

September 10, 2015

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

Dear Ms. Walli:

**RE: EB-2015-0255– Union Gas Limited – October 1, 2015 QRAM Application**

Enclosed is an application and evidence from Union Gas Limited ("Union") seeking changes to Union's gas supply, transportation and delivery rates to reflect changes to the forecasted costs of purchasing and transporting natural gas.

The application is made pursuant to section 36(1) of the Ontario Energy Board Act, 1998, and pursuant to the Quarterly Rate Adjustment Mechanism ("QRAM") established by the Board for Union to deal with changes in gas costs.

The application is submitted in accordance with the Board's EB-2008-0106 Decision and includes a schedule for the review and comment of intervenors and Board staff, Union's response to any comments and the Board's Decision and Order.

Union has enclosed an application to the Board for Orders effective October 1, 2015 to change the rates that were authorized by the Board's EB-2015-0187 Rate Order to reflect the gas supply commodity, gas supply transportation and delivery rates proposed herein and to change the reference prices for use in determining amounts to be recorded in certain gas supply related deferral accounts.

As part of this QRAM, Union has included the recovery of the 2014 Non-Commodity Deferral Account and Earnings Sharing amounts (EB-2015-0010). Union received the Board's EB-2015-0010 Decision and Rate Order on August 27, 2015, which set out that the rates resulting from the EB-2015-0010 Decision shall be implemented on October 1, 2015 to align with the QRAM.

On June 12, 2015, the National Energy Board ("NEB") approved the TransCanada Mainline tolls, as presented in the TransCanada Compliance Filing (Order TG-010-2014, 2015-2020 Mainline Transportation Tolls) and directed that tolls be effective on a final basis as of January 1, 2015. TransCanada implemented the final tolls as of July 1, 2015. The TransCanada Empress to Union CDA toll of \$1.939/ GJ, inclusive of the impact of the abandonment surcharge as shown on Tab 1, Schedule 1, reflects the NEB Decision. The change in approved tolls results in a decrease in Union's annual gas supply

transportation charges.

The proposed Alberta Border Reference Price based on the current 21-day strip price is \$3.066/GJ. This is an increase of \$0.010/GJ. Union is also proposing to prospectively collect projected 12-month net gas cost deferral account charges of \$4.943 million.

The result of the changes noted above is a net annual decrease for residential sales service customers in Union South of \$10.16 and a net annual decrease for residential sales service customers in Union North ranging from \$26.88 to \$28.30. Bundled direct purchase customers will see no net bill change in Union South and a net bill decrease ranging from \$7.81 to \$9.11 per year in Union North.

This application is supported by the following evidence:

Tab 1 - Evidence of Ms. Mary Evers

Tab 2 - Evidence of Ms. Amy Mikhaila and Mr. Harold Pankrac

Union requests the Board's Decision on this application by Friday, September 25, 2015. This is consistent with the current approved QRAM process timeline.

This application is being served on all intervenors in the EB-2014-0271 and EB-2008-0106 proceedings. This complete evidence package including the working papers is also available electronically in searchable PDF format through the following link on Union's website: <http://uniongas.com/gramapplication/>.

If you have any questions on this matter, please contact me at (519) 436-5476.

Yours truly,

*[Original signed by]*

Chris Ripley  
Manager, Regulatory Applications

cc: EB-2014-0271/EB-2008-0106 Intervenors  
Crawford Smith (Torys)

**ONTARIO ENERGY BOARD**

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

**AND IN THE MATTER OF** an Application by Union Gas Limited, pursuant to section 36(1) of the *Ontario Energy Board Act, 1998*, for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of October 1, 2015;

**AND IN THE MATTER OF** the Quarterly Rate Adjustment Mechanism approved by the Ontario Energy Board in EB-2008-0106.

**APPLICATION**

1. Union Gas Limited (“Union”) was an applicant in a proceeding before the Board to fix just and reasonable rates and other charges for the sale, distribution and storage of natural gas effective July 1, 2015 under Board File No. EB-2015-0187. The rates were approved and implemented through the Board’s EB-2015-0187 Rate Order dated June 23, 2015.
2. Pursuant to Section 36(1) of the Ontario Energy Board Act, 1998 (the Act), and the Quarterly Rate Adjustment Mechanism approved by the Board, Union hereby applies to the Board for further Orders effective October 1, 2015 as follows:

(a) an Order establishing the reference prices specified in the table below:

	Current (Approved in EB-2015-0187)	Proposed (Effective October 1, 2015)
Alberta Border Reference Price <sup>1</sup>	3.056 \$/GJ	3.066 \$/GJ
	11.7809 cents/m <sup>3</sup>	11.8194 cents/m <sup>3</sup>
Ontario Landed Reference Price <sup>2</sup>	5.147 \$/GJ	5.140 \$/GJ
	19.8417 cents/m <sup>3</sup>	19.8147 cents/m <sup>3</sup>
South Portfolio Cost Differential ("SPCD") <sup>3</sup>	0.909 \$/GJ	0.953 \$/GJ
	3.5042 cents/m <sup>3</sup>	3.6738 cents/m <sup>3</sup>

**Notes:**

<sup>1</sup> The Alberta Border Reference Price represents the North Purchase Gas Variance Account ("NPGVA") (Deferral Account No. 179-105) reference price, the Transportation Tolls and Fuel – Northern and Eastern Operations Area deferral account (Deferral Account No. 179-100) reference price with respect to fuel gas and the Spot Gas Variance Account (Deferral Account No. 179-107) reference price for incremental gas purchased in the Northern and Eastern Operations Area.

<sup>2</sup> The Ontario Landed Reference Price represents the South Purchase Gas Variance Account ("SPGVA") (Deferral Account No. 179-106) reference price and the Spot Gas Variance Account (Deferral Account No. 179-107) reference price for incremental gas purchased in the Southern Operations Area.

<sup>3</sup> The SPCD is used as the benchmark to reduce the debits/credits that would otherwise accumulate in the SPGVA if there was no adjustment to the South Transportation Rate.

(b) an Order to reflect the inventory revaluation adjustment resulting from changes in gas costs as of October 1, 2015;

(c) an Order reflecting the prospective disposition of the projected balance for the twelve month period ending September 30, 2016 recorded in the gas-supply deferral accounts;

(d) an Order reflecting adjustments to delivery rates to account for cost of gas changes in the carrying costs of gas in inventory, compressor fuel and UFG; and,

(e) such further Order or Orders as Union may request and the Board may deem appropriate or necessary.

3. This application is supported by written evidence that has been pre-filed with the Board and provided by Union to all intervenors of record in EB-2014-0271 and EB-2008-0106.

4. Pursuant to the criteria established in the Board's EB-2008-0106 Decision, below is the Board's direction with respect to the timeline for processing the application:

- Parties to this proceeding wishing to make comments on the application may do so by filing such submissions with the Board Secretary (two hard copies plus an electronic copy by e-mail) and Union no later than 4:45 p.m. Tuesday, September 15, 2015.
- Union shall reply to any comments received by filing such replies with the Board Secretary (two hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:45 p.m. Thursday, September 17, 2015.
- The Board issues its Decision and Order by Friday, September 25, 2015 for implementation effective October 1, 2015.

5. The intervenors eligible for a cost award may submit their cost claims with supporting rationale as to how their participation contributed to the Board's ability to decide on this matter. All cost claims for QRAM applications are subject to the following procedure:

- Cost claims must be filed with the Board and Union no later than ten days from the date of the Board's Decision and Order.

- Union must forward any concerns with the cost claims to the Board and the claimant within seven days of receiving the claims.
- Any response to Union's comments must be filed with the Board and Union within seven days of receiving the comments.

6. The address of service for Union is:

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

Attention: Chris Ripley  
Manager, Regulatory Applications  
Telephone: (519) 436-5476  
Fax: (519) 436-4641

- and -

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

Attention: Crawford Smith  
Telephone: (416) 865-8209  
Fax: (416) 865-7380

DATED September 10, 2015.

UNION GAS LIMITED

*[original signed by]*

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Chris Ripley  
Manager, Regulatory Applications

1 **PREFILED EVIDENCE OF**

2 **MARY EVERS, MANAGER, GAS SUPPLY**

3  
4 **INTRODUCTION AND OVERVIEW**

5 The purpose of this evidence is to set deferral account reference prices to reflect Union's gas cost  
6 forecast for the 12-month period commencing October 1, 2015 pursuant to the Quarterly Rate  
7 Adjustment Mechanism ("QRAM") as approved by the Board.  
8

9 **1. CURRENT GAS MARKET OUTLOOK**

10 The NYMEX strip has decreased by \$0.116 (US\$/mmbtu) or approximately 4% since the Board-  
11 approved July 1, 2015 QRAM filing (EB-2015-0187). The Empress basis has changed from  
12 negative \$0.476 (US\$/mmbtu) to negative \$0.541 (US\$/mmbtu) while foreign exchange has  
13 strengthened (Canadian dollar weakening) from \$1.221 to \$1.315 over the same period. These  
14 changes impact the Alberta Border Reference Price, Ontario Landed Reference Price, and the  
15 South Portfolio Cost Differential ("SPCD").  
16

17 **2. PRICING**

18 **2.1 Alberta Border Reference Price**

19 The approved method for calculating the Alberta Border Reference Price uses the 21-day  
20 average of the 12-month NYMEX strip. The NYMEX strip used in this application is for  
21 October 2015 to September 2016. The one-year NYMEX strip is converted to an Alberta Border  
22 Reference Price by taking into account the Empress-NYMEX basis and the foreign exchange

1 rate for the October 2015 to September 2016 period. (See Tab 1, Schedule 1 for the details of  
2 this calculation.)

3  
4 Based on the approved method, the Alberta Border Reference Price for the period October 1,  
5 2015 to September 30, 2016 is \$3.066/GJ. This represents an increase of \$0.010/GJ from the  
6 Alberta Border Reference Price of \$3.056/GJ last approved by the Board in EB-2015-0187.

7  
8 The Alberta Border Reference Price will be the reference price for the North Purchased Gas  
9 Variance Account (“NPGVA”) (Deferral Account No. 179-105), and in the Transportation Tolls  
10 and Fuel – Northern and Eastern Operations Area deferral account (Deferral Account No. 179-  
11 100) with respect to fuel gas. It will also be the reference price for the Spot Gas Variance  
12 Account (Deferral Account No. 179-107) for incremental purchases made at Empress.

## 13 14 2.2 Ontario Landed Reference Price

15 For the period October 1, 2015 to September 30, 2016, the Ontario Landed Reference Price is  
16 \$5.140/GJ and is calculated by adding the TransCanada Empress to Union CDA toll and fuel to  
17 the Alberta Border Reference Price as shown on Tab 1, Schedule 1.

18  
19 On June 12, 2015, the National Energy Board (“NEB”) approved the TransCanada Mainline  
20 tolls, as presented in the TransCanada Compliance Filing (Order TG-010-2014, 2015-2020  
21 Mainline Transportation Tolls) and directed that tolls be effective on a final basis as of January  
22 1, 2015. TransCanada implemented the final tolls as of July 1, 2015. The TransCanada Empress



1 to Union CDA toll of \$1.939/ GJ, inclusive of the impact of the abandonment surcharge as  
2 shown on Tab 1, Schedule 1, reflects the NEB Decision.

3  
4 The resulting Ontario Landed Reference Price of \$5.140/GJ represents a decrease of \$0.007/GJ  
5 from the Ontario Landed Reference Price of \$5.147/GJ last approved by the Board in EB-2015-  
6 0187 effective July 1, 2015. This change includes the increase in the Alberta Border Reference  
7 Price of \$0.010/GJ, the associated changes in TransCanada compressor fuel costs and the  
8 TransCanada Empress to Union CDA toll decrease.

9  
10 The Ontario Landed Reference Price will be the reference price for the South Purchased Gas  
11 Variance Account (“SPGVA”) (Deferral Account No. 179-106), and the Spot Gas Variance  
12 Account (Deferral Account No. 179-107), for incremental purchases made at Dawn.

### 13 14 2.3 South Portfolio Cost Differential

15 The SPCD is determined by comparing the projected cost of serving Union South sales service  
16 customers, based on Union’s South Portfolio, to the cost of serving Union South sales service  
17 customers based on the Ontario Landed Reference Price. This difference is divided by forecast  
18 Union South sales service demand to derive the SPCD. For the 12-month period beginning  
19 October 1, 2015 the SPCD is projected to be \$0.953/GJ as shown on Tab 1, Schedule 2.

20  
21 The SPCD results in a preliminary South Transportation Sales Rate of \$0.986/GJ calculated by  
22 subtracting the SPCD of \$0.953/GJ from the TransCanada Union CDA toll of \$1.939/GJ. This

1 calculation ensures that Union South sales service transportation rates are appropriately set at a  
2 level equal to the projected average cost over the 12-month forecast period.

3  
4 The preliminary Union South Transportation Sales Rate is further reduced by \$0.074/GJ<sup>1</sup> to  
5 reflect the gas supply optimization margin credit in rates as determined in the EB-2011-0210  
6 Decision and Rate Order resulting in a Union South Transportation Sales Rate of \$0.912/GJ.

7  
8 3.5 Deferral Account Adjustments

9 To ensure that there is continued alignment between the QRAM deferral account schedules and  
10 Union's financial records, a reconciliation of each deferral account occurs on a monthly basis  
11 and any adjustments are included in the QRAM deferral account schedules.

12  
13 3.6 Prospective Recovery of Deferral Account Balances

14 The deferral account balances as of October 1, 2015, are based on the actual and forecast gas  
15 costs for the period October 1, 2014 to September 30, 2015 as compared to the reference prices  
16 approved each quarter in Union's QRAM.

17  
18 October 1, 2015 deferral account balances relating to the North PGVA, North Tolls and Fuel,  
19 South PGVA, Inventory Revaluation, and Spot Gas accounts are provided in the following  
20 schedules attached to this evidence:

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<sup>1</sup> EB-2011-0210, Rate Order, Working Papers, Schedule 44, p. 1, Column (g), Lines 7-12, conversion to GJ based on 38.29 GJ/10<sup>3</sup>m<sup>3</sup>.

- 1 • North PGVA Account (Deferral Account No. 179-105) as identified in Schedule 3, Page 2
- 2 • North Tolls and Fuel Account (Deferral Account No. 179-100) as identified in Schedule 3,
- 3 Page 3
- 4 • South PGVA Account (Deferral Account No. 179-106) as identified in Schedule 3, Page 4
- 5 • Inventory Revaluation Account (Deferral Account No. 179-109) as identified in Schedule 3,
- 6 Page 5
- 7 • Spot Gas Variance Account (Deferral Account No. 179-107) as identified in Schedule 3,
- 8 Page 6

### 9

#### 10 3.7 UDC Account

11 The Joint Unabsorbed Demand Costs Account balances are not prospectively recovered in  
12 accordance with the current Board-approved QRAM process. Union will dispose of any deferral  
13 account balances through the annual deferral account disposition process.

UNION GAS LIMITED  
Calculation of Alberta Border and Ontario Landed Reference Prices  
For the 12 month period ending September 30, 2016

Line No.	Particulars		Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Total or Average
1	Days		31	30	31	31	29	31	30	31	30	31	31	30	366
2	NYMEX 21 Day Average (US\$/MMBtu)	(1)	2.776	2.869	3.023	3.127	3.123	3.081	2.927	2.922	2.949	2.983	2.993	2.987	2.980
3	Empress Basis (US\$/MMBtu)		(0.373)	(0.433)	(0.520)	(0.572)	(0.560)	(0.555)	(0.540)	(0.563)	(0.585)	(0.614)	(0.597)	(0.587)	(0.541)
4	Foreign Exchange		1.315	1.315	1.315	1.315	1.315	1.315	1.315	1.315	1.315	1.314	1.314	1.313	1.315
5	Alberta Border (Cdn\$/GJ)	(2)	2.995	3.037	3.120	3.184	3.194	3.149	2.975	2.940	2.945	2.951	2.983	2.988	3.039
<u>North Supply Cost Calculation</u>															
6	Total Volume (PJ)		4.37	4.22	4.35	4.35	4.07	4.35	1.92	2.06	1.92	1.97	2.03	1.92	37.54
7	Cost at Market Price (\$000's)		\$ 13,097	\$ 12,816	\$ 13,585	\$ 13,861	\$ 13,005	\$ 13,713	\$ 5,716	\$ 6,049	\$ 5,642	\$ 5,813	\$ 6,067	\$ 5,741	\$ 115,104
8	Weighted Average Price (Cdn\$/GJ)													\$	3.066
9														Alberta Border Reference Price (Cdn\$/GJ)	\$ 3.066
10														Add : Fuel (Cdn\$/GJ)	\$ 0.135
11														Add : Tolls (Cdn\$/GJ)	\$ 1.939
12														Ontario Landed Reference Price (Cdn\$/GJ)	<b>\$ 5.140</b>

Notes;

(1) 21 Day Strip dates used: August 3 - August 31, 2015.

(2) Alberta Border Price = ((NYMEX 21-day Average + Empress Basis) \* (Foreign Exchange Rate))/MMBtu to GJ Conversion Rate.

MMBtu to GJ Conversion Rate: 1.055056 GJ /MMBtu.

UNION GAS LIMITED  
Calculation of South Portfolio Cost Differential & South Transportation Rate  
For the 12 month period ending September 30, 2016

Line No.	Particulars			
1	South Purchased Gas Variance Account (SPGVA) (\$000's)	\$	119,985	(1)
2	South Consumption Volumes (PJ)		<u>125.9</u>	(2)
3	South Portfolio Cost Differential (Line 1/Line 2)	\$	0.953 /GJ	
4	TransCanada Transportation Union CDA Toll	\$	1.939 /GJ	
5	South Portfolio Cost Differential (Line 3)	\$	<u>0.953</u> /GJ	
6	Preliminary South Transportation Rate (Line 4 - Line 5)	\$	0.986 /GJ	
7	Gas Supply Optimization Margin Credit	\$	0.074 /GJ	(3)
8	South Transportation Rate (Line 6 - Line 7)	\$	<u><u>0.912</u></u> /GJ	

Notes:

- (1) Tab 1, Schedule 3, page 4, Column (g), Line 27.
- (2) Demand forecast for South sales service customer for the period October 2015 to September 2016.
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 44, page 1, Column (g), Lines 7-12, conversion to GJ based on 38.29 GJ/10<sup>3</sup>m<sup>3</sup>.

**UNION GAS LIMITED**  
**Summary of Gas Supply Deferral Accounts**

		Joint Account				Joint Account				
Line No.	Particulars	North PGVA (179-105) (\$000's) (1) (a)	North Tolls (179-100) (\$000's) (2) (b)	North Fuel (179-100) (\$000's) (2) (c)	South PGVA (179-106) (\$000's) (3) (d)	Inventory Revaluation (179-106) (\$000's) (4) (e)	Load Balancing (179-107) (\$000's) (5) (f)	Spot Gas Purchases (179-107) (\$000's) (5) (g)	Unabsorbed Demand Costs (179-108) (\$000's) (6) (h)	Total (\$000's) (i)=sum of (a) to (h)
1	Cumulative to end of September, 2014	\$ (135,268)	\$ 20,693	\$ (476)	\$ (294,927)	\$ 156,861	\$ 8,441	\$ (9,000)	\$ (163)	\$ (253,838)
2	October, 2014	\$ 595	\$ (405)	\$ 98	\$ (1,649)	\$ 38,809	\$ 19	\$ (177)	\$ (18)	\$ 37,272
3	November	\$ (655)	\$ 1,744	\$ (33)	\$ 4,009	\$ 19	\$ 17	\$ 97	\$ (25)	\$ 5,173
4	December	\$ 1,108	\$ 1,143	\$ 204	\$ 10,603	\$ 18	\$ (78)	\$ 15	\$ (25)	\$ 12,988
5	January, 2015	\$ (1,645)	\$ 2,244	\$ 111	\$ (379)	\$ (11,209)	\$ 5	\$ (1)	\$ (43)	\$ (10,917)
6	February	\$ (3,449)	\$ 2,981	\$ (20)	\$ (17,972)	\$ 2	\$ 3	\$ (1)	\$ (43)	\$ (18,499)
7	March	\$ (4,257)	\$ 2,329	\$ (43)	\$ (20,672)	\$ 2	\$ 1	\$ (0)	\$ (43)	\$ (22,684)
8	April, 2015	\$ (1,362)	\$ 325	\$ 44	\$ 1,951	\$ 11,524	\$ 1	\$ (4,013)	\$ (55)	\$ 8,416
9	May	\$ (1,802)	\$ 245	\$ (5)	\$ (3,960)	\$ 10	\$ -	\$ (0)	\$ 474	\$ (5,038)
10	June	\$ (336)	\$ (22)	\$ 31	\$ (546)	\$ 8	\$ -	\$ (3)	\$ 1,040	\$ 172
11	July, 2015	\$ (1,435)	\$ (186)	\$ (38)	\$ 1,460	\$ (4,790)	\$ -	\$ (4)	\$ 1,531	\$ (3,461)
12	August	\$ (138)	\$ 305	\$ 0	\$ 3,491	\$ 8	\$ -	\$ (4)	\$ 1,677	\$ 5,339
13	September	\$ 37	\$ 304	\$ 6	\$ 1,786	\$ 8	\$ -	\$ (4)	\$ -	\$ 2,138
14	Total (Lines 1 to 13)	\$ (148,608)	\$ 31,702	\$ (121)	\$ (316,804)	\$ 191,270	\$ 8,409	\$ (13,094)	\$ 4,308	\$ (242,939)
<u>Current QRAM Period</u>										
15	October, 2015	\$ (309)	\$ 392	\$ 0	\$ (496)	\$ 370	\$ -	\$ -	\$ -	\$ (42)
16	November	\$ (123)	\$ 622	\$ 4	\$ 581	\$ -	\$ -	\$ -	\$ -	\$ 1,085
17	December	\$ 234	\$ 622	\$ 17	\$ 1,919	\$ -	\$ -	\$ -	\$ -	\$ 2,793
18	January, 2016	\$ 515	\$ 622	\$ 28	\$ 3,831	\$ -	\$ -	\$ -	\$ -	\$ 4,997
19	February	\$ 522	\$ 622	\$ 27	\$ 4,156	\$ -	\$ -	\$ -	\$ -	\$ 5,327
20	March	\$ 362	\$ 622	\$ 22	\$ 2,595	\$ -	\$ -	\$ -	\$ -	\$ 3,601
21	April, 2016	\$ (175)	\$ 622	\$ (4)	\$ (1,460)	\$ -	\$ -	\$ -	\$ -	\$ (1,017)
22	May	\$ (259)	\$ 622	\$ (7)	\$ (2,517)	\$ -	\$ -	\$ -	\$ -	\$ (2,160)
23	June	\$ (231)	\$ 622	\$ (6)	\$ (2,304)	\$ -	\$ -	\$ -	\$ -	\$ (1,919)
24	July, 2016	\$ (226)	\$ 622	\$ (6)	\$ (2,164)	\$ -	\$ -	\$ -	\$ -	\$ (1,773)
25	August	\$ (168)	\$ 622	\$ (3)	\$ (2,165)	\$ -	\$ -	\$ -	\$ -	\$ (1,714)
26	September	\$ (142)	\$ 622	\$ (3)	\$ (1,977)	\$ -	\$ -	\$ -	\$ -	\$ (1,500)
27	Total (Lines 15 to 26)	\$ (0)	\$ 7,238	\$ 69	\$ 0	\$ 370	\$ -	\$ -	\$ -	\$ 7,678

\* Reflects actual information.

Notes:

- (1) See page 2.  
(2) See page 3.  
(3) See page 4.  
(4) See page 5.  
(5) See page 6.  
(6) Union is not proposing to recover the deferral balance for the Unabsorbed Demand Charge (Account No. 179-108) deferral account in the current QRAM.

**UNION GAS LIMITED**  
**Deferral Account for**  
**North Purchased Gas Variance Account**  
**(Deferral Account 179-105)**

Line No.	Particulars	Purchase Cost (\$000's)	Volume (GJ)	Weighted Avg. Price (\$/GJ)	Reference Price (\$/GJ)(1)	Unit Rate Difference (\$/GJ)	Deferral Amount Before Interest (\$000's)	Adjustments (\$000's)	Total Deferral Before Interest (\$000's)	Interest (\$000's) (2)	Total Deferral Amount (\$000's)
		(a)	(b)	(c)= (a)/(b)	(d)	(e) = (c) - (d)	(f) = (b) x (e)	(g)	(h) = (f) + (g)	(i)	(j) = (h) + (i)
1	Cumulative to end of September, 2014						\$ (128,597)	\$ (6,187)	\$ (134,784)	\$ (484)	\$ (135,268)
2	October, 2014 *	\$ 10,155	2,555,169	\$ 3.974	\$ 3.748	\$ 0.226	\$ 578	\$ -	\$ 578	\$ 17	\$ 595
3	November *	\$ 14,114	3,944,826	\$ 3.578	\$ 3.748	\$ (0.170)	\$ (671)	\$ -	\$ (671)	\$ 16	\$ (655)
4	December *	\$ 16,047	3,989,346	\$ 4.022	\$ 3.748	\$ 0.274	\$ 1,095	\$ -	\$ 1,095	\$ 13	\$ 1,108
5	January, 2015 *	\$ 13,742	4,116,085	\$ 3.339	\$ 3.741	\$ (0.402)	\$ (1,656)	\$ -	\$ (1,656)	\$ 12	\$ (1,645)
6	February *	\$ 10,916	3,840,909	\$ 2.842	\$ 3.741	\$ (0.899)	\$ (3,453)	\$ -	\$ (3,453)	\$ 4	\$ (3,449)
7	March *	\$ 11,747	4,277,041	\$ 2.747	\$ 3.741	\$ (0.994)	\$ (4,253)	\$ -	\$ (4,253)	\$ (4)	\$ (4,257)
8	April, 2015 *	\$ 10,170	3,904,588	\$ 2.605	\$ 2.951	\$ (0.346)	\$ (1,353)	\$ -	\$ (1,353)	\$ (10)	\$ (1,362)
9	May *	\$ 8,914	3,628,190	\$ 2.457	\$ 2.951	\$ (0.494)	\$ (1,792)	\$ -	\$ (1,792)	\$ (10)	\$ (1,802)
10	June *	\$ 12,493	4,343,466	\$ 2.876	\$ 2.951	\$ (0.075)	\$ (325)	\$ -	\$ (325)	\$ (11)	\$ (336)
11	July, 2015	\$ 7,023	2,764,146	\$ 2.541	\$ 3.056	\$ (0.515)	\$ (1,424)	\$ -	\$ (1,424)	\$ (11)	\$ (1,435)
12	August	\$ 8,341	2,770,904	\$ 3.010	\$ 3.056	\$ (0.046)	\$ (126)	\$ -	\$ (126)	\$ (11)	\$ (138)
13	September	\$ 8,307	2,702,370	\$ 3.074	\$ 3.056	\$ 0.018	\$ 49	\$ -	\$ 49	\$ (11)	\$ 37
14	Total (Lines 1 to 13)	\$ 131,968	42,837,041				\$ (141,930)	\$ (6,187)	\$ (148,118)	(490)	\$ (148,608)
<u>Current QRAM Period</u>											
15	October, 2015	\$ 13,097	4,372,445	\$ 2.995	\$ 3.066	\$ (0.071)	\$ (309)	\$ -	\$ (309)	\$ -	\$ (309)
16	November	\$ 12,816	4,220,139	\$ 3.037	\$ 3.066	\$ (0.029)	\$ (123)	\$ -	\$ (123)	\$ -	\$ (123)
17	December	\$ 13,585	4,354,460	\$ 3.120	\$ 3.066	\$ 0.054	\$ 234	\$ -	\$ 234	\$ -	\$ 234
18	January, 2016	\$ 13,861	4,352,863	\$ 3.184	\$ 3.066	\$ 0.118	\$ 515	\$ -	\$ 515	\$ -	\$ 515
19	February	\$ 13,005	4,071,601	\$ 3.194	\$ 3.066	\$ 0.128	\$ 522	\$ -	\$ 522	\$ -	\$ 522
20	March	\$ 13,713	4,354,529	\$ 3.149	\$ 3.066	\$ 0.083	\$ 362	\$ -	\$ 362	\$ -	\$ 362
21	April, 2016	\$ 5,716	1,921,403	\$ 2.975	\$ 3.066	\$ (0.091)	\$ (175)	\$ -	\$ (175)	\$ -	\$ (175)
22	May	\$ 6,049	2,057,168	\$ 2.940	\$ 3.066	\$ (0.126)	\$ (259)	\$ -	\$ (259)	\$ -	\$ (259)
23	June	\$ 5,642	1,915,488	\$ 2.945	\$ 3.066	\$ (0.121)	\$ (231)	\$ -	\$ (231)	\$ -	\$ (231)
24	July, 2016	\$ 5,813	1,969,496	\$ 2.951	\$ 3.066	\$ (0.115)	\$ (226)	\$ -	\$ (226)	\$ -	\$ (226)
25	August	\$ 6,067	2,033,814	\$ 2.983	\$ 3.066	\$ (0.083)	\$ (168)	\$ -	\$ (168)	\$ -	\$ (168)
26	September	\$ 5,741	1,921,103	\$ 2.988	\$ 3.066	\$ (0.078)	\$ (142)	\$ -	\$ (142)	\$ -	\$ (142)
27	Total (Lines 15 to 26)	\$ 115,104	37,544,511				\$ -	\$ -	\$ -	\$ -	\$ -

\* Reflects actual information.

Notes:

- (1) The reference price from October 2014 to December 2014 is as approved in EB-2014-0208.  
The reference price from January 2015 to March 2015 is as approved in EB-2014-0356.  
The reference price from April 2015 to June 2015 is as approved in EB-2015-0035.  
The reference price from July 2015 to September 2015 is as approved in EB-2015-0187.  
The reference price from October 2015 to September 2016 is as proposed in EB-2015-0255.
- (2) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.

**UNION GAS LIMITED**  
**Deferral Account for**  
**North Tolls and Fuel - Northern and Eastern Operations Area**  
**(Deferral Account 179-100)**

Line No.	Particulars	North Tolls			North Fuel			Total Deferral Amount With Interest (\$000's) (g) = (c) + (f)
		Deferral Amount Before Interest (\$000's) (a)	Interest (\$000's) (1) (b)	Deferral Amount With Interest (\$000's) (c) = (a) + (b)	Deferral Amount Before Interest (\$000's) (d)	Interest (\$000's) (1) (e)	Deferral Amount With Interest (\$000's) (f) = (d) + (e)	
1	Cumulative to end of September, 2014	\$ 20,876	\$ (182)	\$ 20,693	\$ (511)	\$ 36	\$ (476)	\$ 20,218
2	October, 2014 *	\$ (403)	\$ (1)	\$ (405)	\$ 96	\$ 2	\$ 98	\$ (307)
3	November *	\$ 1,746	\$ (2)	\$ 1,744	\$ (35)	\$ 2	\$ (33)	\$ 1,711
4	December *	\$ 1,144	\$ (1)	\$ 1,143	\$ 202	\$ 2	\$ 204	\$ 1,346
5	January, 2015 *	\$ 2,245	\$ (1)	\$ 2,244	\$ 110	\$ 1	\$ 111	\$ 2,355
6	February *	\$ 2,981	\$ (0)	\$ 2,981	\$ (20)	\$ 1	\$ (20)	\$ 2,961
7	March *	\$ 2,328	\$ 1	\$ 2,329	\$ (43)	\$ (0)	\$ (43)	\$ 2,286
8	April, 2015 *	\$ 323	\$ 1	\$ 325	\$ 45	\$ (1)	\$ 44	\$ 369
9	May *	\$ 245	\$ 1	\$ 245	\$ (4)	\$ (1)	\$ (5)	\$ 241
10	June *	\$ (23)	\$ 0	\$ (22)	\$ 32	\$ (1)	\$ 31	\$ 9
11	July, 2015	\$ (186)	\$ 0	\$ (186)	\$ (37)	\$ (1)	\$ (38)	\$ (224)
12	August	\$ 305	\$ 0	\$ 305	\$ 1	\$ (1)	\$ 0	\$ 305
13	September	\$ 304	\$ 0	\$ 304	\$ 7	\$ (1)	\$ 6	\$ 310
14	Total (Lines 1 to 13)	\$ 31,885	\$ (184)	\$ 31,702	\$ (159)	\$ 38	\$ (121)	\$ 31,581
<u>Current QRAM Period</u>								
15	October, 2015	\$ 392	\$ -	\$ 392	\$ 0	\$ -	\$ 0	\$ 393
16	November	\$ 622	\$ -	\$ 622	\$ 4	\$ -	\$ 4	\$ 626
17	December	\$ 622	\$ -	\$ 622	\$ 17	\$ -	\$ 17	\$ 640
18	January, 2016	\$ 622	\$ -	\$ 622	\$ 28	\$ -	\$ 28	\$ 650
19	February	\$ 622	\$ -	\$ 622	\$ 27	\$ -	\$ 27	\$ 650
20	March	\$ 622	\$ -	\$ 622	\$ 22	\$ -	\$ 22	\$ 644
21	April, 2016	\$ 622	\$ -	\$ 622	\$ (4)	\$ -	\$ (4)	\$ 618
22	May	\$ 622	\$ -	\$ 622	\$ (7)	\$ -	\$ (7)	\$ 616
23	June	\$ 622	\$ -	\$ 622	\$ (6)	\$ -	\$ (6)	\$ 616
24	July, 2016	\$ 622	\$ -	\$ 622	\$ (6)	\$ -	\$ (6)	\$ 617
25	August	\$ 622	\$ -	\$ 622	\$ (3)	\$ -	\$ (3)	\$ 619
26	September	\$ 622	\$ -	\$ 622	\$ (3)	\$ -	\$ (3)	\$ 619
27	Total (Lines 15 to 26)	\$ 7,238	\$ -	\$ 7,238	\$ 69	\$ -	\$ 69	\$ 7,308

\* Reflects actual information.

Notes:

(1) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.



**UNION GAS LIMITED**  
**Deferral Account for**  
**South Purchased Gas Variance Account**  
**(Deferral Account 179-106)**

Line No.	Particulars	Purchase Cost (\$000's)	Volume (GJ)	Weighted Avg. Price (\$/GJ)	Reference Price (\$/GJ)(1)	Unit Rate Difference (\$/GJ)	Monthly Deferral Amount (\$000's)	Southern Portfolio Cost Differential Adjustment (\$GJ)(1)	Deferral Amount Before Interest (\$000's)	Adjustments (\$000's)	Total Deferral Before Interest (\$000's)	Interest (\$000's) (2)	Total Deferral Amount (\$000's)
		(a)	(b)	(c) = (a)/(b)	(d)	(e) = (c) - (d)	(f) = (b) x (e)	(g)	(h) = (f) + (g)	(i)	(j) = (h) + (i)	(k)	(l) = (j) + (k)
1	Cumulative to end of September, 2014						\$ (709,698)	\$ 410,684	\$ (299,013)	\$ 4,558	\$ (294,456)	\$ (472)	\$ (294,927)
2	October, 2014	\$ 65,507	14,057,903	\$ 4.660	\$ 5.435	\$ (0.775)	\$ (10,898)	\$ 9,142	\$ (1,755)	\$ -	\$ (1,755)	\$ 106	\$ (1,649)
3	November	\$ 51,828	10,642,004	\$ 4.870	\$ 5.435	\$ (0.565)	\$ (6,012)	\$ 9,927	\$ 3,916	\$ -	\$ 3,916	\$ 93	\$ 4,009
4	December	\$ 59,833	10,937,506	\$ 5.470	\$ 5.435	\$ 0.035	\$ 388	\$ 10,134	\$ 10,521	\$ -	\$ 10,521	\$ 82	\$ 10,603
5	January, 2015	\$ 63,144	12,758,288	\$ 4.949	\$ 5.716	\$ (0.767)	\$ (9,782)	\$ 9,329	\$ (453)	\$ -	\$ (453)	\$ 74	\$ (379)
6	February	\$ 76,762	18,056,764	\$ 4.251	\$ 5.716	\$ (1.465)	\$ (26,450)	\$ 8,426	\$ (18,024)	\$ -	\$ (18,024)	\$ 52	\$ (17,972)
7	March	\$ 89,794	20,957,000	\$ 4.285	\$ 5.716	\$ (1.431)	\$ (29,996)	\$ 9,303	\$ (20,693)	\$ -	\$ (20,693)	\$ 20	\$ (20,672)
8	April, 2015	\$ 48,437	11,262,728	\$ 4.301	\$ 5.036	\$ (0.735)	\$ (8,282)	\$ 10,248	\$ 1,966	\$ -	\$ 1,966	\$ (15)	\$ 1,951
9	May	\$ 36,147	10,064,057	\$ 3.592	\$ 5.036	\$ (1.444)	\$ (14,536)	\$ 10,589	\$ (3,946)	\$ -	\$ (3,946)	\$ (14)	\$ (3,960)
10	June	\$ 38,513	9,787,522	\$ 3.935	\$ 5.036	\$ (1.101)	\$ (10,776)	\$ 10,248	\$ (529)	\$ -	\$ (529)	\$ (17)	\$ (546)
11	July, 2015	\$ 40,997	10,129,974	\$ 4.047	\$ 5.147	\$ (1.100)	\$ (11,142)	\$ 12,625	\$ 1,484	\$ -	\$ 1,484	\$ (23)	\$ 1,460
12	August	\$ 40,088	9,558,747	\$ 4.194	\$ 5.147	\$ (0.953)	\$ (9,111)	\$ 12,625	\$ 3,514	\$ -	\$ 3,514	\$ (23)	\$ 3,491
13	September	\$ 41,856	10,233,557	\$ 4.090	\$ 5.147	\$ (1.057)	\$ (10,816)	\$ 12,625	\$ 1,810	\$ -	\$ 1,810	\$ (23)	\$ 1,786
14	Total (Lines 1 to 13)	\$ 652,907	148,446,049				\$ (857,111)	\$ 535,907	\$ (321,203)	\$ 4,558	\$ (316,646)	\$ (158)	\$ (316,804)
<u>Current QRAM Period</u>													
15	October, 2015	\$ 46,279	11,077,260	\$ 4.178	\$ 5.140	\$ (0.962)	\$ (10,658)	\$ 10,163	\$ (496)	\$ -	\$ (496)	\$ -	\$ (496)
16	November	\$ 48,655	11,266,279	\$ 4.319	\$ 5.140	\$ (0.821)	\$ (9,253)	\$ 9,835	\$ 581	\$ -	\$ 581	\$ -	\$ 581
17	December	\$ 49,563	11,246,428	\$ 4.407	\$ 5.140	\$ (0.733)	\$ (8,244)	\$ 10,163	\$ 1,919	\$ -	\$ 1,919	\$ -	\$ 1,919
18	January, 2016	\$ 51,475	11,246,428	\$ 4.577	\$ 5.140	\$ (0.563)	\$ (6,331)	\$ 10,163	\$ 3,831	\$ -	\$ 3,831	\$ -	\$ 3,831
19	February	\$ 48,726	10,520,852	\$ 4.631	\$ 5.140	\$ (0.509)	\$ (5,351)	\$ 9,507	\$ 4,156	\$ -	\$ 4,156	\$ -	\$ 4,156
20	March	\$ 50,239	11,246,428	\$ 4.467	\$ 5.140	\$ (0.673)	\$ (7,568)	\$ 10,163	\$ 2,595	\$ -	\$ 2,595	\$ -	\$ 2,595
21	April, 2016	\$ 44,647	10,883,640	\$ 4.102	\$ 5.140	\$ (1.038)	\$ (11,295)	\$ 9,835	\$ (1,460)	\$ -	\$ (1,460)	\$ -	\$ (1,460)
22	May	\$ 45,127	11,246,428	\$ 4.013	\$ 5.140	\$ (1.127)	\$ (12,680)	\$ 10,163	\$ (2,517)	\$ -	\$ (2,517)	\$ -	\$ (2,517)
23	June	\$ 43,803	10,883,640	\$ 4.025	\$ 5.140	\$ (1.115)	\$ (12,138)	\$ 9,835	\$ (2,304)	\$ -	\$ (2,304)	\$ -	\$ (2,304)
24	July, 2016	\$ 45,480	11,246,428	\$ 4.044	\$ 5.140	\$ (1.096)	\$ (12,326)	\$ 10,163	\$ (2,164)	\$ -	\$ (2,164)	\$ -	\$ (2,164)
25	August	\$ 45,479	11,246,428	\$ 4.044	\$ 5.140	\$ (1.096)	\$ (12,327)	\$ 10,163	\$ (2,165)	\$ -	\$ (2,165)	\$ -	\$ (2,165)
26	September	\$ 44,130	10,883,640	\$ 4.055	\$ 5.140	\$ (1.085)	\$ (11,811)	\$ 9,835	\$ (1,977)	\$ -	\$ (1,977)	\$ -	\$ (1,977)
27	Total (Lines 15 to 26)	\$ 563,604	132,993,875				\$ (119,985)	\$ 119,985	\$ -	\$ -	\$ 0	\$ -	\$ 0

\* Reflects actual information.

Notes:

- (1) The reference price from October 2014 to December 2014 is as approved in EB-2014-0208.  
The reference price from January 2015 to March 2015 is as approved in EB-2014-0356.  
The reference price from April 2015 to June 2015 is as approved in EB-2015-0035.  
The reference price from July 2015 to September 2015 is as approved in EB-2015-0187.  
The reference price from October 2015 to September 2016 is as proposed in EB-2015-0255.
- (2) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.

**UNION GAS LIMITED**  
**Deferral Account for**  
**Inventory Revaluation**  
**(Deferral Account 179-109)**

Line No.	Effective Date	Proceeding Number	Reference Price (C\$/GJ)		Inventory Levels Forecast/ Actual (PJ) (c)	Inventory Revaluation Forecast/ Actual (\$000's) (1) (d) = -(b) x (c)	Interest (\$000's) (2) (e)	Total Deferral Amount (\$000's) (f) = (d) + (e)
			Approved/ Proposed (\$/GJ) (a)	Price Difference from Previous Approved Price (\$/GJ) (b)				
1	Cumulative to end of September, 2014					\$ 155,958	\$ 903	\$ 156,861
2	October, 2014	* EB-2014-0208	\$ 5.435	\$ (0.576)	52.8	\$ 38,838	\$ (29)	\$ 38,809
3	November	*					\$ 19	\$ 19
4	December	*					\$ 18	\$ 18
5	January, 2015	* EB-2014-0356	\$ 5.716	\$ 0.281	40.8	\$ (11,225)	\$ 16	\$ (11,209)
6	February	*					\$ 2	\$ 2
7	March	*					\$ 2	\$ 2
8	April, 2015	* EB-2015-0035	\$ 5.036	\$ (0.680)	14.0	\$ 11,523	\$ 1	\$ 11,524
9	May	*					\$ 10	\$ 10
10	June	*					\$ 8	\$ 8
11	July, 2015	* EB-2015-0187	\$ 5.147	\$ 0.111	28.6	\$ (4,798)	\$ 8	\$ (4,790)
12	August						\$ 8	\$ 8
13	September						\$ 8	\$ 8
14	Total (Lines 1 to 13)					\$ 190,297	\$ 973	\$ 191,270
<u>Current QRAM Period</u>								
15	October, 2015	EB-2015-0255	\$ 5.140	\$ (0.007)	52.9	\$ 370		\$ 370
16	November						\$ -	\$ -
17	December						\$ -	\$ -
18	January, 2016					\$ -	\$ -	\$ -
19	February						\$ -	\$ -
20	March						\$ -	\$ -
21	April, 2016					\$ -	\$ -	\$ -
22	May						\$ -	\$ -
23	June						\$ -	\$ -
24	July, 2016					\$ -	\$ -	\$ -
25	August						\$ -	\$ -
26	September						\$ -	\$ -
27	Total (Lines 15 to 26)					\$ 370	\$ -	\$ 370

\* Reflects actual information

Notes:

(1) Includes adjustments for volume true-ups.

(2) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.

**UNION GAS LIMITED**  
**Deferral Account for**  
**Spot Gas Variance Account**  
**(Deferral Account 179-107)**

Line No.	Particulars	Spot Gas Purchases			Load Balancing					
		Deferral Amount Before Interest (\$000's)	Interest (\$000's) (1)	Deferral Balance (\$000's)	Load Balancing Deferral (\$000's)	North Load Balancing Revenue (\$000's)	South Load Balancing Revenue (\$000's)	Deferral Amount Before Interest (\$000's)	Interest (\$000's) (1)	Deferral Balance (\$000's)
		(a)	(b)	(c) = (a) + (b)	(d)	(e)	(f)	(g) = (d) + (e) + (f)	(h)	(i) = (g) + (h)
1	Cumulative to end of September, 2014	\$ (8,913)	\$ (88)	\$ (9,000)	\$ 8,262	\$ -	\$ -	\$ 8,262	\$ 179	\$ 8,441
2	October, 2014	* \$ (173)	\$ (4)	\$ (177)	\$ -	\$ -	\$ -	\$ -	\$ 19	\$ 19
3	November	* \$ 101	\$ (4)	\$ 97	\$ -	\$ -	\$ -	\$ -	\$ 17	\$ 17
4	December	* \$ (1)	\$ 16	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ (78)	\$ (78)
5	January, 2015	* \$ -	\$ (1)	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ 5
6	February	* \$ -	\$ (1)	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 3
7	March	* \$ 0	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1
8	April, 2015	* \$ (4,012)	\$ (0)	\$ (4,013)	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1
9	May	* \$ -	\$ 0	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	June	* \$ -	\$ (3)	\$ (3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	July, 2015	\$ -	\$ (4)	\$ (4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	August	\$ -	\$ (4)	\$ (4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	September	\$ -	\$ (4)	\$ (4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Total (Lines 1 to 13)	\$ (12,999)	\$ (95)	\$ (13,094)	\$ 8,262	\$ -	\$ -	\$ 8,262	\$ 147	\$ 8,409
<u>Current QRAM Period</u>										
15	October, 2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	November	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	December	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	January, 2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	February	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	March	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	April, 2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	May	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	June	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	July, 2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	August	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	September	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Total (Lines 15 to 26)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\* Reflects actual information.

Notes:

- (1) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.

1                                   **PREFILED EVIDENCE OF**

2                                   **AMY MIKHAILA, MANAGER, RATES AND PRICING**

3                                   **AND**

4                                   **HAROLD PANKRAC, TEAM LEADER, RATES AND PRICING**

5       The purpose of this evidence is to address proposed changes to Union's gas supply commodity,  
6       gas transportation, storage, and delivery rates effective October 1, 2015.

7  
8       **1. REFERENCE PRICES**

9       The unit rate changes applicable to both operating areas, which reflects an increase in the Alberta  
10      Border Reference Price to \$3.066/GJ (11.8194 cents/m<sup>3</sup>) and the change in associated fuel, are  
11      provided at Tab 2, Schedule 1. The Ontario Landed Reference Price is \$5.140/GJ (19.8147  
12      cents/m<sup>3</sup>) and appears at Tab 1, Schedule 1. The South Portfolio Cost Differential ("SPCD") and  
13      the South gas supply optimization margin credit described at Tab 1, page 4, results in a South  
14      Transportation rate of \$0.912/GJ (3.5158 cents/m<sup>3</sup>). Proposed October 1, 2015 prices reflect the  
15      heat value conversion factor of 38.55 GJ/10<sup>3</sup>m<sup>3</sup> and current fuel ratios.

16  
17      **2. UPSTREAM TOLL AND FUEL CHANGES**

18      *Upstream Toll Changes – Changes to Union North Gas Transportation Rates*

19      As identified at Tab 1, the National Energy Board ("NEB") has approved final transportation  
20      tolls TransCanada charges for firm transportation services on the Mainline effective July 1, 2015.  
21      Other approved upstream toll changes include Centra Transmission Holdings Inc. ("CTHI") and

1 Centra Pipelines Minnesota Inc. ("CPMI"). The change in approved upstream tolls, based on the  
2 Board-approved 2013 Gas Supply Plan, decreases Union's annual gas supply transportation  
3 charges by \$1.962 million, as shown at Working Papers, Schedule 4, page 1, line 42. The  
4 derivation of gas supply transportation rates in Union North reflecting the change in approved  
5 tolls is provided at Working Papers, Schedule 4, pages 2 to 11.

6  
7 Upstream Toll Changes – Changes to Union North Storage Rates

8 In addition to the upstream toll changes related to the provision of gas transportation service, the  
9 NEB-approved final upstream toll changes result in an increase of \$0.531 million in Union North  
10 storage costs as shown at Working Papers, Schedule 4, page 1, line 60. The derivation of storage  
11 rates in Union North reflecting the change in approved tolls is provided at Working Papers,  
12 Schedule 4, pages 2 to 11. The change in storage rates applicable to bundled storage service  
13 customers in Rate 20 and Rate 100 is provided at Working Papers, Schedule 4, page 12.

14  
15 **2. COST OF GAS IN DELIVERY RATES**

16 As determined in the Board's EB-2015-0187 Rate Order, dated June 23, 2015, the cost of gas  
17 included in Union's delivery rates for compressor fuel, unaccounted for gas and inventory  
18 carrying costs is 19.8417 cents/m<sup>3</sup> effective July 1, 2015. Effective October 1, 2015, the  
19 proposed cost of gas included in delivery rates for these items is the Ontario Landed Reference  
20 Price of 19.8147 cents/m<sup>3</sup> which represents a decrease of 0.0270 cents/m<sup>3</sup>.

Union proposes to allocate the decrease in the cost of gas in delivery rates to rate classes in proportion to the approved 2013 allocation of compressor fuel, unaccounted for gas and inventory carrying costs. The calculation of the annual cost impacts and the allocation to in-franchise and ex-franchise rate classes is provided at Tab 2, Schedule 4.

### **3. RATE RIDERS**

In addition to the forecast reference price changes identified above, changes to previously approved rate riders are required to reflect quarterly updates to gas cost deferral account balances. Each quarter Union projects the balance expected in each gas cost deferral account over the next 12 month period. In addition, Union tracks recovery variances (differences between what Union intended to recover in previous rate riders and what was actually recovered). Each quarter Union includes that variance in the rate riders established for the next 12 month period. Rates are changed automatically every quarter to reflect updated projected deferral account balances and historical recovery variances.

A summary of deferral account activity and proposed rate rider unit rate changes are provided at Tab 2, Schedule 2, page 1. Projected deferral account balances (lines 1 to 3) are compared to previously projected balances (line 4) in each gas cost deferral account and variances are identified (line 5). In addition, the difference between what was actually recovered in previous rate riders and what Union intended to recover is identified (line 6). This is the difference between forecast and actual volumes (last three months of actual volumes) multiplied by the

1 previously approved rate riders. The net amount to be recovered prospectively (line 7) is the  
2 amount which has not been included in rate riders to date. The unit rate rider change in the  
3 current QRAM (line 9) is the net amount in each gas cost deferral account prospectively  
4 recovered over forecast consumption in the next twelve months (line 8).

5  
6 In total, the change in gas cost-related deferrals in the current QRAM is a net charge of \$4.943  
7 million. This amount excludes the balance in the Joint Unabsorbed Demand Costs Deferral  
8 Account (Deferral Account No. 179-108) which is not prospectively recovered as per the current  
9 approved QRAM process.

10  
11 For each deferral account, the last line of Tab 2, Schedule 3 shows the net prospective rider for  
12 the current QRAM period. The net prospective rider reflects the unit rate change calculated at  
13 Tab 2, Schedule 2, page 1, line 9. The net prospective rider includes: (i) the introduction of the  
14 unit rate change calculated at Tab 2, Schedule 2, page 1, line 9 and (ii) the elimination of  
15 expiring riders which have been in place for 12 months.

16  
17 **4. SUMMARY OF PROPOSED RATE CHANGES**

18 The proposed changes to rates (Appendix A), rate schedules (Appendix B), and the summary of  
19 interruptible rate changes (Appendix C) are attached. The unit rates for prospective recovery of  
20 the gas cost deferral accounts are provided at Tab 2, Schedule 6 (column c).

1    **5.    CUSTOMER BILL IMPACTS**

2    General Service annual customer bill impacts (including the prospective recovery of deferral  
3    account balances outlined at Tab 2, Schedule 2) are provided at Tab 2, Schedule 5. The bill  
4    impacts shown at Tab 2, Schedule 5 reflect (i) the introduction of October 1, 2015 proposed  
5    GRAM changes detailed above and (ii) the elimination of expiring October 1, 2014 prospective  
6    GRAM riders.

7  
8    A typical M1 residential customer consuming 2,200 m<sup>3</sup> per year will see a net bill decrease of  
9    \$10.16 per year. A typical bundled M1 direct purchase customer will see no net bill change. A  
10   typical Rate 01 residential customer consuming 2,200 m<sup>3</sup> per year will see a net bill decrease  
11   ranging from \$26.88 to \$28.30 per year. A typical bundled Rate 01 direct purchase customer will  
12   see a net bill decrease ranging from \$7.81 to \$9.11 per year.

13  
14   **6.    CUSTOMER NOTICES**

15   Customer notices that accompany the October 1, 2015 bills will reflect the bill impacts arising  
16   from the GRAM changes identified above compared with the current approved rates in EB-2015-  
17   0187 effective July 1, 2015.

18  
19   In addition, approved October 1, 2015 rates will reflect the General Service rate adjustments  
20   approved by the Board in EB-2015-0010 (Union's 2014 Non-Commodity Deferral Account and  
21   Earnings Sharing Disposition Proceeding) on August 27, 2015. General Service prospective rate



1 changes for the period October 1, 2015 to March 31, 2016 appear at EB-2015-0010, Rate Order,  
2 Appendix D, pages 1-3. Unit rates used to calculate the one-time adjustment to contract rate  
3 classes with October 2015 bills are provided at EB-2015-0010, Rate Order, Appendix D, pages  
4 4-6.

5

UNION GAS LIMITED  
Union South  
Calculation of Gas Supply Commodity Charges

Line No.	Particulars	EB-2015-0010		EB-2015-0255		Change	
		Effective October 1, 2015		Effective October 1, 2015		Effective October 1, 2015	
		(cents/m <sup>3</sup> )	(\$/GJ) (1)	(cents/m <sup>3</sup> )	(\$/GJ) (1)	(cents/m <sup>3</sup> )	(\$/GJ)
		(a)	(b)	(c)	(d)	(e)= (c) - (a)	(f)= (d) - (b)
1	Alberta Border Price	11.7809	3.056	11.8194	3.066 (2)	0.0385	0.010
2	Fuel Ratios	4.103%	4.103%	4.412%	4.412%	0.308%	0.308%
3	Compressor Fuel Charge	0.4834	0.125	0.5214	0.135	0.0380	0.010
4	Administration Charge	0.1917	0.050	0.1917	0.050	-	-
5	Gas Commodity & Fuel Rate (line 1+3+4)	12.4560	3.231	12.5325	3.251	0.0765	0.020
<u>Prospective Recovery</u>							
6	Inventory Revaluations	0.6190	0.161	(0.0983)	(0.025)	(0.7173) (3)	(0.186)
7	Spot Gas	-	-	-	-	- (4)	-
8	Firm PGVA	(1.9074)	(0.495)	(1.4535)	(0.377)	0.4539 (5)	0.118
9	Prospective Recovery (line 6+7+8)	(1.2884)	(0.334)	(1.5518)	(0.402)	(0.2634)	(0.068)
10	Total Commodity and Fuel Rate (line 5+9)	11.1676	2.897	10.9807	2.849	(0.1869)	(0.048)
11	Transportation Tolls	3.7895	0.983	3.5158	0.912 (6)	(0.2737)	(0.071)
12	Total Commodity & Fuel & Transportation Rate (line 10+11)	14.9571	3.880	14.4965	3.761	(0.4606)	(0.119)

Notes:

- (1) Conversion to GJs based on avg. heating value of Western suppliers of 38.55 GJ / 10<sup>3</sup>m<sup>3</sup>.
- (2) EB-2015-0255, Tab 1, Schedule 1, Line 9.
- (3) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (4) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (5) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (6) EB-2015-0255, Tab 1, Schedule 2, Line 8.
- (7) Excludes Temporary Charges/(Credits) which are found in Appendix A.

**UNION GAS LIMITED**  
Union North  
Calculation of Gas Supply Commodity Charges  
Fort Frances District

Line No.	Particulars	EB-2015-0010		EB-2015-0255		Change	
		Effective October 1, 2015		Effective October 1, 2015		Effective October 1, 2015	
		(cents/m <sup>3</sup> )	(\$/GJ)	(cents/m <sup>3</sup> )	(\$/GJ)	(cents/m <sup>3</sup> )	(\$/GJ)
		(a)	(b)	(c)	(d)	(e) = (c) - (a)	(f) = (d) - (b)
<b>Rates 01A &amp; 10 (6)</b>							
1	Alberta Border Price	11.7809	3.056	11.8194	3.066 (1)	0.0385	0.010
2	Fuel ratios	1.543%	1.543%	1.673%	1.673%	0.130%	0.130%
3	Compressor Fuel Charge	0.1818	0.047	0.1978	0.051	0.0160	0.004
4	Administration Charge	0.1917	0.050	0.1917	0.050	-	-
5	Gas Commodity & Fuel Rate (line 1+3+4)	12.1544	3.153	12.2089	3.167	0.0545	0.014
<b>Prospective Recovery</b>							
6	Inventory Revaluations	0.6190	0.161	(0.0983)	(0.025)	(0.7173) (2)	(0.186)
7	Spot Gas	(0.3445)	(0.089)	(0.3507)	(0.091)	(0.0062) (3)	(0.002)
8	Firm PGVA	(1.6038)	(0.416)	(1.6476)	(0.427)	(0.0438) (4)	(0.011)
9	Fuel	0.1719	0.045	(0.0023)	(0.001)	(0.1742) (5)	(0.046)
10	Total Prospective Recovery (line 6+7+8+9)	(1.1574)	(0.299)	(2.0989)	(0.544)	(0.9415)	(0.245)
11	Total Commodity and Fuel Rate (line 5+10)	10.9970	2.854	10.1100	2.623	(0.8870)	(0.231)
<b>Rates 20 &amp; 100 (7)</b>							
12	Alberta Border Price	11.5792	3.056	11.6171	3.066 (1)	0.0379	0.010
13	Fuel ratios	1.543%	1.543%	1.673%	1.673%	0.130%	0.130%
14	Compressor Fuel Charge	0.1787	0.047	0.1944	0.051	0.0157	0.004
15	Administration Charge	0.1917	0.051	0.1917	0.051	-	-
16	Gas Commodity & Fuel Rate (line 12+14+15)	11.9496	3.154	12.0032	3.168	0.0536	0.014
<b>Prospective Recovery</b>							
17	Inventory Revaluations	0.6190	0.163	(0.0983)	(0.026)	(0.7173) (2)	(0.189)
18	Spot Gas	(0.3445)	(0.091)	(0.3507)	(0.093)	(0.0062) (3)	(0.002)
19	Firm PGVA	(1.6038)	(0.423)	(1.6476)	(0.435)	(0.0438) (4)	(0.012)
20	Fuel	0.1719	0.045	(0.0023)	(0.001)	(0.1742) (5)	(0.046)
21	Total Prospective Recovery (line 17+18+19+20)	(1.1574)	(0.306)	(2.0989)	(0.555)	(0.9415)	(0.249)
22	Total Commodity and Fuel Rate (line 16+21)	10.7922	2.848	9.9043	2.613	(0.8879)	(0.235)

**Notes:**

- (1) EB-2015-0255, Tab 1, Schedule 1, Line 9.
- (2) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (3) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (4) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (5) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (6) Conversion to GJs based on 38.55 GJ / 10<sup>3</sup>m<sup>3</sup>.
- (7) Conversion to GJs based on 37.89 GJ / 10<sup>3</sup>m<sup>3</sup>.

UNION GAS LIMITED  
Union North  
Calculation of Gas Supply Commodity Charges  
Western Zone

Line No.	Particulars	EB-2015-0010		EB-2015-0255		Change	
		Effective October 1, 2015	(\$/GJ)	Effective October 1, 2015	(\$/GJ)	Effective October 1, 2015	(\$/GJ)
		(cents/m <sup>3</sup> )	(b)	(cents/m <sup>3</sup> )	(d)	(e)= (c) - (a)	(f)= (d) - (b)
		(a)		(c)			
<b>Rates 01A &amp; 10 (6)</b>							
1	Alberta Border Price	11.7809	3.056	11.8194	3.066 (1)	0.0385	0.010
2	Fuel ratios	2.245%	2.245%	2.423%	2.423%	0.178%	0.178%
3	Compressor Fuel Charge	0.2645	0.069	0.2864	0.074	0.0219	0.006
4	Administration Charge	0.1917	0.050	0.1917	0.050	-	-
5	Gas Commodity & Fuel Rate (line 1+3+4)	12.2371	3.175	12.2975	3.190	0.0604	0.016
<u>Prospective Recovery</u>							
6	Inventory Revaluations	0.6190	0.161	(0.0983)	(0.025)	(0.7173) (2)	(0.186)
7	Spot Gas	(0.3445)	(0.089)	(0.3507)	(0.091)	(0.0062) (3)	(0.002)
8	Firm PGVA	(1.6038)	(0.416)	(1.6476)	(0.427)	(0.0438) (4)	(0.011)
9	Fuel	0.1719	0.045	(0.0023)	(0.001)	(0.1742) (5)	(0.046)
10	Total Prospective Recovery (line 6+7+8+9)	(1.1574)	(0.299)	(2.0989)	(0.544)	(0.9415)	(0.245)
11	Total Commodity and Fuel Rate (line 5+10)	11.0797	2.876	10.1986	2.646	(0.8811)	(0.229)
<b>Rates 20 &amp; 100 (7)</b>							
12	Alberta Border Price	11.5792	3.056	11.6171	3.066 (1)	0.0379	0.010
13	Fuel ratios	2.245%	2.245%	2.423%	2.423%	0.178%	0.178%
14	Compressor Fuel Charge	0.2600	0.069	0.2815	0.074	0.0215	0.006
15	Administration Charge	0.1917	0.051	0.1917	0.051	-	-
16	Gas Commodity & Fuel Rate (line 12+14+15)	12.0309	3.176	12.0903	3.191	0.0594	0.016
<u>Prospective Recovery</u>							
17	Inventory Revaluations	0.6190	0.163	(0.0983)	(0.026)	(0.7173) (2)	(0.189)
18	Spot Gas	(0.3445)	(0.091)	(0.3507)	(0.093)	(0.0062) (3)	(0.002)
19	Firm PGVA	(1.6038)	(0.423)	(1.6476)	(0.435)	(0.0438) (4)	(0.012)
20	Fuel	0.1719	0.045	(0.0023)	(0.001)	(0.1742) (5)	(0.046)
21	Total Prospective Recovery (line 17+18+19+20)	(1.1574)	(0.306)	(2.0989)	(0.555)	(0.9415)	(0.249)
22	Total Commodity and Fuel Rate (line 16+21)	10.8735	2.870	9.9914	2.636	(0.8821)	(0.233)

Notes:

- (1) EB-2015-0255, Tab 1, Schedule 1, Line 9.
- (2) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (3) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (4) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (5) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (6) Conversion to GJs based on 38.55 GJ / 10<sup>3</sup>m<sup>3</sup>.
- (7) Conversion to GJs based on 37.89 GJ / 10<sup>3</sup>m<sup>3</sup>.

UNION GAS LIMITED  
Union North  
Calculation of Gas Supply Commodity Charges  
Northern Zone

Line No.	Particulars	EB-2015-0010		EB-2015-0255		Change	
		Effective October 1, 2015	(\$/GJ)	Effective October 1, 2015	(\$/GJ)	Effective October 1, 2015	(\$/GJ)
		(cents/m <sup>3</sup> )	(b)	(cents/m <sup>3</sup> )	(d)	(e)= (c) - (a)	(f)= (d) - (b)
		(a)	(b)	(c)	(d)	(e)= (c) - (a)	(f)= (d) - (b)
<b>Rates 01A &amp; 10 (6)</b>							
1	Alberta Border Price	11.7809	3.056	11.8194	3.066 (1)	0.0385	0.010
2	Fuel ratios	3.329%	3.329%	3.583%	3.583%	0.254%	0.254%
3	Compressor Fuel Charge	0.3922	0.102	0.4235	0.110	0.0313	0.008
4	Administration Charge	0.1917	0.050	0.1917	0.050	-	-
5	Gas Commodity & Fuel Rate (line 1+3+4)	12.3648	3.208	12.4346	3.226	0.0698	0.018
<u>Prospective Recovery</u>							
6	Inventory Revaluations	0.6190	0.161	(0.0983)	(0.025)	(0.7173) (2)	(0.186)
7	Spot Gas	(0.3445)	(0.089)	(0.3507)	(0.091)	(0.0062) (3)	(0.002)
8	Firm PGVA	(1.6038)	(0.416)	(1.6476)	(0.427)	(0.0438) (4)	(0.011)
9	Fuel	0.1719	0.045	(0.0023)	(0.001)	(0.1742) (5)	(0.046)
10	Total Prospective Recovery (line 6+7+8+9)	(1.1574)	(0.299)	(2.0989)	(0.544)	(0.9415)	(0.245)
11	Total Commodity and Fuel Rate (line 5+10)	11.2074	2.909	10.3357	2.682	(0.8717)	(0.227)
<b>Rates 20 &amp; 100 (7)</b>							
12	Alberta Border Price	11.5792	3.056	11.6171	3.066 (1)	0.0379	0.010
13	Fuel ratios	3.329%	3.329%	3.583%	3.583%	0.254%	0.254%
14	Compressor Fuel Charge	0.3855	0.102	0.4163	0.110	0.0308	0.008
15	Administration Charge	0.1917	0.051	0.1917	0.051	-	-
16	Gas Commodity & Fuel Rate (line 12+14+15)	12.1564	3.209	12.2251	3.227	0.0687	0.018
<u>Prospective Recovery</u>							
17	Inventory Revaluations	0.6190	0.163	(0.0983)	(0.026)	(0.7173) (2)	(0.189)
18	Spot Gas	(0.3445)	(0.091)	(0.3507)	(0.093)	(0.0062) (3)	(0.002)
19	Firm PGVA	(1.6038)	(0.423)	(1.6476)	(0.435)	(0.0438) (4)	(0.012)
20	Fuel	0.1719	0.045	(0.0023)	(0.001)	(0.1742) (5)	(0.046)
21	Total Prospective Recovery (line 17+18+19+20)	(1.1574)	(0.306)	(2.0989)	(0.555)	(0.9415)	(0.249)
22	Total Commodity and Fuel Rate (line 16+21)	10.9990	2.903	10.1262	2.672	(0.8728)	(0.231)

Notes:

- (1) EB-2015-0255, Tab 1, Schedule 1, Line 9.
- (2) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (3) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (4) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (5) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (6) Conversion to GJs based on 38.55 GJ / 10<sup>3</sup>m<sup>3</sup>.
- (7) Conversion to GJs based on 37.89 GJ / 10<sup>3</sup>m<sup>3</sup>.

UNION GAS LIMITED  
Union North  
Calculation of Gas Supply Commodity Charges  
Eastern Zone

Line No.	Particulars	EB-2015-0010		EB-2015-0255		Change	
		Effective October 1, 2015		Effective October 1, 2015		Effective October 1, 2015	
		(cents/m <sup>3</sup> )	(\$/GJ)	(cents/m <sup>3</sup> )	(\$/GJ)	(cents/m <sup>3</sup> )	(\$/GJ)
		(a)	(b)	(c)	(d)	(e) = (c) - (a)	(f) = (d) - (b)
<b>Rates 01A &amp; 10 (6)</b>							
1	Alberta Border Price	11.7809	3.056	11.8194	3.066 (1)	0.0385	0.010
2	Fuel ratios	4.190%	4.190%	4.506%	4.506%	0.315%	0.315%
3	Compressor Fuel Charge	0.4937	0.128	0.5326	0.138	0.0389	0.010
4	Administration Charge	0.1917	0.050	0.1917	0.050	-	-
5	Gas Commodity & Fuel Rate (line 1+3+4)	12.4663	3.234	12.5437	3.254	0.0774	0.020
<u>Prospective Recovery</u>							
6	Inventory Revaluations	0.6190	0.161	(0.0983)	(0.025)	(0.7173) (2)	(0.186)
7	Spot Gas	(0.3445)	(0.089)	(0.3507)	(0.091)	(0.0062) (3)	(0.002)
8	Firm PGVA	(1.6038)	(0.416)	(1.6476)	(0.427)	(0.0438) (4)	(0.011)
9	Fuel	0.1719	0.045	(0.0023)	(0.001)	(0.1742) (5)	(0.046)
10	Total Prospective Recovery (line 6+7+8+9)	(1.1574)	(0.299)	(2.0989)	(0.544)	(0.9415)	(0.245)
11	Total Commodity and Fuel Rate (line 5+10)	11.3089	2.935	10.4448	2.710	(0.8641)	(0.225)
<b>Rates 20 &amp; 100 (7)</b>							
12	Alberta Border Price	11.5792	3.056	11.6171	3.066 (1)	0.0379	0.010
13	Fuel ratios	4.190%	4.190%	4.506%	4.506%	0.315%	0.315%
14	Compressor Fuel Charge	0.4852	0.128	0.5234	0.138	0.0382	0.010
15	Administration Charge	0.1917	0.051	0.1917	0.051	-	-
16	Gas Commodity & Fuel Rate (line 12+14+15)	12.2561	3.235	12.3322	3.255	0.0761	0.020
<u>Prospective Recovery</u>							
17	Inventory Revaluations	0.6190	0.163	(0.0983)	(0.026)	(0.7173) (2)	(0.189)
18	Spot Gas	(0.3445)	(0.091)	(0.3507)	(0.093)	(0.0062) (3)	(0.002)
19	Firm PGVA	(1.6038)	(0.423)	(1.6476)	(0.435)	(0.0438) (4)	(0.012)
20	Fuel	0.1719	0.045	(0.0023)	(0.001)	(0.1742) (5)	(0.046)
21	Total Prospective Recovery (line 17+18+19+20)	(1.1574)	(0.306)	(2.0989)	(0.555)	(0.9415)	(0.249)
22	Total Commodity and Fuel Rate (line 16+21)	11.0987	2.929	10.2333	2.700	(0.8654)	(0.229)

Notes:

- (1) EB-2015-0255, Tab 1, Schedule 1, Line 9.
- (2) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (3) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (4) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (5) EB-2015-0255, Tab 2, Schedule 6, Page 1 of 3 less the expiring rider.
- (6) Conversion to GJs based on 38.55 GJ / 10<sup>3</sup>m<sup>3</sup>.
- (7) Conversion to GJs based on 37.89 GJ / 10<sup>3</sup>m<sup>3</sup>.

**UNION GAS LIMITED**  
**Summary of Amounts for Prospective Recovery and**  
**Unit Changes to Prospective Rate Riders**

Line No.			NPGVA	North Tolls	North Fuel	SPGVA	Inventory Revaluation	Load Balancing	Spot Gas Purchases	Total
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
<u>Deferral Account Balance Continuity (\$000's)</u>										
1	Cumulative to October 1, 2015	(1)	(239,146)	21,959	3,573	(589,348)	137,560	(3,237)	(12,792)	(681,430)
2	Forecast Balance: Next 12 months	(2)	(0)	7,238	69	0	370	-	-	7,678
3	Total Balance - Current QRAM	(3)	(239,146)	29,197	3,643	(589,348)	137,931	(3,237)	(12,792)	(673,752)
4	Total Balance - Previous QRAM	(4)	(237,036)	30,635	3,633	(597,730)	138,920	(3,235)	(12,778)	(677,592)
5	Deferral Account Balance Variance	(5)	(2,110)	(1,437)	10	8,383	(990)	(1)	(14)	3,840
6	Prospective Recovery Variance	(6)	204	49	0	767	57	28	(1)	1,104
7	Net Amount for Prospective Recovery	(7)	<u>(1,905)</u>	<u>(1,388)</u>	<u>10</u>	<u>9,149</u>	<u>(933)</u>	<u>27</u>	<u>(15)</u>	<u>4,943</u>
<u>Prospective Rate Rider Changes</u>										
8	Forecast Billing Units (10 <sup>3</sup> m <sup>3</sup> )	(8)	1,005,268	1,393,192	1,005,268	3,314,140	4,319,408	Class	1,005,268	
9	Unit Rate Change (cents/m <sup>3</sup> )	(9)	(0.1895)	(0.0997)	0.0010	0.2761	(0.0216)	Specific	(0.0015)	

Notes:

- (1) Balance in each deferral account at October 1, 2015. Balances at Tab 2, Schedule 3, Line 9 - Line 1.
- (2) Next 12 months forecast for each deferral account. Balances at Tab 1, Schedule 3, Page 1, line 27.
- (3) Projected balance in each deferral account for the current QRAM period. Line 3 = Line 1 + Line 2.
- (4) Balances approved for prospective recovery in the previous QRAM, ie. EB-2015-0187.
- (5) The deferral amount for recovery/(refund) which has not been included in previously approved prospective rate riders. Line 5 = Line 3 - Line 4.
- (6) Variance between forecast and actual volumes (last months of actual volumes) multiplied by the previously approved riders.  
Balances at Tab 2, Schedule 2, Page 2, Line 11.
- (7) Line 7 = Line 5 + Line 6.
- (8) Billing units reflect the approved allocation basis for each deferral account.
- (9) Line 9 = Line 7 / Line 8.

**UNION GAS LIMITED**  
**Summary of Amounts for Prospective Recovery**  
**for the 12-month period ending September 30, 2016**

Line No.	Particulars		North PGVA (179-105) (\$000's)	North Tolls (179-100) (\$000's)	North Fuel (179-100) (\$000's)	South PGVA (179-106) (\$000's)	Inventory Revaluation (179-109) (\$000's)	Load Balancing (179-107) (\$000's)	Spot Gas Variance Acct (179-107) (\$000's)	Total (\$000's)
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	<b>Deferral Amounts for Recovery</b>									
	Change in 12-month deferral account projection:									
1	12-month projection from current QRAM application	(1)	(0)	7,238	69	0	370	-	-	7,678
2	Less: 12-month projection from previous QRAM application	(2)	(0)	8,989	96	0	(3,399)	-	-	5,686
3	Change (Line 1 - Line 2)		0	(1,751)	(27)	(0)	3,769	-	-	1,992
	<b>Previous Quarter: True-up of Deferral Balances</b>									
	Variance between projected and actual deferral balances for month(s) with actual data since previous QRAM application:									
4	Actual deferral amount	(3)	(3,501)	548	70	(2,554)	(4,772)	1	(4,016)	(14,224)
5	Current projected deferral amount	(4)	(1,536)	423	(31)	6,737	15	-	(11)	5,598
6	Less: Previous projection included in recovery	(5)	(2,927)	658	2	(4,200)	2	2	(4,013)	(10,474)
7	Variance (Line 4 + Line 5 - Line 6)		(2,110)	313	36	8,383	(4,759)	(1)	(14)	1,848
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)		(2,110)	(1,437)	10	8,383	(990)	(1)	(14)	3,840
	<b>Previous Quarter: True-up of Prospective Recovery Amounts</b>									
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:									
9	Forecast prospective recovery amount	(6)	(1,716)	2,170	275	(6,401)	2,113	(3)	(144)	(3,706)
10	Less: Actual prospective recovery amount	(7)	(1,920)	2,121	275	(7,168)	2,056	(31)	(143)	(4,810)
11	Variance (Line 9 - Line 10)		204	49	0	767	57	28	(1)	1,104
12	Total Amount for Prospective Recovery (Line 8 + Line 11)		(1,905)	(1,388)	10	9,149	(933)	27	(15)	4,943

**Notes:**

- (1) Tab 1, Schedule 3, Page 1, Line 27.
- (2) EB-2015-0187, Tab 1, Schedule 3, Page 1, Line 27.
- (3) Tab 1, Schedule 3, Page 1, Lines 8+9+10 except Inventory Reval. which is from Tab 1, Schedule 3, Page 1, Lines 9+10+11.
- (4) Tab 1, Schedule 3, Page 1, Lines 11+12+13 except Inventory Reval. which is from Tab 1, Schedule 3, Page 1, Lines 12+13.
- (5) EB-2015-0187, Tab 2, Schedule 2, Page 2, Line 5.
- (6) Tab 2, Schedule 3, Line 10.
- (7) Tab 2, Schedule 3, Line 11.



Union Gas Limited  
Derivation of Amounts and Unit Rates for Prospective Recovery

<u>Page</u>	
1	North Purchased Gas Variance Account (Deferral Account 179-105)
2	North Tolls - Transportation (Deferral Account 179-100)
3	North Fuel - Northern and Eastern Operations Area (Deferral Account 179-100)
4	South Purchased Gas Variance Account (Deferral Account 179-106)
5	Inventory Revaluation (Deferral Account 179-109)
	Load Balancing (Deferral Account 179-107)
6	Rate 01
7	Rate 10
8	Rate 20
9	South
10	Spot Gas Purchases (Deferral Account 179-107)

**UNION GAS LIMITED**  
**North Purchased Gas Variance Account (Deferral Account 179-105)**  
**Derivation of Amounts and Unit Rates for Prospective Recovery**

Line No.	Particulars	Units	Year 2014	Year 2015				
			Oct	Jan	Apr	Jul	Oct	
			Q4	Q1 (1)	Q2 (2)	Q3 (3)	Q4 (4)	
			(a)	(b)	(c)	(d)	(e)	
<b><u>Deferral Amounts for Recovery</u></b>								
	Change in 12-month deferral account projection:							
1	12-month projection from current QRAM application	(\$000's)	(0)	0	(0)	(0)	(0)	
2	Less: 12-month projection from previous QRAM application	(\$000's)	0	(0)	0	(0)	(0)	
3	Change (Line 1 - Line 2)	(\$000's)	(0)	0	(0)	0	0	
Previous Quarter: True-up of deferral balances								
4	Actual deferral balances	(\$000's)	19,438	(5,388)	1,047	(9,351)	(3,501)	
5	Current projected deferral amounts	(\$000's)	(4,894)	1,506	(9,906)	(2,927)	(1,536)	
6	Less: Previous projection included in recovery	(\$000's)	17,538	(4,894)	1,506	(9,906)	(2,927)	
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(2,993)	1,011	(10,364)	(2,372)	(2,110)	
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(2,993)	1,011	(10,364)	(2,372)	(2,110)	
9	Cumulative Deferral Amounts for Recovery	(\$000's)	(225,311)	(224,300)	(234,664)	(237,036)	(239,146)	
<b><u>Previous Quarter: True-up of Prospective Recovery Amounts</u></b>								
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:							
10	Forecast prospective recovery amount	(\$000's)	(2,529)	906	4,517	8,340	(1,716)	
11	Less: Actual prospective recovery amount	(\$000's)	(4,075)	936	5,296	10,453	(1,920)	
12	Variance (Line 10 - Line 11)	(\$000's)	1,546	(30)	(779)	(2,113)	204	
13	Total Amount for Prospective Recovery (Line 8 + Line 12)	(\$000's)	(1,447)	981	(11,143)	(4,485)	(1,905)	
14	Forecast - 12 month sales service volume	(10 <sup>3</sup> m <sup>3</sup> )	993,564	996,164	1,003,708	1,004,750	1,005,268	
15	Unit Rate	(cents/m <sup>3</sup> )	(0.1457)	0.0985	(1.1102)	(0.4464)	(0.1895)	
<b><u>Summary of Unit Rates</u></b>								
16	Unit Rate Q1	(cents/m <sup>3</sup> )	(0.2585)	0.0985	0.0985	0.0985	0.0985	
17	Unit Rate Q2	(cents/m <sup>3</sup> )	1.9627	1.9627	(1.1102)	(1.1102)	(1.1102)	
18	Unit Rate Q3	(cents/m <sup>3</sup> )	-	-	-	(0.4464)	(0.4464)	
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m <sup>3</sup> )	(0.1457)	(0.1457)	(0.1457)	(0.1457)	(0.1895)	
20	<b>Total Unit Rate - Prospective Recovery</b>	(cents/m <sup>3</sup> )	<b>1.5585</b>	<b>1.9155</b>	<b>(1.1574)</b>	<b>(1.6038)</b>	<b>(1.6476)</b>	

**Notes:**

- (1) EB-2014-0356, Tab 2, Schedule 2, Column (a).
- (2) EB-2015-0035, Tab 2, Schedule 2, Column (a).
- (3) EB-2015-0187, Tab 2, Schedule 2, Column (a).
- (4) EB-2015-0255, Tab 2, Schedule 2, Column (a).

UNION GAS LIMITED  
North Tolls - Northern and Eastern Operations Area (Deferral Account 179-100)  
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2014	Year 2015			
			Oct Q4 (a)	Jan Q1 (1) (b)	Apr Q2 (2) (c)	Jul Q3 (3) (d)	Oct Q4 (4) (e)
	<b><u>Deferral Amounts for Recovery</u></b>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000's)	7,095	8,946	8,989	8,989	7,238
2	Less: 12-month projection from previous QRAM application	(\$000's)	4,776	7,095	8,946	8,989	8,989
3	Change (Line 1 - Line 2)	(\$000's)	2,319	1,852	43	-	(1,751)
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000's)	3,020	(946)	2,483	7,555	548
5	Current projected deferral amounts	(\$000's)	(794)	2,429	6,930	658	423
6	Less: Previous projection included in recovery	(\$000's)	3,173	(794)	2,429	6,930	658
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(946)	2,277	6,983	1,283	313
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	1,373	4,129	7,026	1,283	(1,437)
9	Cumulative Deferral Amounts for Recovery	(\$000's)	25,533	29,662	36,687	37,970	36,532
	<b><u>Previous Quarter: True-up of Prospective Recovery Amounts</u></b>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
10	Forecast prospective recovery amount	(\$000's)	(6,756)	(297)	2,000	4,759	2,170
11	Less: Actual prospective recovery amount	(\$000's)	(8,071)	(349)	2,093	5,426	2,121
12	Variance (Line 10 - Line 11)	(\$000's)	1,315	52	(94)	(667)	49
13	Total Amount for Prospective Recovery (Line 8 + Line 12)	(\$000's)	2,687	4,181	6,932	615	(1,388)
14	Forecast - 12 month volume	(10 <sup>3</sup> m <sup>3</sup> )	1,381,227	1,383,803	1,391,548	1,392,635	1,393,192
15	Unit Rate	(cents/m <sup>3</sup> )	0.1946	0.3021	0.4981	0.0442	(0.0997)
	<b><u>Summary of Unit Rates</u></b>						
16	Unit Rate Q1	(cents/m <sup>3</sup> )	0.0038	0.3021	0.3021	0.3021	0.3021
17	Unit Rate Q2	(cents/m <sup>3</sup> )	0.2799	0.2799	0.4981	0.4981	0.4981
18	Unit Rate Q3	(cents/m <sup>3</sup> )	-	-	-	0.0442	0.0442
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m <sup>3</sup> )	0.1946	0.1946	0.1946	0.1946	(0.0997)
20	<b>Total Unit Rate - Prospective Recovery</b>	(cents/m <sup>3</sup> )	<b>0.4783</b>	<b>0.7766</b>	<b>0.9948</b>	<b>1.0390</b>	<b>0.7448</b>

**Notes:**

- (1) EB-2014-0356, Tab 2, Schedule 2, Column (b).
- (2) EB-2015-0035, Tab 2, Schedule 2, Column (b).
- (3) EB-2015-0187, Tab 2, Schedule 2, Column (b).
- (4) EB-2015-0255, Tab 2, Schedule 2, Column (b).

UNION GAS LIMITED  
North Fuel - Northern and Eastern Operations Area (Deferral Account 179-100)  
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2014	Year 2015			
			Oct Q4 (a)	Jan Q1 (1) (b)	Apr Q2 (2) (c)	Jul Q3 (3) (d)	Oct Q4 (4) (e)
	<b><u>Deferral Amounts for Recovery</u></b>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000's)	156	151	106	96	69
2	Less: 12-month projection from previous QRAM application	(\$000's)	131	156	151	106	96
3	Change (Line 1 - Line 2)	(\$000's)	25	(6)	(45)	(9)	(27)
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000's)	2,525	(154)	268	47	70
5	Current projected deferral amounts	(\$000's)	(260)	162	(149)	2	(31)
6	Less: Previous projection included in recovery	(\$000's)	740	(260)	162	(149)	2
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	1,526	267	(43)	199	36
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	1,551	262	(88)	190	10
9	Cumulative Deferral Amounts for Recovery	(\$000's)	3,270	3,531	3,443	3,633	3,643
	<b><u>Previous Quarter: True-up of Prospective Recovery Amounts</u></b>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
10	Forecast prospective recovery amount	(\$000's)	(338)	24	875	1,532	275
11	Less: Actual prospective recovery amount	(\$000's)	(528)	14	958	1,858	275
12	Variance (Line 10 - Line 11)	(\$000's)	190	10	(83)	(326)	0
13	Total Amount for Prospective Recovery (Line 8 + Line 12)	(\$000's)	1,740	272	(171)	(136)	10
14	Forecast - 12 month sales service volume	(10 <sup>3</sup> m <sup>3</sup> )	993,564	996,164	1,003,708	1,004,750	1,005,268
15	Unit Rate	(cents/m <sup>3</sup> )	0.1752	0.0273	(0.0170)	(0.0136)	0.0010
	<b><u>Summary of Unit Rates</u></b>						
16	Unit Rate Q1	(cents/m <sup>3</sup> )	(0.0295)	0.0273	0.0273	0.0273	0.0273
17	Unit Rate Q2	(cents/m <sup>3</sup> )	0.1380	0.1380	(0.0170)	(0.0170)	(0.0170)
18	Unit Rate Q3	(cents/m <sup>3</sup> )	-	-	-	(0.0136)	(0.0136)
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m <sup>3</sup> )	0.1752	0.1752	0.1752	0.1752	0.0010
20	<b>Total Unit Rate - Prospective Recovery</b>	(cents/m <sup>3</sup> )	<b>0.2837</b>	<b>0.3405</b>	<b>0.1855</b>	<b>0.1719</b>	<b>(0.0023)</b>

**Notes:**

- (1) EB-2014-0356, Tab 2, Schedule 2, Column (c).
- (2) EB-2015-0035, Tab 2, Schedule 2, Column (c).
- (3) EB-2015-0187, Tab 2, Schedule 2, Column (c).
- (4) EB-2015-0255, Tab 2, Schedule 2, Column (c).

UNION GAS LIMITED  
South Purchased Gas Variance Account (Deferral Account 179-106)  
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2014	Year 2015			
			Oct Q4 (a)	Jan Q1 (1) (b)	Apr Q2 (2) (c)	Jul Q3 (3) (d)	Oct Q3 (4) (e)
	<b><u>Deferral Amounts for Recovery</u></b>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000's)	-	-	-	-	-
2	Less: 12-month projection from previous QRAM application	(\$000's)	-	-	-	-	-
3	Change (Line 1 - Line 2)	(\$000's)	-	-	-	-	-
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000's)	113,175	(16,114)	12,963	(39,023)	(2,554)
5	Current projected deferral amounts	(\$000's)	(11,407)	8,022	(40,709)	(4,200)	6,737
6	Less: Previous projection included in recovery	(\$000's)	109,410	(11,407)	8,022	(40,709)	(4,200)
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(7,642)	3,315	(35,768)	(2,514)	8,383
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(7,642)	3,315	(35,768)	(2,514)	8,383
9	Cumulative Deferral Amounts for Recovery	(\$000's)	(562,763)	(559,448)	(595,217)	(597,730)	(589,348)
	<b><u>Previous Quarter: True-up of Prospective Recovery Amounts</u></b>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
10	Forecast prospective recovery amount	(\$000's)	5,545	8,400	34,138	54,894	(6,401)
11	Less: Actual prospective recovery amount	(\$000's)	3,757	9,328	39,602	70,815	(7,168)
12	Variance (Line 10 - Line 11)	(\$000's)	1,788	(928)	(5,464)	(15,921)	767
13	Total Amount for Prospective Recovery (Line 8 + Line 12)	(\$000's)	(5,853)	2,387	(41,232)	(18,435)	9,149
14	Forecast - 12 month sales service volume	(10 <sup>3</sup> m <sup>3</sup> )	3,292,692	3,288,848	3,310,101	3,311,990	3,314,140
15	Unit Rate	(cents/m <sup>3</sup> )	(0.1778)	0.0726	(1.2456)	(0.5566)	0.2761
	<b><u>Summary of Unit Rates</u></b>						
16	Unit Rate Q1	(cents/m <sup>3</sup> )	(0.1618)	0.0726	0.0726	0.0726	0.0726
17	Unit Rate Q2	(cents/m <sup>3</sup> )	4.0378	4.0378	(1.2456)	(1.2456)	(1.2456)
18	Unit Rate Q3	(cents/m <sup>3</sup> )	-	-	-	(0.5566)	(0.5566)
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m <sup>3</sup> )	(0.1778)	(0.1778)	(0.1778)	(0.1778)	0.2761
20	<b>Total Unit Rate - Prospective Recovery</b>	(cents/m <sup>3</sup> )	<b>3.6982</b>	<b>3.9326</b>	<b>(1.3508)</b>	<b>(1.9075)</b>	<b>(1.4536)</b>

**Notes:**

- (1) EB-2014-0356, Tab 2, Schedule 2, Column (d).
- (2) EB-2015-0035, Tab 2, Schedule 2, Column (d).
- (3) EB-2015-0187, Tab 2, Schedule 2, Column (d).
- (4) EB-2015-0255, Tab 2, Schedule 2, Column (d).

UNION GAS LIMITED  
Inventory Revaluation (Deferral Account 179-109)  
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2014	Year 2015			
			Oct Q4 (a)	Jan Q1 (1) (b)	Apr Q2 (2) (c)	Jul Q3 (3) (d)	Oct Q4 (4) (e)
	<b><u>Deferral Amounts for Recovery</u></b>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000's)	39,574	(12,993)	4,153	(3,399)	370
2	Less: 12-month projection from previous QRAM application	(\$000's)	(7,918)	39,574	(12,993)	4,153	(3,399)
3	Change (Line 1 - Line 2)	(\$000's)	47,492	(52,567)	17,146	(7,552)	3,769
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000's)	(9,644)	38,757	(11,173)	11,528	(4,772)
5	Current projected deferral amounts	(\$000's)	(50)	(57)	32	2	15
6	Less: Previous projection included in recovery	(\$000's)	74	(50)	(57)	32	2
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(9,768)	38,749	(11,083)	11,498	(4,759)
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	37,724	(13,818)	6,063	3,946	(990)
9	Cumulative Deferral Amounts for Recovery	(\$000's)	142,729	128,911	134,974	138,920	137,931
	<b><u>Previous Quarter: True-up of Prospective Recovery Amounts</u></b>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
10	Forecast prospective recovery amount	(\$000's)	18,849	2,247	3,359	2,312	2,113
11	Less: Actual prospective recovery amount	(\$000's)	26,751	2,665	2,538	2,119	2,056
12	Variance (Line 10 - Line 11)	(\$000's)	(7,903)	(419)	821	193	57
13	Total Amount for Prospective Recovery (Line 8 + Line 12)	(\$000's)	29,821	(14,236)	6,884	4,139	(933)
14	Forecast - 12 month sales service volume	(10 <sup>3</sup> m <sup>3</sup> )	4,286,256	4,285,012	4,313,809	4,316,740	4,319,408
15	Unit Rate	(cents/m <sup>3</sup> )	0.6957	(0.3322)	0.1596	0.0959	(0.0216)
	<b><u>Summary of Unit Rates</u></b>						
16	Unit Rate Q1	(cents/m <sup>3</sup> )	(0.1334)	(0.3322)	(0.3322)	(0.3322)	(0.3322)
17	Unit Rate Q2	(cents/m <sup>3</sup> )	(0.3515)	(0.3515)	0.1596	0.1596	0.1596
18	Unit Rate Q3	(cents/m <sup>3</sup> )	-	-	-	0.0959	0.0959
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m <sup>3</sup> )	0.6957	0.6957	0.6957	0.6957	(0.0216)
20	<b>Total Unit Rate - Prospective Recovery</b>	(cents/m <sup>3</sup> )	<b>0.2108</b>	<b>0.0120</b>	<b>0.5231</b>	<b>0.6190</b>	<b>(0.0983)</b>

**Notes:**

- (1) EB-2014-0356, Tab 2, Schedule 2, Column (e).
- (2) EB-2015-0035, Tab 2, Schedule 2, Column (e).
- (3) EB-2015-0187, Tab 2, Schedule 2, Column (e).
- (4) EB-2015-0255, Tab 2, Schedule 2, Column (e).

UNION GAS LIMITED  
R01 - Load Balancing (Deferral Account 179-107)  
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Oct 2014 Q4	Jan 2015 Q1 (1)	Apr 2015 Q2 (2)	Jul 2015 Q3 (3)	Oct 2015 Q4 (4)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000s)	-	-	-	-	-
2	Less: 12-month projection from previous QRAM application	(\$000s)	-	-	-	-	-
3	Change (Line 1 - Line 2)	(\$000s)	-	-	-	-	-
	 Previous Quarter: True-up of deferral balances						
1	Actual deferral balances	(\$000s)	5,681	39	(29)	7	0
2	Current projected deferral amounts	(\$000s)	-	38	181	1	-
3	Less: Previous projection included in recovery	(\$000s)	5,558	-	38	181	1
4	Variance (Line 4 + Line 5 - Line 6)	(\$000s)	123	77	115	(173)	(1)
1	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000s)	123	77	115	(173)	(1)
	 <u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
1	Forecast prospective recovery amount	(\$000s)	790	355	1,694	2,668	(13)
2	Less: Actual prospective recovery amount	(\$000s)	1,016	369	1,899	3,187	(25)
3	Variance (Line 9 - Line 10)	(\$000s)	(226)	(14)	(205)	(519)	12
1	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000s)	(103)	63	(90)	(692)	11
2	Forecast - 12 month volume	(10 <sup>3</sup> m <sup>3</sup> )	938,016	940,817	951,067	953,053	954,071
3	Unit Rate	(cents/m <sup>3</sup> )	<u>(0.0110)</u>	<u>0.0067</u>	<u>(0.0095)</u>	<u>(0.0726)</u>	<u>0.0012</u>
	 <u>Summary of Unit Rates</u>						
1	Unit Rate Q1	(cents/m <sup>3</sup> )	0.0000	0.0067	0.0067	0.0067	0.0067
2	Unit Rate Q2	(cents/m <sup>3</sup> )	0.6154	0.6154	(0.0095)	(0.0095)	(0.0095)
3	Unit Rate Q3	(cents/m <sup>3</sup> )	0.0000	0.0000	0.0000	(0.0726)	(0.0726)
4	Unit Rate Q4 Expiring Rider replaced by new rider	(cents/m <sup>3</sup> )	(0.0110)	(0.0110)	(0.0110)	(0.0110)	0.0012
5	Total Unit Rate - Prospective Recovery	(cents/m <sup>3</sup> )	0.6044	0.6111	(0.0138)	(0.0864)	(0.0742)

Notes:

- (1) EB-2014-0356, Working Papers, Schedule 2.
- (2) EB-2015-0035, Working Papers, Schedule 2.
- (3) EB-2015-0187, Working Papers, Schedule 2.
- (4) EB-2015-0255, Working Papers, Schedule 2.

UNION GAS LIMITED  
R10 - Load Balancing (Deferral Account 179-107)  
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Oct 2014 Q4	Jan 2015 Q1 (1)	Apr 2015 Q2 (2)	Jul 2015 Q3 (3)	Oct 2015 Q4 (4)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000s)	-	-	-	-	-
2	Less: 12-month projection from previous QRAM application	(\$000s)	-	-	-	-	-
3	Change (Line 1 - Line 2)	(\$000s)	-	-	-	-	-
	 Previous Quarter: True-up of deferral balances						
1	Actual deferral balances	(\$000s)	2,056	14	(10)	2	0
2	Current projected deferral amounts	(\$000s)	-	14	64	1	-
3	Less: Previous projection included in recovery	(\$000s)	2,028	-	14	64	1
4	Variance (Line 4 + Line 5 - Line 6)	(\$000s)	29	28	40	(61)	(0)
1	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000s)	29	28	40	(61)	(0)
	 <u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
1	Forecast prospective recovery amount	(\$000s)	352	206	609	856	(10)
2	Less: Actual prospective recovery amount	(\$000s)	387	235	703	986	(33)
3	Variance (Line 9 - Line 10)	(\$000s)	(35)	(29)	(94)	(130)	24
1	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000s)	(6)	(1)	(54)	(191)	24
2	Forecast - 12 month volume	(10 <sup>3</sup> m <sup>3</sup> )	339,029	338,804	336,167	335,268	334,807
3	Unit Rate	(cents/m <sup>3</sup> )	<u>(0.0017)</u>	<u>(0.0004)</u>	<u>(0.0161)</u>	<u>(0.0571)</u>	<u>0.0071</u>
	 <u>Summary of Unit Rates</u>						
1	Unit Rate Q1	(cents/m <sup>3</sup> )	(0.0000)	(0.0004)	(0.0004)	(0.0004)	(0.0004)
2	Unit Rate Q2	(cents/m <sup>3</sup> )	0.6154	0.6154	(0.0161)	(0.0161)	(0.0161)
3	Unit Rate Q3	(cents/m <sup>3</sup> )	0.0000	0.0000	0.0000	(0.0571)	(0.0571)
4	Unit Rate Q4 Expiring Rider replaced by new rider	(cents/m <sup>3</sup> )	<u>(0.0017)</u>	<u>(0.0017)</u>	<u>(0.0017)</u>	<u>(0.0017)</u>	<u>0.0071</u>
5	Total Unit Rate - Prospective Recovery	(cents/m <sup>3</sup> )	0.6136	0.6133	(0.0182)	(0.0753)	(0.0665)

Notes:

- (1) EB-2014-0356, Working Papers, Schedule 2.
- (2) EB-2015-0035, Working Papers, Schedule 2.
- (3) EB-2015-0187, Working Papers, Schedule 2.
- (4) EB-2015-0255, Working Papers, Schedule 2.



UNION GAS LIMITED  
R20 - Load Balancing (Deferral Account 179-107)  
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Oct 2014 Q4	Jan 2015 Q1 (1)	Apr 2015 Q2 (2)	Jul 2015 Q3 (3)	Oct 2015 Q4 (4)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000s)	-	-	-	-	-
2	Less: 12-month projection from previous QRAM application	(\$000s)	-	-	-	-	-
3	Change (Line 1 - Line 2)	(\$000s)	-	-	-	-	-
	 Previous Quarter: True-up of deferral balances						
1	Actual deferral balances	(\$000s)	631	4	(3)	1	0
2	Current projected deferral amounts	(\$000s)	-	4	20	0	-
3	Less: Previous projection included in recovery	(\$000s)	628	-	4	20	0
4	Variance (Line 4 + Line 5 - Line 6)	(\$000s)	4	8	13	(19)	(0)
1	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000s)	4	8	13	(19)	(0)
	 <u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
1	Forecast prospective recovery amount	(\$000s)	144	126	182	222	20
2	Less: Actual prospective recovery amount	(\$000s)	95	84	110	118	28
3	Variance (Line 9 - Line 10)	(\$000s)	49	42	72	104	(8)
1	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000s)	53	50	85	85	(8)
2	Forecast - 12 month volume	(10 <sup>3</sup> m <sup>3</sup> )	104,182	104,182	104,314	104,314	104,314
3	Unit Rate	(cents/m <sup>3</sup> )	0.0506	0.0483	0.0813	0.0816	(0.0079)
	 <u>Summary of Unit Rates</u>						
1	Unit Rate Q1	(cents/m <sup>3</sup> )	0.0000	0.0483	0.0483	0.0483	0.0483
2	Unit Rate Q2	(cents/m <sup>3</sup> )	0.6150	0.6150	0.0813	0.0813	0.0813
3	Unit Rate Q3	(cents/m <sup>3</sup> )	0.0000	0.0000	0.0000	0.0816	0.0816
4	Unit Rate Q4 Expiring Rider replaced by new rider	(cents/m <sup>3</sup> )	0.0506	0.0506	0.0506	0.0506	(0.0079)
5	Total Unit Rate - Prospective Recovery	(cents/m <sup>3</sup> )	0.6656	0.7139	0.1802	0.2618	0.2033

Notes:

- (1) EB-2014-0356, Working Papers, Schedule 2.
- (2) EB-2015-0035, Working Papers, Schedule 2.
- (3) EB-2015-0187, Working Papers, Schedule 2.
- (4) EB-2015-0255, Working Papers, Schedule 2.

UNION GAS LIMITED  
South - Load Balancing (Deferral Account 179-107)  
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Oct 2014 Q4	Jan 2015 Q1 (1)	Apr 2015 Q2 (2)	Jul 2015 Q3 (3)	Oct 2015 Q4 (4)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000s)	-	-	-	-	-
2	Less: 12-month projection from previous QRAM application	(\$000s)	-	-	-	-	-
3	Change (Line 1 - Line 2)	(\$000s)	-	-	-	-	-
	 Previous Quarter: True-up of deferral balances						
1	Actual deferral balances	(\$000s)	-	-	-	-	-
2	Current projected deferral amounts	(\$000s)	-	-	-	-	-
3	Less: Previous projection included in recovery	(\$000s)	-	-	-	-	-
4	Variance (Line 4 + Line 5 - Line 6)	(\$000s)	-	-	-	-	-
1	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000s)	-	-	-	-	-
	 <u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
1	Forecast prospective recovery amount	(\$000s)	-	0	0	0	-
2	Less: Actual prospective recovery amount	(\$000s)	-	0	0	(0)	-
3	Variance (Line 9 - Line 10)	(\$000s)	0	0	(0)	0	-
1	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000s)	0	0	(0)	0	-
2	Forecast - 12 month volume	(10 <sup>3</sup> m <sup>3</sup> )	5,365,981	5,365,981	5,398,389	5,398,389	5,417,821
3	Unit Rate	(cents/m <sup>3</sup> )	-	-	-	-	-
	 <u>Summary of Unit Rates</u>						
1	Unit Rate Q1	(cents/m <sup>3</sup> )	0.0000	0.0000	0.0000	0.0000	0.0000
2	Unit Rate Q2	(cents/m <sup>3</sup> )	0.0000	0.0000	0.0000	0.0000	0.0000
3	Unit Rate Q3	(cents/m <sup>3</sup> )	0.0000	0.0000	0.0000	0.0000	0.0000
4	Unit Rate Q4 Expiring Rider replaced by new rider	(cents/m <sup>3</sup> )	0.0000	0.0000	0.0000	0.0000	0.0000
5	Total Unit Rate - Prospective Recovery	(cents/m <sup>3</sup> )	0.0000	0.0000	0.0000	0.0000	0.0000

Notes:

- (1) EB-2014-0356, Working Papers, Schedule 2.
- (2) EB-2015-0035, Working Papers, Schedule 2.
- (3) EB-2015-0187, Working Papers, Schedule 2.
- (4) EB-2015-0255, Working Papers, Schedule 2.

UNION GAS LIMITED  
Spot Gas Purchases (Deferral Account 179-107)  
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2014	Year 2015				
			Oct Q4 (a)	Jan Q1 (1) (b)	Apr Q2 (2) (c)	Jul Q3 (3) (d)	Oct Q3 (4) (e)	
	<b><u>Deferral Amounts for Recovery</u></b>							
	Change in 12-month deferral account projection:							
1	12-month projection from current QRAM application	(\$000's)	-	-	-	-	-	
2	Less: 12-month projection from previous QRAM application	(\$000's)	-	-	-	-	-	
3	Change (Line 1 - Line 2)	(\$000's)	-	-	-	-	-	
	Previous Quarter: True-up of deferral balances							
4	Actual deferral balances	(\$000's)	(1,715)	(12)	(65)	(2)	(4,016)	
5	Current projected deferral amounts	(\$000's)	-	(185)	(1,073)	(4,013)	(11)	
6	Less: Previous projection included in recovery	(\$000's)	(1,685)	-	(185)	(1,073)	(4,013)	
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(30)	(196)	(953)	(2,942)	(14)	
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(30)	(196)	(953)	(2,942)	(14)	
9	Cumulative Deferral Amounts for Recovery	(\$000's)	(8,687)	(8,883)	(9,837)	(12,778)	(12,792)	
	<b><u>Previous Quarter: True-up of Prospective Recovery Amounts</u></b>							
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:							
10	Forecast prospective recovery amount	(\$000's)	(251)	(121)	(505)	(594)	(144)	
11	Less: Actual prospective recovery amount	(\$000's)	(328)	(135)	(604)	(1,067)	(143)	
12	Variance (Line 10 - Line 11)	(\$000's)	77	14	98	473	(1)	
13	Total Amount for Prospective Recovery (Line 8 + Line 12)	(\$000's)	47	(182)	(855)	(2,469)	(15)	
14	Forecast - 12 month sales service volume	(10 <sup>3</sup> m <sup>3</sup> )	993,564	996,164	1,003,708	1,004,750	1,005,268	
15	Unit Rate	(cents/m <sup>3</sup> )	0.0047	(0.0183)	(0.0852)	(0.2457)	(0.0015)	
	<b><u>Summary of Unit Rates</u></b>							
16	Unit Rate Q1	(cents/m <sup>3</sup> )	-	(0.0183)	(0.0183)	(0.0183)	(0.0183)	
17	Unit Rate Q2	(cents/m <sup>3</sup> )	(0.1820)	(0.1820)	(0.0852)	(0.0852)	(0.0852)	
18	Unit Rate Q3	(cents/m <sup>3</sup> )	-	-	-	(0.2457)	(0.2457)	
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m <sup>3</sup> )	0.0047	0.0047	0.0047	0.0047	(0.0015)	
20	<b>Total Unit Rate - Prospective Recovery</b>	(cents/m <sup>3</sup> )	<b>(0.1773)</b>	<b>(0.1956)</b>	<b>(0.0988)</b>	<b>(0.3445)</b>	<b>(0.3507)</b>	

Notes:

- (1) EB-2014-0356, Tab 2, Schedule 2, Column (g).
- (2) EB-2015-0035, Tab 2, Schedule 2, Column (g).
- (3) EB-2015-0187, Tab 2, Schedule 2, Column (g).
- (4) EB-2015-0255, Tab 2, Schedule 2, Column (g).

**UNION GAS LIMITED**  
**Derivation of Unit Rate Changes related to Gas Costs in Distribution Rates**  
**Effective October 1, 2015**

Line No.	Derivation of Amounts for Recovery			
	<u>Change in Gas Cost:</u>			
1	Ontario Landed Reference Price as per EB-2015-0255	(\$/10 <sup>3</sup> m <sup>3</sup> )	198,147	
2	Ontario Landed Reference Price as per EB-2015-0187	(\$/10 <sup>3</sup> m <sup>3</sup> )	198,417	
3	Change in Gas Cost (line 1 - line 2)	(\$/10 <sup>3</sup> m <sup>3</sup> )	(0.270)	
4	Fuel and UFG volume: 2013 approved	(10 <sup>3</sup> m <sup>3</sup> )	85,662	
5	Amount for Recovery - Fuel & UFG (line 3 x line 4)	(\$000's)	(22)	
6	Average Gas in Inventory: 2013 approved	(10 <sup>3</sup> m <sup>3</sup> )	774,843	
7	Change in Gas Costs related to Inventory (line 3 x line 6)	(\$000's)	(209)	
8	Composite Rate of Return		5.18%	(1)
9	Amount for Recovery - Gas in Storage (line 7 x line 8)	(\$000's)	(9)	
10	Total Gas Cost Change to Distribution Rates (line 5 + line 9)	(\$000's)	(31)	

**Derivation of Unit Rate Changes by Rate Class**

Rate Class	Fuel & Unaccounted for Gas			Gas in Storage Carrying Costs			Total Gas Cost Change to Distribution Rates (\$000's)	2015 Annual Distribution Volume (4) (10 <sup>3</sup> m <sup>3</sup> )	Unit Rate Change (5) (cents/m <sup>3</sup> )
	Cost Allocation (2) (\$000's)	Allocation Factor (%)	Amount for Recovery (\$000's)	Cost Allocation (3) (\$000's)	Allocation Factor (%)	Amount for Recovery (\$000's)			
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (c+f)	(h)	(i) = (g/h)
11 R01	1,615	24.64%	(5)	21,804	18.30%	(2)	(7)	927,922	(0.0008)
12 R10	508	7.76%	(2)	5,717	4.80%	(0)	(2)	346,746	(0.0006)
13 R20	181	2.76%	(1)	1,533	1.29%	(0)	(1)	618,460	(0.0001)
14 R25	-	0.00%	-	-	0.00%	-	-	159,555	-
15 R100	6	0.09%	(0)	107	0.09%	(0)	(0)	1,857,374	-
16 M1	2,466	37.62%	(8)	60,609	50.86%	(5)	(13)	2,921,516	(0.0004)
17 M2	824	12.57%	(3)	20,667	17.34%	(2)	(4)	1,146,167	(0.0004)
18 M4	342	5.22%	(1)	3,024	2.54%	(0)	(1)	381,593	(0.0004)
19 M5A	431	6.57%	(1)	4,078	3.42%	(0)	(2)	511,770	(0.0003)
20 M7	127	1.94%	(0)	1,113	0.93%	(0)	(1)	139,645	(0.0004)
21 M9	54	0.83%	(0)	511	0.43%	(0)	(0)	60,750	(0.0004)
22 M10	0	0.00%	(0)	5	0.00%	(0)	(0)	189	(0.0005)
								(GJ)	(\$/GJ)
23 T1	-	0.00%	-	-	0.00%	-	- (5)	492,360	-
24 T2	-	0.00%	-	-	0.00%	-	- (5)	1,516,920	-
25 T3	-	0.00%	-	-	0.00%	-	- (5)	-	-
26 M12	-	0.00%	-	-	0.00%	-	- (5)		
27 M13	-	0.00%	(0)	-	0.00%	-	(0) (5)	5,934,507	(0.000)
28 M16	-	0.00%	(0)	-	0.00%	-	(0) (5)(6)		
29 C1	-	0.00%	-	-	0.00%	-	- (5)		
30 Total	6,554	100.00%	(22)	119,168	100.00%	(9)	(31)		

**Notes:**

(1) Calculation of the Composite Return:

Common Equity (after tax)	36.00%	8.93%	3.21%
Gross-Up for tax (@ 25%)			1.13%
Common Equity (pre-tax)			4.34%
Short-Term Debt	64.00%	1.31%	0.84%
Composite Rate of Return			5.18%

(2) EB-2011-0210, Decision Cost Study, Operating Expenses, A. Cost of Gas & Production, Other Supplies - UFG and EB-2011-0210, Decision Cost Study, Operating Expenses, C. Underground Storage & D. Transmission, Compressor Fuel.

(3) EB-2011-0210, Decision Cost Study, Working Capital, Gas in Storage.

(4) EB-2013-0365, Rate Order, Working Papers, Schedule 4, Column (u).

(5) Union supplied fuel (USF) rate changes for Rates T1, T2, T3, M12, M13, M16 and C1 are based on approved 2013 fuel ratios and proposed Ontario Landed Reference Price. Changes in Union-supplied fuel rates for Rate T1, T2, T3, M12, M13, M16 and C1 are presented at Appendix A, Schedule "C", and EB-2013-0365, Working Papers, Schedule 1, Page 6.

(6) Rate changes for M16 is broken down into four paths.  
M16 Storage Transportation Service

	Billing Units (GJs)	Rate Change (\$/GJ)	Cost Recovery (\$000's)
Charges West of Dawn:			
Fuel & UFG to Dawn	4,098,775	(0.000)	(0)
Fuel & UFG to Pool	4,098,775	(0.000)	(0)
Charges East of Dawn:			
Fuel & UFG to Dawn	2,137,619	(0.000)	(0)
Fuel & UFG to Pool	2,137,619	(0.000)	(0)
Total Rate M16			(0)

UNION GAS LIMITED  
Union South  
General Service Customer Bill Impacts

Line No.		Rate M1 - Residential (Annual Consumption of 2,200 m³)			Rate M2 - Commercial (Annual Consumption of 73,000 m³)		
		EB-2015-0187 Approved 01-Jul-15 Total Bill (\$) (1)	EB-2015-0255 Proposed 01-October-15 Total Bill (\$) (1)	Impact (\$) (c) = (b) - (a)	EB-2015-0187 Approved 01-Jul-15 Total Bill (\$) (1)	EB-2015-0255 Proposed 01-October-15 Total Bill (\$) (1)	Impact (\$) (f) = (e) - (d)
		(a)	(b)		(d)	(e)	
	<u>Delivery Charges</u>						
1	Monthly Charge	252.00	252.00	-	840.00	840.00	-
2	Delivery Commodity Charge	81.32	81.32	-	2,562.63	2,562.35	(0.28)
3	Prospective Recovery - Delivery	-	-	-	-	-	-
4	Storage Services	16.31	16.31	-	469.24	469.24	-
5	Total Delivery Charge	349.63	349.63	-	3,871.87	3,871.59	(0.28)
	<u>Supply Charges</u>						
6	Transportation to Union	83.37	77.33	(6.04)	2,766.34	2,566.54	(199.80)
7	Commodity & Fuel	274.04	275.73	1.69	9,092.88	9,148.72	55.84
8	Prospective Recovery - Commodity & Fuel	(28.34) (2)	(34.15) (3)	(5.81)	(940.54) (2)	(1,132.81) (3)	(192.27)
9	Subtotal	245.70	241.58	(4.12)	8,152.34	8,015.91	(136.43)
10	Total Gas Supply Charge	329.07	318.91	(10.16)	10,918.68	10,582.45	(336.23)
11	Total Bill	678.70	668.54	(10.16)	14,790.55	14,454.04	(336.51)
12	Impacts for Customer Notices - Sales (line 11)			(10.16)			(336.51)
13	Impacts for Customer Notices - Direct Purchase (line 5)			-			(0.28)
14	Commodity Bill Impact			(2%) (4)			(2%) (4)

Notes:

- (1) Excludes temporary charges/(credits).  
(2) Prospective recovery credit of (1.2884) cents/m³ for 12 months.  
(3) Prospective recovery credit of (1.5518) cents/m³ for 12 months.  
(4) Commodity bill impact reflects the impact of the gas commodity bill change divided by the current approved gas commodity bill shown at line 9.

UNION GAS LIMITED  
Union North  
General Service Customer Bill Impacts

(Fort Frances)  
Rate 01 - Residential

(Annual Consumption of 2,200 m³)

(Western)  
Rate 01 - Residential

(Annual Consumption of 2,200 m³)

Line No.		EB-2015-0187 Approved 01-Jul-15 Total Bill (\$) (1)	EB-2015-0255 Proposed 01-October-15 Total Bill (\$) (1)	Impact (\$) (c) = (b) - (a)	EB-2015-0187 Approved 01-Jul-15 Total Bill (\$) (1)	EB-2015-0255 Proposed 01-October-15 Total Bill (\$) (1)	Impact (\$) (f) = (e) - (d)
		(a)	(b)	(c) = (b) - (a)	(d)	(e)	(f) = (e) - (d)
	<u>Delivery Charges</u>						
1	Monthly Charge	252.00	252.00	-	252.00	252.00	-
2	Delivery Commodity Charge	195.45	195.43	(0.02)	195.45	195.43	(0.02)
3	Total Delivery Charge	447.45	447.43	(0.02)	447.45	447.43	(0.02)
	<u>Supply Charges</u>						
4	Transportation to Union	129.64	126.91	(2.73)	111.73	108.98	(2.75)
5	Prospective Recovery - Transportation	20.94 (2)	14.77 (3)	(6.17)	20.94 (2)	14.77 (3)	(6.17)
6	Storage Services	78.48	79.59	1.11	71.35	72.42	1.07
7	Prospective Recovery - Storage	-	-	-	-	-	-
8	Subtotal	229.06	221.27	(7.79)	204.02	196.17	(7.85)
9	Commodity & Fuel	267.38	268.59	1.21	269.22	270.55	1.33
10	Prospective Recovery - Commodity & Fuel	(25.43) (4)	(46.17) (5)	(20.74)	(25.43) (4)	(46.17) (5)	(20.74)
11	Subtotal	241.95	222.42	(19.53)	243.79	224.38	(19.41)
12	Total Gas Supply Charge	471.01	443.69	(27.32)	447.81	420.55	(27.26)
13	Total Bill	918.46	891.12	(27.34)	895.26	867.98	(27.28)
14	Impacts for Customer Notices - Sales (line 13)			(27.34)			(27.28)
15	Impacts for Customer Notices - Direct Purchase (line 3 + line 8)			(7.81)			(7.87)
16	Commodity Bill Impact			(8%) (6)			(8%) (6)

Notes:

- (1) Excludes temporary charges/(credits).
- (2) Prospective recovery charge of 0.9526 cents/m³ for 12 months.
- (3) Prospective recovery charge of 0.6705 cents/m³ for 12 months.
- (4) Prospective recovery credit of (1.1574) cents/m³ for 12 months.
- (5) Prospective recovery credit of (2.0989) cents/m³ for 12 months.
- (6) Commodity bill impact reflects the impact of the gas commodity bill change divided by the current approved gas commodity bill shown at line 11.

UNION GAS LIMITED  
Union North  
General Service Customer Bill Impacts

Line No.		(Northern) Rate 01 - Residential (Annual Consumption of 2,200 m³)			(Eastern) Rate 01 - Residential (Annual Consumption of 2,200 m³)		
		EB-2015-0187 Approved 01-Jul-15 Total Bill (\$) (1) (a)	EB-2015-0255 Proposed 01-October-15 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)	EB-2015-0187 Approved 01-Jul-15 Total Bill (\$) (1) (d)	EB-2015-0255 Proposed 01-October-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	195.45	195.43	(0.02)	195.45	195.43	(0.02)
3	Total Delivery Charge	447.45	447.43	(0.02)	447.45	447.43	(0.02)
	<u>Supply Charges</u>						
4	Transportation to Union	145.56	141.90	(3.66)	172.45	169.71	(2.74)
5	Prospective Recovery - Transportation	20.94 (2)	14.77 (3)	(6.17)	20.94 (2)	14.77 (3)	(6.17)
6	Storage Services	84.84	85.58	0.74	95.59	96.68	1.09
7	Prospective Recovery - Storage	-	-	-	-	-	-
8	Subtotal	251.34	242.25	(9.09)	288.98	281.16	(7.82)
9	Commodity & Fuel	272.03	273.58	1.55	274.26	275.96	1.70
10	Prospective Recovery - Commodity & Fuel	(25.43) (4)	(46.17) (5)	(20.74)	(25.43) (4)	(46.17) (5)	(20.74)
11	Subtotal	246.60	227.41	(19.19)	248.83	229.79	(19.04)
12	Total Gas Supply Charge	497.94	469.66	(28.28)	537.81	510.95	(26.86)
13	Total Bill	945.39	917.09	(28.30)	985.26	958.38	(26.88)
14	Impacts for Customer Notices - Sales (line 13)			(28.30)			(26.88)
15	Impacts for Customer Notices - Direct Purchase (line 3 + line 8)			(9.11)			(7.84)
16	Commodity Bill Impact			(8%) (6)			(8%) (6)

Notes:

- (1) Excludes temporary charges/(credits).  
(2) Prospective recovery charge of 0.9526 cents/m³ for 12 months.  
(3) Prospective recovery charge of 0.6705 cents/m³ for 12 months.  
(4) Prospective recovery credit of (1.1574) cents/m³ for 12 months.  
(5) Prospective recovery credit of (2.0989) cents/m³ for 12 months.  
(6) Commodity bill impact reflects the impact of the gas commodity bill change divided by the current approved gas commodity bill shown at line 11.

UNION GAS LIMITED  
Union North  
General Service Customer Bill Impacts

Line No.		(Fort Frances) Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)			(Western) Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)		
		EB-2015-0187 Approved 01-Jul-15 Total Bill (\$) (1) (a)	EB-2015-0255 Proposed 01-October-15 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)	EB-2015-0187 Approved 01-Jul-15 Total Bill (\$) (1) (d)	EB-2015-0255 Proposed 01-October-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	5,490.16	5,489.63	(0.53)	5,490.16	5,489.63	(0.53)
3	Total Delivery Charge	6,330.16	6,329.63	(0.53)	6,330.16	6,329.63	(0.53)
	<u>Supply Charges</u>						
4	Transportation to Union	4,842.32	4,734.92	(107.40)	4,084.82	3,977.41	(107.41)
5	Prospective Recovery - Transportation	896.24 (2)	630.73 (3)	(265.51)	896.24 (2)	630.73 (3)	(265.51)
6	Storage Services	2,182.24	2,216.11	33.87	1,879.53	1,913.38	33.85
7	Prospective Recovery - Storage	-	-	-	-	-	-
8	Subtotal	7,920.80	7,581.76	(339.04)	6,860.59	6,521.52	(339.07)
9	Commodity & Fuel	11,303.59	11,354.27	50.68	11,380.50	11,436.69	56.19
10	Prospective Recovery - Commodity & Fuel	(1,076.38) (4)	(1,951.98) (5)	(875.60)	(1,076.38) (4)	(1,951.98) (5)	(875.60)
11	Subtotal	10,227.21	9,402.29	(824.92)	10,304.12	9,484.71	(819.41)
12	Total Gas Supply Charge	18,148.01	16,984.05	(1,163.96)	17,164.71	16,006.23	(1,158.48)
13	Total Bill	24,478.17	23,313.68	(1,164.49)	23,494.87	22,335.86	(1,159.01)
14	Impacts for Customer Notices - Sales (line 13)			(1,164.49)			(1,159.01)
15	Impacts for Customer Notices - Direct Purchase (line 3 + line 8)			(339.57)			(339.60)
16	Commodity Bill Impact			(8%) (6)			(8%) (6)

Notes:

- (1) Excludes temporary charges/(credits).
- (2) Prospective recovery charge of 0.9637 cents/m³ for 12 months.
- (3) Prospective recovery charge of 0.6782 cents/m³ for 12 months.
- (4) Prospective recovery credit of (1.1574) cents/m³ for 12 months.
- (5) Prospective recovery credit of (2.0989) cents/m³ for 12 months.
- (6) Commodity bill impact reflects the impact of the gas commodity bill change divided by the current approved gas commodity bill shown at line 11.



UNION GAS LIMITED  
Union North  
General Service Customer Bill Impacts

Line No.		(Northern) Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)			(Eastern) Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)		
		EB-2015-0187 Approved 01-Jul-15 Total Bill (\$) (1)	EB-2015-0255 Proposed 01-October-15 Total Bill (\$) (1)	Impact (\$) (c) = (b) - (a)	EB-2015-0187 Approved 01-Jul-15 Total Bill (\$) (1)	EB-2015-0255 Proposed 01-October-15 Total Bill (\$) (1)	Impact (\$) (f) = (e) - (d)
		(a)	(b)		(d)	(e)	
	<u>Delivery Charges</u>						
1	Monthly Charge	840.00	840.00	-	840.00	840.00	-
2	Delivery Commodity Charge	5,490.16	5,489.63	(0.53)	5,490.16	5,489.63	(0.53)
3	Total Delivery Charge	6,330.16	6,329.63	(0.53)	6,330.16	6,329.63	(0.53)
	<u>Supply Charges</u>						
4	Transportation to Union	5,514.74	5,368.82	(145.92)	6,651.00	6,544.95	(106.05)
5	Prospective Recovery - Transportation	896.24 (2)	630.73 (3)	(265.51)	896.24 (2)	630.73 (3)	(265.51)
6	Storage Services	2,450.90	2,469.43	18.53	2,905.04	2,939.34	34.30
7	Prospective Recovery - Storage	-	-	-	-	-	-
8	Subtotal	8,861.88	8,468.98	(392.90)	10,452.28	10,115.02	(337.26)
9	Commodity & Fuel	11,499.26	11,564.19	64.93	11,593.66	11,665.67	72.01
10	Prospective Recovery - Commodity & Fuel	(1,076.38) (4)	(1,951.98) (5)	(875.60)	(1,076.38) (4)	(1,951.98) (5)	(875.60)
11	Subtotal	10,422.88	9,612.21	(810.67)	10,517.28	9,713.69	(803.59)
12	Total Gas Supply Charge	19,284.76	18,081.19	(1,203.57)	20,969.56	19,828.71	(1,140.85)
13	Total Bill	25,614.92	24,410.82	(1,204.10)	27,299.72	26,158.34	(1,141.38)
14	Impacts for Customer Notices - Sales (line 13)			(1,204.10)			(1,141.38)
15	Impacts for Customer Notices - Direct Purchase (line 3 + line 8)			(393.43)			(337.79)
16	Commodity Bill Impact			(8%) (6)			(8%) (6)

Notes:

- (1) Excludes temporary charges/(credits).
- (2) Prospective recovery charge of 0.9637 cents/m³ for 12 months.
- (3) Prospective recovery charge of 0.6782 cents/m³ for 12 months.
- (4) Prospective recovery credit of (1.1574) cents/m³ for 12 months.
- (5) Prospective recovery credit of (2.0989) cents/m³ for 12 months.
- (6) Commodity bill impact reflects the impact of the gas commodity bill change divided by the current approved gas commodity bill shown at line 11.

UNION GAS LIMITED  
Prospective Recovery - Commodity Unit Rates

Line No.	Particulars	Incremental Amount for Prospective Recovery (1) (\$000's) (a)	Forecast Sales Service Billing Units (2) (10 <sup>3</sup> m <sup>3</sup> ) (b)	Proposed Incremental Prospective Recovery Unit Rate (cents/m <sup>3</sup> ) (c) = (a) / (b) x 100
<u>Northern and Eastern Operations Area</u>				
1	North Purchase Gas Variance Account (NPGVA)	(1,905)	1,005,268	(0.1895)
2	Inventory Revaluations	(217)	1,005,268	(0.0216)
3	Spot Gas	(15)	1,005,268	(0.0015)
4	Fuel	10	1,005,268	0.0010
5	Total Northern Commodity	<u>(2,128)</u>		<u>(0.2116)</u>
<u>Southern Operations Area</u>				
6	South Purchase Gas Variance Account (SPGVA)	9,149	3,314,140	0.2761
7	Inventory Revaluations	(716)	3,314,140	(0.0216)
8	Spot Gas	-	3,314,140	-
9	Total Southern Commodity	<u>8,433</u>		<u>0.2545</u>
10	Total	<u><u>6,305</u></u>		

Notes:

- (1) Tab 2, Schedule 2.  
(2) Forecast volumes for the 12 month period: October 1, 2015 to September 30, 2016.

UNION GAS LIMITED  
Prospective Recovery - Transportation Unit Rates

Line No.	Particulars	Incremental Amount for Prospective Recovery (\$000's) (a)	Forecast Firm Bundled Billing Units (3) (10 <sup>3</sup> m <sup>3</sup> ) (b)	Proposed Incremental Prospective Recovery Unit Rate (cents/m <sup>3</sup> ) (c ) = (a) / (b) x 100
	<u>Northern and Eastern Operations Area</u>			
1	TCPL Tolls and LBA - Transportation R01, R10, R20	(1,388) (1)	1,393,192	(0.0997)
	Load balancing			
2	R01	11 (2)	954,071	0.0012
3	R10	24 (2)	334,807	0.0071
4	R20	(8) (2)	104,314	(0.0079)
5	Total	<u>(1,362)</u>		

Notes:

- (1) Tab 2, Schedule 2.
- (2) Working Papers, Schedule 2, Column (i).
- (3) Forecast volumes for the 12 month period: October 1, 2015 to September 30, 2016.

UNION GAS LIMITED  
Prospective Recovery - Delivery Unit Rates

Line No.	Particulars	Incremental Amount for Prospective Recovery (1) (\$000's) (a)	Forecast Delivery Billing Units (2) (10 <sup>3</sup> m <sup>3</sup> ) (b)	Proposed Incremental Prospective Recovery Unit Rate (cents/m <sup>3</sup> ) (c) = (a) / (b) x 100
	<u>Southern Operations Area</u>			
1	Load Balancing	-	5,417,821	0.0000
2	Total	<u>-</u>		

Notes:

- (1) Working Papers, Schedule 2, Column (i).  
 (2) Forecast volumes for the 12 month period: October 1, 2015 to September 30, 2016.

**EB-2015-0255**  
**Index of Appendices**

Appendix A	Summary of Changes to Rates
Appendix B	Rate Schedules
Appendix C	Summary of Average Rate and Price Adjustment Changes
Appendix D	Customer Notices

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2015-0010 Approved October 1, 2015 Rate	Rate Change	EB-2015-0255 Approved October 1, 2015 Rate
		(a)		(c)
1	Monthly Charge - All Zones	\$21.00		\$21.00
	Monthly Delivery Charge - All Zones			
2	First 100 m <sup>3</sup>	9.0317	(0.0008)	9.0309
3	Next 200 m <sup>3</sup>	8.8036	(0.0008)	8.8028
4	Next 200 m <sup>3</sup>	8.4459	(0.0008)	8.4451
5	Next 500 m <sup>3</sup>	8.1176	(0.0008)	8.1168
6	Over 1,000 m <sup>3</sup>	7.8465	(0.0008)	7.8457
7	Delivery - Price Adjustment (All Volumes)	(0.2792) (1)		(0.2792) (2)
	Gas Transportation Service			
8	Fort Frances	5.8930	(0.1243)	5.7686
9	Western Zone	5.0785	(0.1243)	4.9541
10	Northern Zone	6.6160	(0.1658)	6.4503
11	Eastern Zone	7.8378	(0.1229)	7.7149
12	Transportation - Price Adjustment (All Zones)	0.9827 (3)	(0.2821)	0.7006 (4)
	Storage Service			
13	Fort Frances	3.5677	0.0498	3.6175
14	Western Zone	3.2422	0.0498	3.2920
15	Northern Zone	3.8566	0.0333	3.8899
16	Eastern Zone	4.3449	0.0503	4.3952
17	Storage - Price Adjustment (All Zones)	-		-
	Commodity Cost of Gas and Fuel			
18	Fort Frances	12.1544	0.0545	12.2089
19	Western Zone	12.2371	0.0604	12.2975
20	Northern Zone	12.3648	0.0698	12.4346
21	Eastern Zone	12.4663	0.0774	12.5437
22	Commodity and Fuel - Price Adjustment (All Zones)	(1.1574) (5)	(0.9415)	(2.0989) (6)

Notes:

- (1) Includes a temporary credit of (0.0488) cents/m<sup>3</sup> expiring December 31, 2015 and a temporary credit of (0.2304) cents/m<sup>3</sup> expiring March 31, 2016.
- (2) Includes a temporary credit of (0.0488) cents/m<sup>3</sup> expiring December 31, 2015 and a temporary credit of (0.2304) cents/m<sup>3</sup> expiring March 31, 2016.
- (3) Includes Prospective Recovery of 0.1836, 0.3088, 0.4886, and (0.0284) cents/m<sup>3</sup> and a temporary charge of 0.0301 cents/m<sup>3</sup> expiring March 31, 2016.
- (4) Includes Prospective Recovery of 0.3088, 0.4886, (0.0284), and (0.0985) cents/m<sup>3</sup> and a temporary charge of 0.0301 cents/m<sup>3</sup> expiring March 31, 2016.
- (5) Includes Prospective Recovery of 0.7299, (0.2247), (1.0528), and (0.6098) cents/m<sup>3</sup>.
- (6) Includes Prospective Recovery of (0.2247), (1.0528), (0.6098), and (0.2116) cents/m<sup>3</sup>.

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2015-0010 Approved October 1, 2015 Rate	Rate Change	EB-2015-0255 Approved October 1, 2015 Rate
		(a)		(c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
2	First 1,000 m <sup>3</sup>	7.1396	(0.0006)	7.1390
3	Next 9,000 m <sup>3</sup>	5.8247	(0.0006)	5.8241
4	Next 20,000 m <sup>3</sup>	5.1039	(0.0006)	5.1033
5	Next 70,000 m <sup>3</sup>	4.6211	(0.0006)	4.6205
6	Over 100,000 m <sup>3</sup>	2.7920	(0.0006)	2.7914
7	Delivery - Price Adjustment (All Volumes)	(0.0162) (1)		(0.0162) (2)
	Gas Transportation Service			
8	Fort Frances	5.2068	(0.1155)	5.0913
9	Western Zone	4.3923	(0.1155)	4.2768
10	Northern Zone	5.9298	(0.1569)	5.7729
11	Eastern Zone	7.1516	(0.1140)	7.0376
12	Transportation - Price Adjustment (All Zones)	0.9543 (3)	(0.2855)	0.6688 (4)
	Storage Service			
13	Fort Frances	2.3465	0.0364	2.3829
14	Western Zone	2.0210	0.0364	2.0574
15	Northern Zone	2.6354	0.0199	2.6553
16	Eastern Zone	3.1237	0.0369	3.1606
17	Storage - Price Adjustment (All Zones)	-		-
	Commodity Cost of Gas and Fuel			
18	Fort Frances	12.1544	0.0545	12.2089
19	Western Zone	12.2371	0.0604	12.2975
20	Northern Zone	12.3648	0.0698	12.4346
21	Eastern Zone	12.4663	0.0774	12.5437
22	Commodity and Fuel - Price Adjustment (All Zones)	(1.1574) (5)	(0.9415)	(2.0989) (6)

Notes:

- (1) Includes a temporary charge of 0.3189 cents/m<sup>3</sup> expiring December 31, 2015, and a temporary credit of (0.3351) cents/m<sup>3</sup> expiring March 31, 2016.
- (2) Includes a temporary charge of 0.3189 cents/m<sup>3</sup> expiring December 31, 2015, and a temporary credit of (0.3351) cents/m<sup>3</sup> expiring March 31, 2016.
- (3) Includes Prospective Recovery of 0.1929, 0.3017, 0.4820, and (0.0129) cents/m<sup>3</sup> and a temporary credit of (0.0094) cents/m<sup>3</sup> expiring March 31, 2016.
- (4) Includes Prospective Recovery of 0.3017, 0.4820, (0.0129), and (0.0926) cents/m<sup>3</sup> and a temporary credit of (0.0094) cents/m<sup>3</sup> expiring March 31, 2016.
- (5) Includes Prospective Recovery of 0.7299, (0.2247), (1.0528), and (0.6098) cents/m<sup>3</sup>.
- (6) Includes Prospective Recovery of (0.2247), (1.0528), (0.6098), and (0.2116) cents/m<sup>3</sup>.

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

Line No.	Particulars (cents/m³)	EB-2015-0010 Approved October 1, 2015 Rate	Rate Change	EB-2015-0255 Approved October 1, 2015 Rate
		(a)		(c)
1	Monthly Charge	\$972.44		\$972.44
	Delivery Demand Charge			
2	First 70,000 m³	27.8909		27.8909
3	All over 70,000 m³	16.4012		16.4012
	Delivery Commodity Charge			
4	First 852,000 m³	0.5384	(0.0001)	0.5383
5	All over 852,000 m³	0.3923	(0.0001)	0.3922
	Monthly Gas Supply Demand Charge			
6	Fort Frances	55.2506	(1.1705)	54.0801
7	Western Zone	34.4385	(1.1733)	33.2652
8	Northern Zone	73.7112	(2.2232)	71.4880
9	Eastern Zone	104.9124	(1.1164)	103.7960
10	Gas Supply Demand - Price Adjustment (All Zones)	-		-
	Commodity Transportation 1			
11	Fort Frances	4.4627	(0.0768)	4.3859
12	Western Zone	4.0067	(0.0768)	3.9299
13	Northern Zone	4.8675	(0.1000)	4.7675
14	Eastern Zone	5.5515	(0.0760)	5.4755
15	Transportation 1 - Price Adjustment (All Zones)	1.3008 (1)	(0.3528)	0.9480 (2)
	Commodity Transportation 2			
16	Fort Frances	-		-
17	Western Zone	-		-
18	Northern Zone	-		-
19	Eastern Zone	-		-
	Commodity Cost of Gas and Fuel			
20	Fort Frances	11.9496	0.0536	12.0032
21	Western Zone	12.0309	0.0594	12.0903
22	Northern Zone	12.1564	0.0687	12.2251
23	Eastern Zone	12.2561	0.0761	12.3322
24	Commodity and Fuel - Price Adjustment (All Zones)	(1.1574) (3)	(0.9415)	(2.0989) (4)
	Bundled Storage Service (\$/GJ)			
25	Monthly Demand Charge	12.215	0.151	12.366
26	Commodity Charge	0.158		0.158
27	Storage Demand - Price Adjustment	-		-

Notes:

- (1) Includes Prospective Recovery of 0.2452, 0.3504, 0.5794, and 0.1258 cents/m³.  
(2) Includes Prospective Recovery of 0.3504, 0.5794, 0.1258, and (0.1076) cents/m³.  
(3) Includes Prospective Recovery of 0.7299, (0.2247), (1.0528), and (0.6098) cents/m³.  
(4) Includes Prospective Recovery of (0.2247), (1.0528), (0.6098), and (0.2116) 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 <sup>3</sup> )	EB-2015-0010 Approved October 1, 2015 Rate	Rate Change	EB-2015-0255 Approved October 1, 2015 Rate
		(a)		(c)
1	Monthly Charge	\$1,464.29		\$1,464.29
2	Delivery Demand Charge All Zones	15.3958		15.3958
3	Delivery Commodity Charge All Zones	0.2190		0.2190
4	Monthly Gas Supply Demand Charge Fort Frances	105.2367	(2.2771)	102.9596
5	Western Zone	80.9559	(2.2803)	78.6756
6	Northern Zone	126.7740	(3.5052)	123.2688
7	Eastern Zone	163.1755	(2.2140)	160.9615
8	Gas Supply Demand - Price Adjustment (All Zones)	-		-
9	Commodity Transportation 1 Fort Frances	7.2320	(0.1510)	7.0810
10	Western Zone	6.8900	(0.1510)	6.7390
11	Northern Zone	7.5356	(0.1684)	7.3672
12	Eastern Zone	8.0486	(0.1504)	7.8982
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	11.9496	0.0536	12.0032
19	Western Zone	12.0309	0.0594	12.0903
20	Northern Zone	12.1564	0.0687	12.2251
21	Eastern Zone	12.2561	0.0761	12.3322
22	Commodity and Fuel - Price Adjustment (All Zones)	(1.1574) (1)	(0.9415)	(2.0989) (2)
23	Bundled Storage Service (\$/GJ) Monthly Demand Charge	12.215	0.151	12.366
24	Commodity Charge	0.158		0.158
25	Storage Demand - Price Adjustment	-		-

Notes:

- (1) Includes Prospective Recovery of 0.7299, (0.2247), (1.0528), and (0.6098) cents/m<sup>3</sup>.  
(2) Includes Prospective Recovery of (0.2247), (1.0528), (0.6098), and (0.2116) cents/m<sup>3</sup>.

UNION GAS LIMITED  
Union North  
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2015-0010	Rate Change	EB-2015-0255
		Approved October 1, 2015 Rate (a)		Approved October 1, 2015 Rate (c)
1	<u>Rate 25 - Large Volume Interruptible Service</u> Monthly Charge	\$352.32		\$352.32
2	Delivery Charge - All Zones * Maximum	4.7191	(0.0006)	4.7185
3	Gas Supply Charges - All Zones Minimum	1.4848		1.4848
4	Maximum	675.9484		675.9484

\* see Appendix C.

UNION GAS LIMITED  
Union South  
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2015-0010 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0255 Approved October 1, 2015 Rate (c)
	<u>Utility Sales</u>			
1	Commodity and Fuel	12.4560	0.0765	12.5325
2	Commodity and Fuel - Price Adjustment	(1.1949) (1)	(0.2634)	(1.4583) (2)
3	Transportation	3.7895	(0.2737)	3.5158
4	Total Gas Supply Commodity Charge	<u>15.0506</u>	<u>(0.4606)</u>	<u>14.5900</u>
	<u>M4 Firm Commercial/Industrial</u>			
5	Minimum annual gas supply commodity charge	4.4646	(0.2357)	4.2289
	<u>M4 / M5A Interruptible Commercial/Industrial</u>			
6	Minimum annual gas supply commodity charge	4.4646	(0.2357)	4.2289
	<u>Storage and Transportation Supplemental Services - Rate T1, Rate T2 &amp; Rate T3</u>	<u>\$/GJ</u>		<u>\$/GJ</u>
	Monthly demand charges: (\$/GJ)			
7	Firm gas supply service	59.785	(0.813)	58.972
8	Firm backstop gas	1.737	(0.015)	1.722
	Commodity charges:			
9	Gas supply	3.181	0.020	3.201
10	Backstop gas	4.633	(0.051)	4.582
11	Reasonable Efforts Backstop Gas	5.418	(0.051)	5.367
12	Supplemental Inventory	Note (3)		Note (3)
13	Supplemental Gas Sales Service (cents/m <sup>3</sup> )	19.2634	(0.2056)	19.0578
14	Failure to Deliver	2.545	(0.000)	2.545
15	Discretionary Gas Supply Service (DGSS)	Note (4)		Note (4)

Notes:

- (1) Includes Prospective Recovery of 0.5179, (0.2596), (1.0860) and (0.4607) cents/m<sup>3</sup> and a temporary charge of 0.0935 cents/m<sup>3</sup> expiring March 31, 2016.
- (2) Includes Prospective Recovery of (0.2596), (1.0860), (0.4607), and 0.2545 cents/m<sup>3</sup> and a temporary charge of 0.0935 cents/m<sup>3</sup> expiring March 31, 2016.
- (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 <sup>3</sup> )	EB-2015-0010 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0255 Approved October 1, 2015 Rate (c)
1	<u>Rate M1 - Small Volume General Service Rate</u> Monthly Charge	\$21.00		\$21.00
2	First 100 m <sup>3</sup>	3.8992	(0.0004)	3.8988
3	Next 150 m <sup>3</sup>	3.7021	(0.0004)	3.7017
4	All over 250 m <sup>3</sup>	3.1930	(0.0004)	3.1926
5	Delivery - Price Adjustment (All Volumes)	0.3597 (1)		0.3597 (2)
6	Storage Service	0.7416		0.7416
7	Storage - Price Adjustment	-		-
8	<u>Rate M2 - Large Volume General Service Rate</u> Monthly Charge	\$70.00		\$70.00
9	First 1,000 m <sup>3</sup>	3.6128	(0.0004)	3.6124
10	Next 6,000 m <sup>3</sup>	3.5459	(0.0004)	3.5455
11	Next 13,000 m <sup>3</sup>	3.3567	(0.0004)	3.3563
12	All over 20,000 m <sup>3</sup>	3.1167	(0.0004)	3.1163
13	Delivery - Price Adjustment (All Volumes)	0.2913 (3)		0.2913 (4)
14	Storage Service	0.6428		0.6428
15	Storage - Price Adjustment	-		-

Notes:

- (1) Includes a temporary charge of 0.2968 cents/m<sup>3</sup> expiring December 31, 2015, and a temporary charge of 0.0629 cents/m<sup>3</sup> expiring March 31, 2016.
- (2) Includes a temporary charge of 0.2968 cents/m<sup>3</sup> expiring December 31, 2015, and a temporary charge of 0.0629 cents/m<sup>3</sup> expiring March 31, 2016.
- (3) Includes a temporary charge of 0.3859 cents/m<sup>3</sup> expiring December 31, 2015, and a temporary credit of (0.0946) cents/m<sup>3</sup> expiring March 31, 2016.
- (4) Includes a temporary charge of 0.3859 cents/m<sup>3</sup> expiring December 31, 2015, and a temporary credit of (0.0946) cents/m<sup>3</sup> expiring March 31, 2016.

UNION GAS LIMITED  
Union South  
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2015-0010 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0255 Approved October 1, 2015 Rate (c)
	<u>Rate M4 - Firm comm/ind contract rate</u>			
	Monthly demand charge:			
1	First 8,450 m <sup>3</sup>	47.8404		47.8404
2	Next 19,700 m <sup>3</sup>	21.4504		21.4504
3	All over 28,150 m <sup>3</sup>	18.0214		18.0214
	Monthly delivery commodity charge:			
4	First block	1.0357	(0.0004)	1.0353
5	All remaining use	0.4470	(0.0004)	0.4466
6	Delivery - Price Adjustment (All Volumes)	-		-
7	Minimum annual firm delivery commodity charge	1.2274	(0.0004)	1.2270
	<u>Interruptible contracts *</u>			
8	Monthly Charge	\$681.21		\$681.21
	Daily delivery commodity charge:			
9	2,400 m <sup>3</sup> to 17,000 m <sup>3</sup>	2.6542	(0.0003)	2.6539
10	17,000 m <sup>3</sup> to 30,000 m <sup>3</sup>	2.5243	(0.0003)	2.5240
11	30,000 m <sup>3</sup> to 50,000 m <sup>3</sup>	2.4560	(0.0003)	2.4557
12	50,000 m <sup>3</sup> to 60,000 m <sup>3</sup>	2.4081	(0.0003)	2.4078
13	Delivery - Price Adjustment (All Volumes)	-		-
14	Minimum annual interruptible delivery commodity charge	2.8459	(0.0003)	2.8456
	<u>Rate M5A - interruptible comm/ind contract</u>			
	<u>Firm contracts *</u>			
15	Monthly demand charge	28.5955		28.5955
16	Monthly delivery commodity charge	2.0183	(0.0003)	2.0180
17	Delivery - Price Adjustment (All Volumes)	-		-
	<u>Interruptible contracts *</u>			
18	Monthly Charge	\$681.21		\$681.21
	Daily delivery commodity charge:			
19	2,400 m <sup>3</sup> to 17,000 m <sup>3</sup>	2.6542	(0.0003)	2.6539
20	17,000 m <sup>3</sup> to 30,000 m <sup>3</sup>	2.5243	(0.0003)	2.5240
21	30,000 m <sup>3</sup> to 50,000 m <sup>3</sup>	2.4560	(0.0003)	2.4557
22	50,000 m <sup>3</sup> to 60,000 m <sup>3</sup>	2.4081	(0.0003)	2.4078
23	Delivery - Price Adjustment (All Volumes)	-		-
24	Minimum annual interruptible delivery commodity charge	2.8459	(0.0003)	2.8456

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 <sup>3</sup> )	EB-2015-0010 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0255 Approved October 1, 2015 Rate (c)
	<u>Rate M7 - Special large volume contract</u>			
	<u>Firm</u>			
1	Monthly demand charge	26.3233		26.3233
2	Monthly delivery commodity charge	0.3414	(0.0004)	0.3410
3	Delivery - Price Adjustment	-		-
	<u>Interruptible *</u>			
	Monthly delivery commodity charge:			
4	Maximum	4.2958	(0.0004)	4.2954
5	Delivery - Price Adjustment	-		-
	<u>Seasonal *</u>			
	Monthly delivery commodity charge:			
6	Maximum	4.0517	(0.0004)	4.0513
7	Delivery - Price Adjustment	-		-
	<u>Rate M9 - Large wholesale service</u>			
8	Monthly demand charge	16.2405		16.2405
9	Monthly delivery commodity charge	0.2023	(0.0004)	0.2019
10	Delivery - Price Adjustment	-		-
	<u>Rate M10 - Small wholesale service</u>			
11	Monthly delivery commodity charge	5.4191	(0.0005)	5.4186

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 <sup>3</sup> )	EB-2015-0010 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0255 Approved October 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	1.603		1.603
3	Customer provides deliverability inventory	1.208		1.208
4	Firm incremental injection	1.208		1.208
5	Interruptible withdrawal	1.208		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	0.400%		0.400%
	<u>Transportation (cents / m<sup>3</sup>)</u>			
11	Monthly demand charge first 28,150 m <sup>3</sup>	32.7527		32.7527
12	Monthly demand charge next 112,720 m <sup>3</sup>	22.6284		22.6284
	Firm commodity charges:			
13	Union provides compressor fuel - All volumes	0.1336	(0.0001)	0.1335
14	Customer provides compressor fuel - All volumes	0.0739		0.0739
	Interruptible commodity charges: *			
15	Maximum - Union provides compressor fuel	4.2958	(0.0004)	4.2954
16	Maximum - customer provides compressor fuel	4.2361	(0.0003)	4.2358
17	Transportation fuel ratio - customer provides fuel	0.301%		0.301%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
18	Injection / Withdrawals	0.105		0.105
19	Customer provides compressor fuel	0.061		0.061
20	Transportation commodity charge (cents/m <sup>3</sup> )	1.2104	(0.0001)	1.2103
21	Customer provides compressor fuel	1.1507		1.1507
22	<u>Monthly Charge</u>	\$1,935.18		\$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 <sup>3</sup> )	EB-2015-0010 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0255 Approved October 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	1.603		1.603
3	Customer provides deliverability inventory	1.208		1.208
4	Firm incremental injection	1.208		1.208
5	Interruptible withdrawal	1.208		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	0.400%		0.400%
	<u>Transportation (cents / m<sup>3</sup>)</u>			
11	Monthly demand charge first 140,870 m <sup>3</sup>	20.9163		20.9163
12	Monthly demand charge all over 140,870 m <sup>3</sup>	11.0637		11.0637
	Firm commodity charges:			
13	Union provides compressor fuel - All volumes	0.0634		0.0634
14	Customer provides compressor fuel - All volumes	0.0080		0.0080
	Interruptible commodity charges: *			
15	Maximum - Union provides compressor fuel	4.2958	(0.0004)	4.2954
16	Maximum - customer provides compressor fuel	4.2404	(0.0004)	4.2400
17	Transportation fuel ratio - customer provides fuel	0.279%		0.279%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
18	Injection / Withdrawals	0.105		0.105
19	Customer provides compressor fuel	0.061		0.061
20	Transportation commodity charge (cents/m <sup>3</sup> )	0.7511	(0.0001)	0.7510
21	Customer provides compressor fuel	0.6957		0.6957
22	<u>Monthly Charge</u>	\$5,943.28		\$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 <sup>3</sup> )	EB-2015-0010 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0255 Approved October 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	1.603		1.603
3	Customer provides deliverability inventory	1.208		1.208
4	Firm incremental injection	1.208		1.208
5	Interruptible withdrawal	1.208		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	0.400%		0.400%
	<u>Transportation (cents / m<sup>3</sup>)</u>			
11	Monthly demand charge	10.4499		10.4499
12	Union provides compressor fuel - All volumes	0.0852	(0.0001)	0.0851
13	Customer provides compressor fuel - All volumes	0.0108		0.0108
14	Transportation fuel ratio- Cust. provides fuel	0.375%		0.375%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
15	Injection / Withdrawals	0.105		0.105
16	Customer provides compressor fuel	0.061		0.061
17	Transportation commodity charge (cents/m <sup>3</sup> )			
18	Customer provides compressor fuel	0.4287	(0.0001)	0.4286
		0.3544		0.3544
	<u>Monthly Charge</u>			
19	City of Kitchener	\$20,369.55		\$20,369.55
20	Natural Resource Gas	\$3,126.93		\$3,126.93
21	Six Nations	\$1,042.31		\$1,042.31

UNION GAS LIMITED  
Union South  
Summary of Changes to Unbundled Rates

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2015-0010 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0255 Approved October 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	0.116		0.116
3	Incremental firm injection right	1.052		1.052
4	Incremental firm withdrawal right	1.052		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	0.400%		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-2015-0010 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0255 Approved October 1, 2015 Rate (c)
	<u>M12 Transportation Service</u>			
	<u>Firm transportation</u>			
	Monthly demand charges:			
1	Dawn to Kirkwall	2.193		2.193
2	Dawn to Oakville/Parkway	2.604		2.604
3	Kirkwall to Parkway	0.411		0.411
4	F24-T	0.069		0.069
	<u>M12-X Firm Transportation</u>			
5	Between Dawn, Kirkwall and Parkway	3.244		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	6.250		6.250
	Commodity charges :			
10	Others	Note (1)		Note (1)
	<u>Authorized Overrun</u>			
	Transportation commodity charges:			
	Easterly:			
11	Dawn to Kirkwall - Union supplied fuel	Note (1)		Note (1)
12	Dawn to Oakville/Parkway - Union supplied fuel	Note (1)		Note (1)
13	Dawn to Kirkwall - Shipper supplied fuel	0.072 (1)		0.072 (1)
14	Dawn to Oakville/Parkway - Shipper supplied fuel	0.086 (1)		0.086 (1)
15	Kirkwall to Parkway - Union supplied fuel	Note (1)		Note (1)
16	Kirkwall to Parkway - Shipper supplied fuel	0.014		0.014
17	Westerly - Union supplied fuel	Note (1)		Note (1)
18	Westerly - Shipper supplied fuel	0.086 (1)		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	0.107 (1)		0.107 (1)
	<u>M13 Transportation of Locally Produced Gas</u>			
21	Monthly fixed charge per customer station	\$938.96		\$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		0.077
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-2015-0010 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0255 Approved October 1, 2015 Rate (c)
	<u>M16 Storage Transportation Service</u>			
1	Monthly fixed charge per customer station	\$1,493.78		\$1,493.78
	Monthly demand charges:			
2	East of Dawn	0.759		0.759
3	West of Dawn	1.064		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	0.010		0.010
10	West of Dawn - Union supplied fuel	0.023		0.023
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		0.067
14	West of Dawn - Union supplied fuel	0.077		0.077
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	0.035		0.035
18	West of Dawn - Union supplied fuel	0.058		0.058
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	1.064		1.064
22	Ojibway & Dawn	1.064		1.064
23	Parkway to Dawn	0.640		0.640
24	Parkway to Kirkwall	0.640		0.640
25	Kirkwall to Dawn	1.128		1.128
26	Dawn to Kirkwall	2.193		2.193
27	Dawn to Parkway	2.604		2.604
28	Kirkwall to Parkway	0.411		0.411
29	Dawn to Dawn-Vector	0.029		0.029
30	Dawn to Dawn-TCPL	0.136		0.136
	Short-term:			
31	Maximum	75.00		75.00
	Commodity charges:			
32	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.013		0.013
33	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.010		0.010
34	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.015		0.015
35	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.023		0.023
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		0.015
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)	0.038		0.038
41	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.016		0.016
42	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.052		0.052
43	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.029		0.029
44	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.022		0.022
45	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.021		0.021

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-2015-0010 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0255 Approved October 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)
Interruptible commodity charges:				
19	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)	0.048		0.048
22	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.045		0.045
23	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.050		0.050
24	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.058		0.058
25	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.125		0.125
26	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.132		0.132
27	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.045		0.045
28	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.045		0.045
29	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.142		0.142
30	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.120		0.120
31	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.169		0.169
32	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.146		0.146
33	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.066		0.066
34	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.066		0.066
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)	0.086 (1)		0.086 (1)
40	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.086 (1)		0.086 (1)
41	Kirkwall to Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.037 (1)		0.037 (1)
42	Kirkwall to Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.037 (1)		0.037 (1)
43	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.072 (1)		0.072 (1)
44	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.072 (1)		0.072 (1)
45	Dawn to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.086 (1)		0.086 (1)
46	Dawn to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	0.086 (1)		0.086 (1)
47	Kirkwall to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.014 (1)		0.014 (1)
48	Kirkwall to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	0.014 (1)		0.014 (1)
49	Dawn to Dawn-Vector - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.001 (1)		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)
Short Term Firm transportation commodity charges:				
53	Maximum	75.00		75.00

Notes:

(1) Plus customer supplied fuel per rate schedule.



RATE 01A - SMALL VOLUME GENERAL FIRM SERVICE

**ELIGIBILITY**

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

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

**MONTHLY RATES AND CHARGES**

Zone 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 m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 100 m <sup>3</sup> per month @	9.0309	9.0309	9.0309	9.0309
Next 200 m <sup>3</sup> per month @	8.8028	8.8028	8.8028	8.8028
Next 200 m <sup>3</sup> per month @	8.4451	8.4451	8.4451	8.4451
Next 500 m <sup>3</sup> per month @	8.1168	8.1168	8.1168	8.1168
Over 1,000 m <sup>3</sup> per month @	7.8457	7.8457	7.8457	7.8457
Delivery-Price Adjustment (All Volumes)	(0.2792) (1)	(0.2792) (1)	(0.2792) (1)	(0.2792) (1)

Notes:

- (1) Includes a temporary credit of (0.0488) cents/m<sup>3</sup> expiring December 31, 2015.  
Includes a temporary credit of (0.2304) cents/m<sup>3</sup> expiring March 31, 2016.



**uniongas**

Effective  
2015-10-01  
**Rate 01A**  
Page 2 of 2

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

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.



RATE 10 - LARGE VOLUME GENERAL FIRM SERVICE

**ELIGIBILITY**

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

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

**MONTHLY RATES AND CHARGES**

Zone	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
Rate Schedule No.	210	110	310	610
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$70.00	\$70.00	\$70.00	\$70.00
<u>DELIVERY CHARGE</u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 1,000 m <sup>3</sup> per month @	7.1390	7.1390	7.1390	7.1390
Next 9,000 m <sup>3</sup> per month @	5.8241	5.8241	5.8241	5.8241
Next 20,000 m <sup>3</sup> per month @	5.1033	5.1033	5.1033	5.1033
Next 70,000 m <sup>3</sup> per month @	4.6205	4.6205	4.6205	4.6205
Over 100,000 m <sup>3</sup> per month @	2.7914	2.7914	2.7914	2.7914
Delivery-Price Adjustment (All Volumes)	(0.0162) (1)	(0.0162) (1)	(0.0162) (1)	(0.0162) (1)

Notes:

- (1) Includes a temporary charge of 0.3189 cents/m<sup>3</sup> expiring December 31, 2015.  
Includes a temporary credit of (0.3351) cents/m<sup>3</sup> expiring March 31, 2016.



ADDITIONAL CHARGES FOR SALES SERVICE**GAS SUPPLY CHARGES****Gas Supply Charge (if applicable)**

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

**MONTHLY BILL**

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

**MINIMUM MONTHLY BILL**

The Minimum Monthly Bill shall be the Monthly Charge.

**DELAYED PAYMENT**

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

**SERVICE AGREEMENT**

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

**TERMS AND CONDITIONS OF SERVICE**

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

Effective

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.



RATE 20 - MEDIUM VOLUME FIRM SERVICE

**ELIGIBILITY**

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

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

(d) **Storage Service**

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

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

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



**uniongas**

Effective  
2015-10-01  
**Rate 20**  
Page 2 of 4

## 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 <sup>3</sup> )	
Monthly Demand Charge for first 70,000 m <sup>3</sup> of Contracted Daily Demand	27.8909
Monthly Demand Charge for all units over 70,000 m <sup>3</sup> of Contracted Daily Demand	16.4012
Commodity Charge for first 852,000 m <sup>3</sup> of gas volumes delivered	0.5383
Commodity Charge for all units over 852,000 m <sup>3</sup> of gas volumes delivered	0.3922

### NOTE

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

### ADDITIONAL CHARGES FOR SALES SERVICE

#### Gas Supply Charge

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

#### Commodity Transportation

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

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

## HEAT CONTENT ADJUSTMENT

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

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

**COMMISSIONING AND DECOMMISSIONING RATE**

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

Zone Rate Schedule No.	<u>Fort Frances</u> 220	<u>Western</u> 120	<u>Northern</u> 320	<u>Eastern</u> 620
<u>MONTHLY CHARGE</u>	\$972.44	\$972.44	\$972.44	\$972.44
<u>DELIVERY CHARGES</u>	<u>cents per m<sup>3</sup></u>	<u>cents per m<sup>3</sup></u>	<u>cents per m<sup>3</sup></u>	<u>cents per m<sup>3</sup></u>
Commodity Charge for each unit of gas volumes delivered	2.3722	2.3722	2.3722	2.3722

**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) \$12.366

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) \$0.565

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.

**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

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.

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

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

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Sales Service**

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

**(b) Transportation Service**

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

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

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

<u>MONTHLY CHARGE</u>	\$352.32
<u>DELIVERY CHARGES</u>	<u>cents per m<sup>3</sup></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:	4.7185

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.



**uniongas**

Effective  
2015-10-01  
**Rate 25**  
Page 2 of 3

#### ADDITIONAL CHARGES FOR SALES SERVICE

##### Gas Supply Charge

As per applicable rate provided in Schedule "A".

##### Interruptible Service

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

#### **HEAT CONTENT ADJUSTMENT**

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

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

#### ADDITIONAL CHARGES FOR TRANSPORTATION – ALL ZONES

##### MONTHLY TRANSPORTATION ACCOUNT CHARGE:

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

\$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.



**uniongas**

Effective  
2015-10-01  
**Rate 25**  
Page 3 of 3

**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

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.





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

**ELIGIBILITY**

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

**SERVICE AVAILABLE**

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

**GAS SUPPLY CHARGE**

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

**SHORT TERM STORAGE / BALANCING SERVICE**

Short Term Storage / Balancing Service is:

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

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

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

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

**THE BILL**

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

**SERVICE AGREEMENT**

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



**uniongas**

Effective  
2015-10-01  
**Rate 30**  
Page 2 of 2

**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

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.



RATE 100 – LARGE VOLUME HIGH LOAD FACTOR FIRM SERVICE

**ELIGIBILITY**

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

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

(d) **Storage Service**

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

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

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



**uniongas**

Effective  
2015-10-01  
**Rate 100**  
Page 2 of 4

## 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 <sup>3</sup> 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 <sup>3</sup> )	0.2190

#### NOTE:

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

### ADDITIONAL CHARGES FOR SALES SERVICE

#### Gas Supply Charges

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

#### Commodity Transportation

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

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

## HEAT CONTENT ADJUSTMENT

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

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

**COMMISSIONING AND DECOMMISSIONING RATE**

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

Zone Rate Schedule No.	<u>Fort Frances</u> 2100	<u>Western</u> 1100	<u>Northern</u> 3100	<u>Eastern</u> 6100
<u>MONTHLY CHARGE</u>	\$1,464.29	\$1,464.29	\$1,464.29	\$1,464.29
<u>DELIVERY CHARGES</u>	<u>cents per m<sup>3</sup></u>	<u>cents per m<sup>3</sup></u>	<u>cents per m<sup>3</sup></u>	<u>cents per m<sup>3</sup></u>
Commodity Charge for each unit of gas volumes delivered	0.9421	0.9421	0.9421	0.9421

**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)	\$12.366
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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
--	---------

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ)	\$0.565
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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.

**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

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.

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

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

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Transportation Service**

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

**(b) Storage Service**

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

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

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

Storage Space Charge	
Applied to Contracted Maximum Storage Space (\$ per GJ per Month)	\$0.086
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

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.





# uniongas

Effective  
2015-10-01  
Schedule "A"  
Page 1 of 2

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

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 01A (cents / m<sup>3</sup>)</u>				
Storage	3.6175	3.2920	3.8899	4.3952
Storage - Price Adjustment	-	-	-	-
Commodity and Fuel (1)	12.2089	12.2975	12.4346	12.5437
Commodity and Fuel - Price Adjustment	(2.0989)	(2.0989)	(2.0989)	(2.0989)
Transportation	5.7686	4.9541	6.4503	7.7149
Transportation - Price Adjustment	0.7006	0.7006	0.7006	0.7006
Total Gas Supply Charge	<u>20.1967</u>	<u>19.1453</u>	<u>21.3765</u>	<u>23.2555</u>

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

Storage	2.3829	2.0574	2.6553	3.1606
Storage - Price Adjustment	-	-	-	-
Commodity and Fuel (1)	12.2089	12.2975	12.4346	12.5437
Commodity and Fuel - Price Adjustment	(2.0989)	(2.0989)	(2.0989)	(2.0989)
Transportation	5.0913	4.2768	5.7729	7.0376
Transportation - Price Adjustment	0.6688	0.6688	0.6688	0.6688
Total Gas Supply Charge	<u>18.2530</u>	<u>17.2016</u>	<u>19.4327</u>	<u>21.3118</u>

Notes:

(1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1917 cents/m<sup>3</sup>.



# uniongas

Effective  
2015-10-01  
Schedule "A"  
Page 2 of 2

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 / m<sup>3</sup>)</u>				
Commodity and Fuel (1)	12.0032	12.0903	12.2251	12.3322
Commodity and Fuel - Price Adjustment	(2.0989)	(2.0989)	(2.0989)	(2.0989)
Commodity Transportation - Charge 1	4.3859	3.9299	4.7675	5.4755
Transportation 1 - Price Adjustment	0.9480	0.9480	0.9480	0.9480
Commodity Transportation - Charge 2	-	-	-	-
Monthly Gas Supply Demand	54.0801	33.2652	71.4880	103.7960
Gas Supply Demand - Price Adjustment	-	-	-	-
Commissioning and Decommissioning Rate	7.0646	5.3312	8.5145	11.2053

Rate 100 (cents / m<sup>3</sup>)

Commodity and Fuel (1)	12.0032	12.0903	12.2251	12.3322
Commodity and Fuel - Price Adjustment	(2.0989)	(2.0989)	(2.0989)	(2.0989)
Commodity Transportation - Charge 1	7.0810	6.7390	7.3672	7.8982
Commodity Transportation - Charge 2	-	-	-	-
Monthly Gas Supply Demand	102.9596	78.6756	123.2688	160.9615
Commissioning and Decommissioning Rate	7.8704	6.5833	8.9469	10.9448

Rate 25 (cents / m<sup>3</sup>)

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/m<sup>3</sup>.

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Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.

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

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

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

**(C) Rates**

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

a)	Monthly Charge		\$21.00
b)	Delivery Charge		
	First	100 m <sup>3</sup>	3.8988 ¢ per m <sup>3</sup>
	Next	150 m <sup>3</sup>	3.7017 ¢ per m <sup>3</sup>
	All Over	250 m <sup>3</sup>	3.1926 ¢ per m <sup>3</sup>
	Delivery – Price Adjustment (All Volumes)		0.3597 ¢ per m <sup>3</sup> (1)
c)	Storage Charge (if applicable)		0.7416 ¢ per m <sup>3</sup>
	Storage - Price Adjustment (All Volumes)		0.0000 ¢ per m <sup>3</sup>
	Applicable to all bundled customers (sales and bundled transportation service).		
d)	Gas Supply Charge (if applicable)		
	The gas supply charge is comprised of charges for transportation and for commodity and fuel.		
	The applicable rates are provided in Schedule "A".		

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

Notes:

- (1) Includes a temporary charge of 0.2968 cents/m<sup>3</sup> expiring December 31, 2015.  
Includes a temporary charge of 0.0629 cents/m<sup>3</sup> expiring March 31, 2016.

**(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 4.6404 ¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup>.

**(H) Bundled Direct Purchase Delivery**

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

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

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

<u>Zone</u>	Assumed Atmospheric Pressure <u>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

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.

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

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

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

**(C) Rates**

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

a)	Monthly Charge		\$70.00	
b)	Delivery Charge			
	First	1 000 m <sup>3</sup>	3.6124 ¢ per m <sup>3</sup>	
	Next	6 000 m <sup>3</sup>	3.5455 ¢ per m <sup>3</sup>	
	Next	13 000 m <sup>3</sup>	3.3563 ¢ per m <sup>3</sup>	
	All Over	20 000 m <sup>3</sup>	3.1163 ¢ per m <sup>3</sup>	
	Delivery – Price Adjustment (All Volumes)		0.2913 ¢ per m <sup>3</sup>	(1)
c)	Storage Charge (if applicable)		0.6428 ¢ per m <sup>3</sup>	
	Storage - Price Adjustment (All Volumes)		0.0000 ¢ per m <sup>3</sup>	
	Applicable to all bundled customers (sales and bundled transportation service).			
d)	Gas Supply Charge (if applicable)			
	The gas supply charge is comprised of charges for transportation and for commodity and fuel.			
	The applicable rates are provided in Schedule "A".			

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

Notes:

- (1) Includes a temporary charge of 0.3859 cents/m<sup>3</sup> expiring December 31, 2015.  
Includes a temporary credit of (0.0946) cents/m<sup>3</sup> expiring March 31, 2016.

**(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 4.2552 ¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup>.

**(H) Bundled Direct Purchase Delivery**

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

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

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

<u>Zone</u>	Assumed Atmospheric Pressure <u>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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Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.



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 m<sup>3</sup> and 60 000 m<sup>3</sup>.

**(C) Rates**

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

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

(i) A Monthly Demand Charge		
First	8 450 m <sup>3</sup> of daily contracted demand	47.8404 ¢ per m <sup>3</sup>
Next	19 700 m <sup>3</sup> of daily contracted demand	21.4504 ¢ per m <sup>3</sup>
All Over	28 150 m <sup>3</sup> of daily contracted demand	18.0214 ¢ per m <sup>3</sup>
(ii) A Monthly Delivery Commodity Charge		
First 422 250 m <sup>3</sup> delivered per month		1.0353 ¢ per m <sup>3</sup>
Next volume equal to 15 days use of daily contracted demand		1.0353 ¢ per m <sup>3</sup>
For remainder of volumes delivered in the month		0.4466 ¢ per m <sup>3</sup>
Delivery- Price Adjustment (All Volumes)		0.0000 ¢ per m <sup>3</sup>

(iii) Gas Supply Charge (if applicable)

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

2. Overrun Charge

Authorized overrun gas is available provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization. Overrun means gas taken on any day in excess of 103% of contracted daily demand. Authorized overrun will be available April 1 through October 31 and will be paid for at a Delivery Rate of 2.6081 ¢ per m<sup>3</sup> and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all volumes purchased.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 4.6404 ¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all gas supply volumes purchased.

3. 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 1.2270 ¢ per m<sup>3</sup> and, if applicable a gas supply commodity charge provided in Schedule "A".

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



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 m<sup>3</sup> 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 m<sup>3</sup></u>
2 400 m <sup>3</sup> ≤ CD < 17 000 m <sup>3</sup>	2.6539 ¢ per m <sup>3</sup>
17 000 m <sup>3</sup> ≤ CD < 30 000 m <sup>3</sup>	2.5240 ¢ per m <sup>3</sup>
30 000 m <sup>3</sup> ≤ CD < 50 000 m <sup>3</sup>	2.4557 ¢ per m <sup>3</sup>
50 000 m <sup>3</sup> ≤ CD ≤ 60 000 m <sup>3</sup>	2.4078 ¢ per m <sup>3</sup>

Delivery- Price Adjustment (All Volumes) - ¢ per m<sup>3</sup>

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

(iii) Gas Supply Charge (if applicable)

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

(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 m<sup>3</sup> per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery Charge of 2.8456 ¢ per m<sup>3</sup>, and if applicable, a gas supply charge provided in Schedule "A".

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

- 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 4.6404 ¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all gas supply volumes purchased.





**uniongas**

Effective  
2015-10-01  
**Rate M4**  
Page 3 of 3

**(D) Delayed Payment**

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

**(E) Direct Purchase**

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

**(F) Bundled Direct Purchase Delivery**

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

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

Effective

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.

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 m<sup>3</sup> and 60 000 m<sup>3</sup> inclusive.

**(C) Rates**

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

**1. Interruptible Service**

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

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

<u>Daily Contracted Demand Level (CD)</u>	<u>Price per m<sup>3</sup></u>
2 400 m <sup>3</sup> ≤ CD < 17 000 m <sup>3</sup>	2.6539 ¢ per m <sup>3</sup>
17 000 m <sup>3</sup> ≤ CD < 30 000 m <sup>3</sup>	2.5240 ¢ per m <sup>3</sup>
30 000 m <sup>3</sup> ≤ CD < 50 000 m <sup>3</sup>	2.4557 ¢ per m <sup>3</sup>
50 000 m <sup>3</sup> ≤ CD ≤ 60 000 m <sup>3</sup>	2.4078 ¢ per m <sup>3</sup>

Delivery- Price Adjustment (All Volumes)	0.0000 ¢ per m <sup>3</sup>
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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 <sup>3</sup>
For each additional days use of contracted demand up to a maximum of 275 days, an additional discount of	0.00212 ¢ per m <sup>3</sup>

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

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

(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 m<sup>3</sup> per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery Charge of 2.8456 ¢ per m<sup>3</sup>, and if applicable, a gas supply charge provided in Schedule "A".

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

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

Unauthorized overrun gas taken in any month shall be paid for at the rate of 4.6404 ¢ per m<sup>3</sup> for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup> for all gas supply volumes purchased.

4. Non-Interruptible Service

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

- a) The monthly demand charge for firm daily deliveries will be 28.5955 ¢ per m<sup>3</sup>.
- b) The commodity charge for firm service shall be the rate for firm service at Union's firm rates net of a monthly demand charge of 28.5955 ¢ per m<sup>3</sup> of daily contracted demand and a delivery commodity price adjustment of 0.0000 ¢ per m<sup>3</sup>.
- c) The interruptible commodity charge will be established under Clause 1 of this schedule.

**(D) Delayed Payment**

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

**(E) Direct Purchase**

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

**(F) Bundled Direct Purchase Delivery**

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

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

Effective

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.



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 m<sup>3</sup>; 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 m<sup>3</sup> for each m<sup>3</sup> of daily contracted firm demand.

(ii) A Monthly Delivery Commodity Charge

(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of 0.3410 ¢ per m<sup>3</sup> for each m<sup>3</sup>, and a Delivery - Price Adjustment of 0.0000 ¢ per m<sup>3</sup>.

(2) A Monthly Interruptible Delivery Commodity Charge for all interruptible volumes to be negotiated between Union and the customer not to exceed an annual average of 4.2954 ¢ per m<sup>3</sup>, and a Delivery - Price Adjustment of 0.0000 ¢ per m<sup>3</sup>.

(3) A Monthly Seasonal Delivery Commodity Charge for all seasonal volumes to be negotiated between Union and the customer not to exceed an annual average of 4.0513 ¢ per m<sup>3</sup>, and a Delivery - Price Adjustment of 0.0000 ¢ per m<sup>3</sup>.

(iii) Gas Supply Charge (if applicable)

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



(iv) **Overrun Gas**

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

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

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

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

- 3.** In each contract year, the customer shall take delivery from Union, or in any event, pay for if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun gas volumes will not contribute to the minimum volume.
- 4.** The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the customer during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the "transition period"). In such event, the contract will provide for a Monthly Delivery Commodity Charge to be applied on such volume during the transition of 3.1091 ¢ per m<sup>3</sup> and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, if applicable.
- 5.** Either the utility or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.

**(D) Delayed Payment**

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

**(E) Direct Purchase**

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

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

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

Effective

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.



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 m<sup>3</sup> of established daily demand determined in accordance with the service contract, such demand charge to be computed on a calendar month basis and a pro-rata charge to be made for the fraction of a calendar month which will occur if the day of first regular delivery does not fall on the first day of a month,
- (ii) A Delivery Commodity Charge of 0.2019 ¢ per m<sup>3</sup>, a Delivery Price Adjustment of 0.0000 ¢ per m<sup>3</sup> for gas delivered and,
- (iii) Gas Supply Charge (if applicable)

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

**(D) Delayed Payment**

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

**(E) Direct Purchase**

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

**(F) Overrun Charge**

Authorized:

For all quantities on any day in excess of 103% of the customer's contractual rights, for which authorization has been received, the customer will be charged 0.7358 ¢ per m<sup>3</sup>. Overrun will be authorized by Union at its sole discretion.

Unauthorized:

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



**uniongas**

Effective  
2015-10-01  
**Rate M9**  
Page 2 of 2

**(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.

Effective

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.

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 5.4186 ¢ per m<sup>3</sup> for gas delivered.
2. Gas Supply Charge (if applicable)

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

**(D) Delayed Payment**

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

**(E) Direct Purchase**

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

**(F) Overrun Charge**

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. This gas shall be paid for at the rate of 4.6404 ¢ per m<sup>3</sup> for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7 ¢ per m<sup>3</sup> for all gas supply volumes purchased.

**(G) Bundled Direct Purchase Delivery**

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

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

Effective

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Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.



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	\$1.722	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$4.582
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$5.367
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		\$2.545
f) Short Term Storage / Balancing Service (2)  Maximum		\$6.000
g) Discretionary Gas Supply Service ("DGSS")		Note (3)



**Notes:**

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

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

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer:

- a) whose qualifying annual transportation volume for combined firm and interruptible service is at least 2 500 000 m<sup>3</sup> or greater and has a daily firm contracted demand up to 140,870 m<sup>3</sup>; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for use at facilities located within Union's gas franchise area; and
- c) who has meters with electronic recording at each Point of Consumption; and
- d) who has site specific energy measuring equipment 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	\$1.603			
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 by one of the following methodologies:

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

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

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

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

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

8. Short Term Storage / Balancing Service is:

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

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

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

**TRANSPORTATION CHARGES:**

	Demand Charge <u>Rate/m<sup>3</sup>/mo</u>	Commodity Charge <u>Rate/m<sup>3</sup></u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio (5)	Commodity Charge <u>Rate/m<sup>3</sup></u>
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand				
First 28,150 m <sup>3</sup> per month	32.7527 ¢			
Next 112,720 m <sup>3</sup> per month	22.6284 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption				
Commodity Charge (All volumes)		0.1335 ¢	0.301%	0.0739 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption				
Maximum		4.2954 ¢	0.301%	4.2358 ¢

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>	Fuel <u>Ratio</u>	Commodity <u>Charge</u>
Storage Injections	\$0.105/GJ	0.859%	\$0.061/GJ
Storage Withdrawals	\$0.105/GJ	0.859%	\$0.061/GJ
Transportation	1.2103 ¢/m <sup>3</sup>	0.301%	1.1507 ¢/m <sup>3</sup>

## Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 4.6404 ¢ per m<sup>3</sup> or \$1.204 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](http://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

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.



STORAGE AND TRANSPORTATION RATES  
FOR CONTRACT CARRIAGE CUSTOMERS

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer:

- a) who has a daily firm contracted demand of at least 140 870 m<sup>3</sup>. Firm and/or interruptible daily contracted demand of less than 140,870 m<sup>3</sup> cannot be combined for the purposes of qualifying for this rate class; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for use at facilities located within Union's gas franchise area; and
- c) who has meters with electronic recording at each Point of Consumption; and
- d) who has site specific energy measuring equipment 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)	\$1.603 \$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 m<sup>3</sup>/day) gas fired power generation customers, storage space is determined by peak hourly consumption x 24 x 4 days. Should the customer elect firm deliverability less than their maximum entitlement (see Note 4.2), the maximum storage space available at the rates specified herein is 10 x firm storage deliverability contracted, not to exceed peak hourly consumption x 24 x 4 days.

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



4. Annual Injection/Withdrawal Right

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

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

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

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

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

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

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

8. Short Term Storage / Balancing Service is:

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

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

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



**TRANSPORTATION CHARGES:**

	Demand Charge <u>Rate/m<sup>3</sup>/mo</u>	Commodity Charge <u>Rate/m<sup>3</sup></u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio (5) (6)	Commodity Charge <u>Rate/m<sup>3</sup></u>
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand				
First 140,870 m <sup>3</sup> per month	20.9163 ¢			
All over 140,870 m <sup>3</sup> 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)		0.0634 ¢	0.279%	0.0080 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption				
Maximum		4.2954 ¢	0.279%	4.2400 ¢

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 m<sup>3</sup>/day and who are directly connected to i) the Dawn-Trafalgar transmission system in close proximity to Parkway or ii) a third party pipeline, have the option to pay for service using a Billing Contract Demand. The Billing Contract Demand shall be determined by Union such that the annual revenues over the term of the contract will recover the invested capital, return on capital and operating and maintenance costs associated with the dedicated service in accordance with Union's system expansion policy. The firm transportation demand charge will be applied to the Billing Contract Demand. For customers choosing the Billing Contract Demand option, the authorized transportation overrun rate will apply to all volumes in excess of the Billing Contract Demand but less than the daily firm demand requirement.
- 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 m<sup>3</sup>/day that contract for M12 Dawn to Parkway transportation service equivalent to 100% of their daily firm demand requirement. If a customer with a daily firm demand requirement in excess of 1,200,000 m<sup>3</sup>/day contracts for M12 Dawn to Parkway transportation service at less than 100% of their firm daily demand requirement, the firm transportation fuel ratio will be applicable to daily volumes not transported under the M12 transportation contract.
7. Either Union or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.

#### **SUPPLEMENTAL CHARGES:**

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

#### Notes:

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

#### **OVERRUN SERVICE:**

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

###### **Authorized**

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

###### **Unauthorized**

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

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

**2. Injection, Withdrawals and Transportation**

## Authorized

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

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

	Union Providing <u>Fuel</u>	For Customers Providing Their Own Compressor Fuel <u>Firm or Interruptible Service</u>	
	Firm or Interruptible <u>Service</u>	<u>Fuel Ratio</u>	<u>Commodity Charge</u>
Storage Injections	\$0.105/GJ	0.859%	\$0.061/GJ
Storage Withdrawals	\$0.105/GJ	0.859%	\$0.061/GJ
Transportation	0.7510 ¢/m <sup>3</sup>	0.279%	0.6957 ¢/m <sup>3</sup>

## Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 4.6404 ¢ per m<sup>3</sup> or \$1.204 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 m<sup>3</sup>/day who are delivering gas to Union under direct purchase arrangements may be entitled to non-obligated deliveries. The delivery options available to customers are detailed at [www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features](http://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 m<sup>3</sup>/day who have non obligated deliveries may contract to use Union's 5 additional nomination windows (13 in total) for the purposes of delivering gas to Union. These windows are in addition to the standard NAESB and TCPL STS nomination windows. Customers taking the additional nomination window service will pay an additional monthly demand charge of \$0.068/GJ/day/month multiplied by the non-obligated daily contract quantity.

**5. Additional Service Information**

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

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

[www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features](http://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.





**uniongas**

Effective  
2015-10-01  
**Rate T2**  
Page 8 of 8

**(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

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.

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

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a Distributor:

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

**(C) Rates**

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

**STORAGE SERVICE:**

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right				
Union provides deliverability Inventory	\$1.603			
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/m<sup>3</sup>/mo</u>	Commodity Charge <u>Rate/m<sup>3</sup></u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio	Commodity Charge <u>Rate/m<sup>3</sup></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		0.0851 ¢	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	\$0.105/GJ	0.859%	\$0.061/GJ
Storage Withdrawals	\$0.105/GJ	0.859%	\$0.061/GJ
Transportation	0.4286 ¢/m <sup>3</sup>	0.375%	0.3544 ¢/m <sup>3</sup>

## Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 36.0¢ per m<sup>3</sup> or \$9.339 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.

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Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.

**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 / m<sup>3</sup>Utility Sales

Commodity and Fuel	12.5325 (1)
Commodity and Fuel - Price Adjustment	(1.4583)
Transportation	3.5158
<b>Total Gas Supply Commodity Charge</b>	<b>14.5900</b>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	4.2289
--	--------

Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3\$/GJ

Monthly demand charges:	
Firm gas supply service	58.972
Firm backstop gas	1.722
Commodity charges:	
Gas supply	3.201
Backstop gas	4.582
Reasonable Efforts Backstop Gas	5.367
Supplemental Inventory	Note (2)
Supplemental Gas Sales Service (cents / m <sup>3</sup> )	19.0578
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.545
Discretionary Gas Supply Service (DGSS)	Note (3)

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1917 cents/ m<sup>3</sup>.
- (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

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

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

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

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

**(C) Rates**

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

<b>STORAGE SERVICE</b>	<b>Demand Charge <u>Rate/GJ/mo</u></b>	<b>Fuel <u>Ratio</u></b>	<b>Commodity Charge <u>Rate/GJ</u></b>
i) Standard Storage Service (SSS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.024		
b) Injection Commodity		0.400%	\$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



**uniongas**

Effective  
2015-10-01  
**Rate U2**  
Page 2 of 3

	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.



**uniongas**

Effective  
2015-10-01  
**Rate U2**  
Page 3 of 3

## 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

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.



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>	<u>AND</u>	Commodity Charge <u>Rate/GJ</u>
<b><u>Firm Transportation (1)</u></b>				
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			
<b><u>M12-X Firm Transportation</u></b>				
Between Dawn, Kirkwall and Parkway	\$3.244	Monthly fuel rates and ratios shall be in accordance with schedule "C".		
<b><u>Limited Firm/Interruptible Transportation (1)</u></b>				
Dawn to Parkway – Maximum	\$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>	<u>AND</u>	Commodity Charge <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		Monthly fuel rates and ratios shall be in accordance with schedule "C".		
Between Dawn, Kirkwall and Parkway				\$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 31<sup>st</sup> to obtain the annual fuel charges as calculated using the applicable "YCRR" or "YCR" Formula. At Union's sole discretion Union may make more frequent adjustments than once per year. The YCRR and YCR adjustments must be paid/remitted to/from Shippers at Dawn within one billing cycle after invoicing.



(D) Transportation Commodity (Cont'd)

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

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

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

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

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



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

$F_{ST}$  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 31<sup>st</sup>.

**Nominations**

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

**(F) Terms of Service**

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

**(G) Nominations**

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



**uniongas**

Effective  
2015-10-01  
**Rate M12**  
Page 5 of 5

**(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

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Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.



**RATE M12  
GENERAL TERMS & CONDITIONS**

**I. DEFINITIONS**

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

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

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

## **II. GAS QUALITY**

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

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

### **III. MEASUREMENTS**

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

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

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

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

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

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

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

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

## **VII. MEASURING EQUIPMENT**

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

**VIII. BILLING**

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

**IX. PAYMENTS**

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

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

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

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

**X. ARBITRATION**

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

**XI. FORCE MAJEURE**

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

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

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

## **XII. DEFAULT AND TERMINATION**

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

## **XIII. MODIFICATION**

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

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

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

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

RATE M12  
GENERAL TERMS & CONDITIONS

I. **DEFINITIONS**

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

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

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

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

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

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

**"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/m<sup>3</sup>) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

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

**"Interruptible 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;

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

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

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

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

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

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

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

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

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

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

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

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

## II. **GAS QUALITY**

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

- b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas,
- c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
- d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
- e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
- f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
- g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
- h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
- i. shall not have a cricondentherm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
- j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas.

- 3. Non-conforming Gas: In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
- 4. Quality of Gas Received: The quality of the gas to be received by Union hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will also accept gas of a quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Union's M12 Rate Schedule.

### III. MEASUREMENTS

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

**IV. RECEIPT POINT AND DELIVERY POINT**

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

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

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

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

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

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

**VII. MEASURING EQUIPMENT**

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

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

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

#### VIII. BILLING

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

#### IX. PAYMENTS

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

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

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

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

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

4 Taxes:

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

5. Set Off:

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

X. ARBITRATION

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

# **XI. FORCE MAJEURE**

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

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

## **XII. DEFAULT AND TERMINATION**

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

## **XIII. AMENDMENT**

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

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

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

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

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

## **XVI. ALLOCATION OF CAPACITY**

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

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

## XVII. RENEWALS

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



**XVIII. SERVICE CURTAILMENT**

1. Union shall have the right to curtail or not to schedule part or all of Transportation Services, in whole or in part, on all or a portion of its pipeline system at any time for reasons of Force Majeure or when, in Union sole discretion, acting reasonably, capacity or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating changes to its pipeline system. Union shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. If due to any cause whatsoever Union is unable to receive or deliver the quantities of Gas which Shipper has requested, then Union shall order curtailment by all Shippers affected and to the extent necessary to remove the effect of the disability. Union has a priority of service policy to determine the order of service curtailment. In order to place services on the priority of service list, Union considers the following business principles: appropriate level of access to core services, customer commitment, encouraging appropriate contracting, materiality, price and term, and promoting and enabling in-franchise consumption.

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

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

## Notes:

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

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

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

1. Shipper's Warranty: Shipper warrants that it will, if required, maintain, or have maintained on its behalf, all external approvals including the governmental, regulatory, import/export permits and other approvals or authorizations that are

required from any federal, state or provincial authorities for the gas quantities to be handled under the Contract. Shipper further warrants that it shall maintain in effect the Facilitating Agreements.

2. **Financial Representations:** Shipper represents and warrants that the financial assurances (including the Initial Financial Assurances and Security) (if any) shall remain in place throughout the term hereof, unless Shipper and Union agree otherwise. Shipper shall notify Union in the event of any change to the financial assurances throughout the term hereof. Should Union have reasonable grounds to believe that Shipper will not be able to perform or continue to perform any of its obligations under the Contract as a result of one of the following events ("**Material Event**");
  - a. Shipper is in default, which default has not been remedied, of the Contract or is in default of any other material contract with Union or another party; or,
  - b. Shipper's corporate or debt rating falls below investment grade according to at least one nationally recognized rating agency; or,
  - c. Shipper ceases to be rated by a nationally recognized agency; or,
  - d. Shipper has exceeded credit available as determined by Union from time to time,

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

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

## **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 be calculated by rounding to the nearest whole GJ.

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

**UNION GAS LIMITED**  
**M12 Monthly Transportation Fuel Ratios and Rates**  
Firm or Interruptible Transportation Commodity  
Effective October 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	0.044	0.537	0.028	0.155	0.008
May	0.603	0.031	0.365	0.019	0.155	0.008
June	0.501	0.026	0.268	0.014	0.393	0.020
July	0.487	0.025	0.255	0.013	0.391	0.020
August	0.388	0.020	0.156	0.008	0.391	0.020
September	0.383	0.020	0.156	0.008	0.387	0.020
October	0.729	0.037	0.457	0.023	0.155	0.008
November	0.870	0.045	0.613	0.032	0.155	0.008
December	0.981	0.050	0.722	0.037	0.155	0.008
January	1.131	0.058	0.857	0.044	0.155	0.008
February	1.074	0.055	0.808	0.042	0.155	0.008
March	1.003	0.052	0.725	0.037	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	0.024	0.155	0.008	0.289	0.015
May	0.393	0.020	0.155	0.008	0.289	0.015
June	0.389	0.020	0.155	0.008	0.289	0.015
July	0.387	0.020	0.155	0.008	0.289	0.015
August	0.386	0.020	0.155	0.008	0.289	0.015
September	0.383	0.020	0.155	0.008	0.289	0.015
October	0.427	0.022	0.155	0.008	0.289	0.015
November	0.412	0.021	0.155	0.008	0.155	0.008
December	0.414	0.021	0.155	0.008	0.155	0.008
January	0.428	0.022	0.155	0.008	0.155	0.008
February	0.420	0.022	0.155	0.008	0.155	0.008
March	0.433	0.022	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 October 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	0.161	1.145	0.131	0.763	0.125
May	1.211	0.148	0.973	0.122	0.763	0.125
June	1.109	0.143	0.876	0.117	1.001	0.137
July	1.095	0.142	0.863	0.116	0.999	0.137
August	0.996	0.137	0.764	0.111	0.999	0.137
September	0.991	0.137	0.764	0.111	0.995	0.137
October	1.337	0.154	1.065	0.127	0.763	0.125
November	1.478	0.162	1.221	0.135	0.763	0.125
December	1.589	0.167	1.330	0.140	0.763	0.125
January	1.739	0.175	1.465	0.147	0.763	0.125
February	1.682	0.172	1.416	0.145	0.763	0.125
March	1.611	0.168	1.333	0.141	0.763	0.125

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	0.069	0.763	0.053	0.897	0.132
May	1.001	0.065	0.763	0.053	0.897	0.132
June	0.997	0.065	0.763	0.053	0.897	0.132
July	0.995	0.065	0.763	0.053	0.897	0.132
August	0.994	0.065	0.763	0.053	0.897	0.132
September	0.991	0.064	0.763	0.053	0.897	0.132
October	1.035	0.067	0.763	0.053	0.897	0.132
November	1.020	0.066	0.763	0.053	0.763	0.125
December	1.022	0.066	0.763	0.053	0.763	0.125
January	1.036	0.067	0.763	0.053	0.763	0.125
February	1.028	0.066	0.763	0.053	0.763	0.125
March	1.041	0.067	0.763	0.053	0.763	0.125



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

1. Receipt and Delivery Points:

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

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

2. Receipt and Delivery Pressures:

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

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

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



TRANSPORTATION OF LOCALLY PRODUCED GAS

**(A) Applicability**

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

Applicable Points

Dawn as a delivery point: Dawn (Facilities).

**(B) Rates**

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

Demand Commodity

	<u>Demand Charge Rate/Month</u>	<u>Commodity Charge Union Provides Fuel Rate/GJ</u>	<u>Customer Provides Own Fuel Fuel Ratio</u>
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 \$0.077 /GJ. Overrun will be authorized at Union's sole discretion.

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

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.

**GENERAL TERMS & CONDITIONS  
M13 TRANSPORTATION AGREEMENT**

**SCHEDULE "A"**

**I. DEFINITIONS**

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

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

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

## **II. GAS QUALITY**

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

- f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
  - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
  - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
  - i. shall not have a cricondenthem hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
  - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas,
  - k. shall not exceed forty-three degrees Celsius (43°C), and,
  - l. shall not be odourized by Shipper.
3. Non-conforming Gas:
- a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.
  - b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.
4. Quality of Gas Received: The quality of the gas to be received by Union at the Receipt Point(s) hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will use reasonable efforts to accept gas of a quality that may deviate from the quality standards set out therein.
5. Quality of Gas at Dawn: The quality of the gas to be delivered to Union at Dawn (Facilities) or the gas to be delivered by Union to Shipper at Dawn (Facilities) hereunder is to be of a merchantable quality and in accordance with the quality standards and measurement standards as set out by Union in this Article II, except that total sulphur limit shall be not more than four hundred and sixty (460) milligrams per cubic metre of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.

### III. MEASUREMENTS

- 1. Service Unit: The unit of the gas delivered to Union shall be a quantity of 10<sup>3</sup>m<sup>3</sup>. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m<sup>3</sup>) or one thousand cubic metres (10<sup>3</sup>m<sup>3</sup>) at Union's discretion.
- 2. Determination of Volume and Energy:
  - a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
  - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all

as amended from time to time.

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

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

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

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

N/A.

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

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

**VII. BILLING**

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

**VIII. PAYMENTS**

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

**IX. ARBITRATION**

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act of the Province of Ontario, or any act passed in amendment thereof or substitution 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/10<sup>3</sup>m<sup>3</sup> and may be adjusted from time to time by Union;

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

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

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

**"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;

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

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

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

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

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

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

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

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

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

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

"Interruptible 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;

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

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

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

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

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

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

"OEB" means the Ontario Energy Board;

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

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

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

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

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

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

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

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

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

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

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

## II. GAS QUALITY

1. Natural Gas: The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. Freedom from objectionable matter: The gas to be delivered to Union at the Receipt Point(s) hereunder,
  - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
  - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than one hundred (100) milligrams of total sulphur per cubic metre of gas,
  - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
  - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
  - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
  - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
  - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
  - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
  - i. shall not have a cricondenthm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
  - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas,

- k. shall not exceed forty-three degrees Celsius (43°C), and,
  - l. shall not be odourized by Shipper.
3. Non-conforming Gas:
- a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.
  - b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.
4. Quality of Gas Received: The quality of the gas to be received by Union at the Receipt Point(s) hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will use reasonable efforts to accept gas of a quality that may deviate from the quality standards set out therein.
5. Quality of Gas at Dawn: The quality of the gas to be delivered to Union at Dawn (Facilities) or the gas to be delivered by Union to Shipper at Dawn (Facilities) hereunder is to be of a merchantable quality and in accordance with the quality standards and measurement standards as set out by Union in this Article II, except that total sulphur limit shall be not more than four hundred and sixty (460) milligrams per cubic metre of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.

### III. MEASUREMENTS

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

### IV. RECEIPT POINT AND DELIVERY POINT

The point(s) of receipt and point of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in Schedule 1 of the Contract, where possession of the gas changes from one party to the other.

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

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

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

1. Union shall provide, at the Receipt Point(s), according to the terms hereunder, the meter station required to receive and measure the Produced Volume of gas received by Union from Shipper. Shipper agrees, if requested by Union, to provide Union with sufficient detailed information regarding Shipper's current and expected operations in order to aid Union in Union's design of the meter station.
2. Pursuant to Article VI. Section 1 herein, Union shall purchase, install and maintain, at the Receipt Point(s):
  - a. a meter and any associated recording gauges as are necessary; and,
  - b. a suitable gas odourizing injection facility where Union deems such facility to be necessary.
3. All equipment installed by Union at the Receipt Point(s) shall remain the property of Union at all times, notwithstanding the fact that it may be affixed to Shipper's property. Union shall be entitled to remove said equipment at any time within a period of sixty (60) days from any termination or expiry of the Contract. Shipper shall take all necessary steps to ensure Union may enter onto the Receipt Point(s) to remove such equipment for a period of sixty (60) days after termination or expiry of the Contract or the Sales Agreement.
4. Upon Union's request Shipper shall, at Shipper's own cost and expense:
  - a. obtain a registered lease or freehold ownership at the Receipt Point(s) sufficient to provide Union with free uninterrupted access to, from, under and above the Receipt Point(s), for a term (and extended terms) identical to the Contract, plus sixty (60) days, and shall provide Union with a bona fide copy of such lease agreement prior to Union commencing the construction of the meter station;
  - b. furnish, install, set, and maintain suitable pressure and volume control equipment and such additional equipment as required on Shipper's delivery system, to protect against the overpressuring of Union's facilities, and to limit the daily flow of gas to the corresponding Maximum Daily Quantity applicable to the Receipt Point(s);
  - c. supply, install and maintain a gravel or cut stone covering on each Receipt Point and shall maintain such Receipt Point(s) in a safe and workmanlike manner; and,
  - d. install and maintain a fence satisfactory to Union around the perimeter of each Receipt Point which will adequately secure and protect Union's equipment therein.
5. Shipper shall within thirty (30) days of the delivery of an invoice by Union, reimburse Union for any actual costs reasonably incurred by Union for any repair, replacement, relocation, or upgrading of any meter station requested by Shipper, or as required by law, or by duly constituted regulatory body, or through good engineering practice. Union shall be responsible for any costs incurred by Union to correct an error made by Union.

**VII. MEASURING EQUIPMENT**

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.

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

## VIII. BILLING

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

## IX. PAYMENTS

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

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

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

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

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "**bill next following**" shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within three (3) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.
4. Taxes: In addition to the charges and rates as per the applicable rate schedules and price schedules, Shipper shall pay all Taxes which are imposed currently or subsequent to the execution of the Contract by any legal authority having jurisdiction and any amount in lieu of such Taxes paid or payable by Union.
5. Set Off: If either party shall, at any time, be in arrears under any of its payment obligations to the other party under the Contract, then the party not in arrears shall be entitled to reduce the amount payable by it to the other party in arrears under the Contract, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to the other party. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under the Contract, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.
6. Station and Connection Costs: In the event that a meter station must be constructed and/or installed in order to give effect to this Contract, Shipper agrees to pay Union for a portion, as determined by Union, of Union's actual cost, as hereinafter defined, for constructing and installing such station. Shipper also agrees to pay the actual costs to connect such station to Union's pipeline and distribution system. Union shall advise Shipper as to the need for a meter station and shall provide Shipper with an estimate of the Aid to Construction. Such Aid to Construction shall include the costs of all pipe, fittings and materials, third party labour costs and Union's direct labour, labour saving devices, vehicles and mobile equipment, but shall exclude the purchase costs of gas pressure control equipment and gas meters installed by Union.

#### X. ARBITRATION

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the



Arbitration Act, 1991, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

#### **XI. FORCE MAJEURE**

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

**XII. DEFAULT AND TERMINATION**

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

In the event that this Contract is terminated pursuant to this Article XII, the parties hereto agree that they shall continue to be bound only by the terms and conditions set forth in the Contract but only for the purpose of determining the actual quantities in Shipper's Producer Balancing Account with such determination being subject to Article X. Such extended period of time shall not exceed one (1) year from the date of termination of this Contract.

**XIII. AMENDMENT**

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

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

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

**XV. LAWS, REGULATIONS AND ORDERS**

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

**XVI. RESERVED FOR FUTURE USE**

N/A

**XVII. RENEWALS**

The Contract will continue in full force and effect beyond the Initial Term, automatically renewing for a period of one (1) year, and every one (1) year thereafter, subject to notice in writing by either party of termination at least three (3) months prior to the expiration thereof.

**XVIII. SERVICE CURTAILMENT**

1. Excepting instances of emergency, Shipper and Union agree to give at least twenty-four (24) hours verbal notice before a

planned curtailment of receipt or delivery, shut-down or start-up.

2. Shipper shall complete and maintain a plan which depicts all of the Shipper's gas production facilities including all emergency shut off valves and emergency equipment and provide a copy to Union upon Union's request. Shipper shall provide to Union the names and telephone numbers of those persons whom Union may contact in the event of an emergency situation arising within the Shipper's facilities.
3. In the event that Union is notified by a third party or if Union becomes aware of an emergency situation in which Shipper's gas production site, pipeline or associated equipment is involved, Union shall immediately notify Shipper or Shipper's representative of such emergency condition.
4. Union shall have the right, at all times, to reconstruct or modify Union's pipeline and distribution system and the pressure carried therein, notwithstanding that such reconstruction or modification may reduce the System Capacity available to receive Shipper's gas, or Shipper's ability to deliver gas to Union. Should Union expect any such reconstruction or modification to reduce the delivery or receipt of gas by either party, Union will, where able, provide Shipper with six (6) months' notice or as much notice as is reasonably practical in the circumstances. Union shall use reasonable efforts to assist the Shipper in meeting its Market Quantity in these circumstances.

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

1. Shipper's Warranty: Shipper warrants that it will, if required, maintain, or have maintained on its behalf, all external approvals including the governmental, regulatory, import/export permits and other approvals or authorizations that are required from any federal, state or provincial authorities for the gas quantities to be handled under the Contract. Shipper further warrants that it shall maintain in effect the Facilitating Agreements.
2. Financial Representations: Shipper represents and warrants that the financial assurances (including the Initial Financial Assurances and Security), if any, shall remain in place throughout the term hereof unless Shipper and Union agree otherwise. Shipper shall notify Union in the event of any change to the financial assurances (including the Initial Financial Assurances and Security), if any, throughout the term hereof. Should Union have reasonable grounds to believe that Shipper will not be able to perform or continue to perform any of its obligations under the Contract for any reason (a "**Material Event**"), then Shipper shall within fourteen (14) days of receipt of written notice by Union, obtain and provide to Union a letter of credit or other security in the form and amount reasonably required by Union (the "**Security**"). In the event that Shipper does not provide to Union such Security, Union may deem a default in accordance with the provisions of Article XII herein.

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

3. Licence: Shipper represents and warrants to Union that Shipper possesses a licence to produce gas in the Province of Ontario.

#### **XX. MISCELLANEOUS PROVISIONS**

1. Assignment: Shipper may assign the Contract to a third party ("**Assignee**"), up to the Maximum Daily Quantity, (the "**Capacity Assigned**"). Such assignment shall require the prior written consent of Union and release of obligations by Union for the Capacity Assigned from the date of assignment. Such consent and release shall not be unreasonably withheld and shall be conditional upon the Assignee providing, amongst other things, financial assurances as per Article XXI herein. Any such assignment will be for the full rights, obligations and remaining term of the Contract as relates to the Capacity Assigned.
2. Title to Gas: Shipper represents and warrants to Union that Shipper shall have good and marketable title to, or legal authority to deliver to Union, all gas delivered to Union hereunder. Furthermore, Shipper hereby agrees to indemnify and save Union harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all third parties to such gas or on account of Taxes, or other charges thereon.

XXI. PRECONDITIONS TO SERVICES

1. The obligations of Union to provide Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Contract:
  - a. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Services; and,
  - b. Union shall have obtained all internal approvals that are necessary or appropriate to provide the Services; and,
  - c. Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of the Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by Union; and,
  - d. Shipper and Union shall have entered into the Interruptible 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
<b>Fuel Charges to Dawn:</b>		
Commodity Rate - Union provides fuel (\$ per GJ)	\$0.008	\$0.008
Fuel Ratio - customer provides fuel (%)	0.155%	0.155%
<b>Fuel Charge to the Pool</b>		
Commodity Rate - Union provides fuel (\$ per GJ)	\$0.010	\$0.023
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
Monthly Demand Charge applied to contract demand (\$ per GJ)	\$0.759	\$1.064

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:		
<b>Charges to Dawn</b>		
Commodity Rate - Union provides fuel (\$ per GJ)	\$0.067	\$0.077
Commodity Rate - customer provides fuel (\$ per GJ)	\$0.059	\$0.069
Fuel Ratio - customer provides fuel (%)	0.155%	0.155%
<b>Charges to the Pool</b>		
Commodity Rate - Union provides fuel (\$ per GJ)	\$0.035	\$0.058
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.



Effective  
2015-10-01  
**Rate M16**  
Page 2 of 2

#### 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

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.

## SCHEDULE "A"

### **GENERAL TERMS & CONDITIONS M16 TRANSPORTATION AGREEMENT**

#### **I. DEFINITIONS**

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

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



17. "TCPL" means TransCanada PipeLines Limited;
18. "NOVA" means Gas Transmission Ltd.;
19. "Panhandle" means CMS Panhandle Eastern Pipeline Company;
20. "MichCon" means Michigan Consolidated Gas Company;
21. "SCPL" means St. Clair Pipelines (1996) Ltd.;
22. "OEB" means the Ontario Energy Board;
23. "NEB" means the National Energy Board (Canada);
24. "GLGT" means Great Lakes Gas Transmission Company;
25. "CMS" means CMS Gas Transmission and Storage Company;
26. "Consumers" means The Consumers' Gas Company, Limited;
27. "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,
  - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
  - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,

- f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
  - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
  - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
  - i. shall not have a cricondenthem hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
  - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas,
  - k. shall not exceed forty-three degrees Celsius (43°C), and,
  - l. shall not be odourized by Shipper.
3. Non-conforming Gas:
- a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.
  - b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.
  - c. With respect to Article II 2. h. herein, Union may accept the gas subject to Shipper's obligations under the Dehydration Contract, if applicable.
4. Quality of Gas Received: The quality of the gas to be received by Union at the Receipt Point(s) hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II.
5. Quality of Gas at Dawn: The quality of the gas to be delivered to Union at Dawn (Facilities) or the gas to be delivered by Union to Shipper at Dawn (Facilities) hereunder is to be of a merchantable quality and in accordance with the quality standards and measurement standards as set out by Union in this Article II, except that total sulphur limit shall be not more than four hundred and sixty (460) milligrams per cubic metre of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
6. Odourization of Gas:
- a. Union may odourize or deliver odourized gas under the Contract,
  - b. Shipper shall if requested by Union monitor the mercaptan sulphur content of the gas delivered to Union under the Contract and shall provide at no cost to Union a continuous signal quantifying the mercaptan sulphur content in milligrams per cubic metre.

### **III. MEASUREMENTS**

- 1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m<sup>3</sup>) or one thousand cubic metres (10<sup>3</sup>m<sup>3</sup>) at Union's discretion.
- 2. Determination of Volume and Energy:

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

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

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

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

N/A

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

N/A

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

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by its regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the Custody Transfer Point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the Custody Transfer Point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.

4. Rights of Parties: The measuring equipment installed by either party, together with any building erected by it for such equipment, shall be and remain its property. However, Union and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas to/by Union under the Contract. Either party will give the other party reasonable notice of its intention to carry out the acts herein specified. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten (10) days after receipt thereof.
5. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts and deliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.
7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

## **VIII. BILLING**

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

## **IX. PAYMENTS**

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20<sup>th</sup>) day of each month. If the payment date is not a business day, then payment must be received in Union's account on the first business day preceding the twentieth (20<sup>th</sup>) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due, Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract may suspend service(s) until such amount is paid, provided however, that if Shipper, in good faith shall dispute the amount of any such bill or part thereof and shall pay to Union such amounts as it concedes to be correct and at any time thereafter within twenty (20) days of a demand made by Union shall furnish good and sufficient surety bond satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination which may be reached either by agreement, arbitration decision or

judgement of the courts, as may be the case, then Union shall not be entitled to suspend service(s) because of such non-payment unless and until default be made in the conditions of such bond or in payment for any further service(s) to Shipper hereunder.

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

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

#### **X. ARBITRATION**

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

#### **XI. FORCE MAJEURE**

N/A

#### **XII. DEFAULT AND TERMINATION**

N/A

#### **XIII. MODIFICATION**

N/A

#### **XIV. NONWAIVER AND FUTURE DEFAULT**

N/A

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

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction

and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

**RATE M16  
GENERAL TERMS & CONDITIONS**

**I. DEFINITIONS**

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

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

**"Authorized Overrun"** shall mean the amount by which Shipper's Authorized Quantity exceeds the firm and interruptible contract demands;

**"Authorized Quantity"** shall have the meaning given thereto in Schedule "B 2010" of the C1 Rate Schedule;

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

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

**"Contract Year"** shall mean a period of three hundred and sixty-five (365) consecutive days, beginning on the Commencement Date or on any anniversary of such date; provided, however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days;

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

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

**"Custody Transfer Point"** That point on the piping system at the Pool Station which is at the Shipper side of the insulating flange on the Union Expansion Facilities, and which point shall serve as the point of custody transfer;

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

**"Dehydration Contract"** shall mean the contract for Dehydration Service between Union and the Shipper as detailed in Schedule 1 of the Contract;

**"Delivery Point"** shall mean the point(s) where Union shall deliver gas to Shipper as defined in Schedule 1 of the Contract;

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

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

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

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

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

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

"Interruptible 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;

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

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

"OEB" means the Ontario Energy Board;

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

"Pool Quantity" shall mean the actual daily quantity of gas delivered to or received from Shipper at the Custody Transfer Point;

"Pool Station" shall mean the physical location of Union's measurement and control facilities to the pool; the pool name as detailed in Schedule 1 of the Contract;

"Receipt Point" shall mean any one of the points where Union shall receive gas from Shipper as detailed in Schedule 1 of the Contract;

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

"Shipper Quantity" shall, on any Day, be equal to the greater of: (i) the Authorized Quantity for that Day; and (ii) the nomination duly made by Shipper in good faith prior to the nomination deadline for the first nomination window applicable for that Day; provided that in no event shall the Shipper Quantity exceed the firm contract demand;

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

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



"TCPL" means TransCanada PipeLines Limited;

"**Union Expansion Facilities**" shall mean any facilities necessary for Union to provide the Services, including without limiting the generality of the foregoing:

- a. a meter and any associated recording gauges as are necessary;
- b. pressure and/or flow control devices, over pressure protection and telemetry equipment as are necessary;
- c. a suitable gas odourizing injection facility if Union deems such a facility to be necessary
- d. piping, fittings, material, filtration facilities, cathodic protection and insulating flanges;
- e. gas chromatograph, moisture analyzer, piping, fittings, material, filtration facilities, cathodic protection and insulating flanges;

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

## II. GAS QUALITY

1. Natural Gas: The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. Freedom from objectionable matter: The gas to be delivered to Union at the Receipt Point(s) hereunder,
  - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
  - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than one hundred (100) milligrams of total sulphur per cubic metre of gas,
  - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
  - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
  - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
  - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
  - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
  - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
  - i. shall not have a cricondenthem hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
  - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one

point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas,

k. shall not exceed forty-three degrees Celsius (43°C), and,

l. shall not be odourized by Shipper.

3. Non-conforming Gas:

a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.

b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.

c. With respect to Article II 2. h. herein, Union may accept the gas subject to Shipper's obligations under the Dehydration Contract, if applicable.

4. Quality of Gas Received: The quality of the gas to be received by Union at the Receipt Point(s) hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II.

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

6. Odourization of Gas:

a. Union may odourize or deliver odourized gas under the Contract,

b. Shipper shall if requested by Union monitor the mercaptan sulphur content of the gas delivered to Union under the Contract and shall provide at no cost to Union a continuous signal quantifying the mercaptan sulphur content in milligrams per cubic metre.

III. MEASUREMENTS

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

2. Determination of Volume and Energy:

a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "Act") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "Regulations"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.

- b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
- c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
- d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

**IV. 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 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.
6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.

7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

## VIII. BILLING

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

## IX. PAYMENTS

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

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

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

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such

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

4. Taxes: In addition to the charges and rates as per the applicable rate schedules and price schedules, Shipper shall pay all Taxes which are imposed currently or subsequent to the execution of the Contract by any legal authority having jurisdiction and any amount in lieu of such Taxes paid or payable by Union.
5. Set Off: If Shipper shall, at any time, be in arrears under any of its payment obligations to Union under the Contract, then Union shall be entitled to reduce the amount payable by Union to Shipper under the Contract or any other contract by an amount equal to the amount of such arrears or other indebtedness to Union. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under the Contract, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.
6. Aid to Construction: Shipper agrees to reimburse Union for the Aid to Construction.

In the event Union has incurred costs, as set out herein, relative to the construction, installation or connection of the gas metering station prior to being notified by Shipper of Shipper's intention to terminate the Contract, Shipper shall promptly remit to Union such actual costs on presentation to Shipper of an invoice for same from Union.

All applicable Taxes will be applied to all amounts to be paid under this Section. Shipper warrants and represents that no payment to be made by Shipper under the Contract is subject to any withholding tax.

## X. ARBITRATION

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

## XI. FORCE MAJEURE

1. The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and

any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.

2. In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.
5. An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Firm Transportation Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.
8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm contract demand for the Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the C1 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. In addition to the definition of force majeure in Article XI, Section 1 herein, for the purposes of the Contract, it shall also include the unforeseen reduction in natural gas usage and/or capacity of the local transmission system as described in Schedule 1 of the Contract, regardless of the duration of such unforeseen reduction, or any other cause, whether of the kind herein enumerated or otherwise, not within the reasonable control of the party claiming relief hereunder and which, by the exercise of due diligence, such party is unable to prevent or overcome.

## **XII. DEFAULT AND TERMINATION**

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by Union hereunder occasioned by any of the reasons provided for in

Article XI herein) which has not been waived by the other party, then and in every such case and as often as the same may happen, the non-defaulting party may give written notice to the defaulting party requiring it to remedy such default and in the event of the defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the non-defaulting party may at its sole option declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

### XIII. AMENDMENT

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

### XIV. NON-WAIVER AND FUTURE DEFAULT

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

### XV. LAWS, REGULATIONS AND ORDERS

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

### XVI. RESERVED FOR FUTURE USE

N/A

### XVII. RENEWALS

The Contract will continue in full force and effect beyond the Initial Term, automatically renewing for a period of one (1) year, and every one (1) year thereafter. Shipper or Union may reduce the contract demands or terminate the Contract, with notice in writing to the other party, at least two (2) years prior to the expiration thereof.

### XVIII. SERVICE CURTAILMENT

1. Capacity Sharing: Where requests for interruptible service hereunder exceed the capacity available for such Service, Union will authorize nominations from shippers and allocate capacity as per Union's procedures and policies and shippers shall be so advised. Any interruptible service provided herein are subordinate to any and all firm service supplied by Union, and subordinate to Union's own operational or system requirements.
2. Capacity Procedures: Union reserves the right to change its procedures and policies for sharing interruptible capacity and will provide Shipper with two (2) months' notice of any such change.



3. Maintenance: Union's facilities from time to time may require maintenance or construction. In the event that such event occurs and in Union's sole opinion, acting reasonably, may impact its ability to meet Shipper's requirements, Union shall provide at least ten (10) days' notice to the Shipper, except in the case of emergencies. In the event the maintenance impacts Union's ability to meet Shipper's requirements, Union shall not be liable for any damages and shall not be deemed to be in breach of the Contract. To the extent that Union's ability to receive or deliver gas is impaired, Demand Charge Relief shall be calculated and credited to Shipper's invoice in accordance with Article XI, Section 8 herein. Union shall use reasonable efforts to determine a mutually acceptable period during which such maintenance or construction will occur and also to limit the extent and duration of any impairments. Union will endeavour to schedule and complete the maintenance and construction, that can be scheduled and completed, and which would normally be expected to impact on Union's ability to meet its obligations of any Contract Year, during the period from April 1 through to October 31.
4. Shipper's Facilities: Shipper shall complete and maintain a plan which depicts all of Shipper's production storage facilities including all emergency shut off valves and emergency equipment and provide a copy to Union upon Union's request. Shipper shall provide to Union the names and telephone numbers of those persons whom Union may contact in the event of an emergency situation arising within the Shipper's facilities.

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

1. Shipper's Warranty: Shipper warrants that it will, if required, maintain, or have maintained on its behalf, all external approvals including the governmental, regulatory, import/export permits and other approvals or authorizations that are required from any federal, state or provincial authorities for the gas quantities to be handled under the Contract. Shipper further warrants that it shall maintain in effect the Facilitating Agreements.
2. Financial Representations: Shipper represents and warrants that the financial assurances (including the Initial Financial Assurances and Security), if any, shall remain in place throughout the term hereof unless Shipper and Union agree otherwise. Shipper shall notify Union in the event of any change to the financial assurances (including the Initial Financial Assurances and Security), if any, throughout the term hereof. Should Union have reasonable grounds to believe that Shipper will not be able to perform or continue to perform any of its obligations under the Contract for any reason (a "**Material Event**"), then Shipper shall within fourteen (14) days of receipt of written notice by Union, obtain and provide to Union a letter of credit or other security in the form and amount reasonably required by Union (the "**Security**"). In the event that Shipper does not provide to Union such Security, Union may deem a default in accordance with the provisions of Article XII herein.

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

3. Regulatory Approval: Shipper represents and warrants to Union that Shipper possesses all licenses and permits needed to inject gas into, store gas in, and remove gas from the pool.

#### **XX. MISCELLANEOUS PROVISIONS**

1. Assignment: Shipper may not assign the Contract without the written consent of Union and, if required, the approval of the OEB. Should Union consent to the assignment, and if OEB approval is needed, Union will apply for OEB approval with all costs of the application to be paid by Shipper.
2. Title to Gas: Shipper represents and warrants to Union that Shipper shall have good and marketable title to, or legal authority to deliver to Union, all gas delivered to Union hereunder. Furthermore, Shipper hereby agrees to indemnify and save Union harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all third parties to such gas or on account of Taxes, or other charges thereon.

XXI. PRECONDITIONS TO TRANSPORTATION SERVICES

1. The obligations of Union to provide Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Contract:
  - a. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Services; and,
  - b. Union shall have obtained all internal approvals that are necessary or appropriate to provide the Services; and,
  - c. Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of the Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by Union; and,
  - d. Shipper and Union shall have entered into the Interruptible 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  
2015-10-01  
**Rate C1**  
Page 1 of 2

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	\$0.010	\$0.013	0.204%	0.262%
Ojibway & Dawn	\$1.064	\$0.023	\$0.015	0.441%	0.299%
Bluewater & Dawn	\$1.064	\$0.010	\$0.013	0.204%	0.262%
From:					
Parkway to Kirkwall	\$0.640	\$0.015	\$0.008	0.289%	0.155%
Parkway to Dawn	\$0.640	\$0.015	\$0.008	0.289%	0.155%
Kirkwall to Dawn	\$1.128	\$0.008	\$0.008	0.155%	0.155%
Dawn to Kirkwall	\$2.193	\$0.016	\$0.038	0.313%	0.745%
Dawn to Parkway	\$2.604	\$0.029	\$0.052	0.563%	1.012%
Kirkwall to Parkway	\$0.411	\$0.021	\$0.022	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%



**uniongas**

Effective  
2015-10-01  
**Rate C1**  
Page 2 of 2

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

**Authorized Overrun:**

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

	If Union supplies fuel		Commodity Charges If Shipper supplies fuel		Commodity Charge
	Commodity Charge		Fuel Ratio		
	Apr.1-Oct.31	Nov.1-Mar.31	Apr.1-Oct.31	Nov.1-Mar.31	
	<u>Rate/GJ</u>	<u>Rate/GJ</u>	<u>%</u>	<u>%</u>	
a) Firm Transportation					
Between:					
St.Clair & Dawn	\$0.045	\$0.048	0.204%	0.262%	\$0.035
Ojibway & Dawn	\$0.058	\$0.050	0.441%	0.299%	\$0.035
Bluewater & Dawn	\$0.045	\$0.048	0.204%	0.262%	\$0.035
From:					
Parkway to Kirkwall	\$0.132	\$0.125	0.897%	0.763%	\$0.086
Parkway to Dawn	\$0.132	\$0.125	0.897%	0.763%	\$0.086
Kirkwall to Dawn	\$0.045	\$0.045	0.155%	0.155%	\$0.037
Dawn to Kirkwall	\$0.119	\$0.142	0.921%	1.353%	\$0.072
Dawn to Parkway	\$0.146	\$0.169	1.171%	1.620%	\$0.086
Kirkwall to Parkway	\$0.066	\$0.066	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

October 1, 2015  
O.E.B. Order # EB-2015-0255

Chatham, Ontario

Supersedes EB-2015-0010 Rate Schedule effective October 1, 2015.

**RATE C1  
GENERAL TERMS & CONDITIONS****I. DEFINITIONS**

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

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

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

## **II. GAS QUALITY**

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

quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Union's C1 Rate Schedule.

### **III. MEASUREMENTS**

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

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

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

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

*Intentionally blank*

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

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

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



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

## **VII. MEASURING EQUIPMENT**

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

**VIII. BILLING**

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

**IX. PAYMENTS**

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

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

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

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

**X. ARBITRATION**

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

**XI. FORCE MAJEURE**

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

8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm Contract Demand for that Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the C1 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. If, due to the occurrence of an event of force majeure as outlined above, the capacity for gas deliveries by Union is impaired, it will be necessary for Union to curtail Shipper's gas receipts to Union hereunder, via proration based on utilization of such facilities for the Day. This 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/m<sup>3</sup>) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

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

**"Interruptible 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;

"Limited Firm" shall mean gas service subject to interruption or curtailment on a limited number of Days as specified in the Contract;

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

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

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

"NAESB" shall mean North American Energy Standards Board;

"OEB" means the Ontario Energy Board;

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

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

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

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

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

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

"TCPL" means TransCanada PipeLines Limited;

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

## II. GAS QUALITY

1. Natural Gas: The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.

2. Freedom from objectionable matter: The gas to be delivered to/by Union hereunder,
  - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
  - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas,
  - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
  - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
  - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
  - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
  - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
  - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
  - i. shall not have a cricondenthm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
  - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas.
3. Non-conforming Gas: In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
4. Quality of Gas Received: The quality of the gas to be received by Union hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will also accept gas of a quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Union's C1 Rate Schedule.

### III. MEASUREMENTS

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

- c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
- d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

#### IV. RECEIPT POINT AND DELIVERY POINT

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

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

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

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

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

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

#### VII. MEASURING EQUIPMENT

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by its regulatory body.



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

## VIII. BILLING

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

IX. PAYMENTS

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

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

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

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

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

## X. ARBITRATION

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

## XI. FORCE MAJEURE

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

8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm Contract Demand for that Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the C1 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. If, due to the occurrence of an event of force majeure as outlined above, the capacity for gas deliveries by Union is impaired, it will be necessary for Union to curtail Shipper's gas receipts to Union hereunder, via proration based on utilization of such facilities for the Day. This prorating shall be determined by multiplying the capability of such facilities as available downstream of the impairment on the Day, by a fraction where the numerator is Shipper's nominated firm quantity and the denominator is the total of all such nominated firm quantities for nominated services and planned consumption for in-franchise customers on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Union to in-franchise customers and ex-franchise shippers.

## **XII. DEFAULT AND TERMINATION**

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

## **XIII. AMENDMENT**

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

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

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

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

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

**XVI. ALLOCATION OF CAPACITY**

1. A potential shipper may request transportation service on Union's system at any time. Any request for C1 transportation service must include: potential shipper's legal name, Receipt Point(s), Delivery Point(s), Commencement Date, Initial Term, Contract Demand, proposed payment, and type of transportation service requested.
2. If requests for firm transportation services cannot be met through existing capacity such that the only way to satisfy the requests for transportation service would require the construction of Expansion Facilities which create new capacity, Union shall allocate any such new capacity by open season, subject to the terms of the open season, and these General Terms and Conditions.
3. If requests for long-term transportation service can be met through existing facilities upon which long-term capacity is becoming available, Union shall allocate such long-term capacity by open season, subject to the terms of the open season, and these General Terms and Conditions. **"Long-term"**, for the purposes of this Article XVI, means, in the case of a transportation service, a service that has a term of one year or greater.
4. Capacity requests received during an open season shall be awarded starting with those bids with the highest economic value. If the economic values of two or more independent bids are equal, then service shall be allocated on a pro-rata basis. The economic value shall be based on the net present value which shall be calculated based on the proposed per-unit rate and the proposed term of the contract and without regard to the proposed Contract Demand ("NPV").
5. Union may at any time allocate capacity to respond to any C1 transportation service request through an open season. If a potential shipper requests C1 transportation service that can be provided through Available Capacity that was previously offered by Union in an open season but was not awarded, then:
  - a. Any such request must conform to the requirements of Section 1 of this Article XVI;
  - b. Union shall allocate capacity to serve such request pursuant to this Section 5, and subject to these General Terms and Conditions and Union's standard form C1 transportation contract;
  - c. Union may reject a request for C1 transportation service for any of the following reasons:
    - i) if there is insufficient Available Capacity to fully meet the request, but if that is the only reason for rejecting the request for service, Union must offer to supply the Available Capacity to the potential shipper;
    - ii) if the proposed monthly payment is less than Union's Monthly demand charge plus fuel requirements for the applicable service;
    - iii) if prior to Union accepting the request for transportation service Union receives a request for transportation service from one or more other potential shippers and there is, as a result, insufficient Available Capacity to service all the requests for service, in which case Union shall follow the procedure in Section 5 d hereof;
    - iv) if Union does not provide the type of transportation service requested; or
    - v) if all of the conditions precedent specified in Article XXI Sections 1 and 2 herein have not been satisfied or waived.
  - d. Union will advise the potential shipper in writing whether Union accepts or rejects the request for service, subject to Article XVI 5(c) within 5 calendar days of receiving a request for C1 transportation service. If Union rejects a request for service, Union shall inform the potential shipper of the reasons why its request is being rejected; and
  - e. If Union has insufficient Available Capacity to service all pending requests for transportation service Union may:
    - i) Reject all the pending requests for transportation service and conduct an open season; or
    - ii) Union shall inform all the potential shippers who have submitted a pending request for transportation service that it does not have sufficient capacity to service all pending requests for service, and Union shall

provide all such potential shippers with an equal opportunity to submit a revised request for service. Union shall then allocate the Available Capacity to the request for transportation service with the highest economic value to Union. If the economic values of two or more requests are equal, then service shall be allocated on a pro-rata basis. The economic value of any request shall be based on the NPV.

## **XVII. RENEWALS**

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

For all other contracts, the Contract will continue in full force and effect until the end of the Initial Term, but shall not renew.

## **XVIII. SERVICE CURTAILMENT**

1. Union shall have the right to curtail or not to schedule part or all of Transportation Services, in whole or in part, on all or a portion of its pipeline system at any time for reasons of Force Majeure or when, in Union sole discretion, acting reasonably, capacity or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating changes to its pipeline system. Union shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. If due to any cause whatsoever Union is unable to receive or deliver the quantities of Gas which Shipper has requested, then Union shall order curtailment by all Shippers affected and to the extent necessary to remove the effect of the disability. Union has a priority of service policy to determine the order of service curtailment. In order to place services on the priority of service list, Union considers the following business principles: appropriate level of access to core services, customer commitment, encouraging appropriate contracting, materiality, price and term, and promoting and enabling in-franchise consumption.

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

1. Firm In-franchise Transportation and Distribution services and firm Ex-franchise services (Note 1)
2. In-franchise Interruptible Distribution services
3. C1/M12 IT Transport and IT Exchanges with Take or Pay rates
4. Balancing (Hub Activity) < = 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.
5. For Transportation Services requiring Shipper to provide compressor fuel in kind, the nominated fuel requirements will be calculated by rounding to the nearest whole GJ.

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

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

**1. Receipt and Delivery Points:**

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

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

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

2. Receipt and Delivery Pressures:

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

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

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

UNION GAS LIMITED  
Infranchise Customers  
Summary of Average Interruptible Rate and Price Adjustment Changes for Rates 25, M4, M5A, M7, T1 and T2  
Effective October 1, 2015

Line No.	Particulars (cents / m <sup>3</sup> )	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		-		(0.2720)
2	Rate M4 Interruptible		(0.0003)		
3	Rate M5A Interruptible		(0.0003)		
4	Rate M7 Interruptible		(0.0004)		
5	Seasonal		(0.0004)		
6	Rate T1 - Interruptible Transportation - Union supplies fuel		(0.0001)		
7	Transportation - Customer supplies fuel		-		
8	Rate T2 - Interruptible Transportation - Union supplies fuel				
9	Transportation - Customer supplies fuel		-		

Notes:

(1) Applies to sales service customers only.

**EB-2015-0255**  
**Working Papers Index**

Schedule

- 1 Calculation of Supplemental Service Charges
- 2 Load Balancing Costs
- 3 Summary of Amounts for Prospective Recovery and Derivation of Unit Changes  
to Prospective Rate Riders
- 4 Derivation of Union North Storage and Transportation Rates



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

Line No.	Particulars	Ft. Frances (a)	Western (b)	Northern (c)	Eastern (d)
<b>Union North</b>					
<b><u>Rate 20 - At 50% Load Factor</u></b>					
Delivery (cents / m³)					
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)	0.5383	0.5383	0.5383	0.5383
6	Total Delivery Commissioning	<u>2.3722</u>	<u>2.3722</u>	<u>2.3722</u>	<u>2.3722</u>
Gas Supply (cents / m³)					
7	Monthly Demand (1)	54.0801	33.2652	71.4880	103.7960
8	Gas Supply Demand - Price Adjustment (1)	-	-	-	-
9	(Line 7 + Line 8) x 12 months	648.9607	399.1819	857.8555	1,245.5515
10	Line 9 / 365 days	1.7780	1.0936	2.3503	3.4125
11	Line 10 @ 50% Load Factor	3.5559	2.1873	4.7006	6.8249
12	Commodity Transportation 1 (1)	4.3859	3.9299	4.7675	5.4755
13	Commodity Transportation 1 - Price Adjustment	-	-	-	-
14	(Line 12 + Line 13) x (4/5)	3.5087	3.1439	3.8140	4.3804
15	Commodity Transportation 2 (1)	-	-	-	-
16	Line 15 * (1/5)	-	-	-	-
17	Total Commodity Transportation Charge for Commissioning Rate	<u>7.0646</u>	<u>5.3312</u>	<u>8.5145</u>	<u>11.2053</u>
<b><u>Rate 100 - At 70% Load Factor</u></b>					
Delivery (cents / m³)					
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)	0.2190	0.2190	0.2190	0.2190
23	Total Delivery Commissioning	<u>0.9421</u>	<u>0.9421</u>	<u>0.9421</u>	<u>0.9421</u>
Gas Supply (cents / m³)					
24	Monthly Demand (2)	102.9596	78.6756	123.2688	160.9615
25	Line 24 x 12 months	1,235.5152	944.1072	1,479.2256	1,931.5380
26	Line 25 / 365 days	3.3850	2.5866	4.0527	5.2919
27	Line 26 @ 70% Load Factor	4.8357	3.6951	5.7895	7.5598
28	Commodity Transportation 1 (2)	7.0810	6.7390	7.3672	7.8982
29	Line 28 * (3/7)	3.0347	2.8881	3.1574	3.3849
30	Commodity Transportation 2 (2)	-	-	-	-
31	Line 30 * (4/7)	-	-	-	-
32	Total Commodity Transportation Charge for Commissioning Rate	<u>7.8704</u>	<u>6.5833</u>	<u>8.9469</u>	<u>10.9448</u>

**Notes:**

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

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

Line No.	Particulars	cents / m <sup>3</sup> (a)	\$ / GJ (b)
	<u>Minimum annual gas supply commodity charge - Rate M4, Rate M5A</u>		
1	Compressor Fuel	0.5214	
2	Transportation Tolls	3.5158	
3	Administration Charge	0.1917	
4	Minimum annual gas supply commodity charge	<u>4.2289</u>	<u>1.097</u>
	<u>Gas Supply Commodity Charges</u>		
5	Commodity Cost of Gas	11.8194	
6	FT Transportation Commodity	-	
7	FT Fuel	0.5214	
8	Total Gas Supply Commodity Charge	<u>12.3408</u>	<u>3.201</u>
	<u>Firm Gas Supply Service Monthly Demand Charge</u>		
9	FT Demand Charge	<u>227.3366</u>	<u>58.972</u>

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

Line No.	Particulars		cents / m <sup>3</sup> (a)	\$ / GJ (b)
	Firm Backstop Gas:			
	Demand:			
1	Monthly space charge	0.0424		
2	Units required (1) Note: Each unit of added delivery requires 43 m <sup>3</sup> of additional inventory.	43		
3	Number of months	12	21.8810 (a)	
	Inventory carrying costs:			
4	Sales WACOG	16.0483		
5	Overrun storage withdrawal	0.4048		
6		16.4531		
7	Units required (m <sup>3</sup> )	43		
8	Pre-tax return (%)	8.170%	57.8013 (b)	
9	Annual demand charge		79.6823 (a) + (b)	
10	Number of months	12		
11	Monthly demand charge		6.6402	1.722
	Commodity:			
12	Sales WACOG		16.0483	
13	Overrun storage withdrawal		0.4048	
14	Overrun transportation		1.2103	
15	Commodity charge		17.6634	4.582
	Reasonable Efforts Backstop Gas:			
16	M1 Block 1 plus Storage		4.6404	
17	Sales WACOG		16.0483	
18			20.6887	5.367
	Supplemental Inventory:			
19	Sales WACOG		16.0483	
20	Injection commodity		0.2010	
21	Space charge (line 1 x 12)		0.5089	
22			16.7581	4.347
23	Carrying costs (1/2 year)	(line 8 x line 22) / 2	0.6846	
24	Total (line 22 + line 23)		17.4427	4.525
	Supplemental Gas Sales:			
25	Supplemental inventory		17.4427	
26	Overrun storage withdrawal		0.4048	
27	Overrun transportation		1.2103	
28	Total		19.0578	
	Failure to Deliver:			
29	M1 Block 1 plus Storage		4.6404	1.204
30	Failure to Deliver Adjustment		5.1708	1.341
31	Failure to Deliver Charge		9.8112	2.545

Notes:

(1) Each unit of added delivery requires 43 m<sup>3</sup> of additional inventory.

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

Line No.	Particulars	cents / m <sup>3</sup>
		(a)
	<u>Minimum Charges</u>	
	Rate M4 (F)	Minimum annual delivery commodity charge:
1		Monthly delivery commodity charge (1st Block M4)
2		Administration Fee
3		Minimum annual delivery commodity charge
	Rate M4 (I) / M5	Minimum annual delivery commodity charge:
4		Monthly delivery commodity charge (1st block M5)
5		Administration Fee
6		Minimum annual delivery commodity charge
	<u>Maximum Charges</u>	
	Rate 25 Interruptible	Average Rate 10 Firm Delivery Charge
7		Percent of Average Firm Delivery Price
8		R25 Maximum interruptible delivery commodity charge
9		
	Rate M7 Interruptible	Maximum interruptible delivery commodity charge:
10		M7 firm commodity charge
11		M7 firm demand charge commoditized at a Load Factor of 21.89%
12		M7 maximum interruptible charge
13	Rate T1 Interruptible	Maximum interruptible delivery commodity charge
14	Rate T2 Interruptible	Maximum interruptible delivery commodity charge
	<u>Rate M7 - Commissioning and Decommissioning Rate</u>	
	Delivery (cents / m <sup>3</sup> )	
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	2.7681
19	Delivery Commodity Charge (1)	0.3410
20	Delivery - Price Adjustment	-
21	Total Delivery Commissioning	3.1091

Notes:

(1) Appendix A, Page 9.

UNION GAS LIMITED  
Union South  
Calculation of Supplemental Service Charges  
Effective October 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)	1.603	1.603
2	Annual Demand (line 1 x 12 months)	19.236	19.236
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)	0.052	0.008
6	Total Storage Overrun	<u>0.105</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)	0.1335	0.0739
12	Total Transportation Overrun	<u>1.2103</u>	<u>1.1507</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)	0.0634	0.0080
18	Total Transportation Overrun	<u>0.7510</u>	<u>0.6957</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)	0.0851	0.0108
24	Total Transportation Overrun	<u>0.4286</u>	<u>0.3544</u>

Notes:

- (1) Appendix A, Page 9.
- (2)  $\$194.138/10^3\text{m}^3 / 38.55 \text{ GJ}/10^3\text{m}^3 * 0.859\% + \$0.008/\text{GJ}$ .
- (3) Appendix A, Page 9.
- (4)  $\$194.138/10^3\text{m}^3 / 10 * 0.301\% + 0.0739 \text{ cents}/\text{m}^3$ .
- (5) Appendix A, Page 11.
- (6)  $\$194.138/10^3\text{m}^3 / 10 * 0.279\% + 0.0108 \text{ cents}/\text{m}^3$ .
- (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 October 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-2015-0255	19.8147	
2	2015 Fuel Ratio as per EB-2015-0255	0.301%	
3	Fuel Rate (line 1 x line 2)	0.0596	
4	Firm Transportation Commodity Charge All volumes	<u>0.1335</u>	<u>0.0739</u>
5	Interruptible Transportation Commodity Charge - Maximum	<u>4.2954</u>	<u>4.2358</u>
<u>Rate T2 Transportation Service (cents/m³)</u>			
6	Ontario Landed Reference Price as per EB-2015-0255	19.8147	
7	2015 Fuel Ratio as per EB-2015-0255	0.279%	
8	Fuel Rate (line 6 x line 7)	0.0554	
9	Firm Transportation Commodity Charge All volumes	<u>0.0634</u>	<u>0.0080</u>
10	Interruptible Transportation Commodity Charge - Maximum	<u>4.2954</u>	<u>4.2400</u>
<u>Rate T3 Transportation Service (cents/m³)</u>			
11	Ontario Landed Reference Price as per EB-2015-0255	19.8147	
12	2015 Fuel Ratio as per EB-2015-0255	0.375%	
13	Fuel Rate (line 11 x line 12)	0.0743	
14	Firm Transportation Commodity Charge	<u>0.0851</u>	<u>0.0108</u>
<u>Rate T1, Rate T2 &amp; Rate T3 Storage Service (\$/GJ)</u>			
15	Ontario Landed Reference Price as per EB-2015-0255	5.140	
16	2015 Fuel Ratio as per EB-2015-0255	0.400%	
17	Fuel Rate (line 15 x line 16)	0.021	
18	Storage Commodity Charge	<u>0.029</u>	<u>0.008</u>
<u>Rate T1, Rate T2 &amp; Rate T3 Annual Firm Injection/Withdrawal Right (\$/GJ)</u>			
19	Customer provides deliverability Inventory Rate		(1) 1.208
Inventory Carrying Costs			
20	Space	75,177,124 (2)	
21	Inventory Percentage	20%	
22	Inventory (line 20 x line 21)	<u>15,035,425</u>	
23	Ontario Landed Reference Price as per EB-2015-0255	5.14	
24	ICC %	8.2%	
25	Inventory Carrying Costs (line 22 * line 23 * line 24)	<u>6,314</u>	
26	Deliverability Demand Allocation Units	1,332,764 (3)	
27	Line 25 / line 26 x 1000 / 12	0.395	
28	Union provides deliverability Inventory as per EB-2015-0255 (line 19 + line 27)	<u>1.603</u>	

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 19, Page 1, line 3, column (i).  
(2) EB-2011-0210, Rate Order, Working Papers, Schedule 19, Page 2, line 8, column (b).  
(3) EB-2011-0210, Rate Order, Working Papers, Schedule 19, Page 1, line 5, column (e).

UNION GAS LIMITED  
Load Balancing Costs

Line No.	Particulars (\$000s)	Load Balancing Current Allocator (PJ's) (a)	Load Balancing Costs (1) (b)	Load Balancing Revenue in Approved Rates (c)	Interest (d)	Subtotal (e) = (b+c+d)	Previous Projection in QRAM Rates (f)	Subtotal (g) = (e-f)	True-up of Prospective Recovery Amounts (h)	Net Balance (i) = (g+h)
<u>Union North - R20</u>										
1	April, 2015 *		-		0	0				
2	May *		-		-	-				
3	June *		-		-	-				
4	July, 2015		-		-	-				
5	August		-		-	-				
6	September		-		-	-				
	October 2016 - September 2016									
7	R20 - Total		-	-	0	0	0	(0)	(8)	(8)
<u>Union North - R01</u>										
8	April, 2015 *		-		0	0				
9	May *		-		-	-				
10	June *		-		-	-				
11	July, 2015		-		-	-				
12	August		-		-	-				
13	September		-		-	-				
	October 2016 - September 2016									
14	R01 - Total		-	-	0	0	1	(1)	12	11
<u>Union North - R10</u>										
15	April, 2015 *		-		0	0				
16	May *		-		-	-				
17	June *		-		-	-				
18	July, 2015		-		-	-				
19	August		-		-	-				
20	September		-		-	-				
	October 2016 - September 2016									
21	R10 - Total		-	-	0	0	1	(0)	24	24
<u>Union South</u>										
22	April, 2015 *		-		-	-				
23	May *		-		-	-				
24	June *		-		-	-				
25	July, 2015		-		-	-				
26	August		-		-	-				
27	September		-		-	-				
	October 2016 - September 2016									
28	South Total		-	-	-	-		-	-	-
29	Total		-	-	1	1	2	(1)	28	27

Notes:

(1) Load Balancing Costs are Union North only and will be applied to Rate 01, Rate 10, and Rate 20 sales and bundled T volumes.

\* Actuals

**UNION GAS LIMITED**  
**Summary of Amounts for Prospective Recovery and**  
**Derivation of Unit Changes to Prospective Rate Riders**  
**for the 12-month period ending September 29, 2016**

Line No.	Particulars	Units	North PGVA (179-105) (a)	North Tolls (179-100) (b)	North Fuel (179-100) (c)	South PGVA (179-106) (d)	Inventory Revaluation (179-109) (e)	Load Balancing (179-107) (f)	Spot Gas Variance Acct (179-107) (g)	Total (h)
<b><u>Deferral Amounts for Recovery</u></b>										
Change in 12-month deferral account projection:										
1	12-month projection from current QRAM application (1)	(\$000's)	(0)	7,238	69	0	370	-	-	7,678
2	Less: 12-month projection from previous QRAM application (2)	(\$000's)	(0)	8,989	96	0	(3,399)	-	-	5,686
3	Change (Line 1 - Line 2)	(\$000's)	0	(1,751)	(27)	(0)	3,769	-	-	1,992
<b><u>Previous Quarter: True-up of Deferral Balances</u></b>										
Variance between projected and actual deferral balances for month(s) with actual data since previous QRAM application:										
4	Actual deferral amount (3)	(\$000's)	(3,501)	548	70	(2,554)	(4,772)	1	(4,016)	(14,224)
5	Current projected deferral amount (4)	(\$000's)	(1,536)	423	(31)	6,737	15	-	(11)	5,598
6	Less: Previous projection included in recovery (5)	(\$000's)	(2,927)	658	2	(4,200)	2	2	(4,013)	(10,474)
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(2,110)	313	36	8,383	(4,759)	(1)	(14)	1,848
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(2,110)	(1,437)	10	8,383	(990)	(1)	(14)	3,840
<b><u>Previous Quarter: True-up of Prospective Recovery Amounts</u></b>										
Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:										
9	Forecast prospective recovery amount (\$000's)	(1,716)	2,170	275	(6,401)	2,113	(3)	(144)	(3,706)	
10	Less: Actual prospective recovery amount (\$000's)	(1,920)	2,121	275	(7,168)	2,056	(31)	(143)	(4,810)	
11	Variance (Line 9 - Line 10) (\$000's)	204	49	0	767	57	28	(1)	1,104	
12	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000's)	(1,905)	(1,388)	10	9,149	(933)	27	(15)	4,943
<b><u>Prospective Rate Rider Changes</u></b>										
13	Forecast Billing Units (October 1, 2015 to September 30, 2016) (6)	(10³m³)	1,005,268	1,393,192	1,005,268	3,314,140	4,319,408	Class Specific	1,005,268	
14	Unit Rate Change (Line 12 / Line 13)	(cents/m³)	(0.1895)	(0.0997)	0.0010	0.2761	(0.0216)	-	(0.0015)	
<b><u>Summary of Unit Rates</u></b>										
15	Expiring Rider Q4 (7)	(cents/m³)	(0.1457)	0.1946	0.1752	(0.1778)	0.6957	-	0.0047	
16	Unit Rate Q1 (8)	(cents/m³)	0.0985	0.3021	0.0273	0.0726	(0.3322)	-	(0.0183)	
17	Unit Rate Q2 (9)	(cents/m³)	(1.1102)	0.4981	(0.0170)	(1.2456)	0.1596	-	(0.0852)	
18	Unit Rate Q3 (10)	(cents/m³)	(0.4464)	0.0442	(0.0136)	(0.5566)	0.0959	-	(0.2457)	
19	Unit Rate Q4 Expiring rider replaced by new rider (Line 14) (11)	(cents/m³)	(0.1895)	(0.0997)	0.0010	0.2761	(0.0216)	-	(0.0015)	
20	Total Unit Rate - Prospective Recovery	(cents/m³)	(1.6476)	0.7448	(0.0023)	(1.4536)	(0.0983)	-	(0.3507)	
21	Change in Rider (Line 14 - Line 15)	(cents/m³)	(0.0438)	(0.2943)	(0.1742)	0.4539	(0.7173)	-	(0.0062)	

**Notes:**

- (1) Tab 1, Schedule 3, Page 1, Line 27.  
(2) EB-2015-0187, Tab 1, Schedule 3, Page 1, Line 27.  
(3) Tab 1, Schedule 3, Page 1, Lines 8+9+10 except Inventory Reval. which is from Tab 1, Schedule 3, Page 1, Lines 9+10+11.  
(4) Tab 1, Schedule 3, Page 1, Lines 11+12+13 except Inventory Reval. which is from Tab 1, Schedule 3, Page 1, Lines 12+13.  
(5) EB-2015-0187, Tab 2, Schedule 2, Page 2, Line 5.  
(6) Billing units reflect the approved allocation basis for each deferral account.

- (7) EB-2014-0208, Tab 2, Schedule 2, Page 1, Line 9.  
(8) EB-2014-0356, Tab 2, Schedule 2, Page 1, Line 9.  
(9) EB-2015-0035, Tab 2, Schedule 2, Page 1, Line 9.  
(10) EB-2015-0187, Tab 2, Schedule 2, Page 1, Line 9.  
(11) EB-2015-0255, Tab 2, Schedule 2, Page 1, Line 9.  
(12) EB-2015-0255, Tab 2, Schedule 1, Column (e)



UNION GAS LIMITED - Union North  
Gas Purchase Transportation Expense Continuity

			EB-2011-0210			EB-2013-0316			EB-2014-0356			EB-2015-0035			EB-2015-0255			
Line No.	Particulars	Annual Volume TJ	Rate Order		Volume & Toll Update		October 2013 QRAM		January 2015 QRAM		April 2015 QRAM		October 2015 QRAM		October 2015 QRAM		Variance (\$000's)	
			Rates (\$ / GJ)	Costs (\$000's)	Rates (\$ / GJ)	Costs (\$000's)	Rates (\$ / GJ)	Costs (\$000's)	Rates (\$ / GJ)	Costs (\$000's)	Rates (\$ / GJ)	Costs (\$000's)	Rates (\$ / GJ)	Costs (\$000's)				
		(a)	(b)	(c) = (a x b)	(d)	(e) = (a x d)	(f)	(g) = (a x f)	(h)	(i) = (a x h)	(j)	(k) = (a x j)	(l) = (k - i)					
<b>FT Transportation</b>																		
<b>Demand Costs</b>																		
1	TCPL NCDA	Capacity	3,211	63.848	6,739	45.483	4,801	53.768	5,675	58.024	6,125	57.235	6,041	(83)				
2	TCPL EDA	Capacity	21,473	63.848	45,075	50,201	35,441	59,346	41,897	64,066	45,229	63,196	44,614	(615)				
3	TCPL MDA	Capacity	1,651	19.445	1,055	18.188	987	20,344	1,104	21,914	1,189	21,300	1,156	(33)				
4	TCPL NDA	Capacity	17,913	49.652	29,241	40,057	23,591	44,805	26,387	48,527	28,579	47,175	27,783	(796)				
5	TCPL SSMDA	Capacity	730	49.652	1,192	36,332	872	40,638	975	43,994	1,056	42,768	1,026	(29)				
6	TCPL WDA	Capacity	13,352	32.291	14,174	26,042	11,431	29,129	12,786	31,471	13,815	30,592	13,429	(386)				
7	Michcon/TCPL SSMDA		2,242	5.207	384	6,083	448	6,412	473	6,464	476	6,369	470	(7)				
8	CTHI/CPMI		3,093	6.986	710	8,447	859	14,863	1,511	18,805	1,912	18,541	1,885	(27)				
9	LBA				1,200		1,200		1,200		1,200		1,200	-				
10	TCPL Minimum Flow Charge				54		54		54		54		54	-				
11	Supply Transportation Demand				99,825		79,683		92,062		99,634		97,658	(1,976)				
12	Company Used	(226)		63.848	(473)	46,857	(348)	55,393	(412)	59,785	(444)	58,972	(438)	6				
13	Inventory Change	(293)		63.848	(616)	46,857	(451)	55,393	(534)	59,785	(576)	58,972	(568)	8				
14	Adjustment				(139)		(139)		(139)		(139)		(139)	-				
15	Demand Costs in Rates				98,596		78,745		90,978		98,475		96,512	(1,962)				
<b>Commodity Costs</b>																		
16	TCPL NCDA	Flow	3,063	0.144	440	-	-	-	-	-	-	-	-	-				
17	TCPL EDA	Flow	20,184	0.144	2,902	-	-	-	-	-	-	-	-	-				
18	TCPL MDA	Flow	518	0.041	21	-	-	-	-	-	-	-	-	-				
19	TCPL NDA	Flow	16,724	0.110	1,836	-	-	-	-	-	-	-	-	-				
20	TCPL SSMDA	Flow	713	0.110	78	-	-	-	-	-	-	-	-	-				
21	TCPL WDA	Flow	8,811	0.071	628	-	-	-	-	-	-	-	-	-				
22	Michcon/TCPL SSMDA		1,275	0.001	1	0,008	11	0,008	11	0,008	11	0,008	11	-				
23	CTHI/CPMI		577	0.000	-	-	-	-	-	-	-	-	-	-				
24	Supply Transportation Commodity				5,907		11		11		11		11	-				
25	Company Used	(226)		0.144	(32)	-	-	-	-	-	-	-	-	-				
26	Inventory Change	(293)		0.144	(42)	-	-	-	-	-	-	-	-	-				
27	Adjustment				(4)		(4)		(4)		(4)		(4)	-				
28	Commodity Costs in Rates				5,829		6		7		7		7	-				
<b>Fuel Costs</b>																		
29	TCPL NCDA	Flow	1,586	2.092%	84	2.092%	84	2.092%	84	2.092%	84	2.092%	84	-				
30	TCPL EDA	Flow	13,888	2.092%	734	2.092%	734	2.092%	734	2.092%	734	2.092%	734	-				
31	TCPL MDA	Flow	331	0.603%	5	0.603%	5	0.603%	5	0.603%	5	0.603%	5	-				
32	TCPL NDA	Flow	10,150	1.603%	411	1.603%	411	1.603%	411	1.603%	411	1.603%	411	-				
33	TCPL SSMDA	Flow	0	1.603%	-	1.603%	-	1.603%	-	1.603%	-	1.603%	-	-				
34	TCPL WDA	Flow	5,206	1.049%	138	1.049%	138	1.049%	138	1.049%	138	1.049%	138	-				
35	Michcon/TCPL SSMDA		1,275	1.693%	115	1.693%	115	1.693%	115	1.693%	115	1.693%	115	-				
36	CTHI/CPMI		577	0.153%	2	0.153%	2	0.153%	2	0.153%	2	0.153%	2	-				
37	Supply Transportation Fuel		32,435		1,490		1,490		1,490		1,490		1,490	-				
38	Company Used				(12)		(12)		(12)		(12)		(12)	-				
39	Inventory Change				(16)		(16)		(16)		(16)		(16)	-				
40	Deferral Adjustment				-		-		-		-		-	-				
41	Fuel Costs in Rates				1,463		1,463		1,463		1,463		1,463	-				
42	Total North FT Transport in Rates				\$ 105,888		\$ 80,213		\$ 92,447		\$ 99,944		\$ 97,981	(1,962)				
<b>Storage Costs</b>																		
<b>Demand Costs</b>																		
43	TCPL NDA STS Injection	Capacity	17,922	12.306	7,251	12.306	7,251	16.594	9,777	17.445	10,279	17.778	10,475	197				
44	TCPL WDA STS Injection	Capacity	1,150	31.415	1,187	31,415	1,187	38.936	1,472	41,230	1,558	42,012	1,588	30				
45	TCPL EDA STS Withdrawal	Capacity	25,010	8.001	6,579	8,001	6,579	11.790	9,694	12,138	9,980	12,371	10,172	192				
46	TCPL Pkwy to EDA		12,775	8.158	3,426	8.158	3,426	11.609	4,876	12,138	5,098	12,371	5,196	98				
47	Incremental EDA Service		-	-	-	-	-	-	-	-	-	-	-	-				
48	TCPL Dawn to Pkwy		3,801	0.239	907	0.239	907	0.328	1,248	0.341	1,297	0.345	1,311	15				
49	3rd Party Storage				42		42		42		42		42	-				
50	Storage Demand Costs in Rates				19,393		19,393		27,108		28,254		28,784	531				
<b>Commodity Costs</b>																		
51	TCPL NDA STS Injection	Flow	5,789	0.025	147	0.025	147	-	-	-	-	-	-	-				
52	TCPL WDA STS Injection	Flow	769	0.069	53	0.069	53	-	-	-	-	-	-	-				
53	TCPL NCDA STS Injection	Flow	749	0.009	6	0.009	6	-	-	-	-	-	-	-				
54	TCPL EDA STS Withdrawal	Flow	3,559	0.018	65	0.018	65	-	-	-	-	-	-	-				
55	Storage Commodity Costs in Rates				272		272		-		-		-	-				
<b>Fuel Costs</b>																		
56	TCPL NDA STS Injection	Flow	5,789	0.584%	163	0.584%	163	0.584%	163	0.584%	163	0.584%	163	-				
57	TCPL WDA STS Injection	Flow	769	1.240%	46	1.240%	46	1.240%	46	1.240%	46	1.240%	46	-				
58	TCPL EDA STS Withdrawal	Flow	3,559	0.359%	62	0.359%	62	0.359%	62	0.359%	62	0.359%	62	-				
59	Storage Fuel Costs in Rates				271		271		271		271		271	-				
60	Total Union North Storage Costs in Rates				\$ 19,936		\$ 19,936		\$ 27,379		\$ 28,524		\$ 29,055	531				
61	Union North Diversion Costs				504		504		504		504		504	-				
62	Union North Winter Peaking Service				-		-		-		-		-	-				
63	Total Union North Storage and Transportation Costs in Rates				\$ 126,328		\$ 100,653		\$ 120,330		\$ 128,973		\$ 127,541	(1,432)				

**UNION GAS LIMITED**  
Allocation of Firm Transportation Related Costs

Line No.	Particulars (\$000s)	Total (a)	Rate 01 (b)	Rate 10 (c)	Rate 20 (d)	Rate 100 (e)	Rate 25 (f)
	<b>FT Transportation Demand</b>						
1	EB-2015-0035 April 2015 QRAM	98,475	65,988	22,693	7,863	-	1,930
2	EB-2015-0255 October 2015 QRAM	96,512	64,673	22,241	7,706	-	1,892
3	Increase (line 2 - line 1)	(1,962)	(1,315)	(452)	(157)	-	(38)
	<b>FT Transportation Commodity</b>						
4	EB-2015-0035 April 2015 QRAM	7	4	2	1	-	-
5	EB-2015-0255 October 2015 QRAM	7	4	2	1	-	-
6	Increase (line 5 - line 4)	-	-	-	-	-	-
7	<b>Total Transportation Costs (line 3 + line 6)</b>	(1,962)	(1,315)	(452)	(157)	-	(38)
	<b>Storage Demand</b>						
8	EB-2015-0035 April 2015 QRAM	28,254	21,137	5,534	1,479	104	-
9	EB-2015-0255 October 2015 QRAM	28,784	21,534	5,638	1,507	106	-
10	Increase (line 9 - line 8)	531	397	104	28	2	-
	<b>Storage Commodity</b>						
11	EB-2015-0035 April 2015 QRAM	-	-	-	-	-	-
12	EB-2015-0255 October 2015 QRAM	-	-	-	-	-	-
13	Increase (line 12 - line 11)	-	-	-	-	-	-
14	<b>Total Storage Costs (line 10 + line 13)</b>	531	397	104	28	2	-
15	<b>Total Storage and Transportation Costs (line 7 + line 14)</b>	(1,432)	(918)	(348)	(129)	2	(38)

UNION GAS LIMITED  
Union North  
Gas Supply Transportation Charges  
Effective October 1, 2015

		EB-2015-0035 Approved			EB-2015-0255			Gas Supply Optimization			EB-2015-0255		Change in Revenue (\$000s)
		After Gas Supply Optimization			Before Gas Supply Optimization						Approved		
Line No.	Particulars	Billing Units (1) (10 <sup>3</sup> m <sup>3</sup> )	Rate (2) (cents/m <sup>3</sup> )	Revenue (\$000s)	Rate (cents/m <sup>3</sup> )	Revenue (\$000's)	Rate Difference (cents/m <sup>3</sup> )	Revenue Difference (\$000s)	Rate Difference (cents/m <sup>3</sup> )	Revenue Difference (3) (\$000s)	Rate (cents/m <sup>3</sup> )	Revenue (\$000s)	
		(a)	(b)	(c) = (a x b)	(d)	(e) = (a x d)	(f) = (d - b)	(g) = (e - c)	(h)	(i)	(j) = (d + h)	(k) = (e + i)	(l) = (K - C)
Rate 01 (cents/ m <sup>3</sup> )													
Gas Transportation													
1	Fort Frances	12,888	5.8930	759	6.1915	798	0.2986	38	(0.4229)	(55)	5.7686	743	
2	Western	179,519	5.0785	9,117	5.3770	9,653	0.2986	536	(0.4229)	(759)	4.9541	8,894	
3	Northern	403,458	6.6160	26,693	6.8732	27,730	0.2571	1,037	(0.4229)	(1,706)	6.4503	26,024	
4	Eastern	331,099	7.8378	25,951	8.1378	26,944	0.3000	993	(0.4229)	(1,400)	7.7149	25,544	
5	Total Rate 01	926,963	6.7446	62,520	7.0256	65,125	0.2810	2,605	(0.4229)	(3,920)	6.6027	61,205	(1,315)
Gas Storage													
6	Fort Frances	12,901	3.5677	460	3.6175	467	0.0498	6	-	-	3.6175	467	
7	Western	179,704	3.2422	5,826	3.2920	5,916	0.0498	89	-	-	3.2920	5,916	
8	Northern	403,875	3.8566	15,576	3.8899	15,710	0.0333	134	-	-	3.8899	15,710	
9	Eastern	331,441	4.3449	14,401	4.3952	14,568	0.0503	167	-	-	4.3952	14,568	
10	Total Rate 01	927,922	3.9080	36,263	3.9508	36,660	0.0428	397	-	-	3.9508	36,660	397
Rate 10 (cents/ m <sup>3</sup> )													
Gas Transportation													
11	Fort Frances	2,824	5.2068	147	5.4819	155	0.2751	8	(0.3906)	(11)	5.0913	144	
12	Western	48,124	4.3923	2,114	4.6674	2,246	0.2751	132	(0.3906)	(188)	4.2768	2,058	
13	Northern	139,364	5.9298	8,264	6.1635	8,590	0.2337	326	(0.3906)	(544)	5.7729	8,045	
14	Eastern	153,218	7.1516	10,958	7.4282	11,381	0.2765	424	(0.3906)	(598)	7.0376	10,783	
15	Total Rate 10	343,530	6.2534	21,482	6.5124	22,372	0.2589	890	(0.3906)	(1,342)	6.1218	21,030	(452)
Gas Storage													
16	Fort Frances	2,851	2.3465	67	2.3829	68	0.0364	1	-	-	2.3829	68	
17	Western	48,575	2.0210	982	2.0574	999	0.0364	18	-	-	2.0574	999	
18	Northern	140,669	2.6354	3,707	2.6553	3,735	0.0199	28	-	-	2.6553	3,735	
19	Eastern	154,652	3.1237	4,831	3.1606	4,888	0.0369	57	-	-	3.1606	4,888	
20	Total Rate 10	346,746	2.7647	9,587	2.7947	9,690	0.0299	104	-	-	2.7947	9,690	104

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (t).
- (2) EB-2015-0035, Rate Order, Working Papers, Schedule 4, column (v).
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 44, Page 1, column (e).

UNION GAS LIMITED  
Union North  
Gas Supply Transportation Charges  
Effective October 1, 2015

		EB-2015-0035 Approved			EB-2015-0255			Gas Supply Optimization			EB-2015-0255 Approved		Change in Revenue (\$000s)
		After Gas Supply Optimization		Before Gas Supply Optimization									
Line No.	Particulars	Billing Units (1) (10 <sup>3</sup> m <sup>3</sup> )	Rate (2) (cents/m <sup>3</sup> )	Revenue (\$000s)	Rate (cents/m <sup>3</sup> )	Revenue (\$000s)	Rate Difference (cents/m <sup>3</sup> )	Revenue Difference (\$000s)	Rate Difference (cents/m <sup>3</sup> )	Revenue Difference (\$000s)	Rate (cents/m <sup>3</sup> )	Revenue (\$000s)	
		(a)	(b)	(c) = (a x b)	(d)	(e) = (a x d)	(f) = (d - b)	(g) = (e - c)	(h)	(i)	(j) = (d + h)	(k) = (e + i)	(l) = (k - c)
Rate 20													
Gas Supply Demand													
1	Fort Frances	-	55.2506	-	58.2443	-	2.9937	-	(4.1642)	-	54.0801	-	
2	Western	2,650	34.4385	913	37.4294	992	2.9909	79	(4.1642)	(110)	33.2652	882	
3	Northern	702	73.7112	517	75.6522	531	1.9410	14	(4.1642)	(29)	71.4880	502	
4	Eastern	3,521	104.9124	3,694	107.9602	3,801	3.0478	107	(4.1642)	(147)	103.7960	3,654	
Commodity Trans. 1													
5	Fort Frances	-	4.4627	-	4.6456	-	0.1829	-	(0.2597)	-	4.3859	-	
6	Western	24,899	4.0067	998	4.1896	1,043	0.1829	46	(0.2597)	(65)	3.9299	978	
7	Northern	7,775	4.8675	378	5.0272	391	0.1597	12	(0.2597)	(20)	4.7675	371	
8	Eastern	40,782	5.5515	2,264	5.7352	2,339	0.1837	75	(0.2597)	(106)	5.4755	2,233	
Commodity Trans. 2													
9	Fort Frances	-	-	-	-	-	-	-	-	-	-	-	
10	Western	10,903	-	-	-	-	-	-	-	-	-	-	
11	Northern	6,194	-	-	-	-	-	-	-	-	-	-	
12	Eastern	31,381	-	-	-	-	-	-	-	-	-	-	
Bundled Storage													
13	Demand (GJ/D)	99,288	12.215	1,213	12.366	1,228	0.151	15	-	-	12.366	1,228	
14	Commodity (GJ)	639,477	0.158	101	0.158	101	-	-	-	-	0.158	101	
15	Total Rate 20	121,935	8.2648	10,078	8.5503	10,426	0.2855	348	(0.3912)	(477)	8.1591	9,949	(129)
R100													
Gas Supply Demand													
16	Fort Frances	-	105.2367	-	102.9596	-	(2.2771)	-	-	-	102.9596	-	
17	Western	-	80.9559	-	78.6756	-	(2.2803)	-	-	-	78.6756	-	
18	Northern	-	126.7740	-	123.2688	-	(3.5052)	-	-	-	123.2688	-	
19	Eastern	-	163.1755	-	160.9615	-	(2.2140)	-	-	-	160.9615	-	
Commodity Trans. 1													
20	Fort Frances	-	7.2320	-	7.0810	-	(0.1510)	-	-	-	7.0810	-	
21	Western	-	6.8900	-	6.7390	-	(0.1510)	-	-	-	6.7390	-	
22	Northern	-	7.5356	-	7.3672	-	(0.1684)	-	-	-	7.3672	-	
23	Eastern	-	8.0486	-	7.8982	-	(0.1504)	-	-	-	7.8982	-	
Commodity Trans. 2													
24	Fort Frances	-	-	-	-	-	-	-	-	-	-	-	
25	Western	-	-	-	-	-	-	-	-	-	-	-	
26	Northern	-	-	-	-	-	-	-	-	-	-	-	
27	Eastern	-	-	-	-	-	-	-	-	-	-	-	
Bundled Storage													
28	Demand (GJ/D)	15,600	12.215	191	12.366	193	0.151	2	-	-	12.366	193	
29	Commodity (GJ)	100,000	0.158	16	0.158	16	-	-	-	-	0.158	16	
30	Total Rate 100	-	-	206	-	209	-	2	-	-	-	209	2
R25													
Gas Supply													
31		42,913	4.2841	1,838	4.1944	1,800	(0.0896)	(38)	-	-	4.1944	1,800	(38)
32	Total			141,975		146,282		4,307		(5,739)		140,543	(1,431)

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (l).  
(2) EB-2015-0035, Rate Order, Working Papers, Schedule 4, column (v).  
(3) EB-2011-0210, Rate Order, Working Papers, Schedule 44, Page 1, column (e).

UNION GAS LIMITED  
Union North  
Gas Supply Charges for Rates 01 and 10  
Excluding Gas Supply Optimization

Line No.	Particulars	Rate 01		Rate 10	
		Transport (a)	Storage (b)	Transport (c)	Storage (d)
1	Allocated Costs	66,440	36,263	22,824	9,587
2	Change in Costs	(1,315)	397	(452)	104
3	Total Allocated Costs (\$000's)	<u>65,125</u>	<u>36,660</u>	<u>22,372</u>	<u>9,691</u>
	<u>Western Zone Adjustment</u>				
4	Volume (10 <sup>3</sup> m <sup>3</sup> )	179,519	179,704	48,124	48,575
5	Zonal Commodity Differential (cents / m <sup>3</sup> )	<u>(0.8145)</u>	<u>(0.3255)</u>	<u>(0.8145)</u>	<u>(0.3255)</u>
6	Cost (\$000's)	(1,462)	(585)	(392)	(158)
	<u>Northern Zone Adjustment</u>				
7	Volume (10 <sup>3</sup> m <sup>3</sup> )	403,458	403,875	139,364	140,669
8	Zonal Commodity Differential (cents / m <sup>3</sup> )	<u>0.6816</u>	<u>0.2724</u>	<u>0.6816</u>	<u>0.2724</u>
9	Cost (\$000's)	2,750	1,100	950	383
	<u>Eastern Zone Adjustment</u>				
10	Volume (10 <sup>3</sup> m <sup>3</sup> )	331,099	331,441	153,218	154,652
11	Zonal Commodity Differential (cents / m <sup>3</sup> )	<u>1.9463</u>	<u>0.7777</u>	<u>1.9463</u>	<u>0.7777</u>
12	Cost (\$000's)	6,444	2,578	2,982	1,203
13	Total Cost Differential (\$000's)	<u>7,732</u>	<u>3,093</u>	<u>3,540</u>	<u>1,428</u>
14	Remaining Cost (\$000's) (line 3 - line 13)	<u>57,393</u>	<u>33,567</u>	<u>18,832</u>	<u>8,263</u>
15	Total Volume (10 <sup>3</sup> m <sup>3</sup> )	926,963	927,922	343,530	346,746
	<u>Rate By Zone (cents/m<sup>3</sup>)</u>				
16	Avg. Ft. Frances (line 14 / line 15 *100)	6.1915	3.6175	5.4819	2.3829
17	Western Zone	5.3770	3.2920	4.6674	2.0574
18	Northern Zone	6.8732	3.8899	6.1635	2.6553
19	Eastern Zone	8.1378	4.3952	7.4282	3.1606

### Allocation of Costs

### R20 Annual Billing Units By Zone

Sales & Bundled-T Volume ( $10^3 \text{ m}^3$ )

Gas Supply Demand Volume ( $10^3 \text{ m}^3 / \text{day}$ )

13	Annual Billing Volume	-	2,650	702	3,521	6,873
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UNION GAS LIMITED  
Union North  
Combination of Costs Allocated to Rate 20  
Excluding Gas Supply Optimization

Line No.	Particulars	Fort Frances (a)	Western Zone (b)	Northern Zone (c)	Eastern Zone (d)	Total (\$000's) (e)
<b><u>Commodity Transportation 2</u></b>						
1	Commodity Related Costs					223
2	Demand Related Costs					3,549
3	Total Costs (\$000's)					3,773
4	Volume (Second Block) ( $10^3 \text{ m}^3$ )	-	10,903	6,194	31,381	
5	Commodity Transportation (cents / $\text{m}^3$ )	0.0000	0.0000	0.0000	0.0000	
6	Base Cost (line 4 * line 5 / 100)	-	-	-	-	-
7	Remaining Cost Recovered in Commodity Trans 1 (line 3 - line 6)					3,773
<b><u>Commodity Transportation 1</u></b>						
8	Total Cost Differential (cents / $\text{m}^3$ )	-	(1.1400)	0.9540	2.7240	
9	Adjustment Factor	-	40%	40%	40%	
10	Adjusted Differential (line 8 * line 9)	-	(0.4560)	0.3816	1.0896	
11	Volume (First Block) ( $10^3 \text{ m}^3$ )	-	24,899	7,775	40,782	
12	Cost Differential (\$000's)	-	(114)	30	444	360
13	Remaining Costs (\$000's) (line 7 - line 12)					3,412
14	Total Volume (First Block)					73,456
15	Avg. Fort Frances Zone Rate					4.6456
16	Zone Rates (cents / $\text{m}^3$ ) (line 10 + line 15)	4.6456	4.1896	5.0272	5.7352	
<b><u>Gas Supply Demand Charge</u></b>						
17	Total Gas Supply Demand Costs (\$000's)					5,324
18	Total Demand Differential (cents / $\text{m}^3$ / day)	-	(34.6915)	29.0131	82.8598	
19	Adjustment Factor	-	60%	60%	60%	
20	Adjusted Differential (line 18 * line 19)	-	(20.8149)	17.4079	49.7159	
21	Annual Demand Volume ( $10^3 \text{ m}^3$ / day)	-	2,650	702	3,521	
22	Cost Differential (\$000's)	-	(552)	122	1,750	1,321
23	Remaining Costs (\$000's) (line 17 - line 22)					4,003
24	Total Annual Demand Volume ( $10^3 \text{ m}^3$ / day)					6,873
25	Avg. Fort Frances Zone Rate					58.2443
26	Zone Rates (cents / $\text{m}^3$ ) (line 20 + line 25)	58.2443	37.4294	75.6522	107.9602	

### Allocation of Costs

R100 Annual Billing Units By Zone

Sales & Bundled-T Volume ( $10^3 \text{ m}^3$ )

Gas Supply Demand Volume ( $10^3 \text{ m}^3 / \text{day}$ )

13	Annual Billing Volume	2,880	2,640	41,351	25,104	71,975
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UNION GAS LIMITED  
Union North  
Combination of Costs Allocated to Rate 100  
Excluding Gas Supply Optimization

Line No.	Particulars	Fort Frances (a)	Western Zone (b)	Northern Zone (c)	Eastern Zone (d)	Total (\$000's) (e)
<b><u>Commodity Transportation 2</u></b>						
1	Commodity Related Costs					1,407
2	Demand Related Costs					41,324
3	Total Costs (\$000's)					42,731
4	Volume (Second Block) ( $10^3 \text{ m}^3$ )	34,289	35,928	776,077	477,087	
5	Commodity Transportation (cents / $\text{m}^3$ )	0.0000	0.0000	0.0000	0.0000	
6	Base Cost (line 4 * line 5 / 100)	-	-	-	-	-
7	Remaining Cost Recovered in Commodity Trans 1 (line 3 - line 6)					42,731
<b><u>Commodity Transportation 1</u></b>						
8	Total Cost Differential (cents / $\text{m}^3$ )	-	(1.1400)	0.9540	2.7240	
9	Adjustment Factor	-	30%	30%	30%	
10	Adjusted Differential (line 8 * line 9)	-	(0.3420)	0.2862	0.8172	
11	Volume (First Block) ( $10^3 \text{ m}^3$ )	14,695	15,398	332,604	204,466	
12	Cost Differential (\$000's)	-	(53)	952	1,671	2,570
13	Remaining Costs (\$000's) (line 7 - line 12)					40,161
14	Total Volume (First Block)					567,163
15	Avg. Fort Frances Zone Rate					7.081
16	Zone Rates (cents / $\text{m}^3$ ) (line 10 + line 15)	7.0810	6.7390	7.3672	7.8982	
<b><u>Gas Supply Demand Charge</u></b>						
17	Total Gas Supply Demand Costs (\$000's)					96,423
18	Total Demand Differential (cents / $\text{m}^3$ / day)	-	(34.6915)	29.0131	82.8598	
19	Adjustment Factor	-	70%	70%	70%	
20	Adjusted Differential (line 18 * line 19)	-	-24.2840	20.3092	58.0019	
21	Annual Demand Volume ( $10^3 \text{ m}^3$ / day)	2,880	2,640	41,351	25,104	
22	Cost Differential (\$000's)	-	(641)	8,398	14,561	22,318
23	Remaining Costs (\$000's) (line 17 - line 22)					74,105
24	Total Annual Demand Volume ( $10^3 \text{ m}^3$ / day)					71,975
25	Avg. Fort Frances Zone Rate					102.9596
26	Zone Rates (cents / $\text{m}^3$ ) (line 20 + line 25)	102.9596	78.6756	123.2688	160.9615	

UNION GAS LIMITED  
Union North  
Derivation of Zonal Differentials  
Effective October 1, 2015

Line No.	Particulars	Fort Frances Zone (a)	Western Zone (b)	Northern Zone (c)	Eastern Zone (d)	Zonal Differential Transport			Zonal Differential Storage		
						Fort Frances to West (e)	Fort Frances to North (f)	Fort Frances to East (g)	Fort Frances to West (h)	Fort Frances to North (i)	Fort Frances to East (j)
	<u>Commodity Charges</u>										
	<u>Firm Service (cents / m<sup>3</sup>)</u>										
1	Commodity Transportation	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2	Contract Daily Demand at 100% Load Factor	4.9130	3.7730	5.8670	7.6370	(0.8145)	0.6816	1.9463	(0.3255)	0.2724	0.7777
3	Total Commodity Charges at 100% Load Factor (line 1 + line 2)	4.9130	3.7730	5.8670	7.6370	(0.8145)	0.6816	1.9463	(0.3255)	0.2724	0.7777
	<u>Demand Charges</u>										
4	Total Demand Charges	149.4439	114.7524	178.4570 (1)	232.3037 (2)	(24.7865)	20.7294	59.2021	(9.9049)	8.2837	23.6578

Notes:

(1) EB-2015-0255, Working Papers, Schedule 4, Page 11, line 14, column (c).

(2) EB-2015-0255, Working Papers, Schedule 4, Page 11, line 14, column (f).

UNION GAS LIMITED  
Union North  
Calculation of Zonal Differential Tolls for Union's  
Northern Zone and Eastern Zone

Line No.	Particulars	Union SSM DA (a)	Union NDA (b)	Union Northern Zone (c) = (a + b)	Union NCDA (d)	Union EDA (e)	Union Eastern Zone (f) = (d + e)
1	Rate 01 - 2015 Forecast Volume ( $10^3\text{m}^3$ )	75,423	328,035	403,458	77,396	253,703	331,099
2	Rate 10 - 2015 Forecast Volume ( $10^3\text{m}^3$ )	31,202	108,162	139,364	40,655	112,563	153,218
3	Rate 20 - 2013 Forecast Volume ( $10^3\text{m}^3$ )	7,084	6,885	13,969	-	72,163	72,163
4	Total 2015 Forecast Volume ( $10^3\text{m}^3$ )	113,709	443,082	556,791	118,051	438,429	556,480
5	Heat Value Conversion (GJ/ $10^3\text{m}^3$ )	37.51	37.51	37.51	37.51	37.51	37.51
6	Total 2015 Forecast Volume (GJ) (line 4 x line 5)	4,265,214	16,620,010	20,885,224	4,428,082	16,445,467	20,873,549
7	Approved TCPL Toll (\$/GJ/mo)	42.768	47.175		57.235	63.196	
8	Approved MichCon Toll (\$/GJ/mo) (1)	6.369	-		-	-	
9	Approved Daily Toll (\$/GJ) ((line 7 + line 8) x 12 / 365)	1.62	1.55		1.88	2.08	
10	Cost by TCPL Delivery Area (\$000's) (line 6 x line 9)	6,890	25,777		8,332	34,168	
11	Total Cost by Union Zone (\$000's)			32,667			42,500
12	Zonal Differential Toll (\$/GJ) (line 11 / line 6)			1.56			2.04
13	Zonal Differential Toll (\$/GJ/mo) (line 12 x 365 / 12)			47.5758			61.9311
14	Zonal Differential Toll (\$/ $10^3\text{m}^3$ /mo) (line 13 x line 5)			178.4570			232.3037

Notes:

(1) EB-2015-0255, Working Papers, Schedule 4, Page 1, column (j).

UNION GAS LIMITED  
Bundled Storage Rate Detail - Northern and Eastern Operations Area

Line No.	Particulars	Storage Rates			Change in Revenue (\$000s) (d) = (b * c)
		Costs (\$000s) (a)	Allocation Units (GJ) (b)	Rate (\$/GJ) (c) = (a / b) / 1000 * 12	
1	Apr 2015 QRAM Demand	42,481	292,902	12.086	
2	July 2015 Toll Update	531			
3	Total	43,011	292,902	12.237	
4	Difference			0.151	
5	2013 Commodity (1)	2,382	15,295,734	0.156	
6	2015 R20 Storage Demand (2)		99,288	0.151	15
7	2015 R100 Storage Demand (3)		15,600	0.151	2

Notes:

- (1) EB-2011-0210, Cost of Service, Working Papers, Schedule 20, Page 1, Line 7 and Line 13.  
(2) EB-2014-0271, Working Papers, Schedule 4, Page 6.  
(3) EB-2014-0271, Working Papers, Schedule 4, Page 8.