3,506)	-	2,936	370,798	12.7379	370,798	12.7379	10,543	2,921,516	370,798	12.6920	0.4%
6	Storage	10 ³ m ³	-	(384)	-	-	21,667	0.7443			10,543	2,921,516	21,667	0.7416	-1.0%
7	Total Rate M1		10,763	(3,890)	-	2,936	392,465	13.4823			10,543	2,921,516	392,465	13.4336	0.3%
8	M2														
	Monthly Charge	bills	-	(81)	-	-	5,679	\$69.72	5,702	\$70.00	-	81,451	5,702	\$70.00	
	Monthly Delivery Commodity Charge														
9	First 1,000 m ³	10 ³ m ³	237	(19)	-	59	2,264	3.7200	2,260	3.7135	1,453	62,323	2,260	3.6269	
10	Next 6,000 m ³	10 ³ m ³	1,132	(92)	-	280	10,816	3.6514	10,797	3.6450	7,069	303,299	10,797	3.5600	
11	Next 13,000 m ³	10 ³ m ³	1,209	(98)	-	299	11,552	3.4512	11,552	3.4512	7,988	342,713	11,552	3.3708	
12	All over 20,000 m ³	10 ³ m ³	1,434	(117)	-	355	13,707	3.2055	13,707	3.2055	10,205	437,832	13,707	3.1308	
13	Total Delivery - M2		4,012	(407)	-	992	44,019	3.9322	44,019	3.9322	26,715	1,146,167	44,019	3.8405	-0.1%
14	Storage	10 ³ m ³	-	(131)	-	-	7,368	0.6581			26,715	1,146,167	7,368	0.6428	-3.0%
15	Total Rate M2		4,012	(538)	-	992	51,387	4.5903			26,715	1,146,167	51,387	4.4833	-0.5%

Notes:

- (8) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (f).
(9) EB-2014-0271, Rate Order, Working Papers, Schedule 10, column (d).
(10) EB-2014-0271, Rate Order, Working Papers, Schedule 20.
(11) MCC = Monthly Customer Charge.
(12) EB-2014-0271, Rate Order, Working Papers, Schedule 12, column (c) and EB-2014-0271, Rate Order, Working Papers, Schedule 17, column (a).

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Adjustments to 2014 Base Rates												
Line No.	Particulars	Billing Units	Current Approved Forecast (1) Usage (a)	Current Approved Revenue (2) (\$000's) (b)	Current Approved Rates (3) (cents / m³) (c)	2014 DSM (4) (\$000's) (d)	2014 Capital Pass-Throughs (5) (\$000's) (e)	One-Time Adjustment (6) (\$000's) (f)	Upstream Transportation (7) (\$000's) (g)	Adjusted Revenue (\$000's) (h) = (b+d+e+f+g)	Price Cap Index (\$000's) (i)	Price Cap Index (%) (j)
M4 Firm Commercial/Industrial Contract Rate												
Monthly Demand Charge												
1	First	10³m³/d	8,450 m³	12,905	6,044	46.8295	(695)	5	(3)	-	5,351	44
2	Next	10³m³/d	19,700 m³	7,864	1,651	20.9972	(190)	1	(1)	-	1,462	12
3	All over	10³m³/d	28,150 m³	4,507	795	17.6406	(91)	1	(0)	-	704	6
Monthly Delivery Commodity Charge												
4	First Block	10³m³	383,380	3,813	0.9945	(645)	5	(3)	-	3,170	26	
5	All remaining use	10³m³	8,250	36	0.4365	(6)	0	(0)	-	30	0	
7	Total Rate M4		391,630	12,339	3.1506	(1,628)	13	(7)	-	10,716	88	0.82%
M5A Interruptible Commercial/Industrial Contract Rate												
Firm contracts												
8	Monthly Demand Charge	10³m³/d	626	178	28.3977	(31)	0	(0)	-	147	1	
9	Monthly Delivery Commodity Charge	10³m³	17,106	334	1.9510	(58)	0	-	-	276	2	
10	Total Delivery - Firm M5A		17,106	511	2.9895	(89)	0	(0)	-	423	3	0.82%
Interruptible contracts												
11	Monthly Charge	bills	1,692	1,157	\$683.97	-	2	-	-	1,159	10	
12	Delivery Commodity Charge (Avg Price)	10³m³	509,437	11,631	2.2831	(2,629)	14	-	-	9,017	74	
13	Total Delivery - Interruptible M5A		509,437	12,788	2.5103	(2,629)	16	-	-	10,176	83	0.82%
14	Total Rate M5A		526,543	13,300	2.5258	(2,717)	17	(0)	-	10,599	87	0.82%

Notes:

- (1) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2014-0208, Appendix A, rates effective October 1, 2014 (Excludes Price Adjustments).
- (4) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2014-0271, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2014-0271, Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units	2015 DSM (8) (\$000's)	2015 Capital Pass-Throughs (9) (\$000's)	Add Back Upstream Transportation (\$000's)	2015 Parkway Delivery Obligation (10) (\$000's)	Prior to MCC Change (11)		MCC Change (11)		NAC / LRAM Volume Adjustment (12) (10³m³) (s)	Proposed			Rate Change (%) (w)
							Proposed Revenue (\$000's)	Proposed Rates (cents / m³) (p) = (o / a)	Proposed Revenue (\$000's)	Proposed Rates (cents / m³) (r) = (q / a)		Usage including NAC & LRAM (t) = (a + s)	Revenue (\$000's)	Rates (cents / m³) (v) = (u / t)	
			(k)	(l)	(m) = (-g)	(n)	(o) = (h++k++m+n)		(q)				(u)	(v) = (u / t)	
M4 Firm Commercial/Industrial Contract Rate															
Monthly Demand Charge															
1	First 8,450 m³	10³m³/d	707	(59)	-	131	6,174	47.8404			-	12,905	6,174	47.8404	
2	Next 19,700 m³	10³m³/d	193	(16)	-	36	1,687	21.4504			-	7,864	1,687	21.4504	
3	All over 28,150 m³	10³m³/d	93	(8)	-	17	812	18.0214			-	4,507	812	18.0214	
Monthly Delivery Commodity Charge															
4	First Block	10³m³	656	(55)	-	122	3,919	1.0223			(10,526)	372,854	3,919	1.0511	
5	All remaining use	10³m³	6	(1)	-	1	37	0.4487			(227)	8,024	37	0.4614	
7	Total Rate M4		<u>1,655</u>	<u>(138)</u>	<u>-</u>	<u>308</u>	<u>12,629</u>	<u>3.2248</u>			<u>(10,753)</u>	<u>380,878</u>	<u>12,629</u>	<u>3.3158</u>	<u>5.2%</u>
M5A Interruptible Commercial/Industrial Contract Rate															
Firm contracts															
8	Monthly Demand Charge	10³m³/d	31	(3)	-	2	179	28.5955			-	626	179	28.5955	
9	Monthly Delivery Commodity Charge	10³m³	59	(1)	-	1	338	1.9740			(517)	16,589	338	2.0356	
10	Total Delivery - Firm M5A		<u>90</u>	<u>(4)</u>	<u>-</u>	<u>4</u>	<u>517</u>	<u>3.0197</u>			<u>(517)</u>	<u>16,589</u>	<u>517</u>	<u>3.1139</u>	<u>4.2%</u>
Interruptible contracts															
11	Monthly Charge	bills	-	(16)	-	-	1,153	\$681.21			-	1,692	1,153	\$681.21	
12	Delivery Commodity Charge (Avg Price)	10³m³	2,673	(106)	-	37	11,694	2.2955			(15,410)	494,026	11,694	2.3671	
13	Total Delivery - Interruptible M5A		<u>2,673</u>	<u>(122)</u>	<u>-</u>	<u>37</u>	<u>12,847</u>	<u>2.5217</u>			<u>(15,410)</u>	<u>494,026</u>	<u>12,847</u>	<u>2.6004</u>	<u>3.6%</u>
14	Total Rate M5A		<u>2,763</u>	<u>(126)</u>	<u>-</u>	<u>40</u>	<u>13,363</u>	<u>2.5379</u>			<u>(15,928)</u>	<u>510,615</u>	<u>13,363</u>	<u>2.6171</u>	<u>3.6%</u>

Notes:

(8) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (f).

(9) EB-2014-0271, Rate Order, Working Papers, Schedule 10, column (d).

(10) EB-2014-0271, Rate Order, Working Papers, Schedule 20.

(11) MCC = Monthly Customer Charge.

(12) EB-2014-0271, Rate Order, Working Papers, Schedule 12, column (c) and EB-2014-0271, Rate Order, Working Papers, Schedule 17, column (a).

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		Adjustments to 2014 Base Rates										
Line No.	Particulars	Billing Units	Current Approved Forecast (1) Usage (a)	Current Approved Revenue (2) (\$000's) (b)	Current Approved Rates (3) (cents / m³) (c)	2014 DSM (4) (\$000's) (d)	2014 Capital Pass-Throughs (5) (\$000's) (e)	One-Time Adjustment (6) (\$000's) (f)	Upstream Transportation (7) (\$000's) (g)	Adjusted Revenue (\$000's) (h) = (b+d+e+f+g)	Price Cap Index (\$000's) (i)	Price Cap Index (%) (j)
M7 Special Large Volume Contract Rate												
Firm Contracts												
1	Monthly Demand Charge	10³m³/d	14,220	3,633	25.5491	(790)	4	(3)	-	2,844	23	
2	Monthly Delivery Commodity Charge	10³m³	139,838	454	0.3249	(99)	0	-	-	356	3	
3	Total Delivery - Firm M7		139,838	4,087	2.9229	(888)	4	(3)	-	3,199	26	0.82%
Interruptible / Seasonal Contracts												
4	Monthly Delivery Commodity Charge	10³m³	4,569	58	1.2803	(29)	0	-	-	30	0	
5	Total Rate M7		144,407	4,146	2.8710	(917)	4	(3)	-	3,229	26	0.82%
M9 Large Wholesale Service												
6	Monthly Demand Charge	10³m³/d	3,993	610	15.2792	-	0	(1)	-	609	5	
7	Monthly Delivery Commodity Charge	10³m³	60,750	119	0.1964	-	0	-	-	119	1	
8	Total Rate M9		60,750	729	1.2006	-	0	(1)	-	728	6	0.82%
M10 Small Wholesale Service												
9	Monthly Delivery Commodity Charge	10³m³	189	9	4.9340	-	0	(0)	-	9	0	
10	Total Rate M10		189	9	4.9340	-	0	(0)	-	9	0	0.82%

Notes:

- (1) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2014-0208, Appendix A, rates effective October 1, 2014 (Excludes Price Adjustments).
- (4) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2014-0271, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2014-0271, Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units					Prior to MCC Change (11)		MCC Change (11)		NAC / LRAM Volume Adjustment (12) (10³m³) (s)	Proposed			
			2015 DSM (8)	2015 Capital Pass-Throughs (9)	Add Back Upstream Transportation	2015 Parkway Delivery Obligation (10)	Proposed Revenue	Proposed Rates	Proposed Revenue	Proposed Rates		Usage including	Revenue	Rates	Rate Change
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(cents / m³)	(\$000's)	(cents / m³)		NAC & LRAM	(\$000's)	(cents / m³)	(%)
			(k)	(l)	(m) = (-g)	(n)	(o) = (h++++m+n)	(p) = (o / a)	(q)	(r) = (q / a)		(t) = (a + s)	(u)	(v) = (u / t)	(w)
M7 Special Large Volume Contract Rate															
Firm Contracts															
1	Monthly Demand Charge	10³m³/d	803	(44)	-	118	3,743	26.3233			-	14,220	3,743	26.3233	
2	Monthly Delivery Commodity Charge	10³m³	100	(0)	-	21	480	0.3433			(4,978)	134,860	480	0.3559	
3	Total Delivery - Firm M7		903	(44)	-	139	4,223	3.0200			(4,978)	134,860	4,223	3.1315	7.1%
Interruptible / Seasonal Contracts															
4	Monthly Delivery Commodity Charge	10³m³	30	(1)	-	-	58	1.2685			(163)	4,406	58	1.3153	2.7%
5	Total Rate M7		933	(46)	-	139	4,281	2.9646			(5,140)	139,266	4,281	3.0741	7.1%
M9 Large Wholesale Service															
6	Monthly Demand Charge	10³m³/d	-	(8)	-	42	648	16.2405			-	3,993	648	16.2405	
7	Monthly Delivery Commodity Charge	10³m³	-	(0)	-	11	131	0.2158			-	60,750	131	0.2158	
8	Total Rate M9		-	(8)	-	53	780	1.2832			-	60,750	780	1.2832	6.9%
M10 Small Wholesale Service															
9	Monthly Delivery Commodity Charge	10³m³	-	(0)	-	1	10	5.4383			-	189	10	5.4383	
10	Total Rate M10		-	(0)	-	1	10	5.4383			-	189	10	5.4383	10.2%

Notes:

(8) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (f).

(9) EB-2014-0271, Rate Order, Working Papers, Schedule 10, column (d).

(10) EB-2014-0271, Rate Order, Working Papers, Schedule 20.

(11) MCC = Monthly Customer Charge.

(12) EB-2014-0271, Rate Order, Working Papers, Schedule 12, column (c) and EB-2014-0271, Rate Order, Working Papers, Schedule 17, column (a).

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						Adjustments to 2014 Base Rates						
Line No.	Particulars	Billing Units	Current Approved Forecast (1) Usage (a)	Current Approved Revenue (2) (\$000's) (b)	Current Approved Rates (3) (cents / m³) (c)	2014 DSM (4) (\$000's) (d)	2014 Capital Pass-Throughs (5) (\$000's) (e)	One-Time Adjustment (6) (\$000's) (f)	Upstream Transportation (7) (\$000's) (g)	Adjusted Revenue (\$000's) (h) = (b+d+e+f+g)	Price Cap Index (\$000's) (i)	Price Cap Index (%) (j)
T1 Storage and Transportation Storage (\$/GJ's)												
Demand:												
1	Firm injection / withdrawal											
	Union provides deliverability inventory	GJ/d/mo.	492,360	801	1.627	-	1	-	-	803		7
2	Customer provides deliverability inventory	GJ/d/mo.	166,800	202	1.210	-	0	-	-	202		2
3	Incremental firm injection right	GJ/d/mo.	-	-	1.210	-	-	-	-	-		-
4	Interruptible	GJ/d/mo.	62,244	75	1.210	-	-	-	-	75		1
5	Space	GJ/d/mo.	22,396,680	254	0.011	-	1	-	-	255		2
6	Commodity (Customer Provides)	GJ	2,750,300	21	0.008	-	0	-	-	21		0
7	Commodity (Union Provides)	GJ	-	-	0.029	-	-	-	-	-		-
8	Customer supplied fuel	GJ	16,442	53	-	-	-	-	-	53		0
Transportation (cents/ m3)												
Demand												
9	First 28,150 m³	10³m³/d/mo.	12,448	4,002	32.1516	(1,017)	3	(2)	-	2,987		24
10	Next 112,720 m³	10³m³/d/mo.	13,002	2,888	22.2131	(734)	2	(1)	-	2,155		18
Commodity Firm												
11	All Volumes	10³m³	477,787	344	0.0720	-	0	-	-	344		3
12	Interruptible	10³m³	62,255	784	1.2592	(74)	(0)	-	-	710		6
13	Monthly Charges	Meter/mo.	528	1,020	\$1,932.35	-	1	-	-	1,021		8
14	Customer supplied fuel	10³m³	2,979	245	-	-	-	-	-	245		2
15	Total Rate T1		<u>540,042</u>	<u>10,690</u>	<u>1.9795</u>	<u>(1,824)</u>	<u>9</u>	<u>(4)</u>	<u>-</u>	<u>8,871</u>	<u>73</u>	<u>0.82%</u>
T2 Storage and Transportation Storage (\$/GJ's)												
Demand:												
16	Firm injection / withdrawal											
	Union provides deliverability inventory	GJ/d/mo.	1,516,920	2,468	1.627	-	5	-	-	2,473		20
17	Customer provides deliverability inventory	GJ/d/mo.	1,336,556	1,617	1.210	-	3	-	-	1,620		13
18	Incremental firm injection right	GJ/d/mo.	-	-	1.210	-	-	-	-	-		-
19	Interruptible	GJ/d/mo.	415,704	500	1.210	-	-	-	-	500		4
20	Space	GJ/d/mo.	106,645,056	1,211	0.011	-	3	-	-	1,214		10
21	Commodity (Customer Provides)	GJ	7,869,782	59	0.008	-	0	-	-	59		0
22	Commodity (Union Provides)	GJ	-	-	0.029	-	-	-	-	-		-
23	Customer supplied fuel	GJ	47,061	151	-	-	-	-	-	151		1
Transportation (cents/ m3)												
Demand												
24	First 140,870 m³	10³m³/d/mo.	49,971	10,166	20.3436	(916)	2	(8)	-	9,244		76
25	All Over 140,870 m³	10³m³/d/mo.	167,088	17,980	10.7608	(1,621)	4	(15)	-	16,349		134
Commodity Firm												
26	All Volumes	10³m³	4,470,141	351	0.0078	-	0	-	-	351		3
27	Interruptible	10³m³	354,388	3,396	0.9583	(105)	5	-	-	3,296		27
28	Monthly Charges	Meter/mo.	444	2,670	\$6,013.02	-	10	-	-	2,679		22
29	Customer supplied fuel	10³m³	23,922	1,864	-	-	-	-	-	1,864		15
30	Total Rate T2		<u>4,824,529</u>	<u>42,433</u>	<u>0.8795</u>	<u>(2,642)</u>	<u>31</u>	<u>(23)</u>	<u>-</u>	<u>39,799</u>	<u>326</u>	<u>0.82%</u>

Notes:

- (1) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2014-0208, Appendix A, rates effective October 1, 2014 (Excludes Price Adjustments).
- (4) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2014-0271, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2014-0271, Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units	2015 DSM (8)	2015 Capital Pass-Throughs (9)	Add Back Upstream Transportation	2015 Parkway Delivery Obligation (10)	Prior to MCC Change (11)		MCC Change (11)		NAC / LRAM Volume Adjustment (12)	Proposed			Rate Change (%)
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	Proposed Revenue (\$000's)	Proposed Rates (cents / m³)	Proposed Revenue (\$000's)	Proposed Rates (cents / m³)	(10-m³)	Usage including NAC & LRAM	Revenue (\$000's)	Rates (cents / m³)	
			(k)	(l)	(m) = (-g)	(n)	(o) = (h+i+k+l+m+n)	(p) = (o / a)	(q)	(r) = (q / a)	(s)	(t) = (a + s)	(u)	(v) = (u / t)	(w)
T1 Storage and Transportation Storage (\$/GJ's)															
Demand:															
1	Firm injection / withdrawal														
1	Union provides deliverability inventory	GJ/d/mo.	-	(9)	-	-	800	1.625	-	-	-	492,360	800	1.625	
2	Customer provides deliverability inventory	GJ/d/mo.	-	(2)	-	-	202	1.208	-	-	-	166,800	202	1.208	
3	Incremental firm injection right	GJ/d/mo.	-	-	-	-	-	1.208	-	-	-	-	-	1.208	
4	Interruptible	GJ/d/mo.	-	-	-	-	76	1.208	-	-	-	62,244	76	1.208	
5	Space	GJ/d/mo.	-	(3)	-	-	254	0.011	-	-	-	22,396,680	254	0.011	
6	Commodity (Customer Provides)	GJ	-	(0)	-	-	21	0.008	-	-	-	2,750,300	21	0.008	
7	Commodity (Union Provides)	GJ	-	-	-	-	-	0.029	-	-	-	-	-	0.029	
8	Customer supplied fuel	GJ	-	-	-	-	53	-	-	-	-	16,442	53	-	
Transportation (cents/ m3)															
Demand:															
9	First 28,150 m³	10³m³/d/mo.	1,034	(41)	-	73	4,077	32.7527	-	-	-	12,448	4,077	32.7527	
10	Next 112,720 m³	10³m³/d/mo.	746	(30)	-	53	2,942	22.6284	-	-	-	13,002	2,942	22.6284	
Commodity Firm															
11	All Volumes	10³m³	-	(1)	-	-	346	0.0724			(11,001)	466,785	346	0.0741	
12	Interruptible	10³m³	75	(6)	-	-	785	1.2613			(1,433)	60,822	785	1.2910	
13	Monthly Charges	Meter/mo.	-	(8)	-	-	1,022	\$1,935.18			-	528	1,022	\$1,935.18	
14	Customer supplied fuel	10³m³	-	-	-	53	301	-			-	2,979	301	-	
15	Total Rate T1		1,855	(99)	-	179	10,878	2.0144			(12,435)	527,607	10,878	2.0619	4.2%
T2 Storage and Transportation Storage (\$/GJ's)															
Demand:															
16	Firm injection / withdrawal														
16	Union provides deliverability inventory	GJ/d/mo.	-	(28)	-	-	2,465	1.625	-	-	-	1,516,920	2,465	1.625	
17	Customer provides deliverability inventory	GJ/d/mo.	-	(19)	-	-	1,615	1.208	-	-	-	1,336,556	1,615	1.208	
18	Incremental firm injection right	GJ/d/mo.	-	-	-	-	-	1.208	-	-	-	-	-	1.208	
19	Interruptible	GJ/d/mo.	-	-	-	-	504	1.208	-	-	-	415,704	504	1.208	
20	Space	GJ/d/mo.	-	(16)	-	-	1,208	0.011	-	-	-	106,645,056	1,208	0.011	
21	Commodity (Customer Provides)	GJ	-	(0)	-	-	60	0.008	-	-	-	7,869,782	60	0.008	
22	Commodity (Union Provides)	GJ	-	-	-	-	-	0.029	-	-	-	-	-	0.029	
23	Customer supplied fuel	GJ	-	-	-	-	152	-	-	-	-	47,061	152	-	
Transportation (cents/ m3)															
Demand:															
24	First 140,870 m³	10³m³/d/mo.	932	(94)	-	295	10,452	20.9163	-	-	-	49,971	10,452	20.9163	
25	All Over 140,870 m³	10³m³/d/mo.	1,648	(167)	-	522	18,486	11.0637	-	-	-	167,088	18,486	11.0637	
Commodity Firm															
26	All Volumes	10³m³	-	(1)	-	-	353	0.0079			(92,109)	4,378,031	353	0.0081	
27	Interruptible	10³m³	107	(33)	-	-	3,397	0.9585			(7,302)	347,086	3,397	0.9786	
28	Monthly Charges	Meter/mo.	-	(63)	-	-	2,639	\$5,943.28			-	444	2,639	\$5,943.28	
29	Customer supplied fuel	10³m³	-	-	-	253	2,132	-			-	23,922	2,132	-	
30	Total Rate T2		2,687	(420)	-	1,070	43,462	0.9009			(99,412)	4,725,117	43,462	0.9198	4.6%

Notes:

(8) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (f).

(9) EB-2014-0271, Rate Order, Working Papers, Schedule 10, column (d).

(10) EB-2014-0271, Rate Order, Working Papers, Schedule 20.

(11) MCC = Monthly Customer Charge.

(12) EB-2014-0271, Rate Order, Working Papers, Schedule 12, column (c) and EB-2014-0271, Rate Order, Working Papers, Schedule 17, column (a).

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Adjustments to 2014 Base Rates												
Line No.	Particulars	Billing Units	Current Approved Forecast (1) Usage (a)	Current Approved Revenue (2) (\$000's) (b)	Current Approved Rates (3) (cents / m³) (c)	2014 DSM (4) (\$000's) (d)	2014 Capital Pass-Throughs (5) (\$000's) (e)	One-Time Adjustment (6) (\$000's) (f)	Upstream Transportation (7) (\$000's) (g)	Adjusted Revenue (\$000's) (h) = (b+d+e+f+g)	Price Cap Index (\$000's) (i)	Price Cap Index (%) (j)
T3												
Storage (\$/GJ's)												
Demand:												
1	Firm injection / withdrawal											
2	Union provides deliverability inventory	GJ/d/mo.	-	-	1.627	-	-	-	-	-	-	-
3	Customer provides deliverability inventory	GJ/d/mo.	679,320	823	1.210	-	2	-	-	824	7	7
4	Incremental firm injection right	GJ/d/mo.	-	-	1.210	-	-	-	-	-	-	-
5	Interruptible	GJ/d/mo.	-	-	1.210	-	-	-	-	-	-	-
6	Space	GJ/d/mo.	36,614,256	416	0.011	-	1	-	-	417	3	3
7	Commodity (Customer Provides)	GJ	4,459,672	34	0.008	-	0	-	-	34	0	0
8	Commodity (Union Provides)	GJ	-	-	0.029	-	-	-	-	-	-	-
8	Customer supplied fuel	GJ	26,668	85	-	-	-	-	-	85	1	1
Transportation (cents/ m3)												
9	Demand	10³m³/d/mo.	28,200	2,668	9.4605	-	(2)	(8)	-	2,657	22	22
10	Commodity	10³m³	272,712	29	0.0107	-	0	-	-	29	0	0
11	Monthly Charges	Meter/mo.	12	244	\$20,358.77	-	0	-	-	245	2	2
12	Customer supplied fuel	10³m³	1,972	142	-	-	-	-	-	142	1	1
13	Total Rate T3		272,712	4,441	1.6285	-	1	(8)	-	4,433	36	0.82%

Notes:

- (1) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2014-0208, Appendix A, rates effective October 1, 2014 (Excludes Price Adjustments).
- (4) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2014-0271, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2014-0271, Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units	2015 DSM (8) (\$000's)	2015 Capital Pass-Throughs (9) (\$000's)	Add Back Upstream Transportation (\$000's)	2015 Parkway Delivery Obligation (10) (\$000's)	Prior to MCC Change (11)		MCC Change (11)		NAC / LRAM Volume Adjustment (12) (10³m³) (s)	Proposed			Rate Change (%) (w)
							Proposed Revenue (\$000's)	Proposed Rates (cents / m³) (p) = (o / a)	Proposed Revenue (\$000's)	Proposed Rates (cents / m³) (r) = (q / a)		Usage including NAC & LRAM (t) = (a + s)	Revenue (\$000's) (u)	Rates (cents / m³) (v) = (u / t)	
			(k)	(l)	(m) = (-g)	(n)	(o) = (h++k++m+n)								
T3															
Storage (\$/GJ's)															
Demand:															
	Firm injection / withdrawal														
1	Union provides deliverability inventory	GJ/d.mo.	-	-	-	-	-	1.625	-	-	-	-	-	1.625	
2	Customer provides deliverability inventory	GJ/d.mo.	-	(11)	-	-	820	1.208	-	-	-	679,320	820	1.208	
3	Incremental firm injection right	GJ/d.mo.	-	-	-	-	-	1.208	-	-	-	-	-	1.208	
4	Interruptible	GJ/d.mo.	-	-	-	-	-	1.208	-	-	-	-	-	1.208	
5	Space	GJ/d.mo.	-	(5)	-	-	415	0.011	-	-	-	36,614,256	415	0.011	
6	Commodity (Customer Provides)	GJ	-	(0)	-	-	34	0.008	-	-	-	4,459,672	34	0.008	
7	Commodity (Union Provides)	GJ	-	-	-	-	-	0.029	-	-	-	-	-	0.029	
8	Customer supplied fuel	GJ	-	-	-	-	86	-	-	-	-	26,668	86	-	
Transportation (cents/ m3)															
9	Demand	10³m³/d.mo.	-	(28)	-	296	2,947	10.4499	-	-	-	28,200	2,947	10.4499	
10	Commodity	10³m³	-	(0)	-	-	29	0.0108	-	-	-	272,712	29	0.0108	
11	Monthly Charges	Meter/mo.	-	(2)	-	-	244	\$20,369.55	-	-	-	12	244	\$20,369.55	
12	Customer supplied fuel	10³m³	-	-	-	49	192	-	-	-	-	1,972	192	0	
13	Total Rate T3			(47)		345	4,768	1.7482				272,712	4,768	1.7482	7.4%

Notes:

(8) EB-2014-0271, Rate Order, Working Papers, Schedule 11, column (f).

(9) EB-2014-0271, Rate Order, Working Papers, Schedule 10, column (d).

(10) EB-2014-0271, Rate Order, Working Papers, Schedule 20.

(11) MCC = Monthly Customer Charge.

(12) EB-2014-0271, Rate Order, Working Papers, Schedule 12, column (c) and EB-2014-0271, Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Adjustments to 2014 Base Rates								Price Cap Index (\$000's)	Price Cap Index (%)
			Current Approved Forecast Usage (1)	Current Approved Revenue (2) (\$000's)	Current Approved Rates (3) (\$/ GJ)	2014 DSM (\$000's)	2014 Capital Pass-Throughs (\$000's)	One-Time Adjustments (4) (\$000's)	Upstream Transportation (\$000's)	Adjusted Revenue (\$000's)		
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
M12 Transportation Service												
<u>Demand:</u>												
	Dawn to Kirkwall											
1	- 12 months	GJ/d/mo	419,318	11,487	2.042	-	(51)	18	-	11,453	94	
2	- 10 months	GJ/d/mo	304,563	6,219	2.042	-	(28)	10	-	6,200	51	
3	- 2 months	GJ/d/mo	18,365	75	2.042	-	(0)	0	-	75	1	
4	- F24-T - 12 months	GJ/d/mo	49,500	40	0.068	-	-	-	-	40	0	
	Dawn to Parkway											
5	- 12 months	GJ/d/mo	3,226,050	102,589	2.420	-	(472)	164	-	102,281	839	
6	- 10 months	GJ/d/mo	65,000	1,573	2.420	-	(7)	2	-	1,568	13	
7	- 3 months	GJ/d/mo	2,000	15	2.420	-	0	0	-	15	0	
8	- F24-T - 12 months	GJ/d/mo	307,000	321	0.068	-	-	-	-	321	3	
	M12-X Easterly (between Dawn, Kirkwall and Parkway)											
9	- 12 months	GJ/d/mo	391,011	11,354	2.420	-	(52)	18	-	11,319	93	
	M12-X Westerly (between Dawn, Kirkwall and Parkway)											
10	- 12 months	GJ/d/mo	391,011	2,762	0.589	-	(15)	5	-	2,752	23	
	Kirkwall to Parkway											
11	- 12 months	GJ/d/mo	88,497	401	0.378	-	(2)	1	-	400	3	
12	- 2 months	GJ/d/mo	174,752	132	0.378	-	(1)	0	-	132	1	
<u>Commodity:</u>												
13	Easterly - Providing Own Fuel	GJ	705,499,899	22,740		-	-	-	-	22,740	186	
	Westerly - Providing Own Fuel	GJ				-	-	-	-	12	0	
14	Parkway to Kirkwall/Dawn		905,475	12		-	-	-	-	37	0	
15	Kirkwall to Dawn		5,031,274	37		-	-	-	-	37	0	
16	Total Rate M12		<u>711,436,648</u>	<u>159,756</u>		<u>-</u>	<u>(629)</u>	<u>217</u>	<u>-</u>	<u>159,345</u>	<u>1,307</u>	<u>0.82%</u>

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (a). Conversion factor of 37.75 GJ per 10³m³.
(2) EB-2014-0271, Rate Order, Working Papers, Schedule 8, Page 2, column (e).
(3) EB-2013-0208, Appendix A, rates effective October 1, 2014.
(4) EB-2014-0271, Rate Order, Working Papers, Schedule 9, column (g).

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									Demand Adjustments		Proposed				
Line No.	Particulars	Billing Units	2015 DSM (\$000's) (k)	2015 Capital Pass-Throughs (5) (\$000's) (l)	Add Back Upstream Transportation (\$000's) (m) = (-g)	2015 Parkway Delivery Obligation (6) (\$000's) (n)	Proposed Revenue (\$000's) (o) = (h++j+k+l+m+n)	Proposed Rates (\$/ GJ) (p) = (o / a)	Demand Adjustment (q)	LRAM Volume Adjustment (r)	Usage including Adjustment (r) = (a + q)	Revenue (\$000's) (s)	Rates (\$/ GJ) (t) = (s/ r)	Rate Change (%) (u)	
<u>M12 Transportation Service</u>															
<u>Demand:</u>															
Dawn to Kirkwall															
1	- 12 months	GJ/d/mo	-	792	-	-	12,340				419,318	12,340	2.193		
2	- 10 months	GJ/d/mo	-	429	-	-	6,680				304,563	6,680	2.193		
3	- 2 months	GJ/d/mo	-	5	-	-	81				18,365	81	2.193		
4	- F24-T - 12 months	GJ/d/mo	-	0	-	-	41				49,500	41	0.069		
Dawn to Parkway															
5	- 12 months	GJ/d/mo	-	9,180	-	-	112,299		60,500		3,286,550	112,299	2.604		
6	- 10 months	GJ/d/mo	-	112	-	-	1,693				65,000	1,693	2.604		
7	- 3 months	GJ/d/mo	-	1	-	-	16				2,000	16	2.604		
8	- F24-T - 12 months	GJ/d/mo	-	0	-	-	323				307,000	323	0.069		
M12-X Easterly (between Dawn, Kirkwall and Parkway)															
9	- 12 months	GJ/d/mo	-	807	-	-	12,219				391,011	12,219	2.604		
M12-X Westerly (between Dawn, Kirkwall and Parkway)															
10	- 12 months	GJ/d/mo	-	228	-	-	3,002				391,011	3,002	0.640		
Kirkwall to Parkway															
11	- 12 months	GJ/d/mo	-	33	-	-	436				88,497	436	0.411		
12	- 2 months	GJ/d/mo	-	11	-	-	144				174,752	144	0.411		
<u>Commodity:</u>															
13	Easterly - Providing Own Fuel	GJ	-	-	-	726	23,652				705,499,899	23,652			
14	Westerly - Providing Own Fuel	GJ	-	-	-	-	12				905,475	12			
15	Parkway to Kirkwall/Dawn		-	-	-	-	38				5,031,274	38			
15	Kirkwall to Dawn		-	-	-	-									
16	Total Rate M12		-	11,598	-	726	172,976	-	60,500	-	711,436,648	172,976		8.3%	

Notes:

(5) EB-2014-0271, Rate Order, Working Papers, Schedule 10, column (d).

(6) EB-2014-0271, Rate Order, Working Papers, Schedule 20, column (j).

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Adjustments to 2014 Base Rates												
Line No.	Particulars	Billing Units	Current Approved Forecast Usage (1)	Current Approved Revenue (2)	Current Approved Rates (3)	2014 DSM (\$000's)	2014 Capital Pass-Throughs (\$000's)	One-Time Adjustments (4) (\$000's)	Upstream Transportation (\$000's)	Adjusted Revenue (\$000's)	Price Cap Index (\$000's)	Price Cap Index (%)
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
<u>M13 Transportation of Locally Produced Gas</u>												
1	Monthly Fixed Charge	monthly	15	168	\$931.32		-	-	-	168	1	
2	Transmission Commodity Charge	GJ	5,934,507	202	0.034		0	-	-	203	2	
3	Commodity	GJ	5,934,507	50	0.008		-	-	-	50	0	
4	Total Rate M13		5,934,507	420			0	-	-	420	3	0.82%
<u>M16 Transportation Service</u>												
5	Monthly Fixed Charge	monthly	4	71	\$1,481.63		-	-	-	71	1	
6	Transmission Commodity Charge	GJ	6,236,394	213	0.034		0	-	-	213	2	
Charges West of Dawn:												
7	Firm Demand Charge	GJ/d	17,846	228	1.065		0	-	-	228	2	
8	Fuel & UFG to Dawn	GJ	4,098,775	34	0.008		-	-	-	34	0	
9	Fuel & UFG to Pool	GJ	4,098,775	97	0.024		-	-	-	97	1	
Charges East of Dawn:												
10	Firm Demand Charge	GJ/d	9,067	82	0.753		-	-	-	82	1	
11	Fuel & UFG to Dawn	GJ	2,137,619	18	0.008		-	-	-	18	0	
12	Fuel & UFG to Pool	GJ	2,137,619	18	0.008		-	-	-	18	0	
13	Total Rate M16		12,472,788	761			0	-	-	761	6	0.82%

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (a). Conversion factor of 37.75 GJ per 10³m³.
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 8, Page 2, column (e).
- (3) EB-2013-0208, Appendix A, rates effective October 1, 2014.
- (4) EB-2014-0271, Rate Order, Working Papers, Schedule 9, column (g).

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Line No.	Particulars	Billing Units	2015	2015 Capital	Add Back	2015 Parkway	Proposed	Proposed	Volume Adjustments		Proposed				Rate Change (%)
			DSM	Pass-Throughs (5)	Upstream	Delivery	Revenue	Rates	Demand Adjustment	LRAM Volume Adjustment	Usage including Adjustment	Revenue (\$000's)	Rates (\$/ GJ)		
			(\$000's)	(\$000's)	Transportation (\$000's)	Obligation (6) (\$000's)	(\$000's)	(\$/ GJ)							
			(k)	(l)	(m) = (-g)	(n)	(o) = (h+++j+k+l+m+n)	(p) = (o / a)	(q)	(r)	(r) = (a + q)	(s)	(t) = (s/ r)	(u)	
<u>M13 Transportation of Locally Produced Gas</u>															
1	Monthly Fixed Charge	monthly	-	-	-	-	169				15	169	\$938.96		
2	Transmission Commodity Charge	GJ	-	(1)	-	-	203				5,934,507	203	0.034		
3	Commodity	GJ	-	-	-	0	50				5,934,507	50	0.008		
4	Total Rate M13		<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,934,507</u>	<u>422</u>		<u>0.6%</u>	
<u>M16 Transportation Service</u>															
5	Monthly Fixed Charge	monthly	-	-	-	-	72				4	72	\$1,493.78		
6	Transmission Commodity Charge	GJ	-	(0)	-	-	214				6,236,394	214	0.034		
Charges West of Dawn:															
7	Firm Demand Charge	GJ/d	-	(2)	-	-	228				17,846	228	\$1.064		
8	Fuel & UFG to Dawn	GJ	-	-	-	-	35				4,098,775	35	0.008		
9	Fuel & UFG to Pool	GJ	-	-	-	-	98				4,098,775	98	0.024		
Charges East of Dawn:															
10	Firm Demand Charge	GJ/d	-	-	-	-	83				9,067	83	\$0.759		
11	Fuel & UFG to Dawn	GJ	-	-	-	-	18				2,137,619	18.00	0.008		
12	Fuel & UFG to Pool	GJ	-	-	-	3	21				2,137,619	21	\$0.010		
13	Total Rate M16		<u>-</u>	<u>(2)</u>	<u>-</u>	<u>3</u>	<u>768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,472,788</u>	<u>768</u>		<u>1.0%</u>	

Notes:

- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 10, column (d).
(6) EB-2014-0271, Rate Order, Working Papers, Schedule 20, column (j).

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			Current Approved Forecast Usage (1)	Current Approved Revenue (2)	Current Approved Rates (3)	2014 DSM (\$000's)	2014 Capital Pass-Throughs (\$000's)	One-Time Adjustments (4) (\$000's)	Upstream Transportation (\$000's)	Adjusted Revenue (\$000's)	Price Cap Index (\$000's)	Price Cap Index (%)
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
C1 Cross Franchise Transportation Service												
Storage Service:												
1	Peak Storage(Short-term)	GJ	22,489,337	7,895		-	9	-	-	7,904	-	
Commodity												
2	Off Peak Storage/ Balancing /Loans	GJ	-	2,500		-	-	-	-	2,500	-	
Transportation Service:												
Demand:												
3	St.Clair & Dawn, Ojibway & Dawn - 12 months	GJ/mo	85,460	3,217	1.065	-	-	-	-	3,217	26	
4	Parkway to Dawn/Kirkwall - 12 months	GJ/mo	347,371	2,454	0.589	-	(13)	4	-	2,445	20	
5	- 3 months	GJ/mo	54,357	96	0.589	-	(1)	0	-	96	1	
6	Kirkwall to Dawn	GJ/mo	-	-	1.038	-	-	-	-	-	-	
7	Dawn to Parkway - 12 months	GJ/mo	7,065	415	2.420	-	-	-	-	415	3	
8	Kirkwall to Parkway	GJ/mo	-	-	-	-	-	-	-	-	-	
9	Dawn to Dawn Vector - 12 months	GJ/mo	92,845	32	0.029	-	-	-	-	32	0	
10	Dawn to Dawn TCPL - 12 months	GJ/mo	500,000	809	0.135	-	-	-	-	809	7	
Firm Commodity												
Easterly												
11	Union Providing Fuel Dawn to Parkway (TCPL)	GJ	2,423,295	84		-	-	-	-	84	1	
Providing Own Fuel												
12	Dawn to Dawn TCPL	GJ	5,000,000	83		-	-	-	-	83	1	
13	Dawn to Dawn Vector	GJ	18,280,703	245		-	-	-	-	245	2	
14	Ojibway to Dawn	GJ	9,968,577	165		-	-	-	-	165	1	
Westerly - Providing Own Fuel												
15	Parkway to Kirkwall	GJ	-	-	-	-	-	-	-	-	-	
16	Parkway to Dawn	GJ	3,990,264	52		-	-	-	-	52	0	
17	Short-term Transportation	GJ	177,529,686	11,061		-	1	-	-	11,061	-	
18	Exchanges			14,918		-	-	-	-	14,918	-	
19	Other Transactional			1,067		-	-	-	-	1,067	-	
20	Total Rate C1		<u>217,192,525</u>	<u>45,092</u>		<u>-</u>	<u># (4)</u>	<u>5</u>	<u>-</u>	<u>45,093</u>	<u>63</u>	
21	Total Ex-Franchise			<u>206,029</u>		<u>-</u>	<u># (633)</u>	<u>222</u>	<u>-</u>	<u>205,618</u>	<u>1,379</u>	<u>0.67%</u>

(1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (a). Conversion factor of 37.75 GJ per 10³m³.
(2) EB-2014-0271, Rate Order, Working Papers, Schedule 8, Page 2, column (e).
(3) EB-2013-0208, Appendix A, rates effective October 1, 2014.
(4) EB-2014-0271, Rate Order, Working Papers, Schedule 9, column (g).

UNION GAS LIMITED
Union South
Ex-Franchise Customers
Effective January 1, 2015

									Volume Adjustments		Proposed			
Line No.	Particulars	Billing Units	2015 DSM (\$000's)	2015 Capital Pass-Throughs (5) (\$000's)	Add Back Upstream Transportation (\$000's)	2015 Parkway Delivery Obligation (6) (\$000's)	Proposed Revenue (\$000's)	Proposed Rates (\$/ GJ)	Demand Adjustment	LRAM Volume Adjustment	Usage including Adjustment	Revenue (\$000's)	Rates (\$/ GJ)	Rate Change (%)
			(k)	(l)	(m) = (-g)	(n)	(o) = (h+++j+k++l+m+n)	(p) = (o / a)	(q)	(r)	(r) = (a + q)	(s)	(t) = (s/ r)	(u)
	C1 Cross Franchise Transportation Service													
	Storage Service:													
1	Peak Storage(Short-term)	GJ	-	(56)	-	-	7,847				22,489,337	7,847		
	Commodity													
2	Off Peak Storage/ Balancing /Loans	GJ	-	-	-	-	2,500					2,500		
	Transportation Service:													
	Demand:													
3	St.Clair & Dawn, Ojibway & Dawn - 12 months	GJ/mo	-	(10)	-	-	3,234				85,460	3,234	1.064	
	Parkway to Dawn/Kirkwall													
4	- 12 months	GJ/mo	-	202	-	-	2,667				347,371	2,667	0.640	
5	- 3 months	GJ/mo	-	8	-	-	104				54,357	104	0.640	
6	Kirkwall to Dawn	GJ/mo	-	-	-	-	-				-	-	1.128	
	Dawn to Parkway													
7	- 12 months	GJ/mo	-	-	-	-	418				7,065	418	2.604	
	Kirkwall to Parkway													
8		GJ/mo	-	-	-	-	-				-	-	0.411	
	Dawn to Dawn Vector													
9	- 12 months	GJ/mo	-	-	-	-	32				92,845	32	0.029	
	Dawn to Dawn TCPL													
10	- 12 months	GJ/mo	-	-	-	-	816				500,000	816	0.136	
	Firm Commodity													
	Easterly													
	Union Providing Fuel													
11	Dawn to Parkway (TCPL)	GJ	-	-	-	8	93				2,423,295	93		
	Providing Own Fuel													
12	Dawn to Dawn TCPL	GJ	-	-	-	-	84				5,000,000	84		
13	Dawn to Dawn Vector	GJ	-	-	-	-	247				18,280,703	247		
14	Ojibway to Dawn	GJ	-	-	-	-	167				9,968,577	167		
	Westerly - Providing Own Fuel													
15	Parkway to Kirkwall	GJ	-	-	-	-	-							
16	Parkway to Dawn	GJ	-	-	-	-	52				3,990,264	52		
17	Short-term Transportation	GJ	-	(11)	-	229	11,280				177,529,686	11,280		
18	Exchanges		-	-	-	-	14,918					14,918		
19	Other Transactional		-	-	-	-	1,067					1,067		
20	Total Rate C1		-	134	-	237	45,526	-	-	-	217,192,525	45,526		1.0%
21	Total Ex-Franchise		-	11,728	-	967	219,692	-	60,500	-		219,692		

(5) EB-2014-0271, Rate Order, Working Papers, Schedule 10, column (d).
(6) EB-2014-0271, Rate Order, Working Papers, Schedule 20, column (i).

UNION GAS LIMITED
Rate Impact Continuity
Effective January 1, 2015

Line No.	Particulars	2014 Current Approved Revenue (2) (\$000's)	One-Time Adjustment (2) (\$000's)	Price Cap Index (2) (\$000's)	DSM (2) (\$000's)	Capital Pass-Throughs (2) (\$000's)	2015 Parkway Delivery Obligation (2) (\$000's)	Total Excluding Volume Adjustments	Volume Adjustments	Total Including Volume Adjustments
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
<u>North Delivery</u>										
1	R01	Revenue (\$000's)	161,006	-	1,276	63	(1,358)	-	160,987	160,987
2		Volumes (10 ⁹ m ³)	926,963	926,963	926,963	926,963	926,963	926,963	959	927,922
3		Average rate (cents / m ³)	17.3692	-	0.1377	0.0069	(0.1465)	17.3672	(0.0179)	17.3492
4		Average rate change (1)		0.0%	0.8%	0.0%	-0.8%	0.0%	-0.1%	-0.1%
5	R10	Revenue (\$000's)	19,985	-	150	20	(171)	-	19,985	19,985
6		Volumes (10 ⁹ m ³)	343,530	343,530	343,530	343,530	343,530	343,530	3,215	346,746
7		Average rate (cents / m ³)	5.8176	-	0.0438	0.0059	(0.0497)	5.8175	(0.0539)	5.7636
8		Average rate change (1)		0.0%	0.8%	0.1%	-0.9%	0.0%	-0.9%	-0.9%
9	R20	Revenue (\$000's)	13,502	-	102	17	(144)	-	13,476	13,476
10		Volumes (10 ⁹ m ³)	622,853	622,853	622,853	622,853	622,853	622,853	(4,742)	618,111
11		Average rate (cents / m ³)	2.1678	-	0.0163	0.0027	(0.0231)	2.1636	0.0166	2.1802
12		Average rate change (1)		0.0%	0.8%	0.1%	-1.1%	0.0%	-0.2%	0.6%
13	R25	Revenue (\$000's)	4,472	-	37	-	(44)	-	4,464	4,464
14		Volumes (10 ⁹ m ³)	159,555	159,555	159,555	159,555	159,555	159,555	-	159,555
15		Average rate (cents / m ³)	2.8028	-	0.0230	-	(0.0278)	2.7980	-	2.7980
16		Average rate change (1)		0.0%	0.8%	0.0%	-1.0%	0.0%	-0.2%	-0.2%
17	R100	Revenue (\$000's)	15,509	-	112	31	(123)	-	15,529	15,529
18		Volumes (10 ⁹ m ³)	1,877,394	1,877,394	1,877,394	1,877,394	1,877,394	1,877,394	(21,655)	1,855,739
19		Average rate (cents / m ³)	0.8261	-	0.0060	0.0016	(0.0066)	0.8272	0.0097	0.8368
20		Average rate change (1)		0.0%	0.7%	0.2%	-0.8%	0.0%	1.2%	1.3%
<u>South Delivery & Storage</u>										
21	M1 - Delivery	Revenue (\$000's)	367,914	(73)	2,933	178	(3,091)	2,936	370,798	370,798
22		Volumes (10 ⁹ m ³)	2,910,973	2,910,973	2,910,973	2,910,973	2,910,973	2,910,973	10,543	2,921,516
23		Average rate (cents / m ³)	12.6389	(0.0025)	0.1008	0.0061	(0.1062)	0.1009	(0.0460)	12.6920
24	M1 - Storage	Revenue (\$000's)	21,806	-	179	-	(319)	-	21,667	21,667
25		Volumes (10 ⁹ m ³)	2,910,973	2,910,973	2,910,973	2,910,973	2,910,973	2,910,973	10,543	2,921,516
26		Average rate (cents / m ³)	0.7491	-	0.0062	-	(0.0109)	-	0.7443	0.7416
27	M1	Total Revenue (\$000's)	389,720	(73)	3,112	178	(3,409)	2,936	392,465	392,465
28		Total Average rate (cents / m ³)	13.3880	(0.0025)	0.1069	0.0061	(0.1171)	0.1009	(0.0487)	13.4336
29		Average rate change (1)		0.0%	0.8%	0.0%	-0.9%	0.8%	-0.4%	0.3%
30	M2 - Delivery	Revenue (\$000's)	43,037	(24)	321	66	(373)	992	44,019	44,019
31		Volumes (10 ⁹ m ³)	1,119,452	1,119,452	1,119,452	1,119,452	1,119,452	1,119,452	26,715	1,146,167
32		Average rate (cents / m ³)	3.8445	(0.0022)	0.0286	0.0059	(0.0333)	0.0886	(0.0917)	3.8405
33	M2 - Storage	Revenue (\$000's)	7,415	-	61	-	(109)	-	7,368	7,368
34		Volumes (10 ⁹ m ³)	1,119,452	1,119,452	1,119,452	1,119,452	1,119,452	1,119,452	26,715	1,146,167
35		Average rate (cents / m ³)	0.6624	-	0.0054	-	(0.0097)	-	0.6581	0.6428
36	M2	Total Revenue (\$000's)	50,452	(24)	382	66	(482)	992	51,387	51,387
37		Total Average rate (cents / m ³)	4.5069	(0.0022)	0.0341	0.0059	(0.0430)	0.0886	(0.1070)	4.4833
38		Average rate change (1)		0.0%	0.8%	0.1%	-1.0%	2.0%	-2.4%	-0.5%
39	M4	Revenue (\$000's)	12,339	(7)	88	27	(125)	308	12,629	12,629
40		Volumes (10 ⁹ m ³)	391,630	391,630	391,630	391,630	391,630	391,630	(10,753)	380,878
41		Average rate (cents / m ³)	3.1506	(0.0018)	0.0224	0.0070	(0.0320)	0.0786	0.0910	3.3158
42		Average rate change (1)		-0.1%	0.7%	0.2%	-1.0%	2.5%	2.9%	5.2%
43	M5	Revenue (\$000's)	13,300	(0)	87	46	(109)	40	13,363	13,363
44		Volumes (10 ⁹ m ³)	526,543	526,543	526,543	526,543	526,543	526,543	(15,928)	510,615
45		Average rate (cents / m ³)	2.5258	(0.0000)	0.0165	0.0087	(0.0208)	0.0077	0.0792	2.6171
46		Average rate change (1)		0.0%	0.7%	0.3%	-0.8%	0.3%	3.1%	3.6%

Notes:

- (1) Average rate change is compared to column (a).
(2) EB-2014-0271, Rate Order, Working Paper, Schedule 3.

UNION GAS LIMITED
Rate Impact Continuity
Effective January 1, 2015

Line No.	Particulars	2014 Current Approved Revenue (2) (\$000's)	One-Time Adjustment (2) (\$000's)	Price Cap Index (2) (\$000's)	DSM (2) (\$000's)	Capital Pass-Throughs (2) (\$000's)	2015 Parkway Delivery Obligation (2) (\$000's)	Total Excluding Volume Adjustments	Volume Adjustments	Total Including Volume Adjustments
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
<u>South Delivery & Storage (cont.)</u>										
1	M7 Revenue (\$000's)	4,146	(3)	26	15	(42)	139	4,281		4,281
2	Volumes (10 ⁹ m ³)	144,407	144,407	144,407	144,407	144,407	144,407	144,407	(5,140)	139,266
3	Average rate (cents / m ³)	2.8710	(0.0023)	0.0183	0.0107	(0.0291)	0.0961	2.9646	0.1094	3.0741
4	Average rate change (1)		-0.1%	0.6%	0.4%	-1.0%	3.3%	3.3%	3.8%	7.1%
5	M9 Revenue (\$000's)	729	(1)	6	-	(8)	53	780		780
6	Volumes (10 ⁹ m ³)	60,750	60,750	60,750	60,750	60,750	60,750	60,750	-	60,750
7	Average rate (cents / m ³)	1.2006	(0.0019)	0.0098	-	(0.0124)	0.0871	1.2832	-	1.2832
8	Average rate change (1)		-0.2%	0.8%	0.0%	-1.0%	7.3%	6.9%	0.0%	6.9%
9	M10 Revenue (\$000's)	9	(0)	0	-	(0)	1	10		10
10	Volumes (10 ⁹ m ³)	189	189	189	189	189	189	189	-	189
11	Average rate (cents / m ³)	4.9340	(0.0191)	0.0404	-	(0.2211)	0.7041	5.4383	-	5.4383
12	Average rate change (1)		-0.4%	0.8%	0.0%	-4.5%	14.3%	10.2%	0.0%	10.2%
13	T1 Revenue (\$000's)	10,690	(4)	73	31	(91)	179	10,878		10,878
14	Volumes (10 ⁹ m ³)	540,042	540,042	540,042	540,042	540,042	540,042	540,042	(12,435)	527,607
15	Average rate (cents / m ³)	1.9795	(0.0006)	0.0135	0.0057	(0.0168)	0.0332	2.0144	0.0475	2.0619
16	Average rate change (1)		0.0%	0.7%	0.3%	-0.8%	1.7%	1.8%	2.4%	4.2%
17	T2 Revenue (\$000's)	42,433	(23)	326	44	(389)	1,070	43,462		43,462
18	Volumes (10 ⁹ m ³)	4,824,529	4,824,529	4,824,529	4,824,529	4,824,529	4,824,529	4,824,529	(99,412)	4,725,117
19	Average rate (cents / m ³)	0.8795	(0.0005)	0.0068	0.0009	(0.0081)	0.0222	0.9009	0.0190	0.9198
20	Average rate change (1)		-0.1%	0.8%	0.1%	-0.9%	2.5%	2.4%	2.2%	4.6%
21	T3 Revenue (\$000's)	4,441	(8)	36	-	(47)	345	4,768		4,768
22	Volumes (10 ⁹ m ³)	272,712	272,712	272,712	272,712	272,712	272,712	272,712	-	272,712
23	Average rate (cents / m ³)	1.6285	(0.0030)	0.0133	-	(0.0171)	0.1265	1.7482	-	1.7482
24	Average rate change (1)		-0.2%	0.8%	0.0%	-1.1%	7.8%	7.3%	0.0%	7.3%
<u>North Transportation & Storage</u>										
25	R01 Revenue (\$000's)	77,520	(59)	125	-	1,527	9	79,122		79,122
26	Volumes (10 ⁹ m ³)	926,963	926,963	926,963	926,963	926,963	926,963	926,963	959	927,922
27	Average rate (cents / m ³)	8.3628	(0.0064)	0.0135	-	0.1647	0.0009	8.5356	(0.0088)	8.5268
28	Average rate change (1)		-0.1%	0.2%	0.0%	2.0%	0.0%	2.1%	-0.1%	2.0%
29	R10 Revenue (\$000's)	24,431	(15)	33	-	395	3	24,846		24,846
30	Volumes (10 ⁹ m ³)	343,530	343,530	343,530	343,530	343,530	343,530	343,530	3,215	346,746
31	Average rate (cents / m ³)	7.1116	(0.0045)	0.0097	-	0.1149	0.0008	7.2325	(0.0671)	7.1654
32	Average rate change (1)		-0.1%	0.1%	0.0%	1.6%	0.0%	1.7%	-0.9%	0.8%
33	R20 Revenue (\$000's)	7,949	(4)	10	-	104	1	8,060		8,060
34	Volumes (10 ⁹ m ³)	121,935	121,935	121,935	121,935	121,935	121,935	121,935	-	121,935
35	Average rate (cents / m ³)	6.5194	(0.0034)	0.0079	-	0.0851	0.0008	6.6098	-	6.6098
36	Average rate change (1)		-0.1%	0.1%	0.0%	1.3%	0.0%	1.4%	0.0%	1.4%
37	R25 Revenue (\$000's)	1,455	-	0	-	(1)	-	1,454		1,454
38	Volumes (10 ⁹ m ³)	42,913	42,913	42,913	42,913	42,913	42,913	42,913	1,454	44,367
39	Average rate (cents / m ³)	3.3906	-	0.0004	-	(0.0019)	-	3.3891	(0.1111)	3.2780
40	Average rate change (1)		0.0%	0.0%	0.0%	-0.1%	0.0%	0.0%	-3.3%	-3.3%
41	R100 Revenue (\$000's)	165	(0)	1	-	7	0	172		172
42	Change (1)		-0.2%	0.5%	0.0%	4.2%	0.0%	4.5%	0.0%	4.5%
<u>Ex-Franchise</u>										
43	M12 Revenue (\$000's)	159,756	217	1,307	-	10,969	726	172,976	-	172,976
44	Change (1)		0.1%	0.8%	0.0%	6.9%	0.5%	8.3%	0.0%	8.3%
45	M13 Revenue (\$000's)	420	-	3	-	(1)	-	422	-	422
46	Change (1)		0.0%	0.8%	0.0%	-0.2%	0.0%	0.6%	0.0%	0.6%
47	M16 Revenue (\$000's)	761	-	6	-	(2)	3	768	-	768
48	Change (1)		0.0%	0.8%	0.0%	-0.3%	0.4%	1.0%	0.0%	1.0%
49	C1 Revenue (\$000's)	45,092	5	63	-	129	237	45,526	-	45,526
50	Change (1)		0.0%	0.1%	0.0%	0.3%	0.5%	1.0%	0.0%	1.0%
51	Gas Supply Admin	6,788	-	-	-	(14)	-	6,774	-	6,774
52	Totals	1,067,072	0	7,362	538	6,571	7,043	1,088,586	-	1,088,586

Notes:

- (1) Average rate change is compared to column (a).
(2) EB-2014-0271, Rate Order, Working Paper, Schedule 3.

UNION GAS LIMITED
Union North
Percentage Change in Average Unit Price
Effective January 1, 2015

Line No.	Particulars (cents/m ³)	Rate Class	Current Approved Rates (1) (cents / m ³) (a)	Rate Change (b) = (c - a)	Proposed Rates (2) (cents / m ³) (c)	Percent Change (3) (%) (d) = (b / a)
	Small Volume General Service	01				
1	Delivery		17.3692	(0.0200)	17.3492	-0.1%
2	Gas Supply Transportation		5.3161	0.0020	5.3181	0.0%
3	Storage		3.0467	0.1675	3.2142	5.5%
4	Total		<u>25.7320</u>	<u>0.1495</u>	<u>25.8815</u>	<u>0.6%</u>
	Large Volume General Service	10				
5	Delivery		5.8176	(0.0540)	5.7636	-0.9%
6	Gas Supply Transportation		4.9297	(0.0001)	4.9296	0.0%
7	Storage		2.1819	0.0996	2.2815	4.6%
8	Total		<u>12.9292</u>	<u>0.0455</u>	<u>12.9747</u>	<u>0.4%</u>
	Medium Volume Firm Service	20				
9	Delivery		2.1678	0.0124	2.1802	0.6%
10	Gas Supply Transportation		6.5194	0.0904	6.6098	1.4%
11	Total		<u>8.6872</u>	<u>0.1028</u>	<u>8.7900</u>	<u>1.2%</u>
	Large Volume High Load Factor	100				
12	Delivery		<u>0.8261</u>	<u>0.0107</u>	<u>0.8368</u>	<u>1.3%</u>
	Large Volume Interruptible	25				
13	Delivery		<u>2.8028</u>	<u>(0.0048)</u>	<u>2.7980</u>	<u>-0.2%</u>

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (c).
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (w).
- (3) Excludes Gas Supply Commodity related costs.

UNION GAS LIMITED
Union South
Percentage Change in Average Unit Price
Effective January 1, 2015

Line No.	Particulars (cents/m ³)	Rate Class	Current Approved Rates (1) (cents / m ³) (a)	Rate Change (b) = (c - a)	Proposed Rates (2) (cents / m ³) (c)	Percent Change (3) (%) (d) = (b / a)
	General Service	M1				
1	Delivery		12.6389	0.0531	12.6920	0.4%
2	Storage		0.7491	(0.0075)	0.7416	-1.0%
3	Total		<u>13.3880</u>	<u>0.0456</u>	<u>13.4336</u>	<u>0.3%</u>
	General Service	M2				
4	Delivery		3.8445	(0.0040)	3.8405	-0.1%
5	Storage		0.6624	(0.0196)	0.6428	-3.0%
6	Total		<u>4.5069</u>	<u>(0.0236)</u>	<u>4.4833</u>	<u>-0.5%</u>
7	Firm Contract Commercial / Industrial Delivery	M4	<u>3.1506</u>	<u>0.1652</u>	<u>3.3158</u>	<u>5.2%</u>
8	Firm Contract Commercial / Industrial Delivery	M5 (F)	<u>2.9895</u>	<u>0.1244</u>	<u>3.1139</u>	<u>4.2%</u>
9	Interruptible Contract Commercial / Industrial Delivery	M5 (I)	<u>2.5103</u>	<u>0.0901</u>	<u>2.6004</u>	<u>3.6%</u>
10	Firm Special Large Volume Contract Delivery	M7 (F)	<u>2.9229</u>	<u>0.2086</u>	<u>3.1315</u>	<u>7.1%</u>
11	Interruptible Special Large Volume Contract Delivery	M7 (I)	<u>1.2803</u>	<u>0.0350</u>	<u>1.3153</u>	<u>2.7%</u>
12	Large Wholesale Service Delivery	M9	<u>1.2006</u>	<u>0.0826</u>	<u>1.2832</u>	<u>6.9%</u>
13	Small Wholesale Service Delivery	M10	<u>4.9340</u>	<u>0.5043</u>	<u>5.4383</u>	<u>10.2%</u>
14	Storage and Transportation Delivery	T1 (F/I)	<u>1.9795</u>	<u>0.0824</u>	<u>2.0619</u>	<u>4.2%</u>
15	Delivery excluding fuel		<u>1.9243</u>	<u>0.0705</u>	<u>1.9948</u>	<u>3.7%</u>
16	Storage and Transportation Delivery	T2 (F/I)	<u>0.8795</u>	<u>0.0403</u>	<u>0.9198</u>	<u>4.6%</u>
17	Delivery excluding fuel		<u>0.8378</u>	<u>0.0337</u>	<u>0.8715</u>	<u>4.0%</u>
18	Storage and Transportation Distributor	T3	<u>1.6285</u>	<u>0.1197</u>	<u>1.7482</u>	<u>7.4%</u>

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (c).
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (w).
- (3) Excludes Gas Supply Commodity related costs.

UNION GAS LIMITED
Union South
General Service Customer Bill Impacts

Line No.	Particulars	Rate M1 - Residential (Annual Consumption of 2,200 m ³)				Rate M2 - Commercial (Annual Consumption of 93,000 m ³)			
		EB-2014-0208 Approved 01-Oct-14 Total Bill (\$) (1) (a)	EB-2014-0271 Proposed 01-Jan-15 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)		EB-2014-0208 Approved 01-Oct-14 Total Bill (\$) (1) (d)	EB-2014-0271 Proposed 01-Jan-15 Total Bill (\$) (1) (e)	Impact (\$) (f) = (e) - (d)	
	<u>Delivery Charges</u>								
1	Monthly Charge	252.00	252.00	-		840.00	840.00	-	
2	Delivery Commodity Charge	79.72	81.68	1.96		2,568.73	2,572.93	4.20	
3	Storage Services	16.48	16.32	(0.16)		483.55	469.24	(14.31)	
4	Total Delivery Charge	348.20	350.00	1.79	0.5%	3,892.29	3,882.17	(10.11)	-0.3%
	<u>Gas Supply Charges</u>								
5	Transportation to Union	71.69	71.69	-		2,378.71	2,378.71	-	
6	Commodity & Fuel	332.27	332.26	(0.01)		11,025.41	11,025.12	(0.29)	
7	Total Gas Supply Charges	403.96	403.95	(0.01)	0.0%	13,404.11	13,403.82	(0.29)	0.0%
8	Total Bill	<u>752.16</u>	<u>753.95</u>	<u>1.78</u>	0.2%	<u>17,296.40</u>	<u>17,286.00</u>	<u>(10.40)</u>	-0.1%
9	Impact - Sales Service (line 8)			1.78				(10.40)	
10	Impact - Direct Purchase (line 4)			1.79				(10.11)	

Notes:

(1) Excludes temporary charges/(credits) and prospective recovery.

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	(Fort Frances) Rate 01 - Residential (Annual Consumption of 2,200 m ³)				(Western) Rate 01 - Residential (Annual Consumption of 2,200 m ³)			
		EB-2014-0208 Approved 01-Oct-14 Total Bill (\$) (1) (a)	EB-2014-0271 Proposed 01-Jan-15 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)		EB-2014-0208 Approved 01-Oct-14 Total Bill (\$) (1) (d)	EB-2014-0271 Proposed 01-Jan-15 Total Bill (\$) (1) (e)	Impact (\$) (f) = (e) - (d)	
	<u>Delivery Charges</u>								
1	Monthly Charge	252.00	252.00	-		252.00	252.00	-	
2	Delivery Commodity Charge	196.84	196.16	(0.69)		196.84	196.16	(0.69)	
3	Total Delivery Charge	448.84	448.16	(0.69)	-0.2%	448.84	448.16	(0.69)	-0.2%
	<u>Supply Charges</u>								
4	Transportation to Union	91.08	91.11	0.04		89.98	90.02	0.03	
5	Storage Services	45.40	47.89	2.49		50.47	53.24	2.77	
6	Subtotal	136.48	139.01	2.53	1.9%	140.45	143.26	2.81	2.0%
7	Commodity & Fuel	324.96	324.95	(0.01)		326.65	326.64	(0.01)	
8	Total Gas Supply Charge	461.44	463.96	2.52		467.10	469.90	2.80	
9	Total Bill	910.28	912.12	1.83	0.2%	915.95	918.06	2.11	0.2%
10	Impact - Sales Service (line 9)			1.83				2.11	
11	Impact - Direct Purchase (line 3 + line 6)			1.84				2.12	

Notes:

(1) Excludes temporary charges/(credits) and prospective recovery.

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	(Northern) Rate 01 - Residential (Annual Consumption of 2,200 m ³)				(Eastern) Rate 01 - Residential (Annual Consumption of 2,200 m ³)			
		EB-2014-0208 Approved 01-Oct-14 Total Bill (\$) (1) (a)	EB-2014-0271 Proposed 01-Jan-15 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)		EB-2014-0208 Approved 01-Oct-14 Total Bill (\$) (1) (d)	EB-2014-0271 Proposed 01-Jan-15 Total Bill (\$) (1) (e)	Impact (\$) (f) = (e) - (d)	
	<u>Delivery Charges</u>								
1	Monthly Charge	252.00	252.00	-		252.00	252.00	-	
2	Delivery Commodity Charge	196.78	196.11	(0.67)		196.54	195.90	(0.64)	
3	Total Delivery Charge	448.78	448.11	(0.67)	-0.1%	448.54	447.90	(0.64)	-0.1%
	<u>Supply Charges</u>								
4	Transportation to Union	116.78	116.82	0.05		132.80	132.85	0.05	
5	Storage Services	68.08	71.82	3.74		75.57	79.72	4.15	
6	Subtotal	184.86	188.64	3.79	2.0%	208.37	212.57	4.20	2.0%
7	Commodity & Fuel	329.94	329.93	(0.01)		332.54	332.53	(0.01)	
8	Total Gas Supply Charge	514.79	518.57	3.78		540.91	545.10	4.19	
9	Total Bill	963.57	966.68	3.11	0.3%	989.45	993.00	3.55	0.4%
10	Impact - Sales Service (line 9)			3.11				3.55	
11	Impact - Direct Purchase (line 3 + line 6)			3.11				3.56	

Notes:

(1) Excludes temporary charges/(credits) and prospective recovery.

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	(Fort Frances) Rate 10 - Residential (Annual Consumption of 93,000 m ³)				(Western) Rate 10 - Residential (Annual Consumption of 93,000 m ³)			
		EB-2014-0208 Approved 01-Oct-14 Total Bill (\$) (1) (a)	EB-2014-0271 Proposed 01-Jan-15 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)		EB-2014-0208 Approved 01-Oct-14 Total Bill (\$) (1) (d)	EB-2014-0271 Proposed 01-Jan-15 Total Bill (\$) (1) (e)	Impact (\$) (f) = (e) - (d)	
	<u>Delivery Charges</u>								
1	Monthly Charge	840.00	840.00	-		840.00	840.00	-	
2	Delivery Commodity Charge	5,570.33	5,510.85	(59.48)		5,570.33	5,510.85	(59.48)	
3	Total Delivery Charge	6,410.33	6,350.85	(59.48)	-0.9%	6,410.33	6,350.85	(59.48)	-0.9%
	<u>Supply Charges</u>								
4	Transportation to Union	3,381.76	3,381.76	(0.00)		3,336.18	3,336.10	(0.08)	
5	Storage Services	1,056.13	1,104.37	48.24		1,267.36	1,325.16	57.80	
6	Subtotal	4,437.89	4,486.13	48.24	1.1%	4,603.53	4,661.25	57.72	1.3%
7	Commodity & Fuel	13,737.02	13,736.66	(0.37)		13,808.36	13,807.99	(0.37)	
8	Total Gas Supply Charge	18,174.92	18,222.79	47.87		18,411.89	18,469.24	57.35	
9	Total Bill	24,585.25	24,573.64	(11.61)	0.0%	24,822.22	24,820.09	(2.13)	0.0%
10	Impact - Sales Service (line 9)			(11.61)				(2.13)	
11	Impact - Direct Purchase (line 3 + line 6)			(11.24)				(1.76)	

Notes:

(1) Excludes temporary charges/(credits) and prospective recovery.

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	(Northern) Rate 10 - Residential (Annual Consumption of 93,000 m ³)				(Eastern) Rate 10 - Residential (Annual Consumption of 93,000 m ³)			
		EB-2014-0208 Approved 01-Oct-14 Total Bill (\$) (1) (a)	EB-2014-0271 Proposed 01-Jan-15 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)		EB-2014-0208 Approved 01-Oct-14 Total Bill (\$) (1) (d)	EB-2014-0271 Proposed 01-Jan-15 Total Bill (\$) (1) (e)	Impact (\$) (f) = (e) - (d)	
	<u>Delivery Charges</u>								
1	Monthly Charge	840.00	840.00	-		840.00	840.00	-	
2	Delivery Commodity Charge	5,565.13	5,505.85	(59.28)		5,578.48	5,518.69	(59.79)	
3	Total Delivery Charge	6,405.13	6,345.85	(59.28)	-0.9%	6,418.48	6,358.69	(59.79)	-0.9%
	<u>Supply Charges</u>								
4	Transportation to Union	4,452.03	4,452.00	(0.02)		5,119.54	5,119.46	(0.08)	
5	Storage Services	2,000.63	2,091.94	91.31		2,312.41	2,417.91	105.49	
6	Subtotal	6,452.65	6,543.94	91.29	1.4%	7,431.95	7,537.37	105.42	1.4%
7	Commodity & Fuel	13,947.20	13,946.84	(0.37)		14,057.32	14,056.95	(0.37)	
8	Total Gas Supply Charge	20,399.86	20,490.78	90.92		21,489.27	21,594.32	105.05	
9	Total Bill	26,804.99	26,836.63	31.64	0.1%	27,907.74	27,953.00	45.26	0.2%
10	Impact - Sales Service (line 9)			31.64				45.26	
11	Impact - Direct Purchase (line 3 + line 6)			32.01				45.63	

Notes:

(1) Excludes temporary charges/(credits) and prospective recovery.

UNION GAS LIMITED
Summary of Approved 2014 Revenue Changes

Line No.	Particulars (\$000's)	Approved 2014 Revenue per EB-2013-0365 (1) 2014 Rates (a)	Revenue change per EB-2013-0413 (2) Jan 2014 QRAM (b)	Revenue change per EB-2014-0050 (3) Apr 2014 QRAM (c)	Revenue change per EB-2014-0208 (4) Oct 2014 QRAM (d)	2014 Revenue per EB-2014-0271 (5) (e) = (a+b+c+d)
<u>North Delivery</u>						
1	Rate 01	160,272	103	1,413	(782)	161,006
2	Rate 10	19,764	31	426	(236)	19,985
3	Rate 20	13,428	10	143	(79)	13,502
4	Rate 25	4,472	-	-	-	4,472
5	Rate 100	15,508	(0)	6	(4)	15,509
6	Total In-Franchise North Delivery	<u>213,445</u>	<u>144</u>	<u>1,987</u>	<u>(1,101)</u>	<u>214,475</u>
<u>South Delivery & Storage</u>						
7	Rate M1	388,359	190	2,620	(1,450)	389,720
8	Rate M2	49,994	64	882	(488)	50,453
9	Rate M4	12,197	20	272	(151)	12,339
10	Rate M5A	13,119	25	348	(192)	13,300
11	Rate M7	4,093	7	101	(56)	4,146
12	Rate M9	707	3	44	(24)	729
13	Rate M10	9	0	0	(0)	9
14	Rate T1	10,667	4	49	(30)	10,690
15	Rate T2	42,362	11	152	(92)	42,433
16	Rate T3	4,441	-	-	-	4,441
17	Total In-Franchise South Delivery and Storage	<u>525,948</u>	<u>325</u>	<u>4,468</u>	<u>(2,483)</u>	<u>528,259</u>
18	Total In-franchise Delivery	<u>739,393</u>	<u>469</u>	<u>6,455</u>	<u>(3,583)</u>	<u>742,734</u>

Notes:

- (1) EB-2013-0365, Rate Order, Working Papers, Schedule 3, column (n).
- (2) EB-2013-0365, Rate Order, Working Papers, Schedule 21, Page 1, column (g).
- (3) EB-2013-0365, Rate Order, Working Papers, Schedule 21, Page 2, column (g).
- (4) EB-2014-0208, Tab 2, Schedule 4.
- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 3, column (a).

UNION GAS LIMITED
Summary of Approved 2014 Revenue Changes

Line No.	Particulars (\$000's)	Approved 2014 Revenue per EB-2013-0365 (1) 2014 Rates (a)	Revenue change per EB-2013-0413 (2) Jan 2014 QRAM (b)	Revenue change per EB-2014-0050 (3) Apr 2014 QRAM (c)	Revenue change per EB-2014-0208 (4) Oct 2014 QRAM (d)	2014 Revenue per EB-2014-0271 (5) (e) = (a+b+c+d)
<u>North Transportation & Storage</u>						
1	Rate 01	77,520	-	-	-	77,520
2	Rate 10	24,431	-	-	-	24,431
3	Rate 20	7,949	-	-	-	7,949
4	Rate 25	1,455	-	-	-	1,455
5	Rate 100	165	-	-	-	165
6	Total Northern Transportation and Storage	<u>111,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,520</u>
7	Gas Supply Admin Charge	<u>6,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,788</u>
8	Total In-Franchise	<u>857,701</u>	<u>469</u>	<u>6,455</u>	<u>(3,583)</u>	<u>861,042</u>
<u>Ex-Franchise</u>						
9	Rate M12	159,756	-	-	-	159,756
10	Rate M13	412	1	12	(7)	420
11	Rate M16	739	2	40	(19)	761
12	Rate C1	45,092	2	23	(25)	45,092
13	Total Ex-Franchise	<u>206,000</u>	<u>5</u>	<u>75</u>	<u>(51)</u>	<u>206,030</u>
14	Total Union Gas	<u>1,063,701</u>	<u>475</u>	<u>6,531</u>	<u>(3,634)</u>	<u>1,067,072</u>

Notes:

- (1) EB-2013-0365, Rate Order, Working Papers, Schedule 3, column (n).
- (2) EB-2013-0365, Rate Order, Working Papers, Schedule 21, Page 1, column (g).
- (3) EB-2013-0365, Rate Order, Working Papers, Schedule 21, Page 2, column (g).
- (4) EB-2014-0208, Tab 2, Schedule 4.
- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 3, column (a).

UNION GAS LIMITED
Allocation of the 2013 Board-Approved Kirkwall Station Costs using Bi-Directional Kirkwall Demands

Line No.	Particulars (1)	2013 Approved Demands to/from Kirkwall (10 ³ m ³)	Kirkwall Station Cost Allocation	
		(a)	(\$000's) (b)	(%) (c)
1	Union South In-franchise	559	34	2.2%
2	Ex-franchise	24,939	1,536	97.8%
3	Union North In-franchise	-	-	0.0%
4	Total	25,498	1,570	100.0%

		EB-2011-0210 Board-Approved			Updated per EB-2013-0365 Decision			
Line No.	Rate Class	Distance Weighted Design	Kirkwall Station Cost Allocation (3)		Union South Design	Kirkwall Station Cost Allocation (5)		Difference (\$000's) (g) = (e - b)
		Day Demands (2) (10³m³) (a)	(\$000's) (b)	(%) (c)	Day Demands (4) (10³m³) (d)	(\$000's) (e)	(%) (f)	
5	Rate M1	1,820	90	5.7%	22,132	17	1.1%	(73)
6	Rate M2	612	30	1.9%	7,435	6	0.4%	(24)
7	Rate M4	178	9	0.6%	2,162	2	0.1%	(7)
8	Rate M5	2	0	0.0%	20	0	0.0%	(0)
9	Rate M7	82	4	0.3%	997	1	0.1%	(3)
10	Rate M9	29	1	0.1%	356	0	0.0%	(1)
11	Rate M10	1	0	0.0%	11	0	0.0%	(0)
12	Rate T1	88	4	0.3%	1,068	1	0.1%	(4)
13	Rate T2	570	28	1.8%	6,931	5	0.3%	(23)
14	Rate T3	207	10	0.7%	2,511	2	0.1%	(8)
15	Total Union South In-franchise	3,588	178	11.3%	43,624	34	2.2%	(143)
16	Rate M12	26,557	1,314	83.7%		1,536	97.8%	222
17	Total Ex-franchise	26,557	1,314	83.7%		1,536	97.8%	222
18	Rate 01	1,191	59	3.8%		-	0.0%	(59)
19	Rate 10	312	15	1.0%		-	0.0%	(15)
20	Rate 20	83	4	0.3%		-	0.0%	(4)
21	Rate 100	6	0	0.0%		-	0.0%	(0)
22	Total North In-franchise	1,592	79	5.0%		-	0.0%	(79)
23	Total (line 15 + line 17 + line 22)	31,737	1,570	100.0%		1,570	100.0%	0

Notes:

- (1) As per EB-2013-0365, Exhibit B1.3, Attachment 1 .
- (2) As per EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, page 7, line 5.
- (3) Allocated in proportion to column (a).
- (4) As per EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, page 7, line 2.
- (5) Union South in-franchise Kirkwall Station costs allocated in proportion to column (d).

UNION GAS LIMITED
Summary of 2015 Capital Pass Through Adjustments
Related to Parkway West and Brantford to Kirkwall and Parkway D Compressor Projects

Line No.	Particulars (\$000's)	Delivery (a)	Transportation (b)	Storage (c)	Total (d) = (a + b + c)
<u>Union North In-Franchise</u>					
1	Rate 01	(1,587)	23	1,514	(50)
2	Rate 10	(201)	(0)	396	195
3	Rate 20	(167)	(2)	106	(63)
4	Rate 25	(51)	(1)	-	(52)
5	Rate 100	(142)	(1)	7	(135)
6	Total Union North In-Franchise	<u>(2,147)</u>	<u>19</u>	<u>2,024</u>	<u>(104)</u>
<u>Union South In-Franchise</u>					
7	Rate M1	(3,506)	-	(384)	(3,890)
8	Rate M2	(407)	-	(131)	(538)
9	Rate M4	(114)	-	(24)	(138)
10	Rate M5A	(107)	-	(19)	(126)
11	Rate M7	(37)	-	(9)	(46)
12	Rate M9	(5)	-	(3)	(8)
13	Rate M10	(0)	-	(0)	(0)
14	Rate T1	(85)	-	(14)	(99)
15	Rate T2	(357)	-	(63)	(420)
16	Rate T3	(30)	-	(17)	(47)
17	Total Union South In-Franchise	<u>(4,649)</u>	<u>-</u>	<u>(664)</u>	<u>(5,314)</u>
<u>Ex-Franchise</u>					
18	Excess Utility Space	-	(8)	(48)	(56)
19	Rate M12	-	11,808	-	11,808
20	Rate M13	-	(1)	-	(1)
21	Rate M16	-	(2)	-	(2)
22	Rate C1	-	(20)	-	(20)
23	Total Ex-Franchise	<u>-</u>	<u>11,776</u>	<u>(48)</u>	<u>11,728</u>
24	Total (line 6 + line 17 + line 23)	<u><u>(6,797)</u></u>	<u><u>11,796</u></u>	<u><u>1,311</u></u>	<u><u>6,310</u></u>
25	Gas Supply Admin				(14)
26	Grand Total (1)				<u><u>6,296</u></u>

Note:

- (1) Includes the 2015 Parkway West Project revenue requirement of \$6.373 million, as per EB-2012-0433, Schedule 12-1, Updated and the 2015 Brantford to Kirkwall and Parkway D Compressor Project revenue requirement of (\$0.077) million, as per EB-2013-0074, Schedule 10-1.

UNION GAS LIMITED
Calculation of 2015 DSM Budget
Allocation by Rate Class

Line No.	Particulars (\$000's)	2014			2015		
		Approved DSM Budget (1)	DSM Program Budget	Low Income Program Budget	Inflation Factor (2)	Inflation Factor	DSM Budget
		(a)	(b)	(c)	(d)	(e) = (b+c) x (d)	(f) = (b+c+e)
	<u>Union North</u>						
1	Rate 01	3,780	2,023	1,756	1.68%	63	3,843
2	Rate 10	1,202	902	300	1.68%	20	1,222
3	Rate 20	987	894	93	1.68%	17	1,004
4	Rate 100	1,821	1,628	193	1.68%	31	1,852
5	Total Union North	<u>7,789</u>	<u>5,448</u>	<u>2,342</u>		<u>131</u>	<u>7,920</u>
	<u>Union South</u>						
6	Rate M1	10,585	6,308	4,277	1.68%	178	10,763
7	Rate M2	3,946	3,364	582	1.68%	66	4,012
8	Rate M4	1,628	1,483	145	1.68%	27	1,655
9	Rate M5A	2,717	2,615	102	1.68%	46	2,763
10	Rate M7	917	847	70	1.68%	15	933
11	Rate T1	1,824	1,719	105	1.68%	31	1,855
12	Rate T2	2,642	2,080	562	1.68%	44	2,687
13	Total Union South	<u>24,260</u>	<u>18,416</u>	<u>5,844</u>		<u>408</u>	<u>24,668</u>
14	Total Union (line 5 + line 13)	<u><u>32,049</u></u>	<u><u>23,863</u></u>	<u><u>8,186</u></u>		<u><u>538</u></u>	<u><u>32,588</u></u>

Notes:

- (1) Per EB-2013-0365, Schedule 14.
- (2) Per Statistics Canada CanSim Table 380-0066 - Annual percentage change in the Gross Domestic Product Implicit Price Index (GDP IPI) for the four quarters ending Q2 2014.

Annual % Change in GDP IPI

July - September 2013	1.46%
October - December 2013	1.09%
January - March 2014	1.80%
April - June 2014	<u>2.35%</u>
Average % Change	1.68%

UNION GAS LIMITED
Calculation of 2015 NAC Target Percentage Change
to General Service Rate Classes

<u>Line No.</u>	<u>Particulars (m³)</u>	<u>2012 Actual NAC (1)(2) (a)</u>	<u>2013 Actual NAC (1)(3) (b)</u>	<u>NAC Variance (c) = (b - a)</u>	<u>2015 NAC Target % Change (d) = (c / b)</u>
1	Rate 01	2,898	2,901	3	0.1%
2	Rate 10	167,443	169,025	1,582	0.9%
3	Rate M1	2,751	2,761	10	0.4%
4	Rate M2	165,085	169,121	4,036	2.4%

Notes:

- (1) NAC based on 2013 Board-approved 50:50 Normal weather methodology.
- (2) 2012 actual NAC calculated using 2014 weather normal.
- (3) 2013 actual NAC calculated using 2015 weather normal.

UNION GAS LIMITED
Calculation of 2015 NAC Target Percentage Change
Volumetric Adjustments to Union North General Service Rate Classes

Line No.	Particulars (10 ³ m ³)	Approved 2014 Billing Units (1) (a)	2015 NAC Target % Change (2) (b)	Change in Billing Units (c) = (a x b)	Proposed 2015 Billing Units (d) = (a + c)
<u>Rate 01 Delivery</u>					
1	First 100 m ³	273,335	0.1%	283	273,618
2	Next 200 m ³	310,365	0.1%	321	310,686
3	Next 200 m ³	135,394	0.1%	140	135,534
4	Next 500 m ³	92,475	0.1%	96	92,571
5	All Over 100 m ³	115,393	0.1%	119	115,512
6	Total Rate 01 Delivery	<u>926,963</u>		<u>959</u>	<u>927,922</u>
<u>Rate 01 Storage</u>					
7	Fort Frances Zone	12,888	0.1%	13	12,901
8	Western Zone	179,519	0.1%	186	179,704
9	Northern Zone	403,458	0.1%	417	403,875
10	Eastern Zone	331,099	0.1%	342	331,441
11	Total Rate 01 Storage	<u>926,963</u>		<u>959</u>	<u>927,922</u>
<u>Rate 10 Delivery</u>					
12	First 1,000 m ³	25,196	0.9%	236	25,432
13	Next 9,000 m ³	136,028	0.9%	1,273	137,301
14	Next 20,000 m ³	86,525	0.9%	810	87,335
15	Next 70,000 m ³	65,606	0.9%	614	66,220
16	All Over 100,000 m ³	30,175	0.9%	282	30,458
17	Total Rate 10	<u>343,530</u>		<u>3,215</u>	<u>346,746</u>
<u>Rate 10 Storage</u>					
18	Fort Frances Zone	2,824	0.9%	26	2,851
19	Western Zone	48,124	0.9%	450	48,575
20	Northern Zone	139,364	0.9%	1,304	140,669
21	Eastern Zone	153,218	0.9%	1,434	154,652
22	Total Rate 10 Storage	<u>343,530</u>		<u>3,215</u>	<u>346,746</u>

Notes:

- (1) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (u).
(2) EB-2014-0271, Rate Order, Working Papers, Schedule 12, Page 1, column (d).

UNION GAS LIMITED
Calculation of 2015 NAC Target Percentage Change
Volumetric Adjustments to Union South General Service Rate Classes

Line No.	Particulars (10 ³ m ³)	Approved 2014 Billing Units (1) (a)	2015 NAC Target % Change (2) (b)	Change in Billing Units (c) = (a x b)	Proposed 2015 Billing Units (d) = (a + c)
	<u>Rate M1 Delivery</u>				
1	First 100 m ³	876,748	0.4%	3,175	879,923
2	Next 150 m ³	778,527	0.4%	2,820	781,347
3	All Over 250 m ³	1,255,698	0.4%	4,548	1,260,246
4	Total Rate M1 Delivery	<u>2,910,973</u>		<u>10,543</u>	<u>2,921,516</u>
5	Rate M1 Storage	<u>2,910,973</u>	0.4%	<u>10,543</u>	<u>2,921,516</u>
	<u>Rate M2 Delivery</u>				
6	First 1,000 m ³	60,871	2.4%	1,453	62,323
7	Next 6,000 m ³	296,230	2.4%	7,069	303,299
8	Next 13,000 m ³	334,725	2.4%	7,988	342,713
9	All Over 20,000 m ³	427,626	2.4%	10,205	437,832
10	Total Rate M2 Delivery	<u>1,119,452</u>		<u>26,715</u>	<u>1,146,167</u>
11	Rate M2 Storage	<u>1,119,452</u>	2.4%	<u>26,715</u>	<u>1,146,167</u>

Notes:

- (1) EB-2013-0365, Rate Order, Working Papers, Schedule 4, column (u).
(2) EB-2014-0271, Rate Order, Working Papers, Schedule 12, Page 1, column (d).

UNION GAS LIMITED
Summary of S&T Transactional Margin Included In 2015 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 2014 In-Franchise Rates (e) = (c - d)	Margin Included in 2015 In-Franchise Rates (f)	Variance (g) = (f - e)
<u>Long-Term Transportation</u>								
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>	<u>3,314</u>	<u>-</u>
<u>Short-Term Transportation</u>								
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>	<u>6,291</u>	<u>-</u>
<u>Short-term Storage and Other Balancing Services Acct. 179-70</u>								
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>	<u>4,551</u>	<u>-</u>
18	Total S&T Transactional Margin Included in Rates	<u>188,777</u>	<u>174,171</u>	<u>14,661</u>	<u>506</u>	<u>14,156</u>	<u>14,156</u>	<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) Excludes the non-utility portion of system integrity costs of \$0.300 million as per EB-2011-0210 Board Decision.

UNION GAS LIMITED
Summary of Gas Supply Optimization Margin Included In 2015 Gas Supply Transportation Rates

Line No.	Particulars (\$000's)	Total Revenue (1) (a)	Allocated Cost (b)	Total Margin (c) = (a - b)	Portion of Margin (d) = (c) * 10%	Margin Included in 2013 Gas Supply Transportation Rates (e) = (c - d)	Margin Included in 2014 Gas Supply Transportation Rates (f)	Margin Included in 2015 Gas Supply Transportation Rates (g)	Variance (h) = (g - e)
	<u>Exchanges (2)</u>								
1	Base Exchanges	9,118	-	9,118	912	8,206	8,206	8,206	-
2	FT-RAM Related Exchanges	5,800	-	5,800	580	5,220	5,220	5,220	-
3	Total Exchanges Revenue	<u>14,918</u>	<u>-</u>	<u>14,918</u>	<u>1,492</u>	<u>13,426</u>	<u>13,426</u>	<u>13,426</u>	<u>-</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

2015 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 (10³m³) (c)	Union South Margin (\$000's) (d)	Total Margin (\$000's) (1) (e) = (b + d)	Billing Units (10³m³) (2) (f)	2015 Unit Rate (cents/m³) (g) = (e / f)
1	Rate 01	65,876	(3,920)			(3,920)	926,963	(0.4229)
2	Rate 10	22,548	(1,342)			(1,342)	343,530	(0.3906)
3	Rate 20	8,016	(477)			(477) (3)		
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) Union North billing units per EB-2014-0271, Rate Order, Working Papers, Schedule 4, Column (t).
Union South billing units are 2013 Board-approved Sales volumes per EB-2011-0210.
(3) Rate 20 margin will 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 (10³m³)	6,873
Unit Rate (cents/m³)	(4.1642)
Margin Allocated to Commodity Transportation Charge 1 (\$000's)	(191)
Total Commodity Transportation 1 Billing Units (10³m³)	73,456
Unit Rate (cents/m³)	(0.2597)

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 ³ m ³ /d) (1) (a)	Easterly Flow Volume (10 ³ m ³ /d) (2) (b)	Available Capacity (10 ³ m ³ /d) (c) = (a - b)	Distance (km) (d)	Available Capacity - Distance (10 ³ m ³ /d x km) (e) = (c x d)	Allocated Proportion (%) (f)	Allocated Proportion (\$000's) (g)
	<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 10³m³ and 10,260,364 10³m³ respectively divided by 365.
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 40, Line 10 + Line 13, column (e).

UNION GAS LIMITED
Total Upstream Transportation Costs in Union North Rates
Effective January 1, 2015

Line No.	Particulars (\$000's)	Upstream Transportation Costs per EB-2013-0365 (1) (a)	Change in Upstream Transportation Costs In 2014 (b)	Upstream Transportation Costs per EB-2014-0271 (2) (c) = (a + b)
1	Rate 01	64,046	-	64,046
2	Rate 10	20,832	-	20,832
3	Rate 20	6,907	-	6,907
4	Rate 25	1,436	-	1,436
5	Rate 100	73	-	73
6	Total Union North	<u>93,293</u>	<u>-</u>	<u>93,293</u>

Notes:

- (1) EB-2013-0365, Working Papers, Schedule 15, column (d).
Excludes FT Transportation fuel of \$1.463 million and Black Creek Storage of \$0.042 million.
(2) EB-2014-0271, Rate Order, Working Papers, Schedule 3, column (f).

UNION GAS LIMITED
Calculation of 2015 Gas Supply Admin Charge

Line No.	Particulars	EB-2013-0365 2014 Board Approved (a)	2015 Capital Pass Throughs (3) (b)	EB-2014-0271 2015 Proposed (c) = (a + b)
1	Costs (\$000's)	6,788 (1)	(14)	6,774
2	2013 Approved Sales Volumes (10 ³ m ³)	3,533,863 (2)		3,533,863
3	Gas Supply Admin Charge Unit Rate (cents/m ³) (4)	<u>0.1921</u>		<u>0.1917</u>

Notes:

- (1) EB-2013-0365, Rate Order, Working Papers, Schedule 14, column (g).
- (2) EB-2013-0365, Rate Order, Working Papers, Schedule 14, column (a).
- (3) EB-2014-0271, Rate Order, Working Papers, Schedule 3, Page 2, line 7, column (d) + (k).
- (4) Line 1 / Line 2 x 100.

UNION GAS LIMITED
2013 Lost Revenue Adjustment Mechanism ("LRAM")
Volumes for 2015 Rate Calculations

Line No.	Particulars (10 ³ m ³)	2013 - Pre-Audit Post RR Full Year Impact DSM Volumes by Rate Class
		(a)
	<u>Union South</u>	
	Contract	
1	Rate M4	(10,753)
2	Rate M5A	(15,928)
3	Rate M7	(5,140)
4	Rate T1	(12,435)
5	Rate T2	(99,412)
6	Total Union South	<u>(143,667)</u>
	<u>Union North</u>	
	Contract	
7	Rate 20	(4,742)
8	Rate 100	(21,655)
9	Total Union North	<u>(26,397)</u>
10	Total (line 6 + line 9)	<u><u>(170,064)</u></u>

UNION GAS LIMITED
Calculation of Supplemental Service Charges
Commissioning and Decommissioning Rates
Effective January 1, 2015

Line No.	Particulars	Ft. Frances (a)	Western (b)	Northern (c)	Eastern (d)
Union North					
<u>Rate 20 - At 50% Load Factor</u>					
<u>Delivery (cents / m³)</u>					
1	Monthly Demand (1)	27.8909	27.8909	27.8909	27.8909
2	Line 1 x 12 months	334.6908	334.6908	334.6908	334.6908
3	Line 2 / 365 days	0.9170	0.9170	0.9170	0.9170
4	Line 3 @ 50% Load Factor	1.8339	1.8339	1.8339	1.8339
5	Delivery Commodity Charge (1)	0.5430	0.5430	0.5430	0.5430
6	Total Delivery Commissioning	<u>2.3769</u>	<u>2.3769</u>	<u>2.3769</u>	<u>2.3769</u>
<u>Gas Supply (cents / m³)</u>					
7	Monthly Demand (1)	21.9979	25.4691	64.1988	84.4557
8	Gas Supply Demand - Price Adjustment (1)	-	-	-	-
9	(Line 7 + Line 8) x 12 months	263.9743	305.6292	770.3856	1,013.4684
10	Line 9 / 365 days	0.7232	0.8373	2.1106	2.7766
11	Line 10 @ 50% Load Factor	1.4464	1.6747	4.2213	5.5533
12	Commodity Transportation 1 (1)	3.0513	3.1266	3.9709	4.4184
13	Commodity Transportation 1 - Price Adjustment	-	-	-	-
14	(Line 12 + Line 13) x (4/5)	2.4410	2.5013	3.1767	3.5347
15	Commodity Transportation 2 (1)	-	-	-	-
16	Line 15 * (1/5)	-	-	-	-
17	Total Commodity Transportation Charge for Commissioning Rate	<u>3.8874</u>	<u>4.1760</u>	<u>7.3980</u>	<u>9.0880</u>
<u>Rate 100 - At 70% Load Factor</u>					
<u>Delivery (cents / m³)</u>					
18	Monthly Demand (2)	15.3958	15.3958	15.3958	15.3958
19	Line 18 x 12 months	184.7496	184.7496	184.7496	184.7496
20	Line 19 / 365 days	0.5062	0.5062	0.5062	0.5062
21	Line 20 @ 70% Load Factor	0.7231	0.7231	0.7231	0.7231
22	Commodity Charge (2)	0.2192	0.2192	0.2192	0.2192
23	Total Delivery Commissioning	<u>0.9423</u>	<u>0.9423</u>	<u>0.9423</u>	<u>0.9423</u>
<u>Gas Supply (cents / m³)</u>					
24	Monthly Demand (2)	59.0298	62.3453	106.4130	129.4620
25	Line 24 x 12 months	708.3576	748.1436	1,276.9560	1,553.5440
26	Line 25 / 365 days	1.9407	2.0497	3.4985	4.2563
27	Line 26 @ 70% Load Factor	2.7724	2.9282	4.9979	6.0804
28	Commodity Transportation 1 (2)	5.4887	5.5452	6.1784	6.5140
29	Line 28 * (3/7)	2.3523	2.3765	2.6479	2.7917
30	Commodity Transportation 2 (2)	-	-	-	-
31	Line 30 * (4/7)	-	-	-	-
32	Total Commodity Transportation Charge for Commissioning Rate	<u>5.1247</u>	<u>5.3047</u>	<u>7.6458</u>	<u>8.8721</u>

Notes:

- (1) Appendix A, Page 3.
(2) Appendix A, Page 4.

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Effective January 1, 2015

Line No.	Particulars	cents / m ³ (a)	\$ / GJ (b)
	<u>Minimum annual gas supply commodity charge - Rate M4, Rate M5A</u>		
1	Compressor Fuel	0.5601	
2	Transportation Tolls	3.2585	
3	Administration Charge	0.1917	
4	Minimum annual gas supply commodity charge	<u>4.0103</u>	<u>1.047</u>
	<u>Gas Supply Commodity Charges</u>		
5	Commodity Cost of Gas	14.3511	
6	FT Transportation Commodity	-	
7	FT Fuel	0.5601	
8	Total Gas Supply Commodity Charge	<u>14.9112</u>	<u>3.894</u>
	<u>Firm Gas Supply Service Monthly Demand Charge</u>		
9	FT Demand Charge	<u>179.4173</u>	<u>46.857</u>

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Effective January 1, 2015

Line No.	Particulars		cents / m ³ (a)	\$ / GJ (b)
	Firm Backstop Gas:			
	Demand:			
1	Monthly space charge	0.0421		
2	Units required (1) Note: Each unit of added delivery requires 43 m ³ of additional inventory.	43		
3	Number of months	<u>12</u>	21.7334 (a)	
	Inventory carrying costs:			
4	Sales WACOG	18.3614		
5	Overrun storage withdrawal	<u>0.4135</u>		
6		18.7749		
7	Units required (m ³)	43		
8	Pre-tax return (%)	8.170%	65.9582 (b)	
9	Annual demand charge		87.6916 (a) + (b)	
10	Number of months	<u>12</u>		
11	Monthly demand charge		<u>7.3076</u>	<u>1.908</u>
	Commodity:			
12	Sales WACOG		18.3614	
13	Overrun storage withdrawal		0.4135	
14	Overrun transportation		<u>1.2135</u>	
15	Commodity charge		<u>19.9884</u>	<u>5.220</u>
	Reasonable Efforts Backstop Gas:			
16	M1 Block 1 plus Storage		4.6572	
17	Sales WACOG		<u>18.3614</u>	
18			<u>23.0186</u>	<u>6.012</u>
	Supplemental Inventory:			
19	Sales WACOG		18.3614	
20	Injection commodity		0.2093	
21	Space charge (line 1 x 12)		<u>0.5054</u>	
22			<u>19.0761</u>	<u>4.982</u>
	Carrying costs (1/2 year)			
23	(line 8 x line 22) / 2		<u>0.7793</u>	
24	Total (line 22 + line 23)		<u>19.8554</u>	<u>5.186</u>
	Supplemental Gas Sales:			
25	Supplemental inventory		19.8554	
26	Overrun storage withdrawal		0.4135	
27	Overrun transportation		<u>1.2135</u>	
28	Total		<u>21.4824</u>	
	Failure to Deliver:			
29	M1 Block 1 plus Storage		4.6572	1.216
30	Failure to Deliver Adjustment		<u>5.1708</u>	<u>1.350</u>
31	Failure to Deliver Charge		<u>9.8280</u>	<u>2.567</u>

Notes:

(1) Each unit of added delivery requires 43 m³ of additional inventory.

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Calculation of Minimum, Maximum & Seasonal Charges
Effective January 1, 2015

Line No.	Particulars	cents / m ³ (a)
<u>Minimum Charges</u>		
	Rate M4 (F)	
1	Minimum annual delivery commodity charge:	
2	Monthly delivery commodity charge (1st Block M4)	1.0511
3	Administration Fee	0.1917
	Minimum annual delivery commodity charge	<u>1.2428</u>
	Rate M4 (I) / M5	
4	Minimum annual delivery commodity charge:	
5	Monthly delivery commodity charge (1st block M5)	2.6723
6	Administration Fee	0.1917
	Minimum annual delivery commodity charge	<u>2.8640</u>
<u>Maximum Charges</u>		
	Rate 25 Interruptible	
7	Average Rate 10 Firm Delivery Charge	5.2664
8	Percent of Average Firm Delivery Price	90%
9	R25 Maximum interruptible delivery commodity charge	<u>4.7398</u>
	Rate M7 Interruptible	
10	Maximum interruptible delivery commodity charge:	
11	M7 firm commodity charge	0.3559
12	M7 firm demand charge commoditized at a Load Factor of 21.83%	3.9651
	M7 maximum interruptible charge	<u>4.3210</u>
13	Rate T1 Interruptible	<u>4.3210</u>
14	Rate T2 Interruptible	<u>4.3210</u>
<u>Rate M7 - Commissioning and Decommissioning Rate</u>		
	Delivery (cents / m ³)	
15	Monthly Demand (1)	26.3233
16	Annual Demand (line 15 x 12 months)	315.8796
17	Daily Demand (line 16 / 365 days)	0.8654
18	@ Class Average Firm Load Factor of	2.7756
19	Delivery Commodity Charge (1)	0.3559
20	Delivery - Price Adjustment	-
21	Total Delivery Commissioning	<u>3.1315</u>

Notes:

(1) Appendix A, Page 9.

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Effective January 1, 2015

Line No.	Particulars	Union Supplies Fuel (a)	Customer Supplies Fuel (b)
<u>Rate T1 / Rate T2 / Rate T3 - At 100% Load Factor</u>			
	Authorized Storage Overrun (\$ / GJ)		
1	Monthly Demand (1)	1.625	1.625
2	Annual Demand (line 1 x 12 months)	19.500	19.500
3	Daily Demand (line 2 / 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>
<u>Rate T1 - At 100% Load Factor</u>			
	Authorized Transportation Overrun (cents / m³)		
7	Monthly Demand (3)	32.7527	32.7527
8	Annual Demand (line 7 x 12 months)	393.0324	393.0324
9	Daily Demand (line 8 / 365 days)	1.0768	1.0768
10	@ 100% Load Factor	1.0768	1.0768
11	Commodity Charge (WACOG / 10 * Transportation Fuel Ratio + Firm Commodity Transport) (4)	0.1367	0.0741
12	Total Transportation Overrun	<u>1.2135</u>	<u>1.1509</u>
<u>Rate T2 - At 100% Load Factor</u>			
	Authorized Transportation Overrun (cents / m³)		
13	Monthly Demand (5)	20.9163	20.9163
14	Annual Demand (line 13 x 12 months)	250.9956	250.9956
15	Daily Demand (line 14 / 365 days)	0.6877	0.6877
16	@ 100% Load Factor	0.6877	0.6877
17	Commodity Charge (WACOG / 10 * Transportation Fuel Ratio + Firm Commodity Transport) (6)	0.0662	0.0081
18	Total Transportation Overrun	<u>0.7539</u>	<u>0.6958</u>
<u>Rate T3 - At 100% Load Factor</u>			
	Authorized Transportation Overrun (cents / m³)		
19	Monthly Demand (7)	10.4499	10.4499
20	Annual Demand (line 19 x 12 months)	125.3988	125.3988
21	Daily Demand (line 20 / 365 days)	0.3436	0.3436
22	@ 100% Load Factor	0.3436	0.3436
23	Commodity Charge (7)	0.0888	0.0108
24	Total Transportation Overrun	<u>0.4323</u>	<u>0.3544</u>

Notes:

- (1) Appendix A, Page 9.
- (2) $\$208.106/10^3\text{m}^3 / 38.29 \text{ GJ}/10^3\text{m}^3 * 0.859\% + \$0.008/\text{GJ}$.
- (3) Appendix A, Page 9.
- (4) $\$208.106/10^3\text{m}^3 / 10 * 0.303\% + 0.0741 \text{ cents}/\text{m}^3$.
- (5) Appendix A, Page 11.
- (6) $\$208.106/10^3\text{m}^3 / 10 * 0.277\% + 0.0081 \text{ cents}/\text{m}^3$.
- (7) Appendix A, Page 12.

UNION GAS LIMITED
Union South
Calculation of Union Supplied Fuel Rates for
In-Franchise Semi-Unbundled Rates T1, T2 and T3
Effective January 1, 2015

Line No.	Particulars	Union Supplies Fuel (a)	Customer Supplies Fuel (b)
<u>Rate T1 Transportation Service (cents/m³)</u>			
1	Ontario Landed Reference Price as per EB-2014-0271	20.8106	
2	2015 Fuel Ratio as per EB-2014-0271	0.301%	
3	Fuel Rate (line 1 x line 2)	0.0626	
	Firm Transportation Commodity Charge		
4	All volumes	<u>0.1367</u>	<u>0.0741</u>
5	Interruptible Transportation Commodity Charge - Maximum	<u>4.3210</u>	<u>4.2584</u>
<u>Rate T2 Transportation Service (cents/m³)</u>			
6	Ontario Landed Reference Price as per EB-2014-0271	20.8106	
7	2015 Fuel Ratio as per EB-2014-0271	0.279%	
8	Fuel Rate (line 6 x line 7)	0.0581	
	Firm Transportation Commodity Charge		
9	All volumes	<u>0.0662</u>	<u>0.0081</u>
10	Interruptible Transportation Commodity Charge - Maximum	<u>4.3210</u>	<u>4.2629</u>
<u>Rate T3 Transportation Service (cents/m³)</u>			
11	Ontario Landed Reference Price as per EB-2014-0271	20.8106	
12	2015 Fuel Ratio as per EB-2014-0271	0.375%	
13	Fuel Rate (line 11 x line 12)	0.0780	
	Firm Transportation Commodity Charge		
14		<u>0.0888</u>	<u>0.0108</u>
<u>Rate T1, Rate T2 & Rate T3 Storage Service (\$/GJ)</u>			
15	Ontario Landed Reference Price as per EB-2014-0271	5.435	
16	2015 Fuel Ratio as per EB-2014-0271	0.400%	
17	Fuel Rate (line 15 x line 16)	0.022	
	Storage Commodity Charge		
18		<u>0.030</u>	<u>0.008</u>

UNION GAS LIMITED
Southern Operations Area
Unbundled Delivery Rate Detail
Effective January 1, 2015

Line No.	Particulars	Billing Units	2015 Forecast (1) Usage (a)	SSS & SPS (\$000's) (b)	Gas Supply Balancing Costs (\$000's) (c)	Gas in Storage Inventory Carrying Costs (\$000's) (d)	Unbundled Storage Revenue (\$000's) (e) = (b + c + d)	Unbundled Storage Rates (cents/m³) (f) = (e / a)	Unbundled Delivery Rates (6) (cents/m³) (g)
<u>Rate M1</u>									
	Monthly delivery commodity charge:								
1	First 100 m³	10³m³	879,923	4,330	-	2,196	6,526	0.7416	3.9156
2	Next 150 m³	10³m³	781,347	3,845	-	1,950	5,795	0.7416	3.7185
3	All over 250 m³	10³m³	1,260,246	6,201	-	3,145	9,346	0.7416	3.2094
4	Total		<u>2,921,516</u>	<u>14,375</u> (2)	<u>-</u>	<u>7,291</u> (3)	<u>21,667</u>		
<u>Rate M2</u>									
	Monthly delivery commodity charge:								
5	First 1,000 m³	10³m³	62,323	265	-	135	401	0.6428	3.6269
6	Next 6,000 m³	10³m³	303,299	1,291	-	659	1,950	0.6428	3.5600
7	Next 13,000 m³	10³m³	342,713	1,458	-	745	2,203	0.6428	3.3708
8	All over 20,000 m³	10³m³	437,832	1,863	-	951	2,815	0.6428	3.1308
9	Total		<u>1,146,167</u>	<u>4,878</u> (4)	<u>-</u>	<u>2,490</u> (5)	<u>7,368</u>		

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (t).
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 19, Page 2, line 6, column (a).
- (3) EB-2014-0271, Rate Order, Working Papers, Schedule 19, Page 2, line 10, column (a).
- (4) EB-2014-0271, Rate Order, Working Papers, Schedule 19, Page 2, line 6, column (b).
- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 19, Page 2, line 10, column (b).
- (6) EB-2014-0271, Rate Order, Working Papers, Schedule 4, Page 10, column (v).

UNION GAS LIMITED
Southern Operations Area
Unbundled Delivery Cost Detail
Effective January 1, 2015

Line No.	Particulars (\$000's)	Rate M1 (a)	Rate M2 (b)
	<u>SSS/ SPS</u>		
1	Storage Dehydrator (1)	176	59
2	Storage Ex. Dehydrator (2)	9,743	3,296
3	Storage Space (3)	11,747	4,012
4	Storage	21,667	7,368
5	Less: ICC on Gas in Storage (4)	7,291	2,490
6	Total SSS/SPS	<u>14,375</u>	<u>4,878</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, Rate Order, Working Papers, Schedule 18, Page 2, line 1, updated for PCI and Capital Pass Throughs per EB-2014-0271.
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 18, Page 2, line 2, updated for PCI and Capital Pass Throughs per EB-2014-0271.
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 18, Page 2, line 3, updated for PCI and Capital Pass Throughs per EB-2014-0271.
- (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
2015 Rate Adjustment Summary based on
Parkway Delivery Obligation Reduction of 212 TJ/d and 66 TJ/d of M12 Turnback.

Line No.	Rate Class (\$000's)	Dawn-Parkway Demand Costs (a)	Compressor Fuel Costs (b)	Total Costs (c) = (a + b)
1	Rate M1	2,609	327	2,936
2	Rate M2	877	116	992
3	Rate M4	255	53	308
4	Rate M5 - Firm	2	1	4
5	Rate M5 - Interruptible	-	37	37
6	Rate M7 - Firm	118	21	139
7	Rate M7 - Interruptible	-	-	-
8	Rate M9	42	11	53
9	Rate M10	1	0	1
10	Rate T1 - Firm	126	48	174
11	Rate T1 - Interruptible	-	5	5
12	Rate T2 - Firm	817	248	1,065
13	Rate T2 - Interruptible	-	6	6
14	Rate T3	296	49	345
15	Total South In-franchise	5,143	921	6,064
16	Excess Utility Storage Space	-	-	-
17	Rate C1 - Firm	-	8	8
18	Rate C1 - Interruptible	-	229	229
19	Rate M12	-	726	726
20	Rate M13	-	-	-
21	Rate M16	-	3	3
22	Total Ex-franchise	-	967	967
23	Rate 01	-	9	9
24	Rate 10	-	3	3
25	Rate 20	-	1	1
26	Rate 100	-	0	0
27	Rate 25	-	-	-
28	Total North In-franchise	-	12	12
29	Total (line 15 + line 22 + line 28)	5,143	1,900	7,043

UNION GAS LIMITED

2015 Delivery Impacts to Union South In-Franchise Customers of M12 Demand Costs
Based on 212 TJ per day of M12 Dawn to Parkway Capacity and 48 TJ per day of T2 Billing Contract Demand Revenue Credit

Line No.	Rate Class	2013 Approved Dawn-Parkway Design Day Demands (1) (10 ³ m ³ /d) (a)	Dawn-Parkway Demand Costs of 146 TJ/d (2) (\$000's) (b)	Dawn-Parkway Demand Costs of 19 TJ/d (2) (\$000's) (c)	Dawn-Parkway Demand Costs of 48 TJ/d (2) (\$000's) (d)	Dawn-Parkway Demand Costs of 212 TJ/d (\$000's) (e) = (b + c + d)	T2 BCD Revenue Credit of 48 TJ/d (2) (\$000's) (f)	Total Demand Costs (\$000's) (g) = (e + f)
1	Rate M1	22,132	2,315	294	755	3,365	(755)	2,609
2	Rate M2	7,435	778	99	254	1,130	(254)	877
3	Rate M4	2,162	226	29	74	329	(74)	255
4	Rate M5 Firm	20	2	0	1	3	(1)	2
5	Rate M5 Interruptible	-	-	-	-	-	-	-
6	Rate M7 Firm	997	104	13	34	152	(34)	118
7	Rate M7 Interruptible	-	-	-	-	-	-	-
8	Rate M9	356	37	5	12	54	(12)	42
9	Rate M10	11	1	0	0	2	(0)	1
10	Rate T1 Firm	1,068	112	14	36	162	(36)	126
11	Rate T1 Interruptible	-	-	-	-	-	-	-
12	Rate T2 Firm	6,931	725	92	237	1,054	(237)	817
13	Rate T2 Interruptible	-	-	-	-	-	-	-
14	Rate T3	2,511	263	33	86	382	(86)	296
15	Total	<u>43,624</u>	<u>4,563</u> (3)	<u>580</u> (4)	<u>1,489</u> (5)	<u>6,632</u>	<u>(1,489)</u> (5)	<u>5,143</u>

Notes:

- (1) In-franchise Design Day Demand Allocation Factor per EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, Page 7, line 2, Updated for Board Decision.
(2) Allocated in proportion to column (a).
(3) Calculated as 146 TJ x \$2.604/GJ/day/month x 12 = \$4.563 million. Rate represents the M12 Dawn to Parkway demand rate per 2015 Rates, Appendix A
(4) Calculated as 19 TJ x \$2.604/GJ/day/month x 12 = \$0.580 million. Rate represents the M12 Dawn to Parkway demand rate per 2015 Rates, Appendix A.
(5) Calculated as 48 TJ x \$2.604/GJ/day/month x 12 = \$1.489 million. Rate represents the M12 Dawn to Parkway demand rate per 2015 Rates, Appendix A.

UNION GAS LIMITED
2015 Commodity Cost Adjustments based on
Parkway Delivery Obligation Reduction of 212 T.J/d and 66 T.J/d of M12 Turnback

Line No.	Rate Class	2013 Board-Approved Compressor Fuel Allocation				Adjusted Compressor Fuel Allocation				Difference (GJ) (i) = (h - d)	Compressor Fuel Cost (1) (\$000's) (j)=(i x 5.435/1000)
		Dawn Station Compressor Fuel (GJ) (a)	D-P Easterly Compressor Fuel (GJ) (b)	D-P Westerly Compressor Fuel (GJ) (c)	Total Compressor Fuel (GJ) (d) = (a + b + c)	Dawn Station Compressor Fuel (GJ) (e)	D-P Easterly Compressor Fuel (GJ) (f)	D-P Westerly Compressor Fuel (GJ) (g)	Total Compressor Fuel (GJ) (h) = (e + f + g)		
1	Rate M1	37,867	37,469	-	75,337	65,720	69,812	-	135,532	60,196	327
2	Rate M2	13,397	13,256	-	26,653	23,251	24,699	-	47,950	21,297	116
3	Rate M4	6,107	6,042	-	12,149	10,598	11,258	-	21,857	9,708	53
4	Rate M5 - Firm	156	154	-	310	270	287	-	557	248	1
5	Rate M5 - Interruptible	4,233	4,189	-	8,422	7,347	7,804	-	15,151	6,729	37
6	Rate M7 - Firm	2,457	2,431	-	4,888	4,264	4,529	-	8,793	3,905	21
7	Rate M7 - Interruptible	-	-	-	-	-	-	-	-	-	-
8	Rate M9	1,261	1,248	-	2,509	2,189	2,325	-	4,514	2,005	11
9	Rate M10	4	4	-	8	7	7	-	14	6	0
10	Rate T1 - Firm	5,563	5,505	-	11,068	9,655	10,256	-	19,912	8,844	48
11	Rate T1 - Interruptible	593	587	-	1,179	1,029	1,093	-	2,122	942	5
12	Rate T2 - Firm	28,658	28,356	-	57,014	49,736	52,833	-	102,569	45,555	248
13	Rate T2 - Interruptible	673	666	-	1,340	1,169	1,241	-	2,410	1,070	6
14	Rate T3	5,662	5,603	-	11,265	9,827	10,439	-	20,265	9,001	49
15	Total South In-franchise	106,631	105,510	-	212,141	185,061	196,585	-	381,646	169,505	921
16	Excess Utility Storage Space	-	-	-	-	-	-	-	-	-	-
17	Rate C1 - Firm	35,316	10,023	4,718	50,057	35,340	10,808	5,444	51,592	1,535	8
18	Rate C1 - Interruptible	226,118	520,843	-	746,960	226,877	562,223	-	789,100	42,140	229
19	Rate M12	1,135,933	2,479,902	1,009	3,616,843	1,132,730	2,616,541	1,167	3,750,437	133,594	726
20	Rate M13	-	-	-	-	-	-	-	-	-	-
21	Rate M16	-	-	-	-	146	470	-	615	615	3
22	Total Ex-franchise	1,397,366	3,010,768	5,726	4,413,861	1,395,092	3,190,041	6,611	4,591,744	177,883	967
23	Rate 01	28,728	27,573	-	56,300	28,840	29,025	-	57,865	1,565	9
24	Rate 10	9,042	8,679	-	17,721	9,078	9,136	-	18,213	492	3
25	Rate 20	3,212	3,083	-	6,295	3,225	3,245	-	6,470	175	1
26	Rate 100	102	98	-	200	102	103	-	205	6	0
27	Rate 25	-	-	-	-	-	-	-	-	-	-
28	Total North In-franchise	41,084	39,432	-	80,516	41,245	41,509	-	82,754	2,238	12
29	Total (line 15 + line 22 + line 28)	1,545,082	3,155,710	5,726	4,706,518	1,621,397	3,428,135	6,611	5,056,144	349,626	1,900

Notes:

(1) Compressor fuel cost based on EB-2014-0208 October 2014 QRAM Ontario Landed Reference Price of \$5.435/GJ.

UNION GAS LIMITED
Estimated Fuel Impact of the Parkway Delivery Obligation Reduction

Line No.	Particulars (GJ)	Allocation of Fuel (updated for PDO)					Allocation of Fuel (as filed in EB-2011-0210)					Difference
		Dawn (a)	Lobo (b)	Bright (c)	Parkway (d)	Total (e) = (a+b+c+d)	Dawn (f)	Lobo (g)	Bright (h)	Parkway (i)	Total (j) = (f+g+h+i)	
1	M12 Easterly	1,132,730	658,864	789,616	1,168,061	3,749,270	1,135,933	644,630	772,860	1,062,411	3,615,834	133,436
2	M12 Westerly	-	-	-	1,167	1,167	-	-	-	1,009	1,009	158
3	C1 LT Easterly	3,379	2,063	2,468	6,277	14,187	3,356	2,017	2,413	5,593	13,379	808
4	C1 ST Easterly	226,877	120,670	147,087	294,467	789,100	226,118	116,353	141,989	262,500	746,960	42,140
5	C1 LT Westerly	-	-	-	5,444	5,444	-	-	-	4,718	4,718	726
6	C1 ST Westerly	-	-	-	-	-	-	-	-	-	-	-
7	M16 to Pool	146	157	313	-	615	-	-	-	-	-	615
8	Infranchise - North	41,245	16,921	24,588	-	82,754	41,084	15,975	23,457	-	80,516	2,238
9	Infranchise - South	185,061	86,417	110,168	-	381,646	106,631	46,265	59,245	-	212,141	169,505
10	Total	1,589,437	885,091	1,074,239	1,475,416	5,024,183	1,513,121	825,240	999,964	1,336,232	4,674,557	349,626

Notes:

- (1) Sales of Dawn to Parkway transportation services were reduced by 66 TJ per day.
- (2) Compressor throughput was adjusted to account for a shift of 165 TJ of delivered supply from Parkway to Dawn and 66 TJ/d of M12 turnback.
- (3) Compressor fuel costs increased to reflect the change in flows outlined in note (2).
- (4) Based on contract quantities from 2013 Rates filing.
- (5) Allocation of fuel is consistent with YCR formula in the current M12 Rate Schedule.
- (6) The total fuel excludes C1 Dawn to Dawn-Vector and C1 Dawn to Dawn-TCPL fuel of 31,960 GJ.

UNION GAS LIMITED
Continuity of M12 Monthly Transportation Fuel Ratios and Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2015

Line No.	Particulars	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					
		2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
1	April	0.806	0.007	0.813	0.037	0.850	0.046	0.535	0.004	0.540 -	0.003	0.537	0.029	0.154	0.001	0.155	-	0.155	0.008
2	May	0.570	0.005	0.574	0.029	0.603	0.033	0.361	0.003	0.364	0.001	0.365	0.020	0.154	0.001	0.155	-	0.155	0.008
3	June	0.466	0.004	0.470	0.032	0.501	0.027	0.261	0.002	0.263	0.004	0.268	0.015	0.358	0.003	0.361	0.031	0.393	0.021
4	July	0.453	0.004	0.457	0.030	0.487	0.026	0.249	0.002	0.251	0.004	0.255	0.014	0.358	0.003	0.361	0.030	0.391	0.021
5	August	0.357	0.003	0.360	0.028	0.388	0.021	0.155	0.001	0.156 -	0.000	0.156	0.008	0.356	0.003	0.359	0.032	0.391	0.021
6	September	0.353	0.003	0.356	0.027	0.383	0.021	0.154	0.001	0.156 -	0.000	0.156	0.008	0.353	0.003	0.356	0.031	0.387	0.021
7	October	0.700	0.006	0.706	0.023	0.729	0.040	0.465	0.004	0.469 -	0.012	0.457	0.025	0.154	0.001	0.155	-	0.155	0.008
8	November	0.844	0.007	0.851	0.019	0.870	0.047	0.607	0.005	0.612	0.001	0.613	0.033	0.154	0.001	0.155	-	0.155	0.008
9	December	0.950	0.008	0.957	0.024	0.981	0.053	0.706	0.006	0.712	0.011	0.722	0.039	0.154	0.001	0.155	-	0.155	0.008
10	January	1.091	0.009	1.100	0.030	1.131	0.061	0.835	0.007	0.842	0.015	0.857	0.047	0.154	0.001	0.155	-	0.155	0.008
11	February	1.038	0.009	1.046	0.027	1.074	0.058	0.790	0.006	0.796	0.012	0.808	0.044	0.154	0.001	0.155	-	0.155	0.008
12	March	0.977	0.008	0.985	0.018	1.003	0.055	0.723	0.006	0.729 -	0.003	0.725	0.039	0.154	0.001	0.155	-	0.155	0.008
		M12-X Easterly Kirkwall to Parkway (TCPL)						M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)						M12-X Westerly Parkway to Kirkwall, Dawn					
		2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
13	April	0.425	0.003	0.428	0.040	0.468	0.025	0.154	0.001	0.155	-	0.155	0.008	0.269	0.002	0.272	0.018	0.289	0.016
14	May	0.363	0.003	0.366	0.028	0.393	0.021	0.154	0.001	0.155	-	0.155	0.008	0.269	0.002	0.272	0.018	0.289	0.016
15	June	0.358	0.003	0.361	0.027	0.389	0.021	0.154	0.001	0.155	-	0.155	0.008	0.269	0.002	0.272	0.018	0.289	0.016
16	July	0.358	0.003	0.361	0.026	0.387	0.021	0.154	0.001	0.155	-	0.155	0.008	0.269	0.002	0.272	0.018	0.289	0.016
17	August	0.356	0.003	0.359	0.028	0.386	0.021	0.154	0.001	0.155	-	0.155	0.008	0.269	0.002	0.272	0.018	0.289	0.016
18	September	0.353	0.003	0.356	0.027	0.383	0.021	0.154	0.001	0.155	-	0.155	0.008	0.269	0.002	0.272	0.018	0.289	0.016
19	October	0.389	0.003	0.392	0.035	0.427	0.023	0.154	0.001	0.155	-	0.155	0.008	0.269	0.002	0.272	0.018	0.289	0.016
20	November	0.391	0.003	0.394	0.018	0.412	0.022	0.154	0.001	0.155	-	0.155	0.008	0.154	0.001	0.155	-	0.155	0.008
21	December	0.398	0.003	0.401	0.013	0.414	0.022	0.154	0.001	0.155	-	0.155	0.008	0.154	0.001	0.155	-	0.155	0.008
22	January	0.410	0.003	0.413	0.015	0.428	0.023	0.154	0.001	0.155	-	0.155	0.008	0.154	0.001	0.155	-	0.155	0.008
23	February	0.402	0.003	0.405	0.015	0.420	0.023	0.154	0.001	0.155	-	0.155	0.008	0.154	0.001	0.155	-	0.155	0.008
24	March	0.408	0.003	0.412	0.021	0.433	0.024	0.154	0.001	0.155	-	0.155	0.008	0.154	0.001	0.155	-	0.155	0.008

UNION GAS LIMITED

Continuity of M12 Monthly Transportation Authorized Overrun Fuel Ratios and Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2015

Line No.	Particulars	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					
		2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
1	April	1.409	0.012	1.421	0.037	1.458	0.165	1.138	0.009	1.148	(0.003)	1.145	0.134	0.757	0.006	0.763	-	0.763	0.127
2	May	1.173	0.010	1.182	0.029	1.211	0.151	0.964	0.008	0.972	0.001	0.973	0.125	0.757	0.006	0.763	-	0.763	0.127
3	June	1.069	0.009	1.078	0.032	1.109	0.146	0.864	0.007	0.871	0.004	0.876	0.120	0.961	0.008	0.969	0.031	1.001	0.140
4	July	1.056	0.009	1.065	0.030	1.095	0.145	0.852	0.007	0.859	0.004	0.863	0.119	0.961	0.008	0.969	0.030	0.999	0.140
5	August	0.960	0.008	0.968	0.028	0.996	0.140	0.758	0.006	0.764	(0.000)	0.764	0.114	0.959	0.008	0.967	0.032	0.999	0.140
6	September	0.956	0.008	0.964	0.027	0.991	0.139	0.758	0.006	0.764	(0.000)	0.764	0.114	0.956	0.008	0.964	0.031	0.995	0.140
7	October	1.303	0.011	1.314	0.023	1.337	0.158	1.069	0.009	1.077	(0.012)	1.065	0.130	0.757	0.006	0.763	-	0.763	0.127
8	November	1.447	0.012	1.459	0.019	1.478	0.166	1.210	0.010	1.220	0.001	1.221	0.138	0.757	0.006	0.763	-	0.763	0.127
9	December	1.553	0.013	1.565	0.024	1.589	0.172	1.309	0.011	1.320	0.011	1.330	0.144	0.757	0.006	0.763	-	0.763	0.127
10	January	1.694	0.014	1.708	0.030	1.739	0.180	1.438	0.012	1.450	0.015	1.465	0.152	0.757	0.006	0.763	-	0.763	0.127
11	February	1.641	0.013	1.654	0.027	1.682	0.177	1.393	0.011	1.404	0.012	1.416	0.149	0.757	0.006	0.763	-	0.763	0.127
12	March	1.580	0.013	1.593	0.018	1.611	0.173	1.326	0.011	1.337	(0.003)	1.333	0.145	0.757	0.006	0.763	-	0.763	0.127
		M12-X Easterly Kirkwall to Parkway (TCPL)						M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)						M12-X Westerly Parkway to Kirkwall, Dawn					
		2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
13	April	1.028	0.008	1.036	0.040	1.076	0.072	0.757	0.006	0.763	-	0.763	0.055	0.872	0.007	0.880	0.018	0.897	0.134
14	May	0.966	0.008	0.974	0.028	1.001	0.068	0.757	0.006	0.763	-	0.763	0.055	0.872	0.007	0.880	0.018	0.897	0.134
15	June	0.961	0.008	0.969	0.027	0.997	0.068	0.757	0.006	0.763	-	0.763	0.055	0.872	0.007	0.880	0.018	0.897	0.134
16	July	0.961	0.008	0.969	0.026	0.995	0.068	0.757	0.006	0.763	-	0.763	0.055	0.872	0.007	0.880	0.018	0.897	0.134
17	August	0.959	0.008	0.967	0.028	0.994	0.068	0.757	0.006	0.763	-	0.763	0.055	0.872	0.007	0.880	0.018	0.897	0.134
18	September	0.956	0.008	0.964	0.027	0.991	0.067	0.757	0.006	0.763	-	0.763	0.055	0.872	0.007	0.880	0.018	0.897	0.134
19	October	0.992	0.008	1.000	0.035	1.035	0.070	0.757	0.006	0.763	-	0.763	0.055	0.872	0.007	0.880	0.018	0.897	0.134
20	November	0.994	0.008	1.002	0.018	1.020	0.069	0.757	0.006	0.763	-	0.763	0.055	0.757	0.006	0.763	-	0.763	0.127
21	December	1.001	0.008	1.009	0.013	1.022	0.069	0.757	0.006	0.763	-	0.763	0.055	0.757	0.006	0.763	-	0.763	0.127
22	January	1.013	0.008	1.021	0.015	1.036	0.070	0.757	0.006	0.763	-	0.763	0.055	0.757	0.006	0.763	-	0.763	0.127
23	February	1.005	0.008	1.013	0.015	1.028	0.069	0.757	0.006	0.763	-	0.763	0.055	0.757	0.006	0.763	-	0.763	0.127
24	March	1.011	0.008	1.020	0.021	1.041	0.070	0.757	0.006	0.763	-	0.763	0.055	0.757	0.006	0.763	-	0.763	0.127

UNION GAS LIMITED

Continuity of M13,M16, Monthly Transportation Fuel Ratios and Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2015

Line No.	Particulars	M13 Delivery Commodity Charge						M13 Authorized overrun - Delivery Commodity Charge					
		2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
1		0.154	0.001	0.155	-	0.155	0.008	0.154	0.001	0.155	-	0.155	0.078
		M16 Fuel Charges to Dawn						M16 Fuel Charges to Pool					
		2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
2	East	0.154	0.001	0.155	-	0.155	0.008	0.154	0.001	0.155	0.035	0.190	0.010
3	West	0.154	0.001	0.155	-	0.155	0.008	0.437	0.004	0.441	-	0.441	0.024
		M16 Authorized overrun - Fuel Charges to Dawn						M16 Authorized Overrun - Fuel Charges to Pool					
		2014	PCI ADJ	2015	PWO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
4	East	0.154	0.001	0.155	-	0.155	0.068	0.154	0.001	0.155	0.035	0.190	0.035
5	West	0.154	0.001	0.155	-	0.155	0.078	0.437	0.004	0.441	-	0.441	0.059

UNION GAS LIMITED

Continuity of C1 Monthly Transportation Fuel Ratios and Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2015

Line No.	Particulars	C1 St. Clair/Dawn						C1 Ojibway/Dawn						C1 Bluewater/Dawn					
		2014 Fuel Ratio (%)	PCI ADJ Fuel Ratio (%)	2015 Excluding PDO (%)	PDO ADJ Fuel Ratio (%)	2015 Fuel Ratio (%)	2015 Fuel Rate (%)	2014 Fuel Ratio (%)	PCI ADJ Fuel Ratio (%)	2015 Excluding PDO (%)	PDO ADJ Fuel Ratio (%)	2015 Fuel Ratio (%)	2015 Fuel Rate (%)	2014 Fuel Ratio (%)	PCI ADJ Fuel Ratio (%)	2015 Excluding PDO (%)	PDO ADJ Fuel Ratio (%)	2015 Fuel Ratio (%)	2015 Fuel Rate (%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
1	Summer	0.202	0.002	0.204	-	0.204	0.011	0.437	0.004	0.441	-	0.441	0.024	0.202	0.002	0.204	-	0.204	0.011
2	Winter	0.260	0.002	0.262	-	0.262	0.014	0.297	0.002	0.299	-	0.299	0.016	0.260	0.002	0.262	-	0.262	0.014
3	Summer	C1 Dawn to Dawn TCPL						C1 Dawn to Dawn Vector											
		2014 Fuel Ratio (%)	PCI ADJ Fuel Ratio (%)	2015 Excluding PDO (%)	PDO ADJ Fuel Ratio (%)	2015 Fuel Ratio (%)	2015 Fuel Rate (%)	2014 Fuel Ratio (%)	PCI ADJ Fuel Ratio (%)	2015 Excluding PDO (%)	PDO ADJ Fuel Ratio (%)	2015 Fuel Ratio (%)	2015 Fuel Rate (%)						
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)						
3	Summer	0.154	0.001	0.155	-	0.155	0.008	0.332	0.003	0.335	-	0.335	0.018						
4	Winter	0.343	0.003	0.346	-	0.346	0.019	0.154	0.001	0.155	-	0.155	0.008						
5	Summer	C1 Parkway to Kirkwall						C1 Parkway to Dawn						C1 Kirkwall to Dawn					
		2014 Fuel Ratio (%)	PCI ADJ Fuel Ratio (%)	2015 Excluding PDO (%)	PDO ADJ Fuel Ratio (%)	2015 Fuel Ratio (%)	2015 Fuel Rate (%)	2014 Fuel Ratio (%)	PCI ADJ Fuel Ratio (%)	2015 Excluding PDO (%)	PDO ADJ Fuel Ratio (%)	2015 Fuel Ratio (%)	2015 Fuel Rate (%)	2014 Fuel Ratio (%)	PCI ADJ Fuel Ratio (%)	2015 Excluding PDO (%)	PDO ADJ Fuel Ratio (%)	2015 Fuel Ratio (%)	2015 Fuel Rate (%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
5	Summer	0.269	0.002	0.272	0.018	0.289	0.016	0.269	0.002	0.272	0.018	0.289	0.016	0.154	0.001	0.155	-	0.155	0.008
6	Winter	0.154	0.001	0.155	-	0.155	0.008	0.154	0.001	0.155	-	0.155	0.008	0.154	0.001	0.155	-	0.155	0.008
7	Summer	C1 Dawn to Kirkwall						C1 Dawn to Parkway						C1 Kirkwall to Parkway					
		2014 Fuel Ratio (%)	PCI ADJ Fuel Ratio (%)	2015 Excluding PDO (%)	PDO ADJ Fuel Ratio (%)	2015 Fuel Ratio (%)	2015 Fuel Rate (%)	2014 Fuel Ratio (%)	PCI ADJ Fuel Ratio (%)	2015 Excluding PDO (%)	PDO ADJ Fuel Ratio (%)	2015 Fuel Ratio (%)	2015 Fuel Rate (%)	2014 Fuel Ratio (%)	PCI ADJ Fuel Ratio (%)	2015 Excluding PDO (%)	PDO ADJ Fuel Ratio (%)	2015 Fuel Ratio (%)	2015 Fuel Rate (%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
7	Summer	0.311	0.003	0.314	(0.001)	0.313	0.017	0.529	0.004	0.534	0.029	0.563	0.031	0.371	0.003	0.375	0.030	0.405	0.022
8	Winter	0.732	0.006	0.738	0.007	0.745	0.041	0.980	0.008	0.988	0.024	1.012	0.055	0.402	0.003	0.405	0.016	0.421	0.023

UNION GAS LIMITED

Continuity of C1 Monthly Transportation Authorized Overrun Fuel Ratios and Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2015

Line No.	Particulars	C1 Authorized Overrun - St. Clair/Dawn						C1 Authorized Overrun - Ojibway/Dawn						C1 Authorized Overrun - Bluewater/Dawn					
		2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
1	Summer	0.202	0.002	0.204	-	0.204	0.046	0.437	0.004	0.441	-	0.441	0.059	0.202	0.002	0.204	-	0.204	0.046
2	Winter	0.260	0.002	0.262	-	0.262	0.049	0.297	0.002	0.299	-	0.299	0.051	0.260	0.002	0.262	-	0.262	0.049
		C1 Authorized Overrun - Dawn to Dawn TCPL						C1 Authorized Overrun - Dawn to Dawn Vector											
		2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015						
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate						
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)						
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)						
3	Summer	0.154	0.001	0.155	-	0.155	0.008	0.332	0.003	0.335	-	0.335	0.018						
4	Winter	0.343	0.003	0.346	-	0.346	0.019	0.154	0.001	0.155	-	0.155	0.008						
		C1 Authorized Overrun - Parkway to Kirkwall						C1 Authorized Overrun - Parkway to Dawn						C1 Authorized Overrun - Kirkwall to Dawn					
		2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
5	Summer	0.873	0.007	0.880	0.018	0.897	0.070	0.873	0.007	0.880	0.018	0.897	0.070	0.154	0.001	0.155	-	0.155	0.046
6	Winter	0.757	0.006	0.763	-	0.763	0.063	0.757	0.006	0.763	-	0.763	0.063	0.154	0.001	0.155	-	0.155	0.046
		C1 Authorized Overrun - Dawn to Kirkwall						C1 Authorized Overrun - Dawn to Parkway						C1 Authorized Overrun - Kirkwall to Parkway					
		2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015	2014	PCI ADJ	2015	PDO ADJ	2015	2015
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
7	Summer	0.915	0.007	0.922	(0.001)	0.921	0.122	1.132	0.009	1.142	0.029	1.171	0.149	0.975	0.008	0.983	0.030	1.013	0.069
8	Winter	1.335	0.011	1.346	0.007	1.353	0.146	1.583	0.013	1.596	0.024	1.620	0.174	1.005	0.008	1.013	0.016	1.029	0.069

UNION GAS LIMITED

Continuity of Rate T1, Rate T2, Rate T3 Transportation Fuel Ratios including the Parkway Delivery Obligation (PDO) Passthrough
Firm and Interruptible Transportation Fuel Ratios
Effective January 1, 2015

Line No.	Particulars	Application of PCI to 2014 Approved Fuel Ratios			Passthrough of Incremental 2015 Parkway Delivery Obligation Fuel				Total 2015 Transportation Fuel Ratio (%) (h) = (c + g)
		2014 Fuel Ratio (%)	PCI Adjustment (1) (%)	2015 Excluding PDO (c) = (a+b)	Incremental Fuel Volume (10 ³ m ³) (d)	Incremental Fuel (2) (\$000s) (e)	Annual Delivery Volume (10 ³ m ³) (f)	Incremental PDO Fuel Ratio (%) (g)=(d / f)	
		(a)	(b)	(c) = (a+b)	(d)	(e)	(f)	(g)=(d / f)	
1	Rate T1	0.251%	0.002%	0.253%	256	53	536,730	0.048%	0.301%
2	Rate T2	0.248%	0.002%	0.250%	1,218	253	4,129,518	0.029%	0.279%
3	Rate T3	0.286%	0.002%	0.289%	235	49	272,712	0.086%	0.375%

Notes:

- (1) PCI of 0.82% shown at Working Papers, Schedule 1, column (c) applied to column (a) above.
(2) Incremental Parkway Delivery Obligation Fuel shown at Working Papers, Schedule 20, column (j).

UNION GAS LIMITED
Derivation of the Proposed Union North Schedule 'A'
Rate 25 Minimum and Maximum Gas Supply Charge

Line No.	Particulars (cents/m ³)	Rate (a)
	<u>Rate 25 Minimum</u>	
1	Gas Commodity Charge (1)	1.4251
	<u>Variable TCPL Firm Transportation Costs</u>	
2	Transportation Fuel (line 1 x 4.1883%) (2)	0.0597
3	Transportation Commodity Charge (3)	-
4	Minimum Gas Supply Charge (line 1 + 2 + 3)	<u>1.4848</u>
	<u>Rate 25 Maximum</u>	
5	Gas Commodity Charge (4)	143.8275
	<u>TCPL Interruptible Transportation Costs</u>	
6	Minimum IT Toll (5)	299.0525
7	Transportation Fuel (line 1 x 5.39%) (6)	7.7523
8	Total (line 5 + 6 + 7)	<u>450.6323</u>
9	Maximum Gas Supply Charge (line 8 x 1.5)	<u>675.9484</u>

Notes:

- (1) \$0.3775/GJ converted to cents/m³ using Board-approved heat value of 37.75 GJ/10³m³.
- (2) Assumed TCPL EDA fuel ratio of 4.1883%, as per EB 2014-0208 (October 2014 QRAM).
- (3) Assumed TCPL commodity charge of 0.00, as per EB 2014-0208 (October 2014 QRAM).
- (4) Empress commodity price of \$38.10/GJ converted to GJ using a heat value of 37.75 GJ/10³m³.
- (5) Minimum TCPL IT Bid floor price of \$79.2192/GJ converted using a heat value of 37.75 GJ/10³m³.
- (6) TCPL EDA fuel ratio of 5.39%, as per TCPL IT Bid Floor for March 4, 2014.

TAB 2

1 **PARKWAY DELIVERY OBLIGATION REPORTING**

2 In EB-2013-0365, Union filed its settlement agreement proposing to permanently shift the
3 Parkway Delivery Obligation (“PDO”) of its Union South direct purchase customers to Dawn
4 over time. This settlement agreement was approved by the Board on June 16, 2014. As agreed
5 to in the Settlement, Union is required to report on:

- 6 a. Capacity that could be made available in the 2 years commencing with the test
7 year to further reduce the PDO at a lower cost than the Parkway Delivery
8 Commitment Incentive (“PDCI”);
9 b. Forecast of PDO quantities for the 2 years commencing with the test year;
10 c. The measures used by Union to manage the initial Parkway shortfall; and,
11 d. The actual transmission compressor fuel on the Dawn to Parkway system in the
12 prior year.

13
14 a) Capacity Available for PDO Shift

15 In April 2014, Union offered direct purchase customers 146 TJ/day of temporarily available
16 excess Dawn to Parkway capacity to shift a portion of their PDO to Dawn. This temporary
17 capacity is expected to no longer be available as of October 31, 2015. Union agreed to manage
18 the Parkway shortfall to maintain the 146 TJ/day of PDO shift beyond October 31, 2015 until
19 sufficient Dawn to Kirkwall capacity was turned back by other M12 customers. In addition,
20 existing in-franchise customers that hold M12 capacity turned back 66 TJ/day of Dawn to
21 Parkway M12 capacity to shift a portion of their PDO to Dawn for a total PDO shift of 212
22 TJ/day in 2014.

1 Since the completion of the forecast that underpinned the evidence filed in EB-2013-0365, there
2 have been changes. The impact of these changes is that Union expects (based on the current
3 forecast) an incremental PDO reduction of 106 TJ/day to be available to all Union South direct
4 purchase customers as early as November 1, 2016. The 106 TJ/day will be in addition to the 212
5 TJ/day of PDO reduction given to customers in 2014.

6
7 Schedule 1 is an updated PDO table illustrating the capacity available for PDO shift, the current
8 and the forecast PDO reductions. It provides the same type of information as that filed in EB-
9 2013-0365, in addition to more detail for each customer grouping.

10
11 Line 1 provides an updated forecast of the Dawn to Parkway equivalent of the M12 Dawn to
12 Kirkwall turnback used to facilitate PDO shift for customers that do not use M12 service to meet
13 their PDO. The quantities shown are the Dawn to Parkway equivalent of Dawn to Kirkwall
14 turnback at an equivalency factor of approximately 88%¹.

15
16 A comparison of the filed turnback forecast (per EB-2013-0365) and the current forecast is
17 provided in Table 1:

18
19
20
21

¹ See EB-2013-0365 Exhibit A Tab 4 p. 24 of 46 for the explanation of the equivalency factor.

Table 1

Ex-franchise M12 Dawn to Kirkwall Turnback Forecast (Dawn to Parkway Equivalent)

Particulars (TJ/d)	Nov 2015	Nov 2016
As Filed	0	28
Updated	123	93

The updated forecast is a result of a reverse open season held from January 28, 2014 to February 3, 2014 that provided existing M12 shippers the opportunity to express interest in turning back contracted capacity prior to expiry of their contract. Through this reverse open season, Dawn to Kirkwall capacity of 123 TJ/day (Dawn to Parkway equivalent) forecast to be turned back at expiry for November 1, 2018 in EB-2013-0365 is now expected to be turned back as early as November 1, 2015 (Schedule 1, line 1, column f).

In addition to the reverse open season results, Union updated its forecast of expected turnback (not yet elected). Dawn to Kirkwall capacity originally forecast in EB-2013-0365 to be turned back at expiry for November 1, 2017 is now forecasted to be available as early as November 1, 2016. This results in a total updated forecast for November 1, 2016 of 93 TJ/day (Dawn to Parkway equivalent) (Schedule 1, line 1, column g).

The result of the updated forecast is that Union expects a PDO reduction, further to what was implemented in 2014, would be available to direct purchase customers as early as November, 2016, once the shortfall of 146 TJ/day is addressed. This is dependent upon Union's forecasted

1 turnback for November, 2016. This forecast is Union's current expectation, and will be
2 confirmed by customers through contract elections by October, 31, 2014 (2 years before expiry).

3
4 The allocation of the updated capacity available through forecasted turnback is reflected in
5 Schedule 1 at lines 2-6. The quantities turned back are first allocated to replace the Parkway
6 shortfall of 146 TJ/day that is associated with the PDO (line 4). Once the temporary shortfall
7 capacity has been replaced, any remaining quantity will be used to facilitate further PDO relief.
8 Based on the updated forecast, the temporary capacity will be replaced and further relief of 70
9 TJ/day (Schedule 1, line 6, column g) is forecast to be available as early as November 1, 2016.

10
11 b) Forecast PDO Quantities

12 Schedule 1, lines 7-9, summarize the Total PDO for all Union South direct purchase customers
13 and lines 10-23 provide detail for each direct purchase customer grouping.

14
15 The forecast of M12 Dawn to Kirkwall turnback will result in an incremental 31% (70 TJ/day
16 /228 TJ/day) reduction as of 2016 reduction to the PDO for direct purchase customers in 2016,
17 all other things being equal. Based on the forecast, direct purchase customers without M12
18 capacity can shift 70 TJ/day (Schedule 1, line 11, column g) of the PDO to Dawn and customers
19 with M12 capacity can shift 36 TJ/day (Schedule 1, lines 17 + 21) of the PDO to Dawn for a
20 total shift of 106 TJ/day.

1 However, similar to the PDO shift implemented this year, Union will apply a threshold for PDO
2 changes to simplify the administration of the PDO for small customers. Direct purchase
3 customers that have a PDO that is within the threshold level would receive priority and be
4 allowed to move 100% of the PDO to Dawn and customers with a PDO greater than the
5 threshold level will be able to shift up to the threshold quantity. The remaining quantity will be
6 allocated on a percentage basis to all other customers.

7
8 With the application of the threshold, the transition ratio to be applied to larger direct purchase
9 customers not using M12 service will be recalculated. This updated transition ratio will also be
10 applied to direct purchase customers using M12 arrangements to meet their PDO in order to
11 determine the allowable reduction in PDO.

12
13 The PDO for sales service customers is shown at Schedule 1 line 24 and is unchanged from that
14 provided in EB-2013-0365.

15
16 c) Management of Shortfall

17 As discussed in EB-2013-0365, Union projects a shortfall at Parkway starting November, 2015
18 as a result of the PDO shift until sufficient Dawn to Kirkwall capacity has been turned back.
19 Union's plan to manage this shortfall remains unchanged at this time. That is, Union expects its
20 options to manage the shortfall will be:

- 21 • Request early ex-franchise turnback of Dawn-Kirkwall contracts;
- 22 • Purchase a service from a third party;

- Allocate some portion of a future build that may not be completely sold out.

d) Dawn to Parkway Transmission Compressor Fuel

The Dawn to Parkway transmission compressor fuel will be included in Union's annual reporting requirements filed in the annual earnings sharing and deferral account disposition proceeding.

SCHEDULE 1

Parkway Delivery Obligation (PDO) for 2014 - 2016
(TJ/day)

Line No.	Particulars	As Filed (EB-2013-0365)				Updated Forecast		
		Apr-14	Nov-14 (1)	Nov-15	Nov-16	Nov-14	Nov-15	Nov-16
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
CAPACITY AVAILABLE FOR PDO SHIFT								
1	Ex-Franchise M12 Dawn to Kirkwall Turnback (2)	0	0	0	-28	0	-123	-93
	Allocation of Capacity Available (turnback):							
2	Opening Balance	0	-146	-146	-146	-146	-146	-23
3	Temporary Capacity Provided	-146	0	0	0	0	0	0
4	Replacement of Temporary Capacity	0	0	0	28	0	123	23
5	Closing Balance	-146	-146	-146	-118	-146	-23	0
6	Available for PDO Shift	-146	0	0	0	0	0	-70
TOTAL DIRECT PURCHASE PDO								
7	Beginning PDO (3)	564	352	352	352	345	345	345
8	PDO Shift (line 11 + line 17 + line 21)	-212	0	0	0	0	0	-106
9	Remaining PDO	352	352	352	352	345	345	239
DIRECT PURCHASE PDO DETAIL BY CUSTOMER GROUP								
PDO for Customers without M12 Service:								
10	Beginning PDO	380	234	234	234	228	228	228
11	PDO Shift	-146	0	0	0	0	0	-70
12	Remaining PDO	234	234	234	234	228	228	158
13	PDO Shift	146	0	0	0	0	0	70
14	Allocation to those with PO < 100 GJ/day	14	0	0	0	0	0	0
15	Percentage Reduction for those with PO > 99 GJ/day	36%	0%	0%	0%	0%	0%	31%
PDO for Customers with M12 Service (except TCE):								
16	Beginning PDO	52	33	33	33	33	33	33
17	In-Franchise M12 Dawn to Parkway Turnback (line 15 * line 16)	-19	0	0	0	0	0	-10
18	Remaining PDO	33	33	33	33	33	33	23
19	PDO Shift	19	0	0	0	0	0	10
PDO for TCE Halton Hills:								
20	Beginning PDO	132	85	85	85	84	84	84
21	In-Franchise M12 Dawn to Parkway turnback (line 15 * line 20)	-47	0	0	0	0	0	-26
22	Remaining PDO	85	85	85	85	84	84	58
23	PDO Shift	47	0	0	0	0	0	26
24	PDO for Sales Service	98	103	103	11	103	103	11

Notes:

- (1) This November 2014 column has been included in the "As Filed" section to provided comparability to the updated forecast.
- (2) Dawn to Parkway equivalent capacity.
- (3) The difference between November, 2014 "As Filed" column (b) and November, 2014 "Updated" column (e) reflects actual contract changes.