

November 24, 2015

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

Dear Ms. Walli:

Re: EB-2015-0116 – Union Gas Limited – 2016 Rates Settlement Proposal

Please find attached the Settlement Proposal (the “Proposal”) for the above noted proceeding. All issues have been settled.

Attached at Appendix A of the Agreement is the draft Rate Order (“DRO”). The parties to the Proposal have reviewed and approved the DRO. Attached at Appendix B is Union’s Distribution Interruptions Compliance Reporting Summary for 2015.

Union proposes to implement its 2016 rates with its January 1, 2016 QRAM. Union requests that the Board approve the Proposal and the DRO by December 8, 2015, in advance of Union’s January 1 QRAM application. Union proposes to provide Customer Notices in the January 1, QRAM proceeding only, given that it is the QRAM rate order that will supersede Union’s 2016 rates rate order.

Yours truly,

[original signed by]

Chris Ripley

Manager, Regulatory Applications

cc: EB-2015-0116 Intervenors
Crawford Smith, Torys

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act 1998*, S.O.1998, c.15, (Schedule 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 January 1, 2016.

SETTLEMENT PROPOSAL

November 24, 2015

This Settlement Proposal (“Proposal”) is for the consideration of the Ontario Energy Board (“the Board”) in its determination, under Docket No. EB-2015-0116, of an Application by Union Gas Limited (“Union”) for an Order or Orders of the Board approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of January 1, 2016. This document is called a “Settlement Proposal” because it is a proposal by the Parties to the Board to settle the issues in this proceeding. It is termed a proposal as between the Parties and the Board. However, as between the Parties, and subject only to the Board’s approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and binding and enforceable in accordance with its terms. As set forth later in this Preamble, this agreement is subject to a condition subsequent, that if it is not accepted by the Board in its entirety, then unless amended by the Parties it is null and void and of no further effect. In entering into this agreement, the Parties understand and agree that, pursuant to the Act, the Board has exclusive jurisdiction with respect to the interpretation and enforcement of the terms hereof.

By Procedural Order No. 1 dated October 15, 2015, the Board scheduled a Settlement Conference to commence on November 10, 11, or 12, 2015 (the day after the EB-2015-0181 Settlement Conference is concluded) at 9:30 a.m. The Settlement Conference was duly convened, in accordance with the Procedural Order No. 1, with Mr. Chris Haussmann as facilitator. The Settlement Conference commenced on November 10, 2015 at 2:00 p.m. and concluded on November 11, 2015.

The following parties participated in the Settlement Conference:

Association of Power Producers of Ontario (“APPrO”)

Building Owners and Managers Association Toronto (“BOMA”)

Canadian Manufacturers & Exporters (“CME”)

Consumers Council of Canada (“CCC”)

Energy Probe Research Foundation (“Energy Probe”)

Federation of Rental-housing Providers of Ontario (“FRPO”)

Industrial Gas User’s Association (“IGUA”)

London Property Management Association (“LPMA”)

Ontario Association of Physical Plant Administrators (“OAPPA”)

Ontario Greenhouse Vegetable Growers (“OGVG”)

School Energy Coalition (“SEC”)

Vulnerable Energy Consumers Coalition (“VECC”)

Except as expressly noted below, for the purposes of settlement of the issues in this proceeding, the parties agree to the relief sought by Union in the Application and accept Union’s position that the claimed relief is supported by Union's pre-filed evidence and its responses to interrogatories. References to the pre-filed evidence and the interrogatories are provided in relation to each of the agreed items contained in the Agreement.

The parties acknowledge that this Settlement Conference is confidential in accordance with the Board’s Practice Direction on Settlement Conferences (the “Practice Direction”). The parties understand that confidentiality in that context does not have the same meaning as confidentiality

in the Board's Practice Direction on Confidential Filings, and the rules of that latter document do not apply. Instead, in this Settlement Conference, and in this Settlement Proposal, the parties have interpreted "confidential" to mean that the documents and other information provided during the course of the Settlement Conference, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly privileged and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception; the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal. Further, the parties shall not disclose those documents or other information to persons who were not attendees at the Settlement Conference. However, the parties agree that "attendees" is deemed to include, in this context, persons who were not physically in attendance at the Settlement Conference but were; a) any persons or entities that the parties engage to assist them with the Settlement Conference; or b) any persons or entities from whom they seek instructions with respect to the negotiations; in each case provided that any such persons or entities have agreed to be bound by the same confidentiality provisions.

The role adopted by Board Staff in Settlement Conferences is set out on pp. 5-6 of the Board's April 24, 2014 Practice Direction on Settlement Conferences. Although Board Staff are not a party to this Agreement as noted in the Guidelines, "Board Staff who participate in the settlement conference in any way are bound by the same confidentiality standards that apply to the parties to the proceeding". The evidence supporting the agreement on each issue is cited in each section of the Agreement. Abbreviations will be used when identifying exhibit references. For example, Exhibit A, Tab 4, Schedule 1, Page 1 will be referred to as A/T4/S1/p.1. The structure and presentation of the settled issues is consistent with settlement proposals which have been

accepted by the Board in prior cases. The parties agree that this Agreement forms part of the record in this proceeding. The identification and listing of the evidence that relates to each issue is provided to assist the Board. The identification and listing of the evidence that relates to each settled issue is not intended to limit any party who wishes to assert, either in any other proceeding, or in a hearing in this proceeding, that other evidence is relevant to a particular settled issue, or that evidence listed is not relevant to the issue, or that the concise description of the issue prepared by Union is incorrect or incomplete.

According to the Practice Direction (p. 4), the parties must consider whether a Settlement Proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. The parties who participated in the settlement discussions agree that no settled issue requires an adjustment mechanism other than as may be expressly set forth herein.

All of the issues contained in this proposal have been settled by the parties as a package and none of the provisions of this settlement is severable. If the Board does not accept this package in its entirety, then there is no settlement (unless the parties agree that any portion of the package that the Board does accept may continue as part of a valid settlement agreement).

In the event the Board directs the parties to make reasonable efforts to revise the Settlement Proposal, the parties agree to use reasonable efforts to discuss any potential revisions, but no party will be obligated to accept any proposed revision. The parties agree that all of the parties who took on a position on a particular issue must agree with any revised Settlement Proposal as it relates to that issue prior to its re-submission to the Board.

None of the parties can withdraw from this Settlement Proposal except in accordance with Rule 30.05 of the Rules. Moreover, the settlement of any particular issue in this proceeding and the positions of the parties in this Settlement Proposal are without prejudice to the rights of the parties to raise the same issue and/or to take any position thereon in any other proceeding, whether or not Union is a party to such proceeding.

1. HAS UNION APPROPRIATELY APPLIED THE INFLATION FACTOR AND APPROPRIATELY CALCULATED THE PRODUCTIVITY FACTOR FOR CALCULATING 2016 RATES?

(Complete Settlement)

Consistent with the Board's EB-2013-0202 Decision, the parties agree that the inflation factor to be used in Union's Price Cap Index ("PCI") mechanism is the actual year-over-year percentage change in the annualized average of four quarters (using Q2 to Q2) of Statistics Canada's Gross Domestic Product Implicit Price Index Final Domestic Demand ("GDP IPI FDD"). For 2016 rates, the inflation factor is 1.99%, based on the actual change in GDP IPI FDD from 2014 Q2 to 2015 Q2. The parties agree that the annual productivity ("X") factor for the IRM term is 60% of the inflation factor, which equals 1.19% and the PCI is 0.80% (EB-2015-0116 draft Rate Order, Working Papers, Schedule 1).

The following parties agree with the settlement of this issue: APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, OAPPA, OGVG, SEC, VECC, Union

Evidence Reference: A/T1/pp.3-4; DRO/WP/S1

2. IS THE Z FACTOR ADJUSTMENT APPROPRIATE?

(Complete Settlement)

The parties agree that 50% of tax changes will be treated as a Z factor, as approved by the Board in its 2014-2018 Incentive Regulation (“IR”) Decision (EB-2013-0202). For 2016, there are no impacts related to tax.

The following parties agree with the settlement of this issue: APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, OAPPA, OGVG, SEC, VECC, Union

Evidence References: A/T1/p.4

3. ARE THE Y FACTOR ADJUSTMENTS APPROPRIATE?

(Complete Settlement)

3.1 IS THE TREATMENT PROPOSED FOR Y FACTOR COST OF GAS AND UPSTREAM TRANSPORTATION COSTS APPROPRIATE?

The parties agree to include cost of gas and upstream transportation costs as a Y Factor, as approved by the Board in its EB-2013-0202 Decision. Changes in upstream gas costs will continue to be determined using the Board-approved QRAM methodology. Union’s current upstream gas costs are as filed in Union’s October 1, 2015 QRAM (EB-2015-0255).

The following parties agree with the settlement of this issue: APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, OAPPA, OGVG, SEC, VECC, Union

Evidence References: A/T1/p.5; DRO/WP/S15

3.2 IS THE TREATMENT PROPOSED FOR Y FACTOR DSM BUDGET CHANGES APPROPRIATE?

The parties agree to include DSM budget changes as a Y Factor, as approved by the Board in its EB-2013-0202 Decision. Union’s 2015-2020 DSM Plan (EB-2015-0029) is currently under review by the Board, therefore there is no approved DSM plan in place for 2016. Parties agree that what will be included in 2016 rates shall reflect what is approved by the Board in EB-2015-

0029. The EB-2015-0029 proposal is to include a \$57.2 million DSM budget and the DSM Utility Incentive at 100% target level, of \$4.2 million, in 2016 rates. In the event the Board does not issue its EB-2015-0029 Decision in time for inclusion in Union's 2016 rates, Union will include the 2015 DSM budget from 2015 rates in 2016 rates. The parties agree that following the Board's EB-2015-0029 Decision, Union will update its 2016 rates to include any approved incremental DSM budget and DSM incentive in rates as soon as possible. The parties agree that any delay beyond January 1, 2016 will not affect the amount to be recovered from ratepayers for 2016 per the EB-2015-0029 Decision. The draft Rate Order at Appendix A includes the 2015 DSM budget.

The following parties agree with the settlement of this issue: APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, OAPPA, OGVG, SEC, VECC, Union

Evidence References: A/T1/pp.5-6; DRO/WP/S11

3.3 IS THE TREATMENT PROPOSED FOR Y FACTOR LRAM FOR THE CONTRACT RATE CLASSES APPROPRIATE?

The parties agree to include LRAM for the contract rate classes as a Y Factor, as approved by the Board in its EB-2013-0202 Decision. The parties agree to adjust volumes and calculate 2016 rates to capture the LRAM volume impacts for contract rate classes. Parties also agree with aligning the 2014 post-audit LRAM results with the rate class of the customer in the Board-approved forecast volume from Rate M7 to rate classes M4 and M5A in Union South and from Rate 20 to Rate 100 in Union North. For the purposes of the settlement, Union agrees to not request recovery of the 2011 LRAM volumes at 2014 rates and 2015 rates in the respective DSM deferral account disposition proceedings.

The following parties agree with the settlement of this issue: APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, OAPPA, OGVG, SEC, VECC, Union

Evidence References: A/T1/pp.6-8; DRO/WP/S17

3.4 IS THE TREATMENT AND AMOUNT PROPOSED FOR Y FACTOR MAJOR CAPITAL ADDITIONS APPROPRIATE?

The parties agree to include the following 2016 capital addition costs in 2016 rates:

- Parkway West Project revenue requirement of \$16.457 million and Brantford-Kirkwall/Parkway D Project revenue requirement \$14.720 million;
- Dawn Parkway 2016 Expansion Project revenue requirement of \$0.683 million;
- Burlington Oakville Pipeline Project revenue requirement of \$0.077 million; and,
- 2017 Dawn Parkway Project revenue requirement credit of \$1.716 million.

The Board approved the Parkway West Project in its EB-2012-0433 Decision, the Brantford-Kirkwall/Parkway D Project in its EB-2013-0074 Decision, and the 2016 Dawn Parkway Expansion Project in its EB-2014-0261 Decision.

The Burlington Oakville Pipeline Project and 2017 Dawn Parkway Project are before the Board and have not yet been approved. The parties agree, however, to include in 2016 rates the revenue requirement associated with these projects as the amounts are either immaterial or to the overall benefit of in-franchise rate payers. In the event that the Board does not approve one or both of these projects, the amounts included in 2016 rates will be subject to deferral. By agreeing to include the revenue requirements associated with these projects in 2016 rates, parties are not agreeing that the inclusion of unapproved amounts should be accepted as a common practice going forward. The impact of including the above amounts in rates is a reduction in in-franchise rates.

The following parties agree with the settlement of this issue: APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, OAPPA, OGVG, SEC, VECC, Union

Evidence References: A/T1/pp.8-12, DRO/WP/S10

4. IS THE NORMALIZED AVERAGE CONSUMPTION (“NAC”) ADJUSTMENT APPROPRIATE?

(Complete Settlement)

The parties agree to adjust General Service rates annually for the changes in NAC, as approved by the Board in its EB-2013-0202 Decision. For 2016, Union will adjust rates for the 2014 actual NAC, using the Board-approved weather normal methodology blend of 50:50 (30-year average and 20-year declining trend).

The following parties agree with the settlement of this issue: BOMA, CME, CCC, Energy Probe, FRPO, LPMA, OAPPA, OGVG, SEC, VECC, Union

The following parties take no position on this issue: APPrO, IGUA

Evidence references: A/T1/pp.15-16; DRO/WP/S12

5. IS THE GENERAL SERVICE DELIVERY RATE ADJUSTMENT APPROPRIATE?

(Complete Settlement)

The parties agree that it is appropriate to revise the approach used to adjust small volume general service Rate M1 and Rate 01 distribution customer-related costs during the 2014-2018 IR term on a revenue neutral basis by adjusting the 2016 customer-related cost variance over all of the delivery volumes within each of the Rate M1 and Rate 01 rate classes. Parties agree that revised approach is appropriate as it will maintain the declining block structure. Parties agree that this is not a general practice but is required for 2016 rates and will maintain the approved declining block structure.

The following parties agree with the settlement of this issue: BOMA, CME, CCC, Energy Probe, FRPO, LPMA, OAPPA, OGVG, SEC, VECC, Union

The following parties take no position on this issue: APPrO, IGUA

Evidence references: A/T1/pp.13-14; A/T1/App. I

6. ARE THE CUSTOMER BILL IMPACTS APPROPRIATE?

(Complete Settlement)

The parties agree that Union's proposed customer bill impacts, as attached in the draft Rate Order at Appendix A, are appropriate.

The following parties agree with the settlement of this issue: APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, OAPPA, OGVG, SEC, VECC, Union

Evidence References: A/T1/pp.14-15; DRO/WP/S9

7. ARE THE RATE SCHEDULE CHANGES APPROPRIATE?

(Complete Settlement)

7.1 IS THE UNAUTHORIZED OVERRUN NON-COMPLIANCE RATE APPROPRIATE?

Parties agree to an Unauthorized Overrun Non-Compliance charge of $\$2.313/\text{m}^3$ (\$60/GJ) charged to customers who fail to comply with their contractual obligations when a distribution interruption is called. The \$60/GJ was determined by multiplying the recent historic price of retail diesel fuel of \$40/GJ by 150%. It is also consistent with Union's \$60/GJ charge to Rate U2 customers for unauthorized overrun on short term storage/balancing service in the November 1 to April 15 period. The Parties agree that a deferral account be created to capture any Unauthorized Overrun Non-Compliance charges which will be disposed of as part of Union's annual earnings sharing and deferral account disposition proceeding in a manner to be determined by the Board in that proceeding. The accounting order is included in Appendix F of the draft Rate Order. The Parties agree that Union will provide information on distribution interruptions as part of its annual rate applications per Appendix B.

The following parties agree with the settlement of this issue: APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, OAPPA, OGVG, SEC, VECC, Union

Evidence References: A/T1/pp.15-18; A/T1/App. H

7.2 IS THE HAGAR LIQUEFACTION SERVICE – GAS SUPPLY SERVICE OPTION RATE SCHEDULE CHANGE APPROPRIATE?

Parties agree that, in light of Union’s Hagar Liquefaction Service (EB-2014-0012) Decision, Union requires modification to the Union North Schedule “A” to accommodate the minimum and maximum gas supply charges expressed as \$/GJ. The Liquid Natural Gas (“LNG”) service can only be described in energy units and this modification will enable Union to invoice the gas supply service option in energy, consistent with the invoicing of the unregulated LNG service.

The following parties agree with the settlement of this issue: APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, OAPPA, OGVG, SEC, VECC, Union

Evidence References: A/T1/p.18; A/T1/App. H

7.3 IS THE AGGREGATE EXCESS RATE SCHEDULE CHANGE APPROPRIATE?

Parties agree to change the wording of Aggregate Excess at rate schedule Section (C) of Rate T1, Rate T2 and Rate T3, at Note 3.1 to “*Aggregate excess is the difference between the customer’s total 151-day winter consumption (November 1 through March 31) and the customer’s average daily consumption (Daily Contract Quantity) for the contract year multiplied by 151 days of winter.*” Parties agree this does not change the actual calculation being performed by Union but rather, aligns the rate schedules with the Board-approved aggregate excess calculation.

The following parties agree with the settlement of this issue: APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, OAPPA, OGVG, SEC, VECC, Union

Evidence References: A/T1/p.19; A/T1/App. H

7.4 ARE THE GENERAL TERMS AND CONDITIONS (“GT&C”) SCHEDULE UPDATES APPROPRIATE?

Parties agree to the changes to rate schedules within its M12, M13, M16, and C1 transportation rate schedules and the Nomination schedules within the M12 and C1 rate schedules for the following sections:

1. GT&C Changes;
2. Nomination Changes;
3. Parkway Delivery Commitment Incentive; and,
4. M12 Parkway (EGT) Point.

For Nomination Changes, the tariff shall specifically state that changes to the schedules shall only be made to to reflect changes to the North American Energy Standards Board (“NAESB”) standard nomination cycles or to reflect new services or changes to services approved by the Board.

The following parties agree with the settlement of this issue: APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, OAPPA, OGVG, SEC, VECC, Union

Evidence References: A/T1/pp.20-24; A/T1/App. H

8. IS IT APPROPRIATE TO MAINTAIN ALL OTHER EXISTING DEFERRAL ACCOUNTS WHICH UNION HAS NOT REQUESTED TO DISCONTINUE?

(Complete Settlement)

The parties agree that it is appropriate to discontinue the following two deferral accounts and maintain all other deferral accounts:

Average Use per Customer (No. 179-118)

Preparation of Audited Utility Financial Statements (No. 179-129)

The following parties agree with the settlement of this issue: APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, OAPPA, OGVG, SEC, VECC, Union

Evidence References: A/T1/pp.24-25

9. HOW SHOULD THE NEW RATES BE IMPLEMENTED?

(Complete Settlement)

Attached at Appendix A is a draft Rate Order. The parties agree that following Board approval of the Rate Order, Union will implement the Rate Order effective January 1, 2016.

The following parties agree with the settlement of this issue: APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, OAPPA, OGVG, SEC, VECC, Union

10. PARKWAY DELIVERY OBLIGATION

Union is not requesting approval or relief with respect to the Parkway Delivery Obligation.

Evidence References: A/T2

11. GAS SUPPLY PLAN

Union is not requesting approval or relief with respect to the Gas Supply Plan. Parties take no position as to whether this is appropriate.

Evidence References: A/T3

APPENDIX A

DRAFT RATE ORDER

DRAFT

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

AND IN THE MATTER OF an Application by Union
Gas Limited for an order or orders approving or fixing
just and reasonable rates and other charges for the sale,
distribution, transmission, and storage of gas for the
period commencing January 1, 2016;

BEFORE:

XXXX
Presiding Member

DRAFT 2016 RATE ORDER

Union Gas Limited ("Union") filed an Application, Settlement Agreement and supporting evidence (collectively the "Agreement") with the Ontario Energy Board (the "Board") on July 31, 2013 under section 36 of the Ontario Energy Board Act, S.O. 1998 c. 15, Schedule B. The Application was for an order of the Ontario Energy Board approving or fixing a multi-year incentive rate mechanism to determine rates for the regulated distribution, transmission and storage of natural gas. The Board assigned file number EB-2013-0202 to the Application.

The Board held a hearing where Union presented the Agreement and responded to questions on October 3, 2013. The Board approved the Agreement on October 7, 2013.

The Board-approved Agreement sets out a multi-year incentive ratemaking mechanism ("IRM") for calendar years 2014 to 2018. The framework includes a price cap index ("PCI"), where rates are a function of: an inflation factor ("I"), a productivity factor ("X"), certain non-routine adjustments (Z factors), certain predetermined pass-throughs (Y factors), and an adjustment for normalized average consumption ("NAC") to reflect changes in consumption in the general service rate classes. The inflation factor used in Union's PCI mechanism is the actual year-over-year percentage change in the annualized average of four quarters (using Q2 to Q2) of Statistics Canada's Gross Domestic Product Implicit Price Index Final Domestic Demand ("GDP IPI FDD"). For 2016, the inflation factor is 1.99%. The productivity factor for the IRM term is expressed as a percentage of inflation. Specifically, for each year of the IRM term productivity is 60% of GDP IPI FDD. This results in an annual rate escalation factor, before the impacts of Y and Z factors and earnings sharing, of 40% of GDP IPI FDD. For 2016 rates, the X factor is 1.19% and the resulting PCI is 0.80%. The items that will be treated as Y factors are:

- Cost of gas and upstream transportation costs as defined in EB-2011-0210;
- DSM budget changes as determined in EB-2011-0327 and any subsequent Board proceeding;
- Lost Revenue Adjustment Mechanism ("LRAM") for the contract rate classes;

- Unaccounted for gas volume variances; and,
- Major capital additions.

Consistent with the Board-approved Agreement, Union will treat tax savings as a Z factor. Union will maintain an equal and symmetrical sharing of tax changes over the IRM term, sharing the impact of tax changes as 50:50 as applied to the tax level reflected in rates.

On September 11, 2015, Union filed an application to change rates effective January 1, 2016. The application was followed by evidence filed on September 22, 2015. Union updated the evidence on October 20, 2015 to include a new interconnect point on Union's transmission line on Union's rate schedules and to include the Lobo C Compressor/Hamilton to Milton Parkway Project Cost Deferral Account accounting order that was approved for in EB-2014-0261 (Union's 2016 Dawn Parkway) Decision.

On November 10, 2015, the Board convened a Settlement Conference to discuss Union's application and evidence. A Settlement Agreement was filed with the Board on November 24, 2015.

On XXXX, 2015, the Board issued its Decision approving the Settlement Agreement.

THE BOARD THEREFORE ORDERS THAT:

1. The rate changes set out in Appendix "A" and the rate schedules set out in Appendix "B" are approved effective January 1, 2016. Union shall implement these rates on January 1, 2016.
2. The rates pursuant to all contracts for interruptible service under Rates 25, M5A, M7, and T1 shall be adjusted by the amounts set out in Appendix "C". Union shall implement 2016 changes in rates on January 1, 2016.
3. The customer notices in Appendix "D" shall be given to all customers with the first bill or invoice reflecting the new rate.
4. Union shall charge the fees as set out in Appendix "E" for non-energy charges.
5. Union shall maintain the following deferral accounts in accordance with Appendix "F":

179-70	Short-term Storage and Other Balancing Services
179-75	Lost Revenue Adjustment Mechanism
179-100	Transportation Tolls and Fuel – Northern and Eastern Operations Area
179-103	Unbundled Services Unauthorized Storage Overrun
179-105	North Purchase Gas Variance Account
179-106	South Purchase Gas Variance Account
179-107	Spot Gas Variance Account
179-108	Unabsorbed Demand Cost (UDC) Variance Account
179-109	Inventory Revaluation Account
179-111	Demand Side Management Variance Account

179-112	Gas Distribution Access Rule (GDAR) Costs
179-117	Carbon Dioxide Offset Credits
179-120	IFRS Conversion Charges
179-123	Conservation Demand Management
179-126	Demand Side Management Incentive
179-128	Gas Supply Plan Review - Consultant Cost
179-131	Upstream Transportation Optimization
179-132	Deferral Clearing Variance Account
179-133	Normalized Average Consumption (NAC) Account
179-134	Tax Variance Deferral Account
179-135	Unaccounted for Gas (UFG) Volume Variance Account
179-136	Parkway West Project Costs
179-137	Brantford-Kirkwall/Parkway D Project Costs
179-138	Parkway Obligation Rate Variance
179-139	Energy East Pipeline Consultation Costs
179-141	Unaccounted for Gas (UFG) Price Variance Account
179-142	Lobo C Compressor/Hamilton to Milton Pipeline Project
179-143	Unauthorized Overrun Non-Compliance Account

DATED at Toronto , 2015.

ONTARIO ENERGY BOARD

Kirsten Walli
Board Secretary

EB-2015-0116
Rate Order for 2016 Rates
Index of Appendices

Appendix A	Summary of Changes to Sales Rates
Appendix B	Rate Schedules
Appendix C	Summary of Average Rate and Price Adjustment Changes for Rates 25, M4, M5A, M7 and T1 Interruptible Contract Services
Appendix D	Customer Notices
Appendix E	Miscellaneous Non-Energy Charges
Appendix F	Accounting Orders
Appendix G	Revenue Requirement Calculations
Appendix H	General Service Delivery Rate Adjustment

APPENDIX A

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

Line No.	Particulars (cents/m ³)	EB-2015-0255 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0116 Approved January 1, 2016 Rate (c)
1	Monthly Charge - All Zones	\$21.00		\$21.00
	Monthly Delivery Charge - All Zones			
2	First 100 m ³	9.0309	(0.5037)	8.5272
3	Next 200 m ³	8.8028	(0.4909)	8.3119
4	Next 200 m ³	8.4451	(0.4710)	7.9741
5	Next 500 m ³	8.1168	(0.4527)	7.6641
6	Over 1,000 m ³	7.8457	(0.4375)	7.4082
7	Delivery - Price Adjustment (All Volumes)	(0.2792) (1)	0.0488	(0.2304) (2)
	Gas Transportation Service			
8	Fort Frances	5.7686	0.0036	5.7722
9	Western Zone	4.9541	0.0031	4.9572
10	Northern Zone	6.4503	0.0040	6.4543
11	Eastern Zone	7.7149	0.0048	7.7197
12	Transportation - Price Adjustment (All Zones)	0.7006 (3)		0.7006 (4)
	Storage Service			
13	Fort Frances	3.6175	0.0468	3.6643
14	Western Zone	3.2920	0.0426	3.3346
15	Northern Zone	3.8899	0.0503	3.9402
16	Eastern Zone	4.3952	0.0569	4.4521
17	Storage - Price Adjustment (All Zones)	-		-
	Commodity Cost of Gas and Fuel			
18	Fort Frances	12.2089	(0.0007)	12.2082
19	Western Zone	12.2975	(0.0007)	12.2968
20	Northern Zone	12.4346	(0.0007)	12.4339
21	Eastern Zone	12.5437	(0.0007)	12.5430
22	Commodity and Fuel - Price Adjustment (All Zones)	(2.0989) (5)		(2.0989) (6)

Notes:

- (1) Includes a temporary credit of (0.0488) cents/m³ expiring December 31, 2015 and a temporary credit of (0.2304) cents/m³ expiring March 31, 2016.
- (2) Includes a temporary credit of (0.2304) cents/m³ expiring March 31, 2016.
- (3) Includes Prospective Recovery of 0.3088, 0.4886, (0.0284), and (0.0985) cents/m³ and a temporary charge of 0.0301 cents/m³ expiring March 31, 2016.
- (4) Includes Prospective Recovery of 0.3088, 0.4886, (0.0284), and (0.0985) cents/m³ and a temporary charge of 0.0301 cents/m³ expiring March 31, 2016.
- (5) Includes Prospective Recovery of (0.2247), (1.0528), (0.6098), and (0.2116) cents/m³.
- (6) 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 10 - Large Volume General Firm Service

Line No.	Particulars (cents/m ³)	EB-2015-0255 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0116 Approved January 1, 2016 Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
2	First 1,000 m ³	7.1390	(0.4342)	6.7048
3	Next 9,000 m ³	5.8241	(0.3543)	5.4698
4	Next 20,000 m ³	5.1033	(0.2624)	4.8409
5	Next 70,000 m ³	4.6205	(0.2376)	4.3829
6	Over 100,000 m ³	2.7914	(0.1435)	2.6479
7	Delivery - Price Adjustment (All Volumes)	(0.0162) (1)	(0.3189)	(0.3351) (2)
	Gas Transportation Service			
8	Fort Frances	5.0913	(0.0001)	5.0912
9	Western Zone	4.2768	(0.0001)	4.2767
10	Northern Zone	5.7729	(0.0001)	5.7728
11	Eastern Zone	7.0376	(0.0002)	7.0374
12	Transportation - Price Adjustment (All Zones)	0.6688 (3)		0.6688 (4)
	Storage Service			
13	Fort Frances	2.3829	0.0088	2.3917
14	Western Zone	2.0574	0.0076	2.0650
15	Northern Zone	2.6553	0.0098	2.6651
16	Eastern Zone	3.1606	0.0116	3.1722
17	Storage - Price Adjustment (All Zones)	-		-
	Commodity Cost of Gas and Fuel			
18	Fort Frances	12.2089	(0.0007)	12.2082
19	Western Zone	12.2975	(0.0007)	12.2968
20	Northern Zone	12.4346	(0.0007)	12.4339
21	Eastern Zone	12.5437	(0.0007)	12.5430
22	Commodity and Fuel - Price Adjustment (All Zones)	(2.0989) (5)		(2.0989) (6)

Notes:

- (1) Includes a temporary charge of 0.3189 cents/m³ expiring December 31, 2015, and a temporary credit of (0.3351) cents/m³ expiring March 31, 2016.
- (2) Includes a temporary credit of (0.3351) cents/m³ expiring March 31, 2016.
- (3) Includes Prospective Recovery of 0.3017, 0.4820, (0.0129), and (0.0926) cents/m³ and a temporary credit of (0.0094) cents/m³ expiring March 31, 2016.
- (4) Includes Prospective Recovery of 0.3017, 0.4820, (0.0129), and (0.0926) cents/m³ and a temporary credit of (0.0094) cents/m³ expiring March 31, 2016.
- (5) Includes Prospective Recovery of (0.2247), (1.0528), (0.6098), and (0.2116) cents/m³.
- (6) 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 20 - Medium Volume Firm Service

Line No.	Particulars (cents/m ³)	EB-2015-0255 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0116 Approved January 1, 2016 Rate (c)
1	Monthly Charge	\$972.44	(\$39.65)	\$932.79
	Delivery Demand Charge			
2	First 70,000 m ³	27.8909	(0.2483)	27.6426
3	All over 70,000 m ³	16.4012	(0.1460)	16.2552
	Delivery Commodity Charge			
4	First 852,000 m ³	0.5383	(0.0042)	0.5341
5	All over 852,000 m ³	0.3922	(0.0030)	0.3892
	Monthly Gas Supply Demand Charge			
6	Fort Frances	54.0801		54.0801
7	Western Zone	33.2652	0.8102	34.0754
8	Northern Zone	71.4880	1.7413	73.2293
9	Eastern Zone	103.7960	2.5282	106.3242
10	Gas Supply Demand - Price Adjustment (All Zones)	-		-
	Commodity Transportation 1			
11	Fort Frances	4.3859		4.3859
12	Western Zone	3.9299	(0.0006)	3.9293
13	Northern Zone	4.7675	(0.0007)	4.7668
14	Eastern Zone	5.4755	(0.0008)	5.4747
15	Transportation 1 - Price Adjustment (All Zones)	0.9480 (1)		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	12.0032	(0.0007)	12.0025
21	Western Zone	12.0903	(0.0007)	12.0896
22	Northern Zone	12.2251	(0.0007)	12.2244
23	Eastern Zone	12.3322	(0.0007)	12.3315
24	Commodity and Fuel - Price Adjustment (All Zones)	(2.0989) (3)		(2.0989) (4)
	Bundled Storage Service (\$/GJ)			
25	Monthly Demand Charge	12.366	0.098	12.464
26	Commodity Charge	0.158	0.001	0.159
27	Storage Demand - Price Adjustment	-		-

Notes:

- (1) Includes Prospective Recovery of 0.3504, 0.5794, 0.1258, and (0.1076) cents/m³.
- (2) Includes Prospective Recovery of 0.3504, 0.5794, 0.1258, and (0.1076) cents/m³.
- (3) Includes Prospective Recovery of (0.2247), (1.0528), (0.6098), and (0.2116) 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 ³)	EB-2015-0255 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0116 Approved January 1, 2016 Rate (c)
1	Monthly Charge	\$1,464.29	(\$40.58)	\$1,423.71
2	Delivery Demand Charge All Zones	15.3958	(0.1280)	15.2678
3	Delivery Commodity Charge All Zones	0.2190	0.0030	0.2220
4	Monthly Gas Supply Demand Charge Fort Frances	102.9596		102.9596
5	Western Zone	78.6756		78.6756
6	Northern Zone	123.2688		123.2688
7	Eastern Zone	160.9615		160.9615
8	Gas Supply Demand - Price Adjustment (All Zones)	-		-
9	Commodity Transportation 1 Fort Frances	7.0810		7.0810
10	Western Zone	6.7390		6.7390
11	Northern Zone	7.3672		7.3672
12	Eastern Zone	7.8982		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	12.0032	(0.0007)	12.0025
19	Western Zone	12.0903	(0.0007)	12.0896
20	Northern Zone	12.2251	(0.0007)	12.2244
21	Eastern Zone	12.3322	(0.0007)	12.3315
22	Commodity and Fuel - Price Adjustment (All Zones)	(2.0989) (1)		(2.0989) (2)
23	Bundled Storage Service (\$/GJ) Monthly Demand Charge	12.366	0.098	12.464
24	Commodity Charge	0.158	0.001	0.159
25	Storage Demand - Price Adjustment	-		-

Notes:

- (1) Includes Prospective Recovery of (0.2247), (1.0528), (0.6098), and (0.2116) cents/m³.
(2) 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

Line No.	Particulars (cents/m ³)	EB-2015-0255 Approved October 1, 2015 Rate	Rate Change	EB-2015-0116 Approved January 1, 2016 Rate
		(a)	(b)	(c)
1	<u>Rate 25 - Large Volume Interruptible Service</u> Monthly Charge	\$352.32	(\$20.62)	\$331.70
2	Delivery Charge - All Zones * Maximum	4.7185	(0.2666)	4.4519
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 ³)	EB-2015-0255 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0116 Approved January 1, 2016 Rate (c)
	<u>Utility Sales</u>			
1	Commodity and Fuel	12.5325	(0.0007)	12.5318
2	Commodity and Fuel - Price Adjustment	(1.4583) (1)		(1.4583) (2)
3	Transportation	3.5158		3.5158
4	Total Gas Supply Commodity Charge	<u>14.5900</u>	<u>(0.0007)</u>	<u>14.5893</u>
	<u>M4 Firm Commercial/Industrial</u>			
5	Minimum annual gas supply commodity charge	4.2289	(0.0007)	4.2282
	<u>M4 / M5A Interruptible Commercial/Industrial</u>			
6	Minimum annual gas supply commodity charge	4.2289	(0.0007)	4.2282
	<u>Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3</u>	<u>\$/GJ</u>		<u>\$/GJ</u>
	Monthly demand charges: (\$/GJ)			
7	Firm gas supply service	58.972		58.972
8	Firm backstop gas	1.722	(0.000)	1.722
	Commodity charges:			
9	Gas supply	3.201		3.201
10	Backstop gas	4.582	0.005	4.587
11	Reasonable Efforts Backstop Gas	5.367	(0.038)	5.329
12	Supplemental Inventory	Note (3)		Note (3)
13	Supplemental Gas Sales Service (cents/m ³)	19.0578	0.0201	19.0778
14	Failure to Deliver	2.545	(0.038)	2.507
15	Discretionary Gas Supply Service (DGSS)	Note (4)		Note (4)

Notes:

- (1) Includes Prospective Recovery of (0.2596), (1.0860), (0.4607), and 0.2545 cents/m³ and a temporary charge of 0.0935 cents/m³ expiring March 31, 2016.
- (2) Includes Prospective Recovery of (0.2596), (1.0860), (0.4607), and 0.2545 cents/m³ and a temporary charge of 0.0935 cents/m³ 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 ³)	EB-2015-0255 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0116 Approved January 1, 2016 Rate (c)
1	<u>Rate M1 - Small Volume General Service Rate</u> Monthly Charge	\$21.00		\$21.00
2	First 100 m ³	3.8988	(0.1075)	3.7913
3	Next 150 m ³	3.7017	(0.1020)	3.5997
4	All over 250 m ³	3.1926	(0.0880)	3.1046
5	Delivery - Price Adjustment (All Volumes)	0.3597 (1)	(0.2968)	0.0629 (2)
6	Storage Service	0.7416	(0.0389)	0.7027
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 ³	3.6124	(0.0133)	3.5991
10	Next 6,000 m ³	3.5455	(0.0131)	3.5324
11	Next 13,000 m ³	3.3563	0.0118	3.3681
12	All over 20,000 m ³	3.1163	0.0110	3.1273
13	Delivery - Price Adjustment (All Volumes)	0.2913 (3)	(0.3859)	(0.0946) (4)
14	Storage Service	0.6428	(0.0267)	0.6161
15	Storage - Price Adjustment	-		-

Notes:

- (1) Includes a temporary charge of 0.2968 cents/m³ expiring December 31, 2015, and a temporary charge of 0.0629 cents/m³ expiring March 31, 2016.
- (2) Includes a temporary charge of 0.0629 cents/m³ expiring March 31, 2016.
- (3) Includes a temporary charge of 0.3859 cents/m³ expiring December 31, 2015, and a temporary credit of (0.0946) cents/m³ expiring March 31, 2016.
- (4) Includes a temporary credit of (0.0946) cents/m³ expiring March 31, 2016.

UNION GAS LIMITED
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2015-0255 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0116 Approved January 1, 2016 Rate (c)
	<u>Rate M4 - Firm comm/ind contract rate</u>			
	Monthly demand charge:			
1	First 8,450 m ³	47.8404	0.7719	48.6123
2	Next 19,700 m ³	21.4504	0.3461	21.7965
3	All over 28,150 m ³	18.0214	0.2908	18.3122
	Monthly delivery commodity charge:			
4	First block	1.0353	0.0771	1.1124
5	All remaining use	0.4466	0.0333	0.4799
6	Delivery - Price Adjustment (All Volumes)	-		-
7	Minimum annual firm delivery commodity charge	1.2270	0.0764	1.3034
	<u>Interruptible contracts *</u>			
8	Monthly Charge	\$681.21	(\$11.66)	\$669.55
	Daily delivery commodity charge:			
9	2,400 m ³ to 17,000 m ³	2.6539	0.1202	2.7741
10	17,000 m ³ to 30,000 m ³	2.5240	0.1202	2.6442
11	30,000 m ³ to 50,000 m ³	2.4557	0.1202	2.5759
12	50,000 m ³ to 60,000 m ³	2.4078	0.1202	2.5280
13	Delivery - Price Adjustment (All Volumes)	-		-
14	Minimum annual interruptible delivery commodity charge	2.8456	0.1195	2.9651
	<u>Rate M5A - interruptible comm/ind contract</u>			
	<u>Firm contracts *</u>			
15	Monthly demand charge	28.5955	(0.0193)	28.5762
16	Monthly delivery commodity charge	2.0180	0.1292	2.1472
17	Delivery - Price Adjustment (All Volumes)	-		-
	<u>Interruptible contracts *</u>			
18	Monthly Charge	\$681.21	(\$11.66)	\$669.55
	Daily delivery commodity charge:			
19	2,400 m ³ to 17,000 m ³	2.6539	0.1202	2.7741
20	17,000 m ³ to 30,000 m ³	2.5240	0.1202	2.6442
21	30,000 m ³ to 50,000 m ³	2.4557	0.1202	2.5759
22	50,000 m ³ to 60,000 m ³	2.4078	0.1202	2.5280
23	Delivery - Price Adjustment (All Volumes)	-		-
24	Minimum annual interruptible delivery commodity charge	2.8456	0.1195	2.9651

Notes:

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

UNION GAS LIMITED
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2015-0255 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0116 Approved January 1, 2016 Rate (c)
	<u>Rate M7 - Special large volume contract</u>			
	<u>Firm</u>			
1	Monthly demand charge	26.3233	0.7576	27.0809
2	Monthly delivery commodity charge	0.3410	0.0371	0.3781
3	Delivery - Price Adjustment	-		-
	<u>Interruptible *</u>			
4	Monthly delivery commodity charge: Maximum	4.2954	0.5789	4.8743
5	Delivery - Price Adjustment	-		-
	<u>Seasonal *</u>			
6	Monthly delivery commodity charge: Maximum	4.0513	0.5789	4.6302
7	Delivery - Price Adjustment	-		-
	<u>Rate M9 - Large wholesale service</u>			
8	Monthly demand charge	16.2405	1.1934	17.4339
9	Monthly delivery commodity charge	0.2019	0.0003	0.2022
10	Delivery - Price Adjustment	-		-
	<u>Rate M10 - Small wholesale service</u>			
11	Monthly delivery commodity charge	5.4186	0.5312	5.9498

Notes:

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

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

Line No.	Particulars (cents/m ³)	EB-2015-0255 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0116 Approved January 1, 2016 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	(0.017)	1.586
3	Customer provides deliverability inventory	1.208	(0.013)	1.195
4	Firm incremental injection	1.208	(0.013)	1.195
5	Interruptible withdrawal	1.208	(0.013)	1.195
	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%	0.003%	0.403%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge first 28,150 m ³	32.7527	0.6620	33.4147
12	Monthly demand charge next 112,720 m ³	22.6284	0.4574	23.0858
	Firm commodity charges:			
13	Union provides compressor fuel - All volumes	0.1335	0.0026	0.1361
14	Customer provides compressor fuel - All volumes	0.0739	0.0021	0.0760
	Interruptible commodity charges: *			
15	Maximum - Union provides compressor fuel	4.2954	0.5789	4.8743
16	Maximum - customer provides compressor fuel	4.2358	0.5784	4.8142
17	Transportation fuel ratio - customer provides fuel	0.301%	0.003%	0.303%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
18	Injection / Withdrawals	0.105	(0.001)	0.104
19	Customer provides compressor fuel	0.061	(0.001)	0.060
20	Transportation commodity charge (cents/m ³)	1.2103	0.0244	1.2347
21	Customer provides compressor fuel	1.1507	0.0239	1.1746
22	<u>Monthly Charge</u>	\$1,935.18	(\$11.14)	\$1,924.04

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

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

Line No.	Particulars (cents/m ³)	EB-2015-0255 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0116 Approved January 1, 2016 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	(0.017)	1.586
3	Customer provides deliverability inventory	1.208	(0.013)	1.195
4	Firm incremental injection	1.208	(0.013)	1.195
5	Interruptible withdrawal	1.208	(0.013)	1.195
	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%	0.003%	0.403%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge first 140,870 m ³	20.9163	0.9166	21.8329
12	Monthly demand charge all over 140,870 m ³	11.0637	0.4848	11.5485
	Firm commodity charges:			
13	Union provides compressor fuel - All volumes	0.0634	0.0006	0.0640
14	Customer provides compressor fuel - All volumes	0.0080	0.0002	0.0082
	Interruptible commodity charges: *			
15	Maximum - Union provides compressor fuel	4.2954	0.5789	4.8743
16	Maximum - customer provides compressor fuel	4.2400	0.5785	4.8185
17	Transportation fuel ratio - customer provides fuel	0.279%	0.002%	0.282%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
18	Injection / Withdrawals	0.105	(0.001)	0.104
19	Customer provides compressor fuel	0.061	(0.001)	0.060
20	Transportation commodity charge (cents/m ³)	0.7510	0.0308	0.7818
21	Customer provides compressor fuel	0.6957	0.0303	0.7260
22	<u>Monthly Charge</u>	\$5,943.28	(\$192.16)	\$5,751.12

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

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

Line No.	Particulars (cents/m ³)	EB-2015-0255 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0116 Approved January 1, 2016 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	(0.017)	1.586
3	Customer provides deliverability inventory	1.208	(0.013)	1.195
4	Firm incremental injection	1.208	(0.013)	1.195
5	Interruptible withdrawal	1.208	(0.013)	1.195
	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%	0.003%	0.403%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge	10.4499	1.1841	11.6340
12	Union provides compressor fuel - All volumes	0.0851	0.0007	0.0858
13	Customer provides compressor fuel - All volumes	0.0108		0.0108
14	Transportation fuel ratio- Cust. provides fuel	0.375%	0.004%	0.378%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
15	Injection / Withdrawals	0.105	(0.001)	0.104
16	Customer provides compressor fuel	0.061	(0.001)	0.060
17	Transportation commodity charge (cents/m ³)			
18	Customer provides compressor fuel	0.4286 0.3544	0.0396 0.0389	0.4682 0.3933
	<u>Monthly Charge</u>			
19	City of Kitchener	\$20,369.55	(\$161.38)	\$20,208.17
20	Natural Resource Gas	\$3,126.93	(\$24.77)	\$3,102.16
21	Six Nations	\$1,042.31	(\$8.26)	\$1,034.05

UNION GAS LIMITED
Union South
Summary of Changes to Unbundled Rates

Line No.	Particulars (cents/m ³)	EB-2015-0255 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0116 Approved January 1, 2016 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	(0.001)	0.023
	Standard Peaking Service (SPS)			
2	Combined Firm Space & Deliverability	0.116	(0.001)	0.115
3	Incremental firm injection right	1.052	(0.013)	1.039
4	Incremental firm withdrawal right	1.052	(0.013)	1.039
	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%	0.003%	0.403%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
8	Injection customer provides compressor fuel	0.061	(0.001)	0.060
9	Withdrawal customer provides compressor fuel	0.061	(0.001)	0.060

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2015-0255 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0116 Approved January 1, 2016 Rate (c)
	<u>M12 Transportation Service</u>			
	<u>Firm transportation</u>			
	Monthly demand charges:			
1	Dawn to Kirkwall	2.193	0.228	2.421
2	Dawn to Oakville/Parkway	2.604	0.279	2.883
3	Kirkwall to Parkway	0.411	0.051	0.462
4	F24-T	0.069		0.069
	<u>M12-X Firm Transportation</u>			
5	Between Dawn, Kirkwall and Parkway	3.244	0.358	3.602
	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	0.669	6.919
10	Commodity charges : Others	Note (1)		Note (1)
	<u>Authorized Overrun</u>			
	Transportation commodity charges:			
	Easterly:			
11	Dawn to Kirkwall - Union supplied fuel	Note (1)		Note (1)
12	Dawn to Oakville/Parkway - Union supplied fuel	Note (1)		Note (1)
13	Dawn to Kirkwall - Shipper supplied fuel	0.072 (1)	0.008	0.080 (1)
14	Dawn to Oakville/Parkway - Shipper supplied fuel	0.086 (1)	0.009	0.095 (1)
15	Kirkwall to Parkway - Union supplied fuel	Note (1)		Note (1)
16	Kirkwall to Parkway - Shipper supplied fuel	0.014	0.001	0.015
17	Westerly - Union supplied fuel	Note (1)		Note (1)
18	Westerly - Shipper supplied fuel	0.086 (1)	0.009	0.095 (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)	0.011	0.118 (1)
	<u>M13 Transportation of Locally Produced Gas</u>			
21	Monthly fixed charge per customer station	\$938.96	7.510	\$946.47
22	Transmission commodity charge to Dawn	0.034	0.001	0.035
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-2015-0255 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0116 Approved January 1, 2016 Rate (c)
	<u>M16 Storage Transportation Service</u>			
1	Monthly fixed charge per customer station	\$1,493.78	11.950	\$1,505.73
	Monthly demand charges:			
2	East of Dawn	0.759	0.006	0.765
3	West of Dawn	1.064	(0.009)	1.055
4	Transmission commodity charge to Dawn	0.034	0.001	0.035
	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	0.001	0.068
14	West of Dawn - Union supplied fuel	0.077		0.077
15	East of Dawn - Shipper supplied fuel	0.059 (1)	0.001	0.060 (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	(0.009)	1.055
22	Ojibway & Dawn	1.064	(0.009)	1.055
23	Parkway to Dawn	0.640	0.079	0.719
24	Parkway to Kirkwall	0.640	0.079	0.719
25	Kirkwall to Dawn	1.128	0.140	1.268
26	Dawn to Kirkwall	2.193	0.228	2.421
27	Dawn to Parkway	2.604	0.279	2.883
28	Kirkwall to Parkway	0.411	0.051	0.462
29	Dawn to Dawn-Vector	0.029		0.029
30	Dawn to Dawn-TCPL	0.136	0.001	0.137
	Short-term:			
31	Maximum	75.00		75.00
	Commodity charges:			
32	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.013	0.001	0.014
33	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.010	0.001	0.011
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	0.001	0.039
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-2015-0255 Approved October 1, 2015 Rate (a)	Rate Change (b)	EB-2015-0116 Approved January 1, 2016 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	0.009	0.134
26	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.132	0.009	0.141
27	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.045	0.005	0.050
28	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.045	0.005	0.050
29	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.142	0.008	0.150
30	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.120	0.007	0.127
31	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.169	0.010	0.179
32	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct. 31)	0.146	0.009	0.155
33	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.066	0.003	0.069
34	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct. 31)	0.066	0.002	0.068
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)	0.009	0.095 (1)
40	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.086 (1)	0.009	0.095 (1)
41	Kirkwall to Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.037 (1)	0.005	0.042 (1)
42	Kirkwall to Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.037 (1)	0.005	0.042 (1)
43	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.072 (1)	0.008	0.080 (1)
44	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.072 (1)	0.008	0.080 (1)
45	Dawn to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.086 (1)	0.009	0.095 (1)
46	Dawn to Parkway - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.086 (1)	0.009	0.095 (1)
47	Kirkwall to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.014 (1)	0.001	0.015 (1)
48	Kirkwall to Parkway - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.014 (1)	0.001	0.015 (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)	0.001	0.005 (1)
52	Dawn to Dawn-TCPL - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.004 (1)	0.001	0.005 (1)
Short Term Firm transportation commodity charges:				
53	Maximum	75.00		75.00

Notes:

(1) Plus customer supplied fuel per rate schedule.

APPENDIX B



RATE 01A - SMALL VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

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

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

MONTHLY RATES AND CHARGES

Zone Rate Schedule No.	<u>Fort Frances</u> 201	<u>Western</u> 101	<u>Northern</u> 301	<u>Eastern</u> 601
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$21.00	\$21.00	\$21.00	\$21.00
<u>DELIVERY CHARGE</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 100 m ³ per month @	8.5272	8.5272	8.5272	8.5272
Next 200 m ³ per month @	8.3119	8.3119	8.3119	8.3119
Next 200 m ³ per month @	7.9741	7.9741	7.9741	7.9741
Next 500 m ³ per month @	7.6641	7.6641	7.6641	7.6641
Over 1,000 m ³ per month @	7.4082	7.4082	7.4082	7.4082
Delivery-Price Adjustment (All Volumes)	(0.2304) (1)	(0.2304) (1)	(0.2304) (1)	(0.2304) (1)

Notes:

(1) Includes a temporary credit of (0.2304) cents/m³ expiring March 31, 2016.



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2016-01-01
Rate 01A
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ADDITIONAL CHARGES FOR SALES SERVICE

GAS SUPPLY CHARGES

Gas Supply Charge (if applicable)

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

MONTHLY BILL

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

MINIMUM MONTHLY BILL

The Minimum Monthly Bill shall be the Monthly Charge.

DELAYED PAYMENT

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

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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 m³ per year.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

MONTHLY RATES AND CHARGES

Zone	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
Rate Schedule No.	210	110	310	610
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$70.00	\$70.00	\$70.00	\$70.00
<u>DELIVERY CHARGE</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 1,000 m ³ per month @	6.7048	6.7048	6.7048	6.7048
Next 9,000 m ³ per month @	5.4698	5.4698	5.4698	5.4698
Next 20,000 m ³ per month @	4.8409	4.8409	4.8409	4.8409
Next 70,000 m ³ per month @	4.3829	4.3829	4.3829	4.3829
Over 100,000 m ³ per month @	2.6479	2.6479	2.6479	2.6479
Delivery-Price Adjustment (All Volumes)	(0.3351) (1)	(0.3351) (1)	(0.3351) (1)	(0.3351) (1)

Notes:

(1) Includes a temporary credit of (0.3351) cents/m³ expiring March 31, 2016.



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ADDITIONAL CHARGES FOR SALES SERVICE

GAS SUPPLY CHARGES

Gas Supply Charge (if applicable)

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

MONTHLY BILL

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

MINIMUM MONTHLY BILL

The Minimum Monthly Bill shall be the Monthly Charge.

DELAYED PAYMENT

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

SERVICE AGREEMENT

Customers providing their own gas supply in whole or in part, for transportation by Union and customers purchasing gas from Union with maximum daily requirements in excess of 3,000 m³ per day must enter into a Service Agreement with Union.

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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 m³ or more.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

(d) **Storage Service**

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

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

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



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MONTHLY RATES AND CHARGES

APPLICABLE TO ALL SERVICES - ALL ZONES (1)

<u>MONTHLY CHARGE</u>	\$932.79
<u>DELIVERY CHARGES</u> (cents per month per m ³)	
Monthly Demand Charge for first 70,000 m ³ of Contracted Daily Demand	27.6426
Monthly Demand Charge for all units over 70,000 m ³ of Contracted Daily Demand	16.2552
Commodity Charge for first 852,000 m ³ of gas volumes delivered	0.5341
Commodity Charge for all units over 852,000 m ³ of gas volumes delivered	0.3892

NOTE

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

ADDITIONAL CHARGES FOR SALES SERVICE

Gas Supply Charge

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

Commodity Transportation

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

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

HEAT CONTENT ADJUSTMENT

The gas supply commodity charges hereunder will be adjusted upwards or downwards as described below if the average total heating value of the gas per cubic metre (m³) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per m³, respectively.

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

**COMMISSIONING AND DECOMMISSIONING RATE**

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

Zone Rate Schedule No.	<u>Fort Frances</u> 220	<u>Western</u> 120	<u>Northern</u> 320	<u>Eastern</u> 620
<u>MONTHLY CHARGE</u>	\$932.79	\$932.79	\$932.79	\$932.79
<u>DELIVERY CHARGES</u>	<u>cents per m³</u>	<u>cents per m³</u>	<u>cents per m³</u>	<u>cents per m³</u>
Commodity Charge for each unit of gas volumes delivered	2.3517	2.3517	2.3517	2.3517

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) \$12.464

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) \$0.159

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ) \$0.569

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

DIVERSION TRANSACTION CHARGE

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

THE BILL

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

MINIMUM BILL

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



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DELAYED PAYMENT

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

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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 m³ or more or the interruptible portion of a maximum daily requirement for combined firm and interruptible service is 14,000 m³ or more and whose operations, in the judgement of Union, can readily accept interruption and restoration of gas service.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) Sales Service

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

(b) Transportation Service

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

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

MONTHLY RATES AND CHARGESAPPLICABLE TO ALL SERVICES – ALL ZONES (1)

<u>MONTHLY CHARGE</u>	\$331.70
<u>DELIVERY CHARGES</u>	<u>cents per m³</u>
A Delivery Price for all volumes delivered to the customer to be negotiated between Union and the customer and the average price during the period in which these rates remain in effect shall not exceed:	4.4519
<u>UNAUTHORIZED OVERRUN NON - COMPLIANCE RATE</u>	<u>cents per m³</u>
Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect.	231.3000

Notes:

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



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ADDITIONAL CHARGES FOR SALES SERVICE

Gas Supply Charge

As per applicable rate provided in Schedule "A".

Interruptible Service

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

HEAT CONTENT ADJUSTMENT

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

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

ADDITIONAL CHARGES FOR TRANSPORTATION – ALL ZONES

MONTHLY TRANSPORTATION ACCOUNT CHARGE:

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

\$220.55

THE BILL

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

MINIMUM BILL

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

DELAYED PAYMENT

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

SERVICE AGREEMENT

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



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TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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 m^3 plus the greater of the incremental cost of gas for Union and the customer's gas supply charge.

SHORT TERM STORAGE / BALANCING SERVICE

Short Term Storage / Balancing Service is:

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

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

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

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

THE BILL

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

SERVICE AGREEMENT

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



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TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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 m³ or more, and whose annual requirement for firm service is equal to or greater than its maximum daily requirement multiplied by 256.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

(d) **Storage Service**

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

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

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

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

<u>MONTHLY CHARGE</u>	\$1,423.71
<u>DELIVERY CHARGES</u> (cents per Month per m ³ of Daily Contract Demand)	
Monthly Demand Charge for each unit of Contracted Daily Demand	15.2678
Commodity Charge for each unit of gas volumes delivered (cents/m ³)	0.2220

NOTE:

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

ADDITIONAL CHARGES FOR SALES SERVICEGas Supply Charges

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

Commodity Transportation

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

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

HEAT CONTENT ADJUSTMENT

The gas supply commodity charges hereunder will be adjusted upwards or downwards as described below if the average total heating value of the gas per cubic metre (m³) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per m³, respectively.

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

**COMMISSIONING AND DECOMMISSIONING RATE**

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

Zone Rate Schedule No.	<u>Fort Frances</u> 2100	<u>Western</u> 1100	<u>Northern</u> 3100	<u>Eastern</u> 6100
<u>MONTHLY CHARGE</u>	\$1,423.71	\$1,423.71	\$1,423.71	\$1,423.71
<u>DELIVERY CHARGES</u>	<u>cents per m³</u>	<u>cents per m³</u>	<u>cents per m³</u>	<u>cents per m³</u>
Commodity Charge for each unit of gas volumes delivered	0.9391	0.9391	0.9391	0.9391

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)	\$12.464
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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)	\$0.159
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Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ)	\$0.569
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The Authorized Overrun Commodity Charge is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

DIVERSION TRANSACTION CHARGE

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

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

MINIMUM BILL

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



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DELAYED PAYMENT

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

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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 CHARGESUNBUNDLED STORAGE SERVICE CHARGES

Storage Space Charge	
Applied to Contracted Maximum Storage Space (\$ per GJ per Month)	\$0.086
Fuel Ratio	
Applied to all gas injected and withdrawn from storage (%)	0.403%
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 (%)	0.860%
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	\$7.939
Commodity (\$/GJ)	N/A	\$0.036	\$0.036	\$0.049

Notes:

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

Diversion Transaction Charge

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

\$10.00

MONTHLY BILL

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

DELAYED PAYMENT

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

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 Rate Schedule effective October 1, 2015.



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Union Gas Limited
Union North
Gas Supply Charges

(A) Availability

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

(B) Applicability:

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

(C) Rates

Utility Sales

Rate 01A (cents / m³)

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
Storage	3.6643	3.3346	3.9402	4.4521
Storage - Price Adjustment	-	-	-	-
Commodity and Fuel (1)	12.2082	12.2968	12.4339	12.5430
Commodity and Fuel - Price Adjustment	(2.0989)	(2.0989)	(2.0989)	(2.0989)
Transportation	5.7722	4.9572	6.4543	7.7197
Transportation - Price Adjustment	0.7006	0.7006	0.7006	0.7006
Total Gas Supply Charge	<u>20.2464</u>	<u>19.1903</u>	<u>21.4301</u>	<u>23.3165</u>

Rate 10 (cents / m³)

Storage	2.3917	2.0650	2.6651	3.1722
Storage - Price Adjustment	-	-	-	-
Commodity and Fuel (1)	12.2082	12.2968	12.4339	12.5430
Commodity and Fuel - Price Adjustment	(2.0989)	(2.0989)	(2.0989)	(2.0989)
Transportation	5.0912	4.2767	5.7728	7.0374
Transportation - Price Adjustment	0.6688	0.6688	0.6688	0.6688
Total Gas Supply Charge	<u>18.2610</u>	<u>17.2084</u>	<u>19.4417</u>	<u>21.3225</u>

Notes:

(1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1910 cents/m³.



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Union Gas Limited
Union North
Gas Supply Charges

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 20 (cents / m³)</u>				
Commodity and Fuel (1)	12.0025	12.0896	12.2244	12.3315
Commodity and Fuel - Price Adjustment	(2.0989)	(2.0989)	(2.0989)	(2.0989)
Commodity Transportation - Charge 1	4.3859	3.9293	4.7668	5.4747
Transportation 1 - Price Adjustment	0.9480	0.9480	0.9480	0.9480
Commodity Transportation - Charge 2	-	-	-	-
Monthly Gas Supply Demand	54.0801	34.0754	73.2293	106.3242
Gas Supply Demand - Price Adjustment	-	-	-	-
Commissioning and Decommissioning Rate	7.0646	5.3840	8.6285	11.3709

Rate 100 (cents / m³)

Commodity and Fuel (1)	12.0025	12.0896	12.2244	12.3315
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 / m³)

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

Natural Gas Liquefaction Service (\$ / GJ) (2)

Gas Supply Charge:	Interruptible Service	
	Minimum	0.3919
	Maximum	178.3976

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1910 cents/m³.
(2) Billing in energy (\$/GJ) will only apply to the Natural Gas Liquefaction Service.

Effective: January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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 m³ per year.

(C) Rates

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

a)	Monthly Charge		\$21.00
b)	Delivery Charge		
	First	100 m ³	3.7913 ¢ per m ³
	Next	150 m ³	3.5997 ¢ per m ³
	All Over	250 m ³	3.1046 ¢ per m ³
	Delivery – Price Adjustment (All Volumes)		0.0629 ¢ per m ³ (1)
c)	Storage Charge (if applicable)		0.7027 ¢ per m ³
	Storage - Price Adjustment (All Volumes)		0.0000 ¢ per m ³
	Applicable to all bundled customers (sales and bundled transportation service).		
d)	Gas Supply Charge (if applicable)		
	The gas supply charge is comprised of charges for transportation and for commodity and fuel.		
	The applicable rates are provided in Schedule "A".		

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

Notes:

- (1) Includes a temporary charge of 0.0629 cents/m³ 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 4.4940 ¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³.

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

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

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

Effective

January 1, 2016
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Chatham, Ontario

Supersedes EB-2015-0255 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 m³ per year.

(C) Rates

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

a)	Monthly Charge		\$70.00	
b)	Delivery Charge			
	First	1 000 m ³	3.5991 ¢ per m ³	
	Next	6 000 m ³	3.5324 ¢ per m ³	
	Next	13 000 m ³	3.3681 ¢ per m ³	
	All Over	20 000 m ³	3.1273 ¢ per m ³	
	Delivery – Price Adjustment (All Volumes)		(0.0946) ¢ per m ³	(1)
c)	Storage Charge (if applicable)		0.6161 ¢ per m ³	
	Storage - Price Adjustment (All Volumes)		0.0000 ¢ per m ³	
	Applicable to all bundled customers (sales and bundled transportation service).			
d)	Gas Supply Charge (if applicable)			
	The gas supply charge is comprised of charges for transportation and for commodity and fuel.			
	The applicable rates are provided in Schedule "A".			

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

Notes:

(1) Includes a temporary credit of (0.0946) cents/m³ 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 4.2152 ¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³.

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

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

<u>Zone</u>	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

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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 m³ and 60 000 m³.

(C) Rates

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

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

(i) A Monthly Demand Charge			
First	8 450 m ³ of daily contracted demand		48.6123 ¢ per m ³
Next	19 700 m ³ of daily contracted demand		21.7965 ¢ per m ³
All Over	28 150 m ³ of daily contracted demand		18.3122 ¢ per m ³
(ii) A Monthly Delivery Commodity Charge			
First 422 250 m ³ delivered per month			1.1124 ¢ per m ³
Next volume equal to 15 days use of daily contracted demand			1.1124 ¢ per m ³
For remainder of volumes delivered in the month			0.4799 ¢ per m ³
Delivery- Price Adjustment (All Volumes)			0.0000 ¢ per m ³

(iii) Gas Supply Charge (if applicable)

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

2. Overrun Charge

Authorized overrun gas is available provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization. Overrun means gas taken on any day in excess of 103% of contracted daily demand. Authorized overrun will be available April 1 through October 31 and will be paid for at a Delivery Rate of 2.7106 ¢ per m³ and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m³ for all volumes purchased.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 4.4940 ¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

3. Firm Minimum Annual Charge

In each contract year, the customer shall purchase from Union or pay for a minimum volume of gas or transportation services equivalent to 146 days use of firm contracted demand. Overrun gas volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery Charge of 1.3034 ¢ per m³ and, if applicable a gas supply commodity charge provided in Schedule "A".

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



4. Interruptible Service

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

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

a) (i) Monthly Delivery Commodity Charge

<u>Daily Contracted Demand Level (CD)</u>	<u>Price per m³</u>
2 400 m ³ ≤ CD < 17 000 m ³	2.7741 ¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³	2.6442 ¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³	2.5759 ¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³	2.5280 ¢ per m ³

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

(ii) Days Use of Interruptible Contract Demand

The price determined under Paragraph 4(a) of "Rates" will be reduced by the amount based on the number of Days Use of Contracted Demand as scheduled below:

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

(iii) Gas Supply Charge (if applicable)

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

(iv) Monthly Charge \$669.55 per month

- b) In each contract year, the customer shall take delivery from Union, or in any event pay for, if available and not accepted by the customer, a minimum volume of gas or transportation services as specified in the contract between the parties and which will not be less than 350 000 m³ per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery Charge of 2.9651 ¢ per m³, and if applicable, a gas supply charge provided in Schedule "A".

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

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

Unauthorized overrun gas taken in any month shall be paid for at the rate of 4.4940 ¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 231.3000 ¢ per m³ (\$60 per GJ) for the delivery.



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(D) Delayed Payment

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

(E) Direct Purchase

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

(F) Bundled Direct Purchase Delivery

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

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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 m³ and 60 000 m³ inclusive.

(C) Rates

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

1. Interruptible Service

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

a) (i) Monthly Delivery Commodity Charge

<u>Daily Contracted Demand Level (CD)</u>	<u>Price per m³</u>
2 400 m ³ ≤ CD < 17 000 m ³	2.7741 ¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³	2.6442 ¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³	2.5759 ¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³	2.5280 ¢ per m ³

Delivery- Price Adjustment (All Volumes)	0.0000 ¢ per m ³
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(ii) Days Use of Interruptible Contract Demand

The price determined under Paragraph 1(a) of "Rates" will be reduced by the amount based on the number of Days

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

(iii) Gas Supply Charge (if applicable)

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

(iv) Monthly Charge	\$669.55 per month
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2. In each contract year, the customer shall take delivery from Union, or in any event pay for, if available and not accepted by the customer, a minimum volume of gas or transportation services as specified in the contract between the parties and which will not be less than 350 000 m³ per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery Charge of 2.9651 ¢ per m³, and if applicable, a gas supply charge provided in Schedule "A".

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

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

Unauthorized overrun gas taken in any month shall be paid for at the rate of 4.4940 ¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 231.3000 ¢ per m³ (\$60 per GJ) for the delivery.

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 28.5762 ¢ per m³.
- b) The commodity charge for firm service shall be the rate for firm service at Union's firm rates net of a monthly demand charge of 28.5762 ¢ per m³ of daily contracted demand and a delivery commodity price adjustment of 0.0000 ¢ per m³.
- c) The interruptible commodity charge will be established under Clause 1 of this schedule.

(D) Delayed Payment

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

(E) Direct Purchase

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

(F) Bundled Direct Purchase Delivery

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

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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 m³; and
- b) who has site specific energy measuring equipment that will be used in determining energy balances.

(C) Rates

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

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

(i) A Monthly Demand Charge

A negotiated Monthly Demand Charge of up to 27.0809 ¢ per m³ for each m³ of daily contracted firm demand.

(ii) A Monthly Delivery Commodity Charge

(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of 0.3781 ¢ per m³ for each m³, and a Delivery - Price Adjustment of 0.0000 ¢ per m³.

(2) A Monthly Interruptible Delivery Commodity Charge for all interruptible volumes to be negotiated between Union and the customer not to exceed an annual average of 4.8743 ¢ per m³, and a Delivery - Price Adjustment of 0.0000 ¢ per m³.

(3) A Monthly Seasonal Delivery Commodity Charge for all seasonal volumes to be negotiated between Union and the customer not to exceed an annual average of 4.6302 ¢ per m³, and a Delivery - Price Adjustment of 0.0000 ¢ per m³.

(iii) Gas Supply Charge (if applicable)

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

(iv) Overrun Gas

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



Unauthorized overrun gas taken in any month shall be paid for at the M1 rate in effect at the time the overrun occurs, plus, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m³ for all the gas supply volumes purchased.

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 231.3000 ¢ per m³ (\$60 per GJ) for the delivery.

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 3.5254 ¢ per m³ and the total gas supply charge for utility sales provided in Schedule "A" per m³, if applicable.
5. Either the utility or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.

(D) Delayed Payment

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

(E) Direct Purchase

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

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

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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 17.4339 ¢ per m³ of established daily demand determined in accordance with the service contract, such demand charge to be computed on a calendar month basis and a pro-rata charge to be made for the fraction of a calendar month which will occur if the day of first regular delivery does not fall on the first day of a month,
- (ii) A Delivery Commodity Charge of 0.2022 ¢ per m³, a Delivery Price Adjustment of 0.0000 ¢ per m³ for gas delivered and,
- (iii) Gas Supply Charge (if applicable)

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

(D) Delayed Payment

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

(E) Direct Purchase

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

(F) Overrun Charge

Authorized:

For all quantities on any day in excess of 103% of the customer's contractual rights, for which authorization has been received, the customer will be charged 0.7754 ¢ per m³. Overrun will be authorized by Union at its sole discretion.

Unauthorized:

For all quantities on any day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 36.0 ¢ per m³.



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(G) Bundled Direct Purchase Delivery

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

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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 5.9498 ¢ per m³ for gas delivered.
2. Gas Supply Charge (if applicable)

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

(D) Delayed Payment

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

(E) Direct Purchase

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

(F) Overrun Charge

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. This gas shall be paid for at the rate of 4.4940 ¢ per m³ for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7 ¢ per m³ for all gas supply volumes purchased.

(G) Bundled Direct Purchase Delivery

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

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

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

	Demand Charge <u>Rate/GJ/month</u>	Commodity Charges/Credits <u>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		\$4.587
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$5.329
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		\$2.507
f) Short Term Storage / Balancing Service (2) Maximum		\$6.000
g) Discretionary Gas Supply Service ("DGSS")		Note (3)
h) Parkway Delivery Commitment Incentive ("PDCI") (4)		\$(0.134)



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Effective
2016-01-01
Rate R1
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Notes:

- (1) The charge for banked gas purchases shall be the higher of the daily spot cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.
- (2) Short Term Storage / Balancing Service is:
 - i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
 - ii) short-term firm deliverability, OR
 - iii) a component of an operational balancing service offered.

In negotiating the rate to be charged for short term storage services, the matters that are to be considered include:

- i) The minimum amount of storage service to which a customer is willing to commit,
 - ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
 - iii) Utilization of facilities, and
 - iv) Competition
- (3) Discretionary Gas Supply Service price reflects the "back-to-back" price plus gas supply administration charge.
- (4) Parkway Delivery Commitment Incentive ("PDCI") effective November 1, 2016.

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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) whose qualifying annual transportation volume for combined firm and interruptible service is at least 2 500 000 m³ or greater and has a daily firm contracted demand up to 140,870 m³; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for use at facilities located within Union's gas franchise area; and
- c) who has meters with electronic recording at each Point of Consumption; and
- d) who has site specific energy measuring equipment that will be used in determining energy balances; and
- e) for whom Union has determined transportation and/or storage capacity is available.

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

(C) Rates

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

STORAGE SERVICE:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space				
Applied to contracted Maximum				
Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right:				
Applied to the contracted Maximum				
Annual Firm Injection/Withdrawal Right				
Union provides deliverability Inventory	\$1.586			
Customer provides deliverability Inventory (4)	\$1.195			
c) Incremental Firm Injection Right:				
Applied to the contracted Maximum				
Incremental Firm Injection Right	\$1.195			
d) Annual Interruptible Withdrawal Right:				
Applied to the contracted Maximum				
Annual Interruptible Withdrawal Right	\$1.195			



	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	0.403%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.029	0.403%	\$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 the customer's total 151-day winter consumption (November 1 through March 31) and the customer's average daily consumption (Daily Contract Quantity) for the contract year multiplied by 151 days of winter. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

3.2 Obligated daily contract quantity multiple of 15

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

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



4. Annual Injection/Withdrawal Right

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

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

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

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

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

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

8. Short Term Storage / Balancing Service is:

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

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

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



TRANSPORTATION CHARGES:

	Demand Charge <u>Rate/m³/mo</u>	Commodity Charge <u>Rate/m³</u>	For Customers Providing Their Own Compressor Fuel Fuel Ratio (5)	Commodity Charge <u>Rate/m³</u>
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand				
First 28,150 m ³ per month	33.4147 ¢			
Next 112,720 m ³ per month	23.0858 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption				
Commodity Charge (All volumes)		0.1361 ¢	0.303%	0.0760 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption				
Maximum		4.8743 ¢	0.303%	4.8142 ¢

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.
- 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.
- 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 Fuel	For Customers Providing Their Own Compressor Fuel Firm or Interruptible Service	
	Firm or Interruptible Service	Fuel Ratio	Commodity Charge
Storage Injections	\$0.104/GJ	0.860%	\$0.060/GJ
Storage Withdrawals	\$0.104/GJ	0.860%	\$0.060/GJ
Transportation	1.2347 ¢/m ³	0.303%	1.1746 ¢/m ³

Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 4.4940 ¢ per m³ or \$1.166 per GJ, as appropriate.

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 231.3000 ¢ per m³ (\$60 per GJ) for the transportation service.

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 Rate/GJ
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	\$1,924.04
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2. Diversion of Gas

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

3. Delivery Obligations

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

4. Additional Service Information

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

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

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

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

5. Parkway Delivery Commitment Incentive ("PDCI")

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.

Rate/GJ

PDCI Effective November 1, 2016

\$(0.134)

(D) Delayed Payment

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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 m³. Firm and/or interruptible daily contracted demand of less than 140,870 m³ cannot be combined for the purposes of qualifying for this rate class; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for use at facilities located within Union's gas franchise area; and
- c) who has meters with electronic recording at each Point of Consumption; and
- d) who has site specific energy measuring equipment that will be used in determining energy balances; and
- e) for whom Union has determined transportation and/or storage capacity is available.

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

(C) Rates

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

STORAGE SERVICE:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory Customer provides deliverability Inventory (4)	\$1.586 \$1.195			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.195			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.195			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.029	0.403%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.029	0.403%	\$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 the customer's total 151-day winter consumption (November 1 through March 31) and the customer's average daily consumption (Daily Contract Quantity) for the contract year multiplied by 151 days of winter. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

3.2 Obligated daily contract quantity multiple of 15

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

3.3 For new, large (daily firm transportation demand requirements in excess of 1,200,000 m³/day) gas fired power generation customers, storage space is determined by peak hourly consumption x 24 x 4 days. Should the customer elect firm deliverability less than their maximum entitlement (see Note 4.2), the maximum storage space available at the rates specified herein is 10 x firm storage deliverability contracted, not to exceed peak hourly consumption x 24 x 4 days.

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



4. Annual Injection/Withdrawal Right

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

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

4.2 For new, large (daily firm transportation demand requirements in excess of 1,200,000 m³/day) gas fired power generation customers, the maximum entitlement of firm storage deliverability is 24 times the customer's peak hourly consumption, with 1.2% firm deliverability available at the rates specified herein.

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

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

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

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

8. Short Term Storage / Balancing Service is:

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

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

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

**TRANSPORTATION CHARGES:**

	Demand Charge <u>Rate/m³/mo</u>	Commodity Charge <u>Rate/m³</u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio (5) (6)	Commodity Charge <u>Rate/m³</u>
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand				
First 140,870 m ³ per month	21.8329 ¢			
All over 140,870 m ³ per month	11.5485 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption				
Commodity Charge (All volumes)		0.0640 ¢	0.282%	0.0082 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption				
Maximum		4.8743 ¢	0.282%	4.8185 ¢

Notes:

1. All demand charges are paid monthly during the term of the contract for not less than one year unless Union, at its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.
2. Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day and who are directly connected to i) the Dawn-Trafalgar transmission system in close proximity to Parkway or ii) a third party pipeline, have the option to pay for service using a Billing Contract Demand. The Billing Contract Demand shall be determined by Union such that the annual revenues over the term of the contract will recover the invested capital, return on capital and operating and maintenance costs associated with the dedicated service in accordance with Union's system expansion policy. The firm transportation demand charge will be applied to the Billing Contract Demand. For customers choosing the Billing Contract Demand option, the authorized transportation overrun rate will apply to all volumes in excess of the Billing Contract Demand but less than the daily firm demand requirement.
3. In negotiating the rate to be charged for the transportation of gas under Interruptible Transportation, the matters that are to be considered include:
 - a) The amount of the interruptible transportation for which customer is willing to contract,
 - b) The anticipated load factor for the interruptible transportation quantities,
 - c) Interruptible or curtailment provisions, and
 - d) Competition.
4. In each contract year, the customer shall pay for a Minimum Interruptible Transportation Activity level as specified in the Contract. Overrun activity will not contribute to the minimum activity level.
5. Transportation fuel ratios do not apply to customers served from dedicated facilities directly connected to third party transmission systems with custody transfer metering at the interconnect.



6. Firm transportation fuel ratio does not apply to new customers or existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day that contract for M12 Dawn to Parkway transportation service equivalent to 100% of their daily firm demand requirement. If a customer with a daily firm demand requirement in excess of 1,200,000 m³/day contracts for M12 Dawn to Parkway transportation service at less than 100% of their firm daily demand requirement, the firm transportation fuel ratio will be applicable to daily volumes not transported under the M12 transportation contract.
7. Either Union or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.

SUPPLEMENTAL CHARGES:

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

Notes:

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

OVERRUN SERVICE:

1. Annual Storage Space

Authorized

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

Unauthorized

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

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

**2. Injection, Withdrawals and Transportation**

Authorized

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

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

	Union Providing Fuel	For Customers Providing Their Own Compressor Fuel Firm or Interruptible Service	
	Firm or Interruptible Service	Fuel Ratio	Commodity Charge
Storage Injections	\$0.104/GJ	0.860%	\$0.060/GJ
Storage Withdrawals	\$0.104/GJ	0.860%	\$0.060/GJ
Transportation	0.7818 ¢/m³	0.282%	0.7260 ¢/m³

Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 4.4940 ¢ per m³ or \$1.166 per GJ, as appropriate.

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 231.3000 ¢ per m³ (\$60 per GJ) for the transportation service.

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 Rate/GJ
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	\$5,751.12
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2. Diversion of Gas

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

3. Delivery Obligations

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day who are delivering gas to Union under direct purchase arrangements may be entitled to non-obligated deliveries. The delivery options available to customers are detailed at www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features

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

4. Nominations

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day who have non obligated deliveries may contract to use Union's 5 additional nomination windows (13 in total) for the purposes of delivering gas to Union. These windows are in addition to the standard NAESB and TCPL STS nomination windows. Customers taking the additional nomination window service will pay an additional monthly demand charge of \$0.068/GJ/day/month multiplied by the non-obligated daily contract quantity.

5. Additional Service Information

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

The additional information consists of, but is not limited to, the following:
www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features

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

6. Parkway Delivery Commitment Incentive ("PDCI")

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.

Rate/GJ

PDCI Effective November 1, 2016

\$(0.134)



uniongas

Effective
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(D) Delayed Payment

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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 m³ or greater; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for distribution to its customers; and
- c) who has meters with electronic recording at each Point of Redelivery; and
- d) for whom Union has determined transportation and/or storage capacity is available.

(C) Rates

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

STORAGE SERVICE:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right				
Union provides deliverability Inventory	\$1.586			
Customer provides deliverability Inventory (4)	\$1.195			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.195			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.195			



	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	0.403%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.029	0.403%	\$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 the customer's total 151-day winter consumption (November 1 through March 31) and the customer's average daily consumption (Daily Contract Quantity) for the contract year multiplied by 151 days of winter. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

3.2 Obligated daily contract quantity multiple of 15

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

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

4. Annual Injection/Withdrawal Right

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

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



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

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

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

**TRANSPORTATION CHARGES:**

	Demand Charge <u>Rate/m³/mo</u>	Commodity Charge <u>Rate/m³</u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio	Commodity Charge <u>Rate/m³</u>
a) Annual Firm Transportation Demand (1) Applied to the Firm Daily Contract Demand	11.6340 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the Customer's Point(s) of Redelivery		0.0858 ¢	0.378%	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	\$0.104/GJ	0.860%	\$0.060/GJ
Storage Withdrawals	\$0.104/GJ	0.860%	\$0.060/GJ
Transportation	0.4682 ¢/m ³	0.378%	0.3933 ¢/m ³

Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 36.0¢ per m³ or \$9.339 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:

	<u>Monthly Charge</u>
City of Kitchener	\$ 20,208.17
NRG	\$ 3,102.16
Six Nations	\$ 1,034.05

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.

4. Parkway Delivery Commitment Incentive ("PDCI")

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.	<u>Rate/GJ</u>
PDCI Effective November 1, 2016	\$(0.134)

(D) Delayed Payment

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 Rate Schedule effective October 1, 2015.

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Schedule "A"**Gas Supply Charges****(A) Availability:**

Available to customers in Union's Southern Delivery Zone.

(B) Applicability:

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

(C) Rates:cents / m³Utility Sales

Commodity and Fuel	12.5318 (1)
Commodity and Fuel - Price Adjustment	(1.4583)
Transportation	3.5158
Total Gas Supply Commodity Charge	<u>14.5893</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	4.2282
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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	4.587
Reasonable Efforts Backstop Gas	5.329
Supplemental Inventory	Note (2)
Supplemental Gas Sales Service (cents / m ³)	19.0778
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.507
Discretionary Gas Supply Service (DGSS)	Note (3)

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1910 cents/ m³.
- (2) The charge for banked gas purchases shall be the higher of the daily spot gas cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.
- (3) Reflects the "back to back" price plus gas supply administration charge.

Effective: January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 Rate Schedule effective October 1, 2015.

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

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

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

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

(C) Rates

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

STORAGE SERVICE	Demand Charge <u>Rate/GJ/mo</u>	Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
i) Standard Storage Service (SSS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.023		
b) Injection Commodity		0.403%	\$0.026
c) Withdrawal Commodity		0.403%	\$0.026
ii) Standard Peaking Service (SPS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.115		
b) Injection Commodity		0.403%	\$0.026
c) Withdrawal Commodity		0.860%	\$0.026



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	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	\$1.039		
b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$1.039		
c) Short Term Storage / Balancing Service - Maximum			\$6.000

Notes:

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

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

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



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OVERRUN SERVICE

1. Injection and Withdrawal

Authorized

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	0.860%	\$0.060
Withdrawal	0.860%	\$0.060

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

Unauthorized

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

OTHER SERVICES & CHARGES

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

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.	<u>Rate/GJ</u>
PDCI Effective November 1, 2016	\$(0.134)

(D) Delayed Payment

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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) Rate/GJ	Commodity and Fuel Charges	
		Fuel Ratio %	AND Commodity Charge Rate/GJ
<u>Firm Transportation (1)</u>			
Dawn to Parkway	\$2.883	Monthly fuel rates and ratios shall be in accordance with schedule "C".	
Dawn to Kirkwall	\$2.421		
Kirkwall to Parkway	\$0.462		
Parkway to Dawn	n/a		
<u>M12-X Firm Transportation</u>			
Between Dawn, Kirkwall and Parkway	\$3.602	Monthly fuel rates and ratios shall be in accordance with schedule "C".	
<u>Limited Firm/Interruptible Transportation (1)</u>			
Dawn to Parkway – Maximum	\$6.919	Monthly fuel rates and ratios shall be in accordance with schedule "C".	
Dawn to Kirkwall – Maximum	\$6.919		
Parkway (TCPL) to Parkway (Cons) (2)		0.156%	

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 Rate/GJ	Commodity and Fuel Charges	
		Fuel Ratio %	AND Commodity Charge Rate/GJ
Transportation Overrun			
Dawn to Parkway		Monthly fuel rates and ratios shall be in accordance with schedule "C".	\$0.095
Dawn to Kirkwall			\$0.080
Kirkwall to Parkway			\$0.015
Parkway to Dawn			\$0.095
Parkway (TCPL) Overrun (4)	n/a	0.699%	n/a
M12-X Firm Transportation			
Between Dawn, Kirkwall and Parkway		Monthly fuel rates and ratios shall be in accordance with schedule "C".	\$0.118



(C) Rates (Cont'd)

Unauthorized Overrun

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

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

Nomination Variances

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

Notes for Section (C) Rates:

- (1) The annual transportation commodity charge is calculated by application of the YCRR Formula, as per Section (D). The annual transportation fuel required is calculated by application of the YCR Formula, as per Section (D).
- (2) This rate is for westerly transportation within the Parkway yard, from Parkway (TCPL) to Parkway (Cons) or Lisgar.
- (3) For purposes of applying the YCRR Formula or YCR Formula (Section (D)) to transportation overrun quantities, the transportation commodity revenue will be deemed to be equal to the commodity charge of the applicable service as detailed in Section (B).
- (4) This ratio will be applied to all gas quantities for which Union is obligated to deliver to Parkway (Cons) or Lisgar and has agreed to deliver to Parkway (TCPL) on an interruptible basis. This will be in addition to any rate or ratio paid for transportation easterly to Parkway (Cons) or Lisgar.
- (5) A demand charge of \$0.069/GJ/day/month will be applicable for customers contracting for firm all day transportation service in addition to the demand charges appearing on this schedule for firm transportation service to either Kirkwall or Parkway

(D) Transportation Commodity

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



(D) Transportation Commodity (Cont'd)

$$YCR = \sum_{1}^{4} [(0.001560 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [0.001560 \times (QT1 + QT3)) + (DWFxQT1) + F_{WT}] \text{ For Oct. 1 to May 31}$$

$$YCRR = \sum_{1}^{4} [(0.001560 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \times R \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [(0.001560 \times (QT1 + QT3)) + (DWFxQT1) + F_{WT}] \times R \text{ For Oct. 1 to May 31}$$

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

in which:

YCR Yearly Commodity Required

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

YCRR Yearly Commodity Revenue Required

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

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

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

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

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

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

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



(D) Transportation Commodity (Cont'd)

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

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

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

Notes

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

(E) Provision for Compressor Fuel

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

Transportation Fuel

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

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

Transportation Fuel Quantity = Transportation Quantity x Transportation Fuel Ratio.

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

Nominations

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

(F) Terms of Service

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

(G) Nominations

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

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



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(H) Monthly Fuel Rates and Ratios

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

(I) Receipt and Delivery Points and Pressures

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
8. "interruptible service" shall mean service subject to curtailment or interruption, after notice, at any time;
9. "Interconnecting Pipeline" shall mean a pipeline that directly connects to the Union pipeline system;
10. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
11. "limited interruptible service" shall mean gas service subject to interruption or curtailment on a limited number of days as specified in the Contract;
12. "m³" shall mean cubic metre of gas and "10³m³" shall mean 1,000 cubic metres of gas;
13. "month" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
14. "OEB" means the Ontario Energy Board;
15. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
16. "receipt" shall mean any gas that is delivered into Union's possession, or the possession of Union's agent;
17. "Shipper" shall have the meaning as defined in the Contract and shall also include Shipper's agent(s);

SCHEDULE "A"

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

II. GAS QUALITY

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

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

III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.
2. Determination of Volume and Energy:
 - a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
 - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
 - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
 - d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

IV. RECEIPT POINT AND DELIVERY POINT

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

Intentionally blank

VI. FACILITIES ON SHIPPER'S PROPERTY

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

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

VII. MEASURING EQUIPMENT

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

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6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.
7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

VIII. BILLING

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

IX. PAYMENTS

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

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

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

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

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

X. ARBITRATION

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

XI. FORCE MAJEURE

1. The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.

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5. An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Firm Transportation Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.
8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm Contract Demand for that Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the 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;

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

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

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

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

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

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

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

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

"gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

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

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

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

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

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

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

"m³" shall mean cubic metre of gas and **"10³m³"** shall mean 1,000 cubic metres of gas;

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

"NAESB" shall mean North American Energy Standards Board;

"OEB" means the Ontario Energy Board;

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

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

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

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

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

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

"TCPL" means TransCanada PipeLines Limited;

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

II. GAS QUALITY

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

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

III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.
2. Determination of Volume and Energy:
- a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
 - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
 - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
 - d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

IV. RECEIPT POINT AND DELIVERY POINT

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

1. Possession of Gas: 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. Liability: 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.

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

VIII. BILLING

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

IX. PAYMENTS

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20th) day of each month. If the payment date is not a Business Day, then payment must be received in Union's account on the first Business Day preceding the twentieth (20th) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,

- a. Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment; and,
- b. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract, may suspend Services until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue hereunder as if such suspension were not in place.

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

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

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "**bill next following**" shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within three (3) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.
4. Taxes: In addition to the charges and rates as per the applicable rate schedules and price schedules, Shipper shall pay all Taxes which are imposed currently or subsequent to the execution of the Contract by any legal authority having jurisdiction and any amount in lieu of such Taxes paid or payable by Union.
5. Set Off: If either party shall, at any time, be in arrears under any of its payment obligations to the other party under the Contract, then the party not in arrears shall be entitled to reduce the amount payable by it to the other party in arrears under the Contract, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to the other party. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under the Contract or any enhancement to the Contract, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.

X. ARBITRATION

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

XI. FORCE MAJEURE

1. Definition: 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. Notice: 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. Exclusions: 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. Notice of Remedy: 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. Obligation to Perform: 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. Proration of Firm Transportation Service: 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. Requests for Transportation Service: 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. Expansion Facilities: 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. Open Seasons: 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. Awarding Open Season Capacity: 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. Available Capacity Previously Offered in Open Season: 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. Right to Curtail: 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. Capacity Procedures: 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 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. Union Conditions: 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. Shipper Conditions: 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. Satisfaction of Conditions: 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. Non-Satisfaction of Conditions: 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 details regarding the quantity it desires to be handled at the applicable Receipt Point(s) and/or Delivery Point(s), and such additional information as Union determines to be necessary (a "**Nomination**").
 - ii) 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. The nomination cycle timelines are posted on Union's website and the nomination deadlines are provided in *Unionline*.
 - 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 the Nomination will be accepted. In the event Union determines that it will not accept such Nomination, Union shall advise Shipper of the reduced quantity (the "**Quantity Available**") for 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**" 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 details regarding the quantity of Gas it desires to be handled at the applicable Receipt Point(s) and/or 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. The nomination cycle timelines are posted on Union's website and the nomination deadlines are provided in *Unionline*.
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

SCHEDULE "B 2010"

Services exceed Shipper's Authorized Quantity shall be deemed "**Unauthorized Overrun**".

12. The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however, Union shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth (1/20th) of the quantity received for that day. Union shall have the right to limit Transportation Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20th) of the quantity handled for that day, for each applicable Transportation Service.
13. The parties hereto recognize that with respect to Transportation Services, on any day, receipts of gas by Union and deliveries of gas by Union may not always be exactly equal, but each party shall cooperate with the other in order to balance as nearly as possible the quantities transacted on a daily basis, and any imbalances arising shall be allocated to the Facilitating Agreement and shall be subject to the respective terms and charges contained therein, and shall be resolved in a timely manner.
14. Shipper may designate via *Unionline* access request form, 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. Any such designation, if acceptable to Union, shall be effective following the receipt and processing of the written notice and will remain in effect until revoked in writing by Shipper.

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

Firm or Interruptible Transportation Commodity

Effective January 1, 2016

Month	VT1 Easterly Dawn to Parkway (TCPL), Parkway (EGT) 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	0.856	0.044	0.541	0.028	0.156	0.008
May	0.608	0.031	0.368	0.019	0.156	0.008
June	0.505	0.026	0.270	0.014	0.395	0.020
July	0.491	0.025	0.257	0.013	0.394	0.020
August	0.390	0.020	0.157	0.008	0.393	0.020
September	0.386	0.020	0.157	0.008	0.389	0.020
October	0.734	0.038	0.461	0.024	0.156	0.008
November	0.877	0.045	0.618	0.032	0.156	0.008
December	0.989	0.051	0.728	0.037	0.156	0.008
January	1.139	0.059	0.864	0.044	0.156	0.008
February	1.082	0.056	0.815	0.042	0.156	0.008
March	1.011	0.052	0.731	0.038	0.156	0.008

Month	M12-X Easterly Kirkwall to Parkway (TCPL), Parkway (EGT)		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	0.471	0.024	0.156	0.008	0.291	0.015
May	0.396	0.020	0.156	0.008	0.291	0.015
June	0.391	0.020	0.156	0.008	0.291	0.015
July	0.390	0.020	0.156	0.008	0.291	0.015
August	0.389	0.020	0.156	0.008	0.291	0.015
September	0.385	0.020	0.156	0.008	0.291	0.015
October	0.430	0.022	0.156	0.008	0.291	0.015
November	0.415	0.021	0.156	0.008	0.156	0.008
December	0.417	0.021	0.156	0.008	0.156	0.008
January	0.432	0.022	0.156	0.008	0.156	0.008
February	0.424	0.022	0.156	0.008	0.156	0.008
March	0.436	0.022	0.156	0.008	0.156	0.008

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

Firm or Interruptible Transportation Commodity

Effective January 1, 2016

Month	VT1 Easterly Dawn to Parkway (TCPL), Parkway (EGT) 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	1.469	0.170	1.154	0.139	0.769	0.134
May	1.221	0.158	0.980	0.130	0.769	0.134
June	1.118	0.152	0.883	0.125	1.008	0.147
July	1.104	0.152	0.870	0.124	1.006	0.147
August	1.003	0.146	0.770	0.119	1.006	0.147
September	0.999	0.146	0.770	0.119	1.002	0.146
October	1.347	0.164	1.074	0.135	0.769	0.134
November	1.490	0.171	1.231	0.143	0.769	0.134
December	1.602	0.177	1.341	0.149	0.769	0.134
January	1.752	0.185	1.477	0.156	0.769	0.134
February	1.695	0.182	1.428	0.153	0.769	0.134
March	1.624	0.178	1.344	0.149	0.769	0.134

Month	M12-X Easterly Kirkwall to Parkway (TCPL), Parkway (EGT)		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	1.084	0.071	0.769	0.055	0.904	0.141
May	1.009	0.067	0.769	0.055	0.904	0.141
June	1.004	0.067	0.769	0.055	0.904	0.141
July	1.003	0.067	0.769	0.055	0.904	0.141
August	1.002	0.067	0.769	0.055	0.904	0.141
September	0.998	0.066	0.769	0.055	0.904	0.141
October	1.043	0.069	0.769	0.055	0.904	0.141
November	1.028	0.068	0.769	0.055	0.769	0.134
December	1.030	0.068	0.769	0.055	0.769	0.134
January	1.044	0.069	0.769	0.055	0.769	0.134
February	1.037	0.068	0.769	0.055	0.769	0.134
March	1.049	0.069	0.769	0.055	0.769	0.134

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

1. Receipt and Delivery Points:

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

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

2. Receipt and Delivery Pressures:

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

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

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



TRANSPORTATION OF LOCALLY PRODUCED GAS

(A) Applicability

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

Applicable Points

Dawn as a delivery point: Dawn (Facilities).

(B) Rates

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

Demand Commodity

	Demand Charge Rate/Month	Commodity Charge Union Provides Fuel Rate/GJ	Customer Provides Own Fuel Fuel Ratio
1. Monthly fixed charge per Customer Station	\$946.47		
2. Transmission Commodity Charge		\$0.035	
3. Delivery Commodity Charge		\$0.008	0.156%

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.

	Commodity Charge Union Provides Fuel Rate/GJ	Customers Provides Own Fuel Commodity Charge Rate/GJ	Fuel Ratio
Authorized Overrun Charge	\$0.077	\$0.069	0.156%

Unauthorized Overrun

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

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

(C) Terms of Service

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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. "m³" shall mean cubic metre of gas and "10³m³" shall mean 1,000 cubic metres of gas;
12. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
13. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
14. "gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
15. "Shipper" shall have the meaning as defined in the Contract and shall also include Shipper's agent(s);
16. "subsidiary" shall mean a company in which more than fifty (50) per cent of the issued share capital (having full voting rights under all circumstances) is owned or controlled directly or indirectly by another company, by one or more subsidiaries of such other company, or by such other company and one or more of its subsidiaries;

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

II. GAS QUALITY

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

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

III. MEASUREMENTS

- 1. Service Unit: The unit of the gas delivered to Union shall be a quantity of 10³m³. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.
- 2. Determination of Volume and Energy:
 - a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
 - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all

as amended from time to time.

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

IX. ARBITRATION

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

X. FORCE MAJEURE

N/A

XI. DEFAULT AND TERMINATION

N/A

XII. MODIFICATION

N/A

XIII. NONWAIVER AND FUTURE DEFAULT

N/A

XIV. LAWS, REGULATIONS AND ORDERS

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

**RATE M13
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

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

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

"Average Local Producer Heat" ("ALPH") shall mean the heat content value as set by Union, and shall be determined by volumetrically averaging the gross heat content of all produced gas delivered to the Union system by Ontario Local Producers. The ALPH shall be expressed in GJ/10³m³ and may be adjusted from time to time by Union;

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

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

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

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

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

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

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

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

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

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

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

"Firm Daily Variability Demand" shall mean the established quantity set forth in Schedule 2 of the Contract, which is the

permitted difference between the Dawn Quantity and the Market Quantity;

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

"gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

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

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

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

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

"m³" shall mean cubic metre of gas and **"10³m³"** shall mean 1,000 cubic metres of gas;

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

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

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

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

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

"OEB" means the Ontario Energy Board;

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

"Produced Volume" shall mean the aggregate of all actual volumes of gas in 10³m³, delivered by Shipper to Union at all Receipt Points on any Day;

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

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

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

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

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

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

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

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

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

II. GAS QUALITY

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

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

- k. shall not exceed forty-three degrees Celsius (43°C), and,
- l. shall not be odourized by Shipper.

3. **Non-conforming Gas:**

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

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

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

III. MEASUREMENTS

1. **Service Unit:** The unit of the gas delivered to Union shall be a quantity of 10³m³. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.

2. **Determination of Volume and Energy:**

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

IV. RECEIPT POINT AND DELIVERY POINT

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

1. Possession of Gas: 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. Liability: 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. Meter Station: 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. Union Obligations: 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. Union Equipment: 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. Shipper Obligations: 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. Maintenance Costs: Shipper shall within thirty (30) days of the delivery of an invoice by Union, reimburse Union for any actual costs reasonably incurred by Union for any repair, replacement, relocation, or upgrading of any meter station

requested by Shipper, or as required by law, or by duly constituted regulatory body, or through good engineering practice. Union shall be responsible for any costs incurred by Union to correct an error made by Union.

VII. MEASURING EQUIPMENT

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

VIII. BILLING

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

IX. PAYMENTS

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

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

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

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "**bill next following**" shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within three (3) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.
4. Taxes: In addition to the charges and rates as per the applicable rate schedules and price schedules, Shipper shall pay all Taxes which are imposed currently or subsequent to the execution of the Contract by any legal authority having jurisdiction and any amount in lieu of such Taxes paid or payable by Union.
5. Set Off: If either party shall, at any time, be in arrears under any of its payment obligations to the other party under the Contract, then the party not in arrears shall be entitled to reduce the amount payable by it to the other party in arrears under the Contract, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to the other party. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under the Contract, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.
6. Station and Connection Costs: In the event that a meter station must be constructed and/or installed in order to give effect to the 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. Definition: 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. Notice: 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. Exclusions: 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. Notice of Remedy: 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. Obligation to Perform: 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 the 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 the 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. Verbal Notice: 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. Emergency: 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. Emergency Notice: 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. Right to Modify: 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. Union Conditions: 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 the 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. Shipper Conditions: 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. Satisfaction of Conditions: 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. Non-Satisfaction of Conditions: 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) \$1,505.73

Transmission Commodity Charge to Dawn (\$ per GJ) \$0.035

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

Commodity Rate - Union provides fuel (\$ per GJ)	\$0.008	\$0.008
Fuel Ratio - customer provides fuel (%)	0.156%	0.156%

Fuel Charge to the Pool

Commodity Rate - Union provides fuel (\$ per GJ)	\$0.010	\$0.023
Fuel Ratio - customer provides fuel (%)	0.192%	0.444%

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)	\$0.765	\$1.055

Authorized Overrun:

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

	Customers located East of Dawn	Customers located West of Dawn
Firm Transportation:		
Charges to Dawn		
Commodity Rate - Union provides fuel (\$ per GJ)	\$0.068	\$0.077
Commodity Rate - customer provides fuel (\$ per GJ)	\$0.060	\$0.069
Fuel Ratio - customer provides fuel (%)	0.156%	0.156%
Charges to the Pool		
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 (%)	0.192%	0.444%

Overrun will be authorized at Union's sole discretion.



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Unauthorized Overrun

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

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

Charges aforesaid in respect of any given month in accordance with General Terms & Conditions shall be payable no later than the twenty-fifth day of the succeeding month.

Notes for Section (B) Rates:

- (1) The monthly fixed charge will be applied once per month per customer station regardless of service being firm, interruptible or a combination thereof.
- (2) Demand charges will be applicable to customers firm daily contracted demand or the firm portion of a combined firm and interruptible service.

(C) Terms of Service

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A" for contracts in effect before October 1, 2010. The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A 2013" for contracts in effect on or after January 1, 2013.

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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. "m³" shall mean cubic metre of gas and "10³m³" shall mean 1,000 cubic metres of gas;
12. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
13. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
14. "gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
15. "Shipper" shall have the meaning as defined in the Contract, and shall also include Shipper's agent(s);
16. "subsidiary" means a company in which more than fifty (50) per cent of the issued share capital (having full voting

SCHEDULE "A"

rights under all circumstances) is owned or controlled directly or indirectly by another company, by one or more subsidiaries of such other company, or by such other company and one or more of its subsidiaries;

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

II. GAS QUALITY

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

SCHEDULE "A"

- d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
 - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
 - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
 - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
 - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
 - i. shall not have a cricondenthem hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
 - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas,
 - k. shall not exceed forty-three degrees Celsius (43°C), and,
 - l. shall not be odourized by Shipper.
3. Non-conforming Gas:
- a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.
 - b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.
 - c. With respect to Article II 2. h. herein, Union may accept the gas subject to Shipper's obligations under the Dehydration Contract, if applicable.
4. Quality of Gas Received: The quality of the gas to be received by Union at the Receipt Point(s) hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II.
5. Quality of Gas at Dawn: The quality of the gas to be delivered to Union at Dawn (Facilities) or the gas to be delivered by Union to Shipper at Dawn (Facilities) hereunder is to be of a merchantable quality and in accordance with the quality standards and measurement standards as set out by Union in this Article II, except that total sulphur limit shall be not more than four hundred and sixty (460) milligrams per cubic metre of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
6. Odourization of Gas:
- a. Union may odourize or deliver odourized gas under the Contract,
 - b. Shipper shall if requested by Union monitor the mercaptan sulphur content of the gas delivered to Union under the Contract and shall provide at no cost to Union a continuous signal quantifying the mercaptan sulphur content in milligrams per cubic metre.

III. MEASUREMENTS

SCHEDULE "A"

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.
2. Determination of Volume and Energy:
 - a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
 - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
 - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
 - d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

IV. POINT OF RECEIPT AND POINT OF DELIVERY

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

N/A

VI. FACILITIES ON SHIPPER'S PROPERTY

N/A

VII. MEASURING EQUIPMENT

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of

SCHEDULE "A"

measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by its regulatory body.

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

VIII. BILLING

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

IX. PAYMENTS

SCHEDULE "A"

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

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

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

X. ARBITRATION

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

N/A

XII. DEFAULT AND TERMINATION

N/A

XIII. MODIFICATION

N/A

XIV. NONWAIVER AND FUTURE DEFAULT

N/A

XV. LAWS, REGULATIONS AND ORDERS

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

**RATE M16
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

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

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

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

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

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

"m³" shall mean cubic metre of gas and **"10³m³"** shall mean 1,000 cubic metres of gas;

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

"OEB" means the Ontario Energy Board;

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

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

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

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

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

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

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

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

"TCPL" means TransCanada PipeLines Limited;

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

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

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

II. GAS QUALITY

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

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

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

l. shall not be odourized by Shipper.

3. **Non-conforming Gas:**

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

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

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

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

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

6. **Odourization of Gas:**

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

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

III. MEASUREMENTS

1. **Storage, Transportation, and/or Sales Unit:** The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.

2. **Determination of Volume and Energy:**

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

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

IV. RECEIPT POINT AND DELIVERY POINT

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

- 1. Possession of Gas: 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. Liability: 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 Equipment: 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 Obligations: 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. Maintenance Costs: 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. Repair or Replacement: Each party shall decide, in its sole discretion, whether its facilities need to be repaired or replaced. In the event that repair or replacement is needed, the party undertaking such work will, to the extent possible, give the other party sixty (60) days' notice and will ensure that the work be done in a manner so as to minimize the amount of time the pipeline has restricted flows.

VII. MEASURING EQUIPMENT

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

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

VIII. BILLING

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

IX. PAYMENTS

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

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

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

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

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

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

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

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

X. ARBITRATION

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

XI. FORCE MAJEURE

1. Definition: 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

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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. Notice: 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. Exclusions: 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. Notice of Remedy: 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. Obligation to Perform: 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. Unforeseen Reduction: 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. License: 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. Union Conditions: 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. Shipper Conditions: 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. Satisfaction of Conditions: 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. Non-Satisfaction of Conditions: 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.



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)	Commodity Charges			
		If Union supplies fuel		If Shipper supplies fuel	
		Commodity Charge		Fuel Ratio	
		Apr.1-Oct.31	Nov.1-Mar.31	Apr.1-Oct.31	Nov.1-Mar.31
	<u>Rate/GJ</u>	<u>Rate/GJ</u>	<u>Rate/GJ</u>	<u>%</u>	<u>%</u>
a) Firm Transportation					
Between:					
St.Clair & Dawn	\$1.055	\$0.011	\$0.014	0.205%	0.264%
Ojibway & Dawn	\$1.055	\$0.023	\$0.015	0.444%	0.301%
Bluewater & Dawn	\$1.055	\$0.011	\$0.014	0.205%	0.264%
From:					
Parkway to Kirkwall	\$0.719	\$0.015	\$0.008	0.292%	0.156%
Parkway to Dawn	\$0.719	\$0.015	\$0.008	0.292%	0.156%
Kirkwall to Dawn	\$1.268	\$0.008	\$0.008	0.156%	0.156%
Dawn to Kirkwall	\$2.421	\$0.016	\$0.039	0.316%	0.751%
Dawn to Parkway	\$2.883	\$0.029	\$0.052	0.567%	1.020%
Kirkwall to Parkway	\$0.462	\$0.021	\$0.022	0.408%	0.425%
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	0.337%	0.156%
Dawn to Dawn-TCPL	\$0.137	n/a	n/a	0.156%	0.349%
d) Interruptible Transportation between two points within Dawn*					
*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)				0.156%	0.156%



(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.

		Commodity Charges			
		If Union supplies fuel		If Shipper supplies fuel	
		Commodity Charge		Fuel Ratio	
		Apr.1-Oct.31	Nov.1-Mar.31	Apr.1-Oct.31	Nov.1-Mar.31
		<u>Rate/GJ</u>	<u>Rate/GJ</u>	<u>%</u>	<u>%</u>
					<u>Rate/GJ</u>
a) Firm Transportation					
Between:					
St.Clair & Dawn		\$0.045	\$0.048	0.205%	0.264%
Ojibway & Dawn		\$0.058	\$0.050	0.444%	0.301%
Bluewater & Dawn		\$0.045	\$0.048	0.205%	0.264%
From:					
Parkway to Kirkwall		\$0.141	\$0.134	0.904%	0.769%
Parkway to Dawn		\$0.141	\$0.134	0.904%	0.769%
Kirkwall to Dawn		\$0.050	\$0.050	0.156%	0.156%
Dawn to Kirkwall		\$0.127	\$0.150	0.929%	1.364%
Dawn to Parkway		\$0.155	\$0.179	1.180%	1.633%
Kirkwall to Parkway		\$0.068	\$0.069	1.020%	1.038%
b) Firm Transportation within Dawn					
Dawn to Dawn-Vector		n/a	n/a	0.337%	0.156%
Dawn to Dawn-TCPL		n/a	n/a	0.156%	0.349%

Authorized overrun for short-term firm transportation is available at negotiated rates.

Unauthorized Overrun:

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

Notes for Section (C) Rates:

- (1) A demand charge of \$0.069/GJ/day/month will be applicable to customers contracting for firm all day transportation service in addition to the demand charges appearing on this schedule for all firm transportation service paths.

(D) Terms of Service

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

(E) Nominations

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

(F) Receipt and Delivery Points and Pressures

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0116

Chatham, Ontario

Supersedes EB-2015-0255 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/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
8. "interruptible service" shall mean service subject to curtailment or interruption, after notice, at any time;
9. "Interconnecting Pipeline" shall mean a pipeline that directly connects to the Union pipeline system;
10. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
11. "limited interruptible service" shall mean gas service subject to interruption or curtailment on a limited number of days as specified in the Contract;
12. "m³" shall mean cubic metre of gas and "10³m³" shall mean 1,000 cubic metres of gas;
13. "month" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
14. "OEB" means the Ontario Energy Board;
15. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
16. "receipt" shall mean any gas that is delivered into Union's possession, or the possession of Union's agent;
17. "Shipper" shall have the meaning as defined in the Contract and shall also include Shipper's agent(s);

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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.

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3. Non-conforming Gas: In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
4. Quality of Gas Received: The quality of the gas to be received by Union hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will also accept gas of a quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Union's C1 Rate Schedule.

III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.
2. Determination of Volume and Energy:
 - a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
 - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
 - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
 - d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

IV. RECEIPT POINT AND DELIVERY POINT

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

Intentionally blank

VI. FACILITIES ON SHIPPER'S PROPERTY

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

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

VII. MEASURING EQUIPMENT

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

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6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.
7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

VIII. BILLING

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

IX. PAYMENTS

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

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

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

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

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

X. ARBITRATION

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

XI. FORCE MAJEURE

1. The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.

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5. An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Firm Transportation Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.
8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm Contract Demand for that Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the C1 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. If, due to the occurrence of an event of force majeure as outlined above, the capacity for gas deliveries by Union is impaired, it will be necessary for Union to curtail Shipper's gas receipts to Union hereunder, via proration based on utilization of such facilities for the Day. This prorating shall be determined by multiplying the capability of such facilities as available downstream of the impairment on the Day, by a fraction where the numerator is Shipper's nominated firm quantity and the denominator is the total of all such nominated firm quantities for nominated services and planned consumption for in-franchise customers on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Union to in-franchise customers and ex-franchise shippers.

XII. DEFAULT AND TERMINATION

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

XIII. MODIFICATION

Subject to Union's C1 Rate Schedule, Schedule A, Article XV and the ability of Union to amend the C1 Rate Schedule with the approval of the OEB, no amendment or modification of the Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and Union.

XIV. NON-WAIVER AND FUTURE DEFAULT

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XV. LAWS, REGULATIONS AND ORDERS

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

**RATE C1
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

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

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

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

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

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

"**Limited Firm**" shall mean gas service subject to interruption or curtailment on a limited number of Days as specified in the Contract;

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

"**m**³" shall mean cubic metre of gas and "10³m³" shall mean 1,000 cubic metres of gas;

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

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

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

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

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

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

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

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

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

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

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

II. GAS QUALITY

1. **Natural Gas:** The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.

2. Freedom from objectionable matter: The gas to be delivered to/by Union hereunder,
- a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
 - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas,
 - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
 - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
 - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
 - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
 - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
 - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
 - i. shall not have a 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 (m³) or one thousand cubic metres (10³m³) at Union's discretion.
2. Determination of Volume and Energy:
- a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
 - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas

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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. Possession of Gas: 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. Liability: 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.

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

VIII. BILLING

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

the time during which the Interconnecting Pipeline retains the right to amend their statements, which period shall not exceed three (3) years from the date of termination of the Contract.

IX. PAYMENTS

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

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

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

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

Shipper shall make reasonable efforts to eliminate/minimize the withholding tax related to the fees/payments paid to Union, including but not limited to requesting from Union the relevant documentation necessary to determine the appropriate withholding, if any, for tax purposes. In the event taxes are withheld from the fees/payment paid by Shipper, Shipper shall remit such withheld taxes to the applicable taxing authority and Shipper will provide Union, after the calendar year end, Union's Federal Form 1042-S and a comparable state/international form, if applicable, within the applicable statutory time frame.

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. Definition: 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. Notice: 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. Exclusions: 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. Notice of Remedy: 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. Obligation to Perform: 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.

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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. Proration of Firm Transportation Service: 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. Requests for Transportation Service: 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. Expansion Facilities: 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. Open Seasons: 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. Awarding Open Season Capacity: 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. Available Capacity Previously Offered in Open Season: 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.

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- 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

- 1. 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. Right to Curtail: 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 $\leq 20\%$ 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:

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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. Capacity Procedures: 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 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. Union Conditions: 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. Shipper Conditions: 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,

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- 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. Satisfaction of Conditions: 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. Non-Satisfaction of Conditions: 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 details regarding the quantity it desires to be handled at the applicable Receipt Point(s) and/or Delivery Point(s), and such additional information as Union determines to be necessary (a "**Nomination**").
 - ii) 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. The nomination cycle timelines are posted on Union's website and the nomination deadlines are provided in *Unionline*.
 - 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 the Nomination will be accepted. In the event Union determines that it will not accept such Nomination, Union shall advise Shipper of the reduced quantity (the "**Quantity Available**") for 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**" 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 details regarding the quantity of Gas it desires to be handled at the applicable Receipt Point(s) and/or 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. The nomination cycle timelines are posted on Union's website and the nomination deadlines are provided in *Unionline*.
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

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Services exceed Shipper's Authorized Quantity shall be deemed "**Unauthorized Overrun**".

12. The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however, Union shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth (1/20th) of the quantity received for that day. Union shall have the right to limit Transportation Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20th) of the quantity handled for that day, for each applicable Transportation Service.
13. The parties hereto recognize that with respect to Transportation Services, on any day, receipts of gas by Union and deliveries of gas by Union may not always be exactly equal, but each party shall cooperate with the other in order to balance as nearly as possible the quantities transacted on a daily basis, and any imbalances arising shall be allocated to the Facilitating Agreement and shall be subject to the respective terms and charges contained therein, and shall be resolved in a timely manner.
14. Shipper may designate via *Unionline* access request form, 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. Any such designation, if acceptable to Union, shall be effective following the receipt and processing of the written notice and will remain in effect until revoked in writing by Shipper.

RATE C1
RECEIPT AND DELIVERY POINTS AND PRESSURES

1. Receipt and Delivery Points:

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

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

R, D **BLUEWATER:** At the junction of Bluewater Gas Storage, LLC ("**Bluewater**") and St. Clair Pipelines L.P.'s facilities, located at the International Border between Canada and the United States in the St. Clair River.

2. Receipt and Delivery Pressures:

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

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

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

APPENDIX C

UNION GAS LIMITED
Infranchise Customers
Summary of Average Interruptible Rate and Price Adjustment Changes for Rates 25, M4, M5A, M7, T1 and T2
Effective January 1, 2016

Line No.	Particulars (cents / m ³)	Monthly Charge Increase / (Decrease) (a)	Delivery Commodity Charge Increase / (Decrease) (b)	Delivery - Price Adjustment Increase / (Decrease) (c)	Gas Commodity Price Adjustment Rate (1) (d)
1	Rate 25 All Zones	(\$20.62)	(0.0210)		(0.2720)
2	Rate M4 Interruptible	(\$11.66)	0.1202		
3	Rate M5A Interruptible	(\$11.66)	0.1202		
4	Rate M7 Interruptible		0.0783		
5	Seasonal		0.0783		
6	Rate T1 - Interruptible Transportation - Union supplies fuel		0.0246		
7	Transportation - Customer supplies fuel		0.0241		
8	Rate T2 - Interruptible Transportation - Union supplies fuel		0.0123		
9	Transportation - Customer supplies fuel		0.0118		

Notes:

(1) Applies to sales service customers only.

APPENDIX E

UNION GAS LIMITED
Miscellaneous Non-Energy Charges

Line No.	Service	Fee
	Residential Customer Class Service	
1	Connection Charge	\$35
2	Temporary Seal - Turn-off (Seasonal)	\$22
3	Temporary Seal - Turn-on (Seasonal)	\$35
4	Landlord Turn-on	\$35
5	Disconnect/Reconnect for Non-Payment	\$65
	Commercial/Industrial Customer Class Service	
6	Connection Charge	\$38
7	Temporary Seal - Turn-off (Seasonal)	\$22
8	Temporary Seal - Turn-on (Seasonal)	\$38
9	Landlord Turn-on	\$38
10	Disconnect/Reconnect for Non-Payment	\$65
	Statement of Account/History Statements	
11	History Statement (previous year)	\$15/statement
12	History Statement (beyond previous year)	\$40/hour
13	Duplicate Bills * (if processed by system)	No charge
14	Duplicate Bills * (if manually processed)	\$15/statement
	Dispute Meter Test Charges	
15	Meter Test - Residential Meter	\$50 flat fee for removal and test
16	Meter Test - Commercial/Industrial Meter	Hourly charge based on actual costs
	Direct Purchase Administration Charges	
17	Monthly fee per bundled t-service contract or unbundled U2 contract	\$75.00
18	Monthly per customer fee	\$0.19
19	Invoice Vendor Adjustment (IVA) fee (for each successfully submitted IVA transaction)	\$1.09

Notes:

- * Duplicate bill charges only apply when customer wants two copies of a bill. Lost bills from the last billing period will be replaced free of charge.

APPENDIX F

UNION GAS LIMITED

**Accounting Entries for
Short-term Storage and Other Balancing Services
Deferral Account No. 179-70**

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

Debit - Account No. 571
Storage Revenue

Credit - Account No. 179-70
Other Deferred Charges - Short-term Storage and Other Balancing Services

To record, as a debit (credit) in Deferral Account No. 179-70 the utility portion of actual net revenues for Short-term Storage and Other Balancing Services, less the 10% shareholder incentive to provide these services and less the net revenue forecast for these services as approved by the Board for ratemaking purposes. The utility portion of actual net revenues for Short-term Storage and Other Balancing Services is determined by allocating total margins received from the sale of these services based on the utility share of the total quantity of the services sold each calendar year. The utility share reflects the transactions supported by utility storage space (up to the 100 PJ cap – both planned and excess over planned).

Debit - Account No. 571
Storage Revenue

Credit - Account No. 179-70
Other Deferred Charges – Short-term Storage and Other Balancing Services

To record, as a credit in Deferral Account No. 179-70 payments by Union Gas Limited's non-utility business to its utility business for storage encroachment.

Debit - Account No. 179-70
Other Deferred Charges - Short-term Storage and Other Balancing Services

Credit - Account No. 323
Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-70, interest on the balance in Deferral Account No. 179-70. Simple interest will be computed monthly upon finalization of the year end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Lost Revenue Adjustment Mechanism
Deferral Account No. 179-75**

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

Debit	-	Account No.179-75 Other Deferred Charges - Lost Revenue Adjustment Mechanism
Credit	-	Account No. 529 Other Sales

To record, as a debit (credit) in Deferral Account No. 179-75, the difference between actual margin reductions related to Union's DSM plans and the margin reduction included in gas delivery rates as approved by the Board.

Debit	-	Income Account No. 179-75 Other Deferred Charges - Lost Revenue Adjustment Mechanism
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-75, interest expense on the balance in Deferral Account No. 179-75. Simple interest will be computed monthly upon finalization of the year end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Transportation Tolls and Fuel – Northern and Eastern Operations Area
Deferral Account No. 179-100**

This account is applicable to the Northern and Eastern Operations of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-100 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern Operations Area
Credit	-	Account No. 663 Transportation of Gas by Others

To record, as a debit (credit) in Deferral Account No. 179-100, the difference in the costs between the actual per unit transportation and associated fuel costs and the forecast per unit transportation and associated fuel costs included in the rates as approved by the Board.

Debit	-	Account No. 179-100 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern Operations Area
Credit	-	Account No. 663 Transportation of Gas by Others

To record, as a debit (credit) in Deferral Account No. 179-100 charges that result from the Limited Balancing Agreement.

Debit	-	Account No. 500 Sales Revenue
Credit	-	Account No. 179-100 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern Operations Area

To record, as a credit (debit) in Deferral Account No. 179-100 revenue from T-Service customers for load balancing service resulting from the Limited Balancing Agreement.

Debit	-	Account No. 179-100 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern Operations Area
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-100 interest expense on the balance in Deferral Account No. 179-100. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Unbundled Services Unauthorized Storage Overrun
Deferral Account No. 179-103**

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

Debit	-	Account No.571 Storage Revenue
Credit	-	Account No. 179-103 Other Deferred Charges – Unbundled Services Unauthorized Storage Overrun

To record as a credit (debit) in Deferral Account No. 179-103 any unauthorized storage overrun charges incurred by customers electing unbundled service.

Debit	-	Account No. 179-103 Other Deferred Charges – Unbundled Services Unauthorized Storage Overrun
Credit	-	Account No. 323 Other Interest Expense

To record as a debit (credit) in Deferral Account No. 179-103, interest on the balance in Deferral Account No. 179-103. Simple interest will be computed on the monthly opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
North Purchase Gas Variance Account
Deferral Account No. 179-105**

This account is applicable to the Northern and Eastern Operations area of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-105 Other Deferred Charges – North Purchase Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-105, the difference between the unit cost of gas purchased each month for the Northern and Eastern Operations area and the unit cost of gas included in the gas sales rates as approved by the Board, including the difference between the actual heat content of the gas purchased and the forecast heat content included in gas sales rates.

Debit	-	Account No. 179-105 Other Deferred Charges - North Purchase Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-105, interest expense on the balance in Deferral Account No. 179-105. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
South Purchase Gas Variance Account
Deferral Account No. 179-106**

This account is applicable to the Southern Operations area of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-106 Other Deferred Charges – South Purchase Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-106, the difference between the unit cost of gas purchased each month for the Southern Operations and the unit cost of gas included in the gas sales rates as approved by the Board, including the difference between the actual heat content of the gas purchased and the forecast heat content included in gas sales rates.

Debit	-	Account No. 179-106 Other Deferred Charges - South Purchase Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-106, interest expense on the balance in Deferral Account No. 179-106. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Spot Gas Variance Account
Deferral Account No. 179-107**

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

Debit	-	Account No. 179-107 Other Deferred Charges –Spot Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-107, the difference between the unit cost of spot gas purchased each month and the unit cost of gas included in the gas sales rates as approved by the Board on the spot volumes purchased in excess of planned purchases.

Debit	-	Account No. 623 Cost of Gas
Credit	-	Account No. 179-107 Other Deferred Charges –Spot Gas Variance Account

To record, as a credit (debit) in Deferral Account No. 179-107, the approved gas supply charges recovered through the delivery component of rates.

Debit	-	Account No. 179-107 Other Deferred Charges – Spot Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-107, interest expense on the balance in Deferral Account No. 179-107. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Unabsorbed Demand Cost (UDC) Variance Account
Deferral Account No. 179-108**

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

Debit	-	Account No. 179-108 Other Deferred Charges – Unabsorbed Demand Cost Variance Account
Credit	-	Account No. 663 Transportation of Gas by Others

To record, as a debit (credit) in Deferral Account No. 179-108, the difference between the actual unabsorbed demand costs incurred by Union and the amount of unabsorbed demand charges included in rates as approved by the Board.

Debit	-	Account No. 663 Transportation of Gas by Others
Credit	-	Account No. 179-108 Other Deferred Charges – Unabsorbed Demand Cost Variance Account

To record, as a credit (debit) in Deferral Account No. 179-108, the benefit from the temporary assignment of unutilized capacity under Union's transportation contracts to the Northern and Eastern Operations Area. The benefit will be equal to the recovery of pipeline demand charges and other charges resulting from the temporary assignment of unutilized capacity that have been included in gas sales rates.

Debit	-	Account No. 179-108 Other Deferred Charges – Unabsorbed Demand Cost Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-108, interest expense on the balance in Deferral Account No. 179-108. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Inventory Revaluation Account
Deferral Account No. 179-109**

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

Debit	-	Account No. 179-109 Other Deferred Charges – Inventory Revaluation
Credit	-	Account No. 152 Gas in Storage - Available for Sale

To record, as a debit (credit) in Deferral Account No. 179-109, the decrease (increase) in the value of gas inventory available for sale to sales service customers due to changes in Union's weighted average cost of gas approved by the Board for rate making purposes.

Debit	-	Account No. 179-109 Other Deferred Charges – Inventory Revaluation Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-109, interest expense on the balance in Deferral Account No. 179-109. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Demand Side Management Variance Account
Deferral Account No. 179-111**

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

Debit - Account No.179-111
 Demand Side Management Variance Account

Credit - Account No. 728
 General Expense

To record as a debit (credit) in Deferral Account No. 179-111, the difference between actual and the approved direct DSM expenditure budget currently approved for recovery in rates, provided that any excess over the approved direct DSM expenditure budget does not exceed 15% of the direct DSM expenditure budget. Any excess over the approved direct DSM expenditure budget for the year must be for incremental DSM volume savings that are cost effective as determined by the Total Resource Cost Test.

Debit - Account No.179-111
 Other Deferred Charges – Demand Side Management Variance Account

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-111, interest expense on the balance in Deferral Account No. 179-111. Simple interest will be computed monthly upon finalization of the year end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Gas Distribution Access Rule (GDAR) Costs
Deferral Account No. 179-112**

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

Debit	-	Account No. 179-112 Other Deferred Charges - Deferred Gas Distribution Access Rule (GDAR) Costs
Credit	-	Account No. 728 General Expense

To record, as a debit (credit) in Deferral Account No. 179-112 the difference between the actual costs required to implement the appropriate process and system changes to achieve compliance with GDAR and the costs included in rates as approved by the Board.

Debit	-	Account No. 179-112 Other Deferred Charges - Deferred Gas Distribution Access Rule (GDAR) Costs
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-112, interest on the balance in Deferral Account No. 179-112. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Carbon Dioxide Offset Credits
Deferral Account No. 179-117**

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

Debit - Account No.179 -117
Carbon Dioxide Offset Credits

Credit - Account No. 579
Miscellaneous Operating Revenue

To record, as a debit in Deferral Account No. 179-117, the amounts representing proceeds from the sale of or other dealings in carbon dioxide offset credits earned as a result of Union's DSM activity.

Debit - Account No.179 -117
Other Deferred Charges – Carbon Dioxide Offset Credits

Credit - Account No. 323
Other Interest Expense

To record, as a debit in Deferral Account No. 179 -117, interest expense on the balance in Deferral Account No. 179-117. Simple interest will be computed monthly upon finalization of the year end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
CGAAP to IFRS Conversion Costs
Deferral Account No. 179-120**

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

Debit	-	Account No. 179-120 Other Deferred Charges - CGAAP to IFRS Conversion Costs
Credit	-	Account No. 728 General Expense

To record, as a debit (credit) in Deferral Account No. 179-120 the difference between the actual incremental one-time administrative costs incurred to convert accounting policies and processes from their current compliance with Canadian Generally Accepted Accounting Principles (CGAAP) to their future compliance with International Financial Reporting Standards (IFRS) and the costs included in rates as approved by the Board.

Debit	-	Account No. 179-120 Other Deferred Charges - CGAAP to IFRS Conversion Costs
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-120, interest on the balance in Deferral Account No. 179-120. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Conservation Demand Management
Deferral Account No. 179-123**

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

Debit - Account No. 312
 Non-Gas Operating Revenue

Credit - Account No.179-123
 Other Deferred Charges – Conservation Demand Management

To record, as a credit in Deferral Account No. 179-123, 50% of the actual revenues generated from the Conservation Demand Management (CDM) program that will be paid to customers upon approval by the Board for rate making purposes.

Debit - Account No.179-123
 Other Deferred Charges – Conservation Demand Management

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-123, interest expense on the balance in Deferral Account No. 179-123. Simple interest will be computed monthly on the opening balance in the said account at the short term debt rate as approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Demand Side Management Incentive
Deferral Account No. 179-126**

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

Debit	-	Account No. 179-126 Other Deferred Charges – Demand Side Management Incentive
Credit	-	Account No. 319 Other Income

To record, as a debit in Deferral Account No. 179-126, the shareholder incentive earned by the Company in relation to its Demand Side Management (DSM) Programs.

Debit	-	Account No. 179-126 Other Deferred Charges – Demand Side Management Incentive
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-126, interest on the balance in Deferral Account No. 179-126. Simple interest will be computed monthly on the opening balance in the said account at the short term debt rate as approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Gas Supply Plan Review – Consultant Cost
Deferral Account No. 179-128**

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

Debit	-	Account No. 179-128 Other Deferred Charges – Gas Supply Plan Review – Consultant Cost
Credit	-	Account No. 728 General Expense

To record as a debit in Deferral Account No. 179-128 the costs of hiring a consultant to undertake a review of the gas supply plan, gas supply planning process and gas supply planning methodology as directed by the Board in EB-2011-0210.

Debit	-	Account No. 179-128 Other Deferred Charges – Gas Supply Plan Review – Consultant Cost
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit in Deferral Account No. 179-128, interest on the balance in Deferral Account No. 179-128. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Upstream Transportation Optimization
Deferral Account No. 179-131**

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

Debit	-	Account No. 179-131 Other Deferred Charges – Upstream Transportation Optimization
Credit	-	Account No. 626 Exchange Gas

To record as a debit in Deferral Account No. 179-131 a receivable from customers and a reduction in cost of gas for the unit rate of optimization revenues refunded to in-franchise customers multiplied by the actual distribution transportation volumes.

Debit	-	Account No. 579 Miscellaneous Operating Revenue
Credit	-	Account No. 179-131 Other Deferred Charges – Upstream Transportation Optimization

To record as a credit in Deferral Account No. 179-131 a payable to customers and a reduction in transportation revenue equal to the ratepayer portion (90%) of the actual net revenue from gas supply optimization activities.

Debit	-	Account No. 323 Other Interest Expense
Credit	-	Account No. 179-131 Other Deferred Charges – Upstream Transportation Optimization

To record, as a debit (credit) in Deferral Account No. 179-131, interest on the balance in Deferral Account No. 179-131. Simple interest will be computed monthly upon finalization of the year- end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

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

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

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

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

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

To record, as a debit (credit) in Deferral Account No. 179-132, interest on the balance in Deferral Account No. 179-132. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Normalized Average Consumption (NAC) Account
Deferral Account No. 179-133**

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

Debit	-	Account No. 179-133 Normalized Average Consumption Account
Credit	-	Account No. 500 Sales Revenue

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

Debit	-	Account No. 179-133 Normalized Average Consumption Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-133, interest on the balance in Deferral Account No. 179-133. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Tax Variance Deferral Account
Deferral Account No. 179-134**

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

Debit	-	Account No. 179-134 Tax Variance Deferral Account
Credit	-	Account No. 300 Operating Revenues

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

Debit	-	Account No. 179-134 Tax Variance Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-134, interest on the balance in Deferral Account No. 179-134. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Unaccounted for Gas (UFG) Volume Variance Account
Deferral Account No. 179-135**

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

Debit	-	Account No. 179-135 UFG Volume Variance Account
Credit	-	Account No. 654 Gas Losses

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

Debit	-	Account No. 179-135 UFG Volume Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-135, interest on the balance in Deferral Account No. 179-135. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Parkway West Project Costs
Deferral Account No. 179-136**

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

Debit - Account No.179-136
 Other Deferred Charges – Parkway West Project Costs

Credit - Account No. 579
 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-136, the difference between the actual revenue requirement related to the costs for the Parkway West Project and the revenue requirement included in rates as approved by the Board.

Debit - Account No.179-136
 Other Deferred Charges – Parkway West Project Costs

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-136, interest on the balance in Deferral Account No. 179-136. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Brantford-Kirkwall/Parkway D Project Costs
Deferral Account No. 179-137**

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

Debit - Account No.179-137
 Other Deferred Charges – Brantford-Kirkwall/Parkway D Project Costs

Credit - Account No. 579
 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-137, the difference between the actual revenue requirement related to the costs for the Brantford-Kirkwall/Parkway D Project and the revenue requirement included in rates as approved by the Board.

Debit - Account No.179-137
 Other Deferred Charges – Brantford-Kirkwall/Parkway D Project Costs

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-137, interest on the balance in Deferral Account No. 179-137. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Parkway Obligation Rate Variance
Deferral Account No. 179-138**

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

Debit - Account No.179-138
 Other Deferred Charges – Parkway Obligation Rate Variance

Credit - Account No. 300
 Operating Revenue

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

Debit - Account No.179-138
 Other Deferred Charges – Parkway Obligation Rate Variance

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-138, interest on the balance in Deferral Account No. 179-138. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Energy East Pipeline Consultation Costs
Deferral Account No. 179-139**

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

Debit - Account No.179-1
 Other Deferred Charges – Energy East Pipeline Consultation Costs

Credit - Account No. 728
 General Expense

To record, as a debit (credit) in Deferral Account No. 179-1 , the consultation costs related to the Energy East Pipeline Project allocated by the Board.

Debit - Account No.179-1
 Other Deferred Charges – Energy East Pipeline Consultation Costs

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-1 , interest on the balance in Deferral Account No. 179-1 . Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Unaccounted for Gas (UFG) Price Variance Account
Deferral Account No. 179-141**

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

Debit	-	Account No. 179-141 Other Deferred Charges - UFG Price Variance Account
Credit	-	Account No. 179-106/105 Other Deferred Charges – South/North Purchase Gas Variance Accounts

To record as a debit (credit) in Deferral Account No. 179-141, the variance between the actual price of Union's purchases and the applicable Board-approved reference price, applied to Union's actual experienced UFG volumes.

Debit	-	Account No. 179-141 Other Deferred Charges - UFG Price Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-141, interest on the balance in Deferral Account No. 179-141. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Lobo C Compressor/Hamilton to Milton Pipeline Project
Costs Deferral Account No. 179-142**

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

Debit - Account No.179-142
 Other Deferred Charges – Lobo C Compressor/Hamilton to Milton Pipeline Project Costs

Credit - Account No. 579
 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-142, the difference between the actual revenue requirement related to the costs for the Lobo C Compressor/Hamilton to Milton Pipeline Project and the revenue requirement included in rates as approved by the Board.

Debit - Account No.179-142
 Other Deferred Charges – Lobo C Compressor/Hamilton to Milton Pipeline Project Costs

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-142, interest on the balance in Deferral Account No. 179-142. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Unauthorized Overrun Non-Compliance Account
Deferral Account No. 179-143**

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

Debit	-	Account No. 500 Sales Revenue
Credit	-	Account No. 179-143 Other Deferred Charges – Unauthorized Overrun Non-Compliance Account

To record as a credit (debit) in Deferral Account No. 179-143 any unauthorized overrun non-compliance charges incurred by interruptible distribution customers for not complying with a distribution interruption.

Debit	-	Account No. 323 Other Interest Expense
Credit	-	Account No. 179-143 Other Deferred Charges – Unauthorized Overrun Non-Compliance Account

To record, as a credit (debit) in Deferral Account No. 179-143, interest on the balance in Deferral Account No. 179-143. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

APPENDIX G

UNION GAS LIMITED
Parkway West Project Revenue Requirement

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

Notes:

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

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

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

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

Notes:

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

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

UNION GAS LIMITED
Hamilton-Milton Pipeline and Lobo C Compressor Project Revenue Requirement

Line No.	Particulars (\$000's)	2016 (a)	2017 (b)	2018 (c)
	<u>Rate Base Investment</u>			
1	Capital Expenditures	378,233	12,482	-
2	Average Investment	44,292	376,925	372,457
	<u>Revenue Requirement Calculation:</u>			
	<u>Operating Expenses:</u>			
3	Operating and Maintenance Expenses (1)	187	1,128	1,150
4	Depreciation Expense (2)	4,528	9,158	9,261
5	Property Taxes (3)	191	1,149	1,172
6	Total Operating Expenses	<u>4,906</u>	<u>11,435</u>	<u>11,583</u>
7	Required Return (6.031% x line 2) (4)	2,671	22,732	22,462
	<u>Income Taxes:</u>			
8	Income Taxes - Equity Return (5)	487	4,147	4,097
9	Income Taxes - Utility Timing Differences (6)	<u>(7,381)</u>	<u>(9,192)</u>	<u>(7,892)</u>
10	Total Income Taxes	<u>(6,894)</u>	<u>(5,046)</u>	<u>(3,795)</u>
11	Total Revenue Requirement (line 6 + line 7 + line 10)	<u>683</u>	<u>29,121</u>	<u>30,251</u>
12	Incremental Project Revenue (7)	<u>1,559</u>	<u>9,357</u>	<u>9,357</u>
13	Net Revenue Requirement (line 11 - line 12)	<u>(876)</u>	<u>19,764</u>	<u>20,894</u>

Notes:

- (1) Expenses include salaries and wages, employee-related expenses, fleet costs, materials and operating expenses.
- (2) Depreciation expense at 2013 Board-approved depreciation rates.
- (3) Property taxes in 2018 include \$0.792 million for the Hamilton-Milton pipeline and \$0.380 million for Lobo C compressor and facilities.
- (4) The required return of 6.031% assumes a capital structure of 64% long-term debt at 4.4% and 36% common equity at the 2013 Board-approved return of 8.93% ($0.64 * 0.044 + 0.36 * 0.0893$)
The 2018 required return calculation is as follows:
\$372.457 million * 64% * 4.4% = \$10.488 million plus
\$372.457 million * 36% * 8.93% = \$11.974 million for a total of \$22.462 million.
- (5) Taxes related to the equity component of the return at a tax rate of 25.5%.
- (6) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.
- (7) Project revenue assumes an estimated M12 Dawn-Parkway rate of \$2.546 GJ/mth and an M12 Kirkwall-Parkway rate of \$0.450 GJ/mth.

The 2018 revenue is calculated as follows:

M12 Dawn-Parkway demands of 270,733 GJ x \$2.546 x 12 / 1000 = \$8.271 million plus
M12 Kirkwall-Parkway demands of 36,301 GJ x \$0.450 x 12 / 1000 = \$0.196 million plus
Union North T-Service demands of 29,115 GJ x \$2.546 x 12 / 1000 = \$0.890 million

UNION GAS LIMITED
Burlington to Oakville Project Revenue Requirement

Line No.	Particulars (\$000's)	2016 (a)	2017 (b)	2018 (c)
	<u>Rate Base Investment</u>			
1	Capital Expenditures	117,710	1,767	0
2	Average Investment	13,584	116,312	114,697
	<u>Revenue Requirement Calculation:</u>			
	<u>Operating Expenses:</u>			
3	Operating and Maintenance Expenses (1)	3	16	16
4	Depreciation Expense (2)	1,186	2,390	2,408
5	Property Taxes (3)	20	117	120
6	Total Operating Expenses	<u>1,208</u>	<u>2,523</u>	<u>2,544</u>
7	Required Return (6.031% x line 2) (4)	819	7,015	6,917
	<u>Income Taxes:</u>			
8	Income Taxes - Equity Return (5)	149	1,280	1,262
9	Income Taxes - Utility Timing Differences (6)	<u>(2,100)</u>	<u>(2,533)</u>	<u>(2,192)</u>
10	Total Income Taxes	<u>(1,951)</u>	<u>(1,254)</u>	<u>(930)</u>
11	Total Revenue Requirement (line 6 + line 7 + line 10)	<u>77</u>	<u>8,284</u>	<u>8,531</u>
12	Incremental Project Revenue	<u>-</u>	<u>-</u>	<u>-</u>
13	Net Revenue Requirement (line 11 - line 12)	<u>77</u>	<u>8,284</u>	<u>8,531</u>

Notes:

- (1) Expenses include labour, contractor services, materials and other operating expenses for the transmission lines of \$0.005 million and stations of \$0.011 million.
- (2) Depreciation expense at 2013 Board-approved depreciation rates.
- (3) Includes pipeline and station property taxes.
- (4) The required return of 6.031% assumes a capital structure of 64% long-term debt at 4.4% and 36% common equity at the 2013 Board-approved return of 8.93% ($0.64 * 0.044 + 0.36 * 0.0893$)
The 2018 required return calculation is as follows:
\$114.697 million * 64% * 4.4% = \$3.230 million plus
\$114.697 million * 36% * 8.93% = \$3.687 million for a total of \$6.917 million.
- (5) Taxes related to the equity component of the return at a tax rate of 25.5%.
- (6) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.

UNION GAS LIMITED
Lobo D, Bright C and Dawn H Compressor Project Revenue Requirement

Line No.	Particulars (\$000's)	2016 (a)	2017 (b)	2018 (c)
	<u>Rate Base Investment</u>			
1	Capital Expenditures	107,400	500,838	14,267
2	Average Investment	11,432	171,034	592,525
	<u>Revenue Requirement Calculation:</u>			
	<u>Operating Expenses:</u>			
3	Operating and Maintenance Expenses (1)	0	602	3,623
4	Depreciation Expense (2)	1,677	11,310	19,416
5	Property Taxes (3)	0	175	1,051
6	Total Operating Expenses	<u>1,677</u>	<u>12,086</u>	<u>24,091</u>
7	Required Return (5.77% x line 2) (4)	660	9,877	34,217
	<u>Income Taxes:</u>			
8	Income Taxes - Equity Return (5)	126	1,879	6,510
9	Income Taxes - Utility Timing Differences (6)	<u>(4,178)</u>	<u>(17,084)</u>	<u>(22,179)</u>
10	Total Income Taxes	<u>(4,053)</u>	<u>(15,205)</u>	<u>(15,669)</u>
11	Total Revenue Requirement (line 6 + line 7 + line 10)	<u>(1,716)</u>	<u>6,758</u>	<u>42,639</u>
12	Incremental Project Revenue (7)	-	2,925	17,551
13	Net Revenue Requirement (line 11 - line 12)	<u>(1,716)</u>	<u>3,833</u>	<u>25,088</u>

Notes:

- (1) Expenses include salaries and wages, employee-related expenses, fleet costs, materials and operating expenses.
- (2) Depreciation expense at 2013 Board-approved depreciation rates.
- (3) Property taxes in 2018 include \$0.366 million for the Dawn H compressor and facilities and \$0.685 million for Lobo D and Bright C compressors and facilities.
- (4) The required return of 5.77% assumes a capital structure of 64% long-term debt at 4.0% and 36% common equity at the 2013 Board-approved return of 8.93% ($0.64 * 0.04 + 0.36 * 0.0893$)
The 2018 required return calculation is as follows:
 $\$592.525 \text{ million} * 64\% * 4.0\% = \$15.169 \text{ million plus}$
 $\$592.525 \text{ million} * 36\% * 8.93\% = \$19.048 \text{ million for a total of } \34.217 million.
- (5) Taxes related to the equity component of the return at a tax rate of 25.5%.
- (6) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.
- (7) Project revenue assumes an estimated M12 Dawn-Parkway rate of \$2.937 GJ/mth, an M12 Kirkwall-Parkway rate of \$0.517 GJ/mth and a Dawn Compression rate of \$0.232 GJ/mth.
The 2018 revenue is calculated as follows:
M12 Dawn-Parkway demands of 441,778 GJ x \$2.937 x 12 / 1000 = \$15.570 million plus
C1 Dawn-Parkway demands (North T-Service) of 5,975 GJ x \$2.937 x 12 / 1000 = \$0.211 million plus
M12 Kirkwall-Parkway demands of 84,854 GJ x \$0.517 x 12 / 1000 = \$0.526 million plus
M12/C1 Dawn Compression demands of 447,753 GJ x \$0.232 x 12 / 1000 = \$1.247 million

APPENDIX H

Table 3
Current and Proposed Customer-Related Cost Adjustments
for Small Volume General Service Rate 01 and Rate M1

Line No.	Particulars (3)	Billing Units	Current Approved Forecast (1)	Prior to MCC Change (1)		Current MCC Change to First Delivery Block Only		Proposed MCC Change Over All Delivery Blocks (2)	
			Usage (a)	Proposed Revenue (\$000's) (b)	Proposed Rates (cents / m ³) (c) = (b / a)	Proposed Revenue (\$000's) (d)	Proposed Rates (cents / m ³) (e) = (d / a)	Proposed Revenue (\$000's) (f)	Proposed Rates (cents / m ³) (g) = (f / a)
1	Rate 01 General Service Monthly Charge	bills	3,839,732	79,273	\$20.65	80,634	\$21.00	80,634	\$21.00
2	Monthly Delivery Charge First 100 m ³	10 ³ m ³	273,618	26,299	9.6114	24,937	9.1137	25,878	9.4579
3	Next 200 m ³	10 ³ m ³	310,686	29,107	9.3687	29,107	9.3687	28,642	9.2190
4	Next 200 m ³	10 ³ m ³	135,534	12,182	8.9880	12,182	8.9880	11,987	8.8444
5	Next 500 m ³	10 ³ m ³	92,571	7,997	8.6386	7,997	8.6386	7,869	8.5006
6	Over 1,000 m ³	10 ³ m ³	115,512	9,645	8.3501	9,645	8.3501	9,491	8.2167
7	Delivery Commodity charge		<u>927,922</u>	<u>85,230</u>	<u>9.1850</u>	<u>83,868</u>	<u>9.0383</u>	<u>83,868</u>	<u>9.0383</u>
8	Total Delivery - Rate 01		<u>927,922</u>	<u>164,503</u>	<u>17.7281</u>	<u>164,503</u>	<u>17.7281</u>	<u>164,503</u>	<u>17.7281</u>
9	Rate M1 General Service Monthly Charge	bills	12,706,802	264,441	\$20.81	266,843	\$21.00	266,843	\$21.00
10	Monthly Delivery Charge First 100 m ³	10 ³ m ³	879,923	40,023	4.5485	37,621	4.2755	39,227	4.4580
11	Next 150 m ³	10 ³ m ³	781,347	33,743	4.3185	33,743	4.3185	33,071	4.2326
12	All over 250 m ³	10 ³ m ³	1,260,246	46,939	3.7246	46,939	3.7246	46,005	3.6505
13	Delivery Commodity charge		<u>2,921,516</u>	<u>120,705</u>	<u>4.1316</u>	<u>118,303</u>	<u>4.0494</u>	<u>118,303</u>	<u>4.0494</u>
14	Total Delivery - Rate M1		<u>2,921,516</u>	<u>385,146</u>	<u>13.1831</u>	<u>385,146</u>	<u>13.1831</u>	<u>385,146</u>	<u>13.1831</u>

Notes:

- (1) EB-2015-0116, Rate Order Working Papers, Schedule 4, pp.2 and 10, col. (o),(p).
- (2) EB-2015-0116, Rate Order Working Papers, Schedule 4, pp.2 and 10, col. (q), (r).
- (3) Proposed monthly customer charge (MCC) changes occur prior to the application of the NAC volume adjustments by rate class.

2016 Rates
Overview of Working Papers

- Schedule 1** **Calculation of Price Cap Index** – This schedule provides the calculation of the average annual percentage change in the GDP IPI FDD over the four quarters ending June 2015.
- Schedule 2** **Calculation of Price Cap Adjustment** – This schedule takes the 2016 PCI and applies it to 2015 approved revenue adjusted for DSM costs, Parkway Delivery Obligation costs, Capital Pass-through costs, and Upstream Transportation costs to arrive at the overall price cap adjustment.
- Schedule 3** **Summary of 2016 Proposed Rates** – This schedule summarizes the proposed changes to rates for 2016 by rate class.
- Schedule 4** **Detailed In-franchise and Ex-franchise Rates** – This schedule provides detailed support for the proposed rate changes summarized in Schedule 3.
- Schedule 5** **Rate Impact Continuity** – This schedule provides the rate class-specific impacts of each of the adjustments to the 2015 revenue to arrive at the final 2016 revenue.
- Schedule 6** **Percentage Change in Average Unit Price – In-franchise Rate Classes** – This schedule identifies average unit price changes for in-franchise rate classes.
- Schedule 7** **Summary of Approved 2015 Revenue Changes** – This schedule shows the approved revenue changes that occurred during the 2015 year.
- Schedule 8** **General Service Customer Bill Impacts** – This schedule provides illustrative customer bill impacts for general service customers in Rates M1, M2, R01, and R10.
- Schedule 9** **Calculation of Sales Service and Direct Purchase Impacts for Typical Small and Large Customers** – This schedule provides illustrative customer bill impacts for all In-Franchise rate classes in Union North and Union South.
- Schedule 10** **Summary of 2016 Capital Pass Through Adjustments** – This schedule summarizes the 2016 capital pass-through adjustments by rate class related to Union’s Parkway projects.

- Schedule 11** **Calculation of 2016 DSM Budget** – This schedule shows the calculation of the 2016 DSM budget included in 2016 rates.
- Schedule 12** **Calculation of 2016 NAC Target Percentage Change** – This schedule shows the calculation of the NAC target percentage change used to adjust billing units for General Service classes M1, M2, R01 and R10.
- Schedule 13** **Summary of S&T Transactional Margin Included in 2016 Rates** – This schedule shows the approved reference amounts included in 2016 rates.
- Schedule 14** **Summary of Gas Supply Optimization Margin Included in 2016 Rates** – This schedule summarizes the gas supply optimization margin amounts included in 2016 rates and shows the allocation of the ratepayer portion of the margin to rate classes.
- Schedule 15** **Total Upstream Transportation Costs in Union North Rates** – This schedule provides the upstream transportation costs by rate class. Adjustments to upstream transportation costs are managed through the QRAM and will not be adjusted as part of the price cap formula.
- Schedule 16** **Calculation of 2016 Gas Supply Admin Charge** – This schedule shows the calculation of the 2016 Gas Supply Administration charge included in Union’s Commodity & Fuel rate.
- Schedule 17** **2014 Lost Revenue Adjustment Mechanism (“LRAM”) and 2011 LRAM Volume Adjustment** – This schedule provides the 2014 post-audited LRAM-related volume adjustments by contract rate class for 2016 rate calculation as well as the 2011 LRAM-related volume adjustment from EB-2014-0273 (2013 DSM Deferrals).
- Schedule 18** **Calculation of Supplemental Service Charges** – This schedule provides the calculation of Union’s charges for supplemental services.
- Schedule 19** **Unbundled Delivery Rate Detail - Southern Operations Area** – This schedule provides the derivation of the Rate U2 delivery rates.
- Schedule 20** **Parkway Delivery Obligation** – This schedule identifies the 2016 delivery impacts to Union South In-Franchise customers and the 2016 incremental fuel costs related to the Parkway Delivery Obligation.
- Schedule 21** **Ex-Franchise Transportation Fuel Ratios** – This schedule shows the continuity of fuel ratios which include both the application of the Price Cap Index (PCI) and the Parkway Delivery Obligation (PDO) compressor fuel pass-through shown at Working Paper Schedule 20, page 2.

Schedule 22 **In-Franchise Transportation Fuel Ratios** – This schedule shows the continuity of fuel ratios which include both the application of the Price Cap Index (PCI) and the Parkway Delivery Obligation (PDO) compressor fuel pass-through shown at Working Paper Schedule 20, page 2.

UNION GAS LIMITED
Calculation of Price Cap Index
Effective January 1, 2016

Line No.	Particulars	Annual % Change in GDP IPI FDD (1)			
1	July - September 2014	2.25%			
2	October - December 2014	2.15%			
3	January - March 2015	1.86%			
4	April - June 2015	1.68%			
5	Inflation Factor (Average % Change)	1.99%			
		<u>Inflation Factor (a)</u>	<u>X Factor (2) (b)</u>	<u>2016 PCI (c) = (a-b)</u>	
6	2016 Price Cap Index	1.99%	1.19%		0.80%

Notes:

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

UNION GAS LIMITED
Calculation of Price Cap Adjustment
Effective January 1, 2016

Line No.	Particulars (\$000's)	General Service (a)	In-Franchise Contract (b)	Total In-Franchise (c) = (a+b)	Ex-Franchise (d)	Total Company (e) = (c+d)	
	<u>Calculation of Price Cap Base Revenue</u>						
1	2015 Approved Revenue (1)	752,399	135,381	887,780	182,232	1,070,012	
	Current year's pre-cap adjustments:						
2	2015 DSM	(19,840)	(12,748)	(32,588)	-	(32,588)	(2)
3	2015 Capital Pass-Throughs	4,284	1,134	5,418	(11,728)	(6,310)	(3)
4	2015 Parkway Delivery Obligation	(3,940)	(2,137)	(6,077)	(967)	(7,043)	(4)
5	Upstream Transportation	(109,497)	(10,684)	(120,181)	-	(120,181)	(5)
6	Price Cap Base Revenue	<u>623,405</u>	<u>110,947</u>	<u>734,352</u>	<u>169,537</u>	<u>903,889</u>	
7	2016 Price Cap Adjustment (Line 6 * PCI %)	<u>4,987</u>	<u>888</u>	<u>5,875</u>	<u>1,356</u>	<u>7,231</u>	
8	2016 PCI %	0.80%	(6)				

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 8, column (e). Rates per Board-approved October 1, 2015 QRAM (EB-2015-0255), excluding Gas Supply Admin charge revenue, C1 Market Based Storage Services, Short-Term Transportation, Exchanges and Other Transactional revenue not subject to escalation.
- (2) EB-2015-0116, Rate Order, Working Papers, Schedule 3, column (c).
- (3) EB-2015-0116, Rate Order, Working Papers, Schedule 3, column (d).
- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 3, column (e).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 15, column (e).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 1, column (c).

UNION GAS LIMITED
Summary of 2016 Proposed Rates

		Adjustments to 2015 Base Rates															
Line No.	Particulars	Current Approved Revenue (1) (\$000's)	Current Approved Rates (2) (cents / m²)	2015 DSM (3) (\$000's)	2015 Capital Pass-Throughs (4) (\$000's)	2015 Parkway Delivery Obligation (5) (\$000's)	Upstream Transportation (6) (\$000's)	Adjusted Revenue (\$000's)	Price Cap Index (7) (\$000's)	Price Cap Index (%)	2016 DSM (8) (\$000's)	2016 Capital Pass-Throughs (9) (\$000's)	Add Back Upstream Transportation (\$000's)	2016 Parkway Delivery Obligation (10) (\$000's)	Proposed Revenue (\$000's)	Proposed Rates (cents / m²)	Rate Change (%)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
<u>North Delivery</u>																	
1	Rate 01	160,716	17.3200	(3,843)	1,587	-	(1,836)	156,624	1,253	0.80%	3,843	(4,335)	1,836	-	159,222	16.5101	-4.7%
2	Rate 10	19,903	5.7399	(1,222)	201	-	(485)	18,397	147	0.80%	1,222	(544)	485	-	19,707	5.4208	-5.6%
3	Rate 20	13,449	2.1746	(1,004)	167	-	(132)	12,480	100	0.80%	1,004	(448)	132	-	13,267	2.1784	0.2%
4	Rate 25	4,464	2.7980	-	51	-	-	4,516	36	0.80%	-	(138)	-	-	4,414	2.7662	-1.1%
5	Rate 100	15,530	0.8361	(1,852)	142	-	(9)	13,811	110	0.80%	1,852	(381)	9	-	15,401	0.8462	1.2%
6	Total North Delivery	<u>214,062</u>		<u>(7,920)</u>	<u>2,147</u>	<u>-</u>	<u>(2,461)</u>	<u>205,828</u>	<u>1,647</u>		<u>7,920</u>	<u>(5,846)</u>	<u>2,461</u>	<u>-</u>	<u>212,011</u>		
<u>South Delivery & Storage</u>																	
7	Rate M1	391,973	13.4168	(10,763)	3,890	(2,936)	-	382,164	3,057	0.80%	10,763	(7,204)	-	3,198	391,978	12.9888	-3.2%
8	Rate M2	51,221	4.4689	(4,012)	538	(992)	-	46,754	374	0.80%	4,012	(309)	-	1,080	51,912	4.4354	-0.7%
9	Rate M4	12,576	3.2957	(1,655)	138	(308)	-	10,751	86	0.80%	1,655	(30)	-	332	12,795	3.5318	7.2%
10	Rate M5A	13,296	2.5981	(2,763)	126	(40)	-	10,619	85	0.80%	2,763	(338)	-	39	13,168	2.7304	5.1%
11	Rate M7	4,262	3.0518	(933)	46	(139)	-	3,236	26	0.80%	933	24	-	150	4,368	3.4574	13.3%
12	Rate M9	771	1.2693	-	8	(53)	-	726	6	0.80%	-	30	-	57	819	1.3480	6.2%
13	Rate M10	10	5.4186	-	0	(1)	-	9	0	0.80%	-	0	-	1	11	5.9498	9.8%
14	Rate T1	10,867	2.0522	(1,855)	99	(179)	-	8,933	71	0.80%	1,855	(61)	-	192	10,990	2.1259	3.6%
15	Rate T2	43,429	0.9177	(2,687)	420	(1,070)	-	40,093	321	0.80%	2,687	286	-	1,158	44,544	0.9609	4.7%
16	Rate T3	4,768	1.7482	-	47	(345)	-	4,470	36	0.80%	-	234	-	345	5,084	1.8643	6.6%
17	Total South Delivery & Storage	<u>533,174</u>		<u>(24,668)</u>	<u>5,314</u>	<u>(6,064)</u>	<u>-</u>	<u>507,755</u>	<u>4,062</u>		<u>24,668</u>	<u>(7,368)</u>	<u>-</u>	<u>6,552</u>	<u>535,669</u>		
18	Total In-Franchise Delivery	<u>747,236</u>		<u>(32,588)</u>	<u>7,461</u>	<u>(6,064)</u>	<u>(2,461)</u>	<u>713,584</u>	<u>5,709</u>		<u>32,588</u>	<u>(13,214)</u>	<u>2,461</u>	<u>6,552</u>	<u>747,680</u>		

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 7, column (f).
(2) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (c).
(3) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (a).
(4) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (l).
(5) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (n).
(6) EB-2015-0116, Rate Order, Working Papers, Schedule 15, column (c).

Notes:

- (7) EB-2015-0116, Rate Order, Working Papers, Schedule 2, line 7.
(8) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (h).
(9) EB-2015-0116, Rate Order, Working Papers, Schedule 10, column (d).
(10) EB-2015-0116, Rate Order, Working Papers, Schedule 20.

UNION GAS LIMITED
Summary of 2016 Proposed Rates

		Adjustments to 2015 Base Rates																
Line No.	Particulars	Current Approved Revenue (1) (\$000's) (a)	Current Approved Rates (2) (cents / m³) (b)	2015 DSM (3) (\$000's) (c)	2015 Capital Pass-Throughs (4) (\$000's) (d)	2015 Parkway Delivery Obligation (5) (\$000's) (e)	Upstream Transportation (6) (\$000's) (f)	Adjusted Revenue (\$000's) (g)	Price Cap Index (7) (\$000's) (h)	Price Cap Index (%) (i)	2016 DSM (8) (\$000's) (j)	2016 Capital Pass-Throughs (9) (\$000's) (k)	Add Back Upstream Transportation (\$000's) (l)	2016 Parkway Delivery Obligation (10) (\$000's) (m)	Proposed Revenue (\$000's) (n)	Proposed Rates (cents / m³) (o)	Rate Change (%) (p)	
North Transportation & Storage																		
1	Rate 01	97,865	10.5535	-	(1,537)	(9)	(80,955)	15,366	123	0.80%	-	3,386	80,955	8	99,837	10.6087	0.5%	
2	Rate 10	30,721	8.9165	-	(396)	(3)	(26,222)	4,100	33	0.80%	-	870	26,222	3	31,227	8.9265	0.1%	
3	Rate 20	9,949	8.1591	-	(104)	(1)	(8,664)	1,179	9	0.80%	-	228	8,664	1	10,082	8.2680	1.3%	
4	Rate 25	1,800	4.1944	-	1	-	(1,781)	20	0	0.80%	-	(2)	1,781	-	1,799	3.9483	-5.9%	
5	Rate 100	209	-	-	(7)	(0)	(98)	104	1	0.80%	-	15	98	0	217	-	0.0%	
6	Total North Transportation & Storage	140,543		-	(2,043)	(12)	(117,720)	20,768	166		-	4,495	117,720	12	143,161			
7	Gas Supply Admin Charge	6,774		-	14	-	-	6,789	-		-	(40)	-	-	6,749			
8	Total In-Franchise	894,554		(32,588)	5,432	(6,077)	(120,181)	741,141	5,875		32,588	(8,758)	120,181	6,564	897,590			
Ex-Franchise																		
9	Rate M12	172,976		-	(11,598)	(726)	-	160,652	1,285	0.80%	-	38,490	-	673	201,100		16.3%	
10	Rate M13	419		-	1	-	-	421	3	0.80%	-	(1)	-	-	423		0.9%	
11	Rate M16	760		-	2	(3)	-	759	6	0.80%	-	(6)	-	3	763		0.3%	
12	Rate C1	45,526		-	(134)	(237)	-	45,155	62		-	496	-	220	45,932		0.9%	
13	Total Ex-Franchise	219,682		-	(11,728)	(967)	-	206,987	1,356		-	38,979	-	896	248,218			
14	Total Company	1,114,236		(32,588)	(6,296)	(7,043)	(120,181)	948,128	7,231		32,588	30,221	120,181	7,460	1,145,808			

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 7, column (f).
(2) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (c).
(3) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (a).
(4) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (l).
(5) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (n).
(6) EB-2015-0116, Rate Order, Working Papers, Schedule 15, column (c).

Notes:

- (7) EB-2015-0116, Rate Order, Working Papers, Schedule 2, line 7.
(8) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (h).
(9) EB-2015-0116, Rate Order, Working Papers, Schedule 10, column (d).
(10) EB-2015-0116, Rate Order, Working Papers, Schedule 20.

UNION GAS LIMITED
Union North
In-Franchise Customers
Effective January 1, 2016

Line No.	Particulars	Billing Units	Adjustments to 2015 Base Rates									
			Current Approved Forecast (1) Usage (a)	Current Approved Revenue (2) (\$000s) (b)	Current Approved Rates (3) (cents / m³) (c)	2015 DSM (4) (\$000s) (d)	2015 Capital Pass-Throughs (5) (\$000's) (e)	2015 Parkway Delivery Obligation (10) (\$000's) (f)	Upstream Transportation (7) (\$000's) (g)	Adjusted Revenue (\$000's) (h) = (b+d+e+f+g)	Price Cap Index (\$000's) (i)	Price Cap Index (%) (j)
1	Rate 01 General Service Monthly Charge	bills	3,839,732	80,634	\$21.00	-	1,157	-	-	81,792	654	
	Monthly Delivery Charge - All Zones											
2	First 100 m³	10³m³	273,618	24,710	9.0309	(1,186)	133	-	(578)	23,079	185	
3	Next 200 m³	10³m³	310,686	27,349	8.8028	(1,313)	147	-	(621)	25,562	204	
4	Next 200 m³	10³m³	135,534	11,446	8.4451	(549)	61	-	(260)	10,698	86	
5	Next 500 m³	10³m³	92,571	7,514	8.1168	(361)	40	-	(171)	7,023	56	
6	Over 1,000 m³	10³m³	115,512	9,063	7.8457	(435)	49	-	(206)	8,471	68	
7	Delivery Commodity charge - 01		927,922	80,082	8.6302	(3,843)	430	-	(1,836)	74,833	599	0.80%
8	Total Delivery - 01		927,922	160,716	17.3200	(3,843)	1,587	-	(1,836)	156,624	1,253	0.80%
	Gas Transportation											
9	Fort Frances	10³m³	12,888	743	5.7686	-	(0)	-	(742)	1	0	
10	Western	10³m³	179,519	8,894	4.9541	-	(3)	-	(8,878)	12	0	
11	Northern	10³m³	403,458	26,024	6.4503	-	(10)	-	(25,979)	36	0	
12	Eastern	10³m³	331,099	25,544	7.7149	-	(9)	-	(25,499)	35	0	
13	Transportation - 01		926,963	61,205	6.6027	-	(23)	-	(61,098)	84	1	0.80%
	Storage											
14	Fort Frances	10³m³	12,901	467	3.6175	-	(19)	(0)	(253)	195	2	
15	Western	10³m³	179,704	5,916	3.2920	-	(244)	(1)	(3,204)	2,466	20	
16	Northern	10³m³	403,875	15,710	3.8899	-	(649)	(4)	(8,509)	6,549	52	
17	Eastern	10³m³	331,441	14,568	4.3952	-	(602)	(3)	(7,890)	6,072	49	
18	Storage - 01		927,922	36,660	3.9508	-	(1,514)	(9)	(19,856)	15,281	122	0.80%
19	Total Rate 01		927,922	258,582	27.8668	(3,843)	50	(9)	(82,790)	171,990	1,376	0.80%

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2015-0116, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2015-0255, Appendix A, rates effective October 1, 2015 (Excludes Price Adjustments).
- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2015-0116, Rate Order, Working Papers, Schedule 15, column (c).

UNION GAS LIMITED
Union North
In-Franchise Customers
Effective January 1, 2016

Line No.	Particulars	Billing Units	Prior to MCC Change (11)										MCC Change (11)		NAC / LRAM Volume Adjustment (12) (10 ³ m ³) (s)	Proposed			Rate Change (%) (w)
			2016 DSM (8) (\$000's) (k)	2016 Capital Pass-Throughs (9) (\$000's) (l)	Add Back Upstream Transportation (\$000's) (m) = (-g)	2016 Parkway Delivery Obligation (10) (\$000's) (n)	Proposed Revenue (\$000's) (o) = (h+i+k++l+m+n)	Proposed Rates (cents / m ³) (p) = (o / a)	Proposed Revenue (\$000's) (q)	Proposed Rates (cents / m ³) (r) = (q / a)						Usage including NAC & LRAM (t) = (a + s)	Revenue (\$000's) (u)	Rates (cents / m ³) (v) = (u / t)	
1	Rate 01 General Service Monthly Charge	bills	-	(3,173)	-	-	79,273	\$20.65	80,634	\$21.00	-	3,839,732	80,634	\$21.00					
	Monthly Delivery Charge - All Zones																		
2	First 100 m ³	10 ³ m ³	1,186	(358)	578	-	24,669	9.0159	24,249	8.8623	10,752	284,370	24,249	8.5272					
3	Next 200 m ³	10 ³ m ³	1,313	(397)	621	-	27,304	8.7882	26,839	8.6385	12,209	322,895	26,839	8.3119					
4	Next 200 m ³	10 ³ m ³	549	(166)	260	-	11,427	8.4311	11,232	8.2875	5,326	140,860	11,232	7.9741					
5	Next 500 m ³	10 ³ m ³	361	(109)	171	-	7,501	8.1033	7,374	7.9653	3,638	96,209	7,374	7.6641					
6	Over 1,000 m ³	10 ³ m ³	435	(131)	206	-	9,048	7.8327	8,894	7.6993	4,539	120,052	8,894	7.4082					
7	Delivery Commodity charge - 01		<u>3,843</u>	<u>(1,161)</u>	<u>1,836</u>	<u>-</u>	<u>79,949</u>	<u>8.6159</u>	<u>78,587</u>	<u>8.4692</u>	<u>36,464</u>	<u>964,386</u>	<u>78,587</u>	<u>8.1489</u>					
8	Total Delivery - 01		<u>3,843</u>	<u>(4,335)</u>	<u>1,836</u>	<u>-</u>	<u>159,222</u>	<u>17.1589</u>	<u>159,222</u>	<u>17.1589</u>	<u>36,464</u>	<u>964,386</u>	<u>159,222</u>	<u>16.5101</u>					<u>-4.7%</u>
	Gas Transportation																		
9	Fort Frances	10 ³ m ³	-	1	742	-	744	5.7722			-	12,888	744	5.7722					
10	Western	10 ³ m ³	-	9	8,878	-	8,899	4.9572			-	179,519	8,899	4.9572					
11	Northern	10 ³ m ³	-	26	25,979	-	26,040	6.4543			-	403,458	26,040	6.4543					
12	Eastern	10 ³ m ³	-	25	25,499	-	25,560	7.7197			-	331,099	25,560	7.7197					
13	Transportation - 01		<u>-</u>	<u>60</u>	<u>61,098</u>	<u>-</u>	<u>61,243</u>	<u>6.6068</u>			<u>-</u>	<u>926,963</u>	<u>61,243</u>	<u>6.6068</u>					<u>0.1%</u>
	Storage																		
14	Fort Frances	10 ³ m ³	-	42	253	0	491	3.8083			507	13,408	491	3.6643					
15	Western	10 ³ m ³	-	537	3,204	1	6,228	3.4656			7,062	186,766	6,228	3.3346					
16	Northern	10 ³ m ³	-	1,425	8,509	3	16,539	4.0951			15,871	419,746	16,539	3.9402					
17	Eastern	10 ³ m ³	-	1,322	7,890	3	15,336	4.6270			13,025	344,466	15,336	4.4521					
18	Storage - 01		<u>-</u>	<u>3,326</u>	<u>19,856</u>	<u>8</u>	<u>38,594</u>	<u>4.1592</u>			<u>36,464</u>	<u>964,386</u>	<u>38,594</u>	<u>4.0019</u>					<u>1.3%</u>
19	Total Rate 01		<u>3,843</u>	<u>(949)</u>	<u>82,790</u>	<u>8</u>	<u>259,059</u>	<u>27.9181</u>			<u>36,464</u>	<u>964,386</u>	<u>259,059</u>	<u>26.8625</u>					<u>-3.6%</u>

Notes:

- (8) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (f).
(9) EB-2015-0116, Rate Order, Working Papers, Schedule 10, column (d).
(10) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
(11) MCC = Monthly Customer Charge.
(12) EB-2015-0116, Rate Order, Working Papers, Schedule 12, Page 2 and 3, column (c) and EB-2015-0116, Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Adjustments to 2015 Base Rates									
			Current Approved Forecast (1) Usage (a)	Current Approved Revenue (2) (\$000's) (b)	Current Approved Rates (3) (cents / m³) (c)	2015 DSM (4) (\$000's) (d)	2015 Capital Pass-Throughs (5) (\$000's) (e)	2015 Parkway Delivery Obligation (10) (\$000's) (f)	Upstream Transportation (7) (\$000's) (g)	Adjusted Revenue (\$000's) (h) = (b+d+e+f+g)	Price Cap Index (\$000's) (i)	Price Cap Index (%) (j)
1	Rate 10 General Service Monthly Charge	bills	24,629	1,724	\$70.00	-	64	-	-	1,788	14	
	Monthly Delivery Charge - All Zones											
2	First 1,000 m³	10³m³	25,432	1,816	7.1390	(122)	14	-	(49)	1,659	13	
3	Next 9,000 m³	10³m³	137,301	7,997	5.8241	(537)	60	-	(214)	7,305	58	
4	Next 20,000 m³	10³m³	87,335	4,457	5.1033	(300)	33	-	(118)	4,072	33	
5	Next 70,000 m³	10³m³	66,220	3,060	4.6205	(206)	23	-	(81)	2,796	22	
6	Over 100,000 m³	10³m³	30,458	850	2.7914	(57)	6	-	(22)	777	6	
7	Delivery Commodity charge - 10		346,746	18,179	5.2427	(1,222)	137	-	(485)	16,609	133	0.80%
8	Total Delivery - 10		346,746	19,903	5.7399	(1,222)	201	-	(485)	18,397	147	0.80%
	Gas Transportation											
9	Fort Frances	10³m³	2,824	144	5.0913	-	0	-	(144)	0	0	
10	Western	10³m³	48,124	2,058	4.2768	-	0	-	(2,057)	1	0	
11	Northern	10³m³	139,364	8,045	5.7729	-	0	-	(8,041)	5	0	
12	Eastern	10³m³	153,218	10,783	7.0376	-	0	-	(10,777)	6	0	
13	Transportation - 10		343,530	21,030	6.1218	-	0	-	(21,018)	12	0	0.80%
	Storage											
14	Fort Frances	10³m³	2,851	68	2.3829	-	(3)	(0)	(36)	29	0	
15	Western	10³m³	48,575	999	2.0574	-	(41)	(0)	(537)	422	3	
16	Northern	10³m³	140,669	3,735	2.6553	-	(153)	(1)	(2,006)	1,575	13	
17	Eastern	10³m³	154,652	4,888	3.1606	-	(200)	(1)	(2,625)	2,062	16	
18	Storage - 10		346,746	9,690	2.7947	-	(396)	(3)	(5,204)	4,087	33	0.80%
19	Total Rate 10		346,746	50,624	14.5996	(1,222)	(195)	(3)	(26,707)	22,497	180	0.80%

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2015-0116, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2015-0255, Appendix A, rates effective October 1, 2015 (Excludes Price Adjustments).
- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2015-0116, Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units	Prior to MCC Change (11)										MCC Change (11)		NAC / LRAM Volume Adjustment (12) (10 ³ m ³) (s)	Proposed			Rate Change (%) (w)
			2016 DSM (8) (\$000's) (k)	2016 Capital Pass-Throughs (9) (\$000's) (l)	Add Back Upstream Transportation (\$000's) (m) = (-g)	2016 Parkway Delivery Obligation (10) (\$000's) (n)	Proposed Revenue (\$000's) (o) = (h+i+k++l+m+n)	Proposed Rates (cents / m ³) (p) = (o / a)	Proposed Revenue (\$000's) (q)	Proposed Rates (cents / m ³) (r) = (q / a)						Usage including NAC & LRAM (t) = (a + s)	Revenue (\$000's) (u)	Rates (cents / m ³) (v) = (u / t)	
1	Rate 10 General Service Monthly Charge	bills	-	(175)	-	-	1,627	\$66.07	1,724	\$70.00	-	24,629	1,724	\$70.00					
	Monthly Delivery Charge - All Zones																		
2	First 1,000 m ³	10 ³ m ³	122	(37)	49	-	1,806	7.1000	1,788	7.0296	1,232	26,664	1,788	6.7048					
3	Next 9,000 m ³	10 ³ m ³	537	(162)	214	-	7,953	5.7923	7,874	5.7348	6,652	143,953	7,874	5.4698					
4	Next 20,000 m ³	10 ³ m ³	300	(90)	118	-	4,433	5.0754	4,433	5.0754	4,231	91,566	4,433	4.8409					
5	Next 70,000 m ³	10 ³ m ³	206	(62)	81	-	3,043	4.5953	3,043	4.5953	3,208	69,428	3,043	4.3829					
6	Over 100,000 m ³	10 ³ m ³	57	(17)	22	-	846	2.7762	846	2.7762	1,476	31,934	846	2.6479					
7	Delivery Commodity charge - 10		1,222	(369)	485	-	18,080	5.2141	17,983	5.1862	16,799	363,545	17,983	4.9466					
8	Total Delivery - 10		1,222	(544)	485	-	19,707	5.6834	19,707	5.6834	16,799	363,545	19,707	5.4208					-5.6%
	Gas Transportation																		
9	Fort Frances	10 ³ m ³	-	(0)	144	-	144	5.0912	-	-	-	2,824	144	5.0912					
10	Western	10 ³ m ³	-	(0)	2,057	-	2,058	4.2767	-	-	-	48,124	2,058	4.2767					
11	Northern	10 ³ m ³	-	(0)	8,041	-	8,045	5.7728	-	-	-	139,364	8,045	5.7728					
12	Eastern	10 ³ m ³	-	(0)	10,777	-	10,783	7.0374	-	-	-	153,218	10,783	7.0374					
13	Transportation - 10		-	(1)	21,018	-	21,030	6.1216	-	-	-	343,530	21,030	6.1216					0.0%
	Storage																		
14	Fort Frances	10 ³ m ³	-	6	36	0	71	2.5075	-	-	138	2,989	71	2.3917					
15	Western	10 ³ m ³	-	90	537	0	1,052	2.1650	-	-	2,353	50,928	1,052	2.0650					
16	Northern	10 ³ m ³	-	336	2,006	1	3,931	2.7942	-	-	6,815	147,484	3,931	2.6651					
17	Eastern	10 ³ m ³	-	439	2,625	1	5,144	3.3259	-	-	7,493	162,144	5,144	3.1722					
18	Storage - 10		-	871	5,204	3	10,197	2.9408	-	-	16,799	363,545	10,197	2.8049					0.4%
19	Total Rate 10		1,222	326	26,707	3	50,934	14.6891			16,799	363,545	50,934	14.0103					-4.0%

Notes:

- (8) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (f).
(9) EB-2015-0116, Rate Order, Working Papers, Schedule 10, column (d).
(10) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
(11) MCC = Monthly Customer Charge.
(12) EB-2015-0116, Rate Order, Working Papers, Schedule 12, Page 2 and 3, column (c) and EB-2015-0116, Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Adjustments to 2015 Base Rates									
			Current Approved Forecast (1)	Current Approved Revenue (2)	Current Approved Rates (3)	2015 DSM (4)	2015 Capital Pass-Throughs (5)	2015 Parkway Delivery Obligation (10)	Upstream Transportation (7)	Adjusted Revenue	Price Cap Index	Price Cap Index
			Usage (a)	(\$000's) (b)	(cents / m³) (c)	(\$000's) (d)	(\$000's) (e)	(\$000's) (f)	(\$000's) (g)	(h) = (b+d+e+f+g)	(\$000's) (i)	(%) (j)
1	Rate 20 Medium Volume Firm Service Monthly Charge	bills	748	727	\$972.44	-	20	-	-	748	6	
2	Monthly Demand Charge											
	First 70,000 m³	10³m³/d	23,260	6,487	27.8909	(435)	64	-	-	6,115	49	
3	All over 70,000 m³	10³m³/d	19,701	3,231	16.4012	(217)	32	-	-	3,046	24	
4	Monthly Commodity Charge											
	First 852,000 m³	10³m³	325,233	1,751	0.5383	(212)	31	-	(80)	1,490	12	
5	All over 852,000 m³	10³m³	293,227	1,150	0.3922	(139)	20	-	(52)	979	8	
6	Delivery (Commodity/Demand)		618,460	12,619	2,0404	(1,004)	146	-	(132)	11,630	93	0.80%
7	Transportation Account Charge	10³m³	460	102	\$222.35	-	-	-	-	102	1	
8	Total Delivery - 20		618,460	13,449	2,1746	(1,004)	167	-	(132)	12,480	100	0.80%
9	Gas Supply Demand Charge											
	Fort Frances		-	-	54.0901	-	-	-	-	-	-	
10	Western	10³m³	2,850	882	33.2652	-	(18)	(0)	(878)	(15)	(0)	
11	Northern	10³m³	702	502	71.4880	-	(10)	(0)	(500)	(9)	(0)	
12	Eastern	10³m³	3,521	3,654	103.7960	-	(76)	(1)	(3,641)	(63)	(1)	
13	Commodity Transportation 1											
	Fort Frances	10³m³	-	-	4.3859	-	-	-	-	-	-	
14	Western	10³m³	24,899	978	3.9299	-	-	-	(996)	(17)	(0)	
15	Northern	10³m³	7,775	371	4.7675	-	-	-	(377)	(7)	(0)	
16	Eastern	10³m³	40,782	2,233	5.4755	-	-	-	(2,272)	(39)	(0)	
17	Commodity Transportation 2											
	Fort Frances		-	-	-	-	-	-	-	-	-	
18	Western	10³m³	10,903	-	-	-	-	-	-	-	-	
19	Northern	10³m³	6,194	-	-	-	-	-	-	-	-	
20	Eastern	10³m³	31,381	-	-	-	-	-	-	-	-	
21	Storage (GJ's)											
	Demand	GJ/d	99,288	1,228	12.366	-	-	-	-	1,228	10	
22	Commodity	GJ	639,477	101	0.158	-	-	-	-	101	1	
23	Gas Supply Transportation - 20		121,935	9,949	8.1591	-	(104)	(1)	(8,664)	1,179	9	0.80%
24	Total Rate 20		618,460	23,398	3.7832	(1,004)	63	(1)	(8,796)	13,660	109	0.80%

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2015-0116, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2015-0255, Appendix A, rates effective October 1, 2015 (Excludes Price Adjustments).
- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2015-0116, Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units	2016 DSM (8) (\$000's)	2016 Capital Pass-Throughs (9) (\$000's)	Add Back Upstream Transportation (\$000's)	2016 Parkway Delivery Obligation (10) (\$000's)	Prior to MCC Change (11)		MCC Change (11)		NAC / LRAM Volume Adjustment (12) (10³m³)	Proposed			Rate Change (%)
							Proposed Revenue (\$000's)	Proposed Rates (cents / m³)	Proposed Revenue (\$000's)	Proposed Rates (cents / m³)		Usage including NAC & LRAM (t) = (a + s)	Revenue (\$000's)	Rates (cents / m³) (v) = (u / t)	
			(k)	(l)	(m) = (-g)	(n)	(o) = (h+i+k+l+m+n)	(p) = (o / a)	(q)	(r) = (q / a)	(s)		(u)	(v) = (u / t)	(w)
1	Rate 20 Medium Volume Firm Service Monthly Charge	bills	-	(56)	-	-	698	\$932.79			-	748	698	\$932.79	
2	Monthly Demand Charge														
2	First 70,000 m³	10³m³/d	435	(170)	-	-	6,430	27.6426			-	23,260	6,430	27.6426	
3	All over 70,000 m³	10³m³/d	217	(85)	-	-	3,202	16.2552			-	19,701	3,202	16.2552	
4	Monthly Commodity Charge														
4	First 852,000 m³	10³m³	212	(83)	80	-	1,711	0.5260			(4,950)	320,282	1,711	0.5341	
5	All over 852,000 m³	10³m³	139	(54)	52	-	1,124	0.3832			(4,463)	288,764	1,124	0.3892	
6	Delivery (Commodity/Demand)		1,004	(392)	132	-	12,466	2.0157			(9,414)	609,046	12,466	2.0469	0.3%
7	Transportation Account Charge	10³m³	-	-	-	-	103	\$224.13			-	460	103	\$224.13	
8	Total Delivery - 20		1,004	(448)	132	-	13,267	2.1452			(9,414)	609,046	13,267	2.1784	0.2%
9	Gas Supply Demand Charge														
9	Fort Frances		-	-	-	-	-	54.0801			-	-	-	54.0801	
10	Western	10³m³	-	40	878	0	903	34.0754			-	2,650	903	34.0754	
11	Northern	10³m³	-	23	500	0	514	73.2293			-	702	514	73.2293	
12	Eastern	10³m³	-	165	3,641	1	3,743	106.3242			-	3,521	3,743	106.3242	
13	Commodity Transportation 1														
13	Fort Frances	10³m³	-	-	-	-	-	4.3859			-	-	-	4.3859	
14	Western	10³m³	-	-	996	-	978	3.9293			-	24,899	978	3.9293	
15	Northern	10³m³	-	-	377	-	371	4.7668			-	7,775	371	4.7668	
16	Eastern	10³m³	-	-	2,272	-	2,233	5.4747			-	40,782	2,233	5.4747	
17	Commodity Transportation 2														
17	Fort Frances		-	-	-	-	-	-			-	-	-	-	
18	Western	10³m³	-	-	-	-	-	-			-	10,903	-	-	
19	Northern	10³m³	-	-	-	-	-	-			-	6,194	-	-	
20	Eastern	10³m³	-	-	-	-	-	-			-	31,381	-	-	
21	Storage (GJ's)														
21	Demand	GJ/d	-	-	-	-	1,238	12.464			-	99,288	1,238	12.464	
22	Commodity	GJ	-	-	-	-	102	0.159			-	639,477	102	0.159	
23	Gas Supply Transportation - 20		-	228	8,664	1	10,082	8.2680			-	121,935	10,082	8.2680	1.3%
24	Total Rate 20		1,004	(221)	8,796	1	23,349	3.7753			(9,414)	609,046	23,349	3.8337	1.3%

Notes:

- (8) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (f).
(9) EB-2015-0116, Rate Order, Working Papers, Schedule 10, column (d).
(10) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
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(12) EB-2015-0116, Rate Order, Working Papers, Schedule 12, Page 2 and 3, column (c) and EB-2015-0116, Rate Order, Working Papers, Schedule 17, column (a).

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Adjustments to 2015 Base Rates												
Line No.	Particulars	Billing Units	Current Approved Forecast (1) Usage (a)	Current Approved Revenue (2) (\$000's) (b)	Current Approved Rates (3) (cents / m³) (c)	2015 DSM (4) (\$000's) (d)	2015 Capital Pass-Throughs (5) (\$000's) (e)	2015 Parkway Delivery Obligation (10) (\$000's) (f)	Upstream Transportation (7) (\$000's) (g)	Adjusted Revenue (\$000's) (h) = (b+d+e+f+g)	Price Cap Index (\$000's) (i)	Price Cap Index (%) (j)
1	Rate 25 Large Volume Interruptible Service											
2	Monthly Charge	bills	842	297	\$352.32	-	11	-	-	308	2	
3	Monthly Delivery Charge	10³m³	159,555	4,160	2,6071	-	40	-	-	4,200	34	
4	Transportation Account Charge	bills	36	8	\$222.35	-	-	-	-	8	0	
5	Total Delivery - 25		159,555	4,464	2,7980	-	51	-	-	4,516	36	0.80%
6	Gas Supply Transportation	10³m³	42,913	1,800	4,1944	-	1	-	(1,781)	20	0	
7	Total Rate 25		159,555	6,264	3,9261	-	52	-	(1,781)	4,535	36	0.80%
8	Rate 100 Large Volume Firm Service											
9	Monthly Charge	bills	226	331	\$1,464.29	-	7	-	-	338	3	
10	Demand	10³m³/d	71,975	11,081	15,3958	(1,389)	101	-	-	9,794	78	
11	Commodity	10³m³	1,857,374	4,068	0,2190	(463)	34	-	(9)	3,630	29	
12	Delivery (Commodity/Demand)		1,857,374	15,480	0,8334	(1,852)	135	-	(9)	13,754	110	0.80%
13	Transportation Account Charge	bills	226	50	\$222.35	-	-	-	-	50	0	
14	Total Delivery - 100		1,857,374	15,530	0,8361	(1,852)	142	-	(9)	13,811	110	0.80%
15	Gas Supply Demand Charge											
16	Fort Frances	10³m³/d	-	-	102.9596	-	-	-	-	-	-	
17	Western	10³m³/d	-	-	78.6756	-	-	-	-	-	-	
18	Northern	10³m³/d	-	-	123.2688	-	-	-	-	-	-	
19	Eastern	10³m³/d	-	-	160.9615	-	-	-	-	-	-	
20	Commodity Transportation 1											
21	Fort Frances	-	-	-	7.0810	-	-	-	-	-	-	
22	Western	10³m³	-	-	6.7390	-	-	-	-	-	-	
23	Northern	10³m³	-	-	7.3672	-	-	-	-	-	-	
24	Eastern	10³m³	-	-	7.8982	-	-	-	-	-	-	
25	Commodity Transportation 2											
26	Fort Frances	-	-	-	-	-	-	-	-	-	-	
27	Western	10³m³	-	-	-	-	-	-	-	-	-	
28	Northern	10³m³	-	-	-	-	-	-	-	-	-	
29	Eastern	10³m³	-	-	-	-	-	-	-	-	-	
30	Storage (GJ's)											
31	Demand	GJ/d	15,600	193	12.366	-	(6)	(0)	(98)	89	1	
32	Commodity	GJ	100,000	16	0.158	-	(1)	(0)	-	15	0	
33	Gas Supply - 100		-	209	-	-	(7)	(0)	(98)	104	1	0.80%
34	Total Rate 100		1,857,374	15,739	0.8474	(1,852)	135	(0)	(107)	13,915	111	0.80%

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2015-0116, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2015-0255, Appendix A, rates effective October 1, 2015 (Excludes Price Adjustments).
- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2015-0116, Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units						Prior to MCC Change (11)	MCC Change (11)		NAC / LRAM Volume Adjustment (12) (10³m³) (s)	Proposed			Rate Change (%) (w)
			2016 DSM (8) (\$000's) (k)	2016 Capital Pass-Throughs (9) (\$000's) (l)	Add Back Upstream Transportation (\$000's) (m) = (-g)	2016 Parkway Delivery Obligation (10) (\$000's) (n)	Proposed Revenue (\$000's) (o) = (h+i+k+m+n)	Proposed Rates (cents / m³) (p) = (o / a)	Proposed Revenue (\$000's) (q)	Proposed Rates (cents / m³) (r) = (q / a)		Usage including NAC & LRAM (t) = (a + s)	Revenue (\$000's) (u)	Rates (cents / m³) (v) = (u / t)	
1	Rate 25 Large Volume Interruptible Service														
2	Monthly Charge	bills	-	(31)	-	-	279	\$331.70			-	842	279	\$331.70	
3	Monthly Delivery Charge	10³m³	-	(107)	-	-	4,126	2.5861			-	159,555	4,126	2.5861	
4	Transportation Account Charge	bills	-	-	-	-	8	\$224.13			-	36	8	\$224.13	
4	Total Delivery - 25		-	(138)	-	-	4,414	2.7662			-	159,555	4,414	2.7662	-1.1%
5	Gas Supply Transportation	10³m³	-	(2)	1,781	-	1,799	4.1912			-	42,913	1,799	3.9483	
6	Total Rate 25		-	(141)	1,781	-	6,212	3.8934			-	159,555	6,212	3.8934	-0.8%
7	Rate 100 Large Volume Firm Service														
8	Monthly Charge	bills	-	(19)	-	-	322	\$1,423.71			-	226	322	\$1,423.71	
9	Demand	10³m³/d	1,389	(272)	-	-	10,989	15.2678			-	71,975	10,989	15.2678	
10	Commodity	10³m³	463	(91)	9	-	4,040	0.2175			(37.375)	1,819,999	4,040	0.2220	
11	Delivery (Commodity/Demand)		1,852	(362)	9	-	15,351	0.8265			(37.375)	1,819,999	15,351	0.8434	1.2%
12	Transportation Account Charge	bills	-	-	-	-	51	\$224.13			-	226	51	\$224.13	
12	Total Delivery - 100		1,852	(381)	9	-	15,401	0.8292			(37.375)	1,819,999	15,401	0.8462	1.2%
13	Gas Supply Demand Charge														
14	Fort Frances	10³m³/d	-	-	-	-	-	102.9596			-	-	-	102.9596	
15	Western	10³m³/d	-	-	-	-	-	78.6756			-	-	-	78.6756	
16	Northern	10³m³/d	-	-	-	-	-	123.2688			-	-	-	123.2688	
17	Eastern	10³m³/d	-	-	-	-	-	160.9615			-	-	-	160.9615	
18	Commodity Transportation 1														
19	Fort Frances	-	-	-	-	-	-	7.0810			-	-	-	7.0810	
20	Western	10³m³	-	-	-	-	-	6.7390			-	-	-	6.7390	
21	Northern	10³m³	-	-	-	-	-	7.3672			-	-	-	7.3672	
22	Eastern	10³m³	-	-	-	-	-	7.8982			-	-	-	7.8982	
23	Commodity Transportation 2														
24	Fort Frances	-	-	-	-	-	-	-			-	-	-	-	
25	Western	10³m³	-	-	-	-	-	-			-	-	-	-	
26	Northern	10³m³	-	-	-	-	-	-			-	-	-	-	
27	Eastern	10³m³	-	-	-	-	-	-			-	-	-	-	
28	Storage (GJ's)														
29	Demand	GJ/d	-	14	98	0	201	12.464			-	15,600	201	12.464	
30	Commodity	GJ	-	1	-	0	17	0.159			-	100,000	17	0.159	
31	Gas Supply - 100		-	15	98	0	217	-			-	-	217	-	
32	Total Rate 100		1,852	(366)	107	0	15,619	0.8409			(37.375)	1,819,999	15,619	0.8582	1.3%

Notes:

(8) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (f).

(9) EB-2015-0116, Rate Order, Working Papers, Schedule 10, column (d).

(10) EB-2015-0116, Rate Order, Working Papers, Schedule 20.

(11) MCC = Monthly Customer Charge.

(12) EB-2015-0116, Rate Order, Working Papers, Schedule 12, Page 2 and 3, column (c) and EB-2015-0116, Rate Order, Working Papers, Schedule 17, column (a).

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Adjustments to 2015 Base Rates												
Line No.	Particulars	Billing Units	Current Approved Forecast (1) Usage (a)	Current Approved Revenue (2) (\$000's) (b)	Current Approved Rates (3) (cents / m³) (c)	2015 DSM (4) (\$000's) (d)	2015 Capital Pass-Throughs (5) (\$000's) (e)	2015 Parkway Delivery Obligation (10) (\$000's) (f)	Upstream Transportation (7) (\$000's) (g)	Adjusted Revenue (\$000's) (h) = (b+d+e+f+g)	Price Cap Index (\$000's) (i)	Price Cap Index (%) (j)
1	M1 Monthly Charge	bills	12,706,802	266,843	\$21.00	-	2,613	-	-	269,455	2,156	
	Monthly Delivery Commodity Charge											
2	First 100 m³	10³m³	879,923	34,306	3.8988	(3,569)	296	(974)	-	30,060	240	
3	Next 150 m³	10³m³	781,347	28,923	3.7017	(3,009)	250	(821)	-	25,343	203	
4	All over 250 m³	10³m³	1,260,246	40,235	3.1926	(4,186)	348	(1,142)	-	35,255	282	
5	Total Delivery - M1		2,921,516	370,307	12.6752	(10,763)	3,506	(2,936)	-	360,114	2,881	0.80%
6	Storage	10³m³	2,921,516	21,666	0.7416	-	384	-	-	22,050	176	
7	Total Rate M1		2,921,516	391,973	13.4168	(10,763)	3,890	(2,936)	-	382,164	3,057	0.80%
8	M2 Monthly Charge	bills	81,451	5,702	\$70.00	-	81	-	-	5,783	46	
	Monthly Delivery Commodity Charge											
9	First 1,000 m³	10³m³	62,323	2,251	3.6124	(237)	19	(59)	-	1,975	16	
10	Next 6,000 m³	10³m³	303,299	10,753	3.5455	(1,131)	92	(280)	-	9,435	75	
11	Next 13,000 m³	10³m³	342,713	11,502	3.3563	(1,210)	98	(299)	-	10,092	81	
12	All over 20,000 m³	10³m³	437,832	13,644	3.1163	(1,435)	117	(355)	-	11,971	96	
13	Total Delivery - M2		1,146,167	43,853	3.8261	(4,012)	407	(992)	-	39,256	314	0.80%
14	Storage	10³m³	1,146,167	7,368	0.6428	-	131	-	-	7,499	60	
15	Total Rate M2		1,146,167	51,221	4.4689	(4,012)	538	(992)	-	46,754	374	0.80%

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2015-0116, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2015-0255, Appendix A, rates effective October 1, 2015 (Excludes Price Adjustments).
- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2015-0116, Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units						Prior to MCC Change (11)		MCC Change (11)		NAC / LRAM Volume Adjustment (12) (10 ³ m ³) (s)	Proposed			Rate Change (%) (w)
			2016 DSM (8) (\$000's) (k)	2016 Capital Pass-Throughs (9) (\$000's) (l)	Add Back Upstream Transportation (\$000's) (m) = (-g)	2016 Parkway Delivery Obligation (10) (\$000's) (n)	Proposed Revenue (\$000's) (o) = (h+i+k+l+m+n)	Proposed Rates (cents / m ³) (p) = (o / a)	Proposed Revenue (\$000's) (q)	Proposed Rates (cents / m ³) (r) = (q / a)	Usage including NAC & LRAM (t) = (a + s)		Revenue (\$000's) (u)	Rates (cents / m ³) (v) = (u / t)		
1	M1															
	Monthly Charge	bills	-	(7,170)	-	-	264,441	\$20.81	266,843	\$21.00	-	12,706,802	266,843	\$21.00		
	Monthly Delivery Commodity Charge															
2	First 100 m ³	10 ³ m ³	3,569	327	-	1,060	35,257	4.0068	34,460	3.9163	29,001	908,925	34,460	3.7913		
3	Next 150 m ³	10 ³ m ³	3,009	276	-	894	29,724	3.8043	29,053	3.7183	25,752	807,099	29,053	3.5997		
4	All over 250 m ³	10 ³ m ³	4,186	383	-	1,244	41,349	3.2811	40,415	3.2069	41,537	1,301,783	40,415	3.1046		
5	Total Delivery - M1		10,763	(6,184)	-	3,198	370,772	12.6911	370,772	12.6911	96,290	3,017,807	370,772	12.2861	-3.1%	
6	Storage	10 ³ m ³	-	(1,020)	-	-	21,207	0.7259			96,290	3,017,807	21,207	0.7027	-5.2%	
7	Total Rate M1		10,763	(7,204)	-	3,198	391,978	13.4169			96,290	3,017,807	391,978	12.9888	-3.2%	
8	M2															
	Monthly Charge	bills	-	(223)	-	-	5,606	\$68.82	5,702	\$70.00	-	81,451	5,702	\$70.00		
	Monthly Delivery Commodity Charge															
9	First 1,000 m ³	10 ³ m ³	237	15	-	64	2,307	3.7017	2,290	3.6751	1,317	63,640	2,290	3.5991		
10	Next 6,000 m ³	10 ³ m ³	1,131	74	-	304	11,019	3.6332	10,940	3.6071	6,408	309,707	10,940	3.5324		
11	Next 13,000 m ³	10 ³ m ³	1,210	79	-	326	11,787	3.4393	11,787	3.4393	7,240	349,953	11,787	3.3681		
12	All over 20,000 m ³	10 ³ m ³	1,435	94	-	386	13,982	3.1934	13,982	3.1934	9,250	447,082	13,982	3.1273		
13	Total Delivery - M2		4,012	38	-	1,080	44,701	3.9000	44,701	3.9000	24,215	1,170,382	44,701	3.8193	-0.2%	
14	Storage	10 ³ m ³	-	(348)	-	-	7,211	0.6291			24,215	1,170,382	7,211	0.6161	-4.2%	
15	Total Rate M2		4,012	(309)	-	1,080	51,912	4.5291			24,215	1,170,382	51,912	4.4354	-0.7%	

Notes:

- (8) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (f).
(9) EB-2015-0116, Rate Order, Working Papers, Schedule 10, column (d).
(10) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
(11) MCC = Monthly Customer Charge.
(12) EB-2015-0116, Rate Order, Working Papers, Schedule 12, Page 2 and 3, column (c) and EB-2015-0116, Rate Order, Working Papers, Schedule 17, column (a).

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Adjustments to 2015 Base Rates												
Line No.	Particulars	Billing Units	Current Approved Forecast (1) Usage (a)	Current Approved Revenue (2) (\$000's) (b)	Current Approved Rates (3) (cents / m³) (c)	2015 DSM (4) (\$000's) (d)	2015 Capital Pass-Throughs (5) (\$000's) (e)	2015 Parkway Delivery Obligation (10) (\$000's) (f)	Upstream Transportation (7) (\$000's) (g)	Adjusted Revenue (\$000's) (h) = (b+d+e+f+g)	Price Cap Index (\$000's) (i)	Price Cap Index (%) (j)
M4 Firm Commercial/Industrial Contract Rate												
Monthly Demand Charge												
1	First 8,450 m³	10³m³/d	12,905	6,174	47.8404	(707)	59	(131)	-	5,395	43	
2	Next 19,700 m³	10³m³/d	7,864	1,687	21.4504	(193)	16	(36)	-	1,474	12	
3	All over 28,150 m³	10³m³/d	4,507	812	18.0214	(93)	8	(17)	-	710	6	
Monthly Delivery Commodity Charge												
4	First Block	10³m³	373,554	3,867	1.0353	(656)	55	(122)	-	3,144	25	
5	All remaining use	10³m³	8,039	36	0.4466	(6)	1	(1)	-	29	0	
7	Total Rate M4		381,593	12,576	3.2957	(1,655)	138	(308)	-	10,751	86	0.80%
M5A Interruptible Commercial/Industrial Contract Rate												
Firm contracts												
8	Monthly Demand Charge	10³m³/d	626	179	28.5955	(31)	3	(2)	-	148	1	
9	Monthly Delivery Commodity Charge	10³m³	16,626	336	2.0180	(59)	1	(1)	-	276	2	
10	Total Delivery - Firm M5A		16,626	514	3.0939	(90)	4	(4)	-	424	3	0.80%
Interruptible contracts												
11	Monthly Charge	bills	1,692	1,153	\$681.21	-	16	-	-	1,169	9	
12	Delivery Commodity Charge (Avg Price)	10³m³	495,144	11,629	2.3487	(2,673)	106	(37)	-	9,026	72	
13	Total Delivery -Interruptible M5A		495,144	12,782	2.5815	(2,673)	122	(37)	-	10,195	82	0.80%
14	Total Rate M5A		511,770	13,296	2.5981	(2,763)	126	(40)	-	10,619	85	0.80%

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2015-0116, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2015-0255, Appendix A, rates effective October 1, 2015 (Excludes Price Adjustments).
- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2015-0116, Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units						Prior to MCC Change (11)		MCC Change (11)		NAC / LRAM Volume Adjustment (12)	Proposed			Rate Change (%)
			2016 DSM (8)	2016 Capital Pass-Throughs (9)	Add Back Upstream Transportation	2016 Parkway Delivery Obligation (10)	Proposed Revenue	Proposed Rates	Proposed Revenue	Proposed Rates	(10 ³ m ³)	Usage including NAC & LRAM	Revenue	Rates	Rate	
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(cents / m ³)	(\$000's)	(cents / m ³)						
			(k)	(l)	(m) = (-g)	(n)	(o) = (h+i+k+l+m+n)	(p) = (o / a)	(q)	(r) = (q / a)	(s)					
M4 Firm Commercial/Industrial Contract Rate																
Monthly Demand Charge																
1	First 8,450 m ³	10 ³ m ³ /d	707	(13)	-	142	6,274	48.6123			-	12,905	6,274	48.6123		
2	Next 19,700 m ³	10 ³ m ³ /d	193	(4)	-	39	1,714	21.7965			-	7,864	1,714	21.7965		
3	All over 28,150 m ³	10 ³ m ³ /d	93	(2)	-	19	825	18.3122			-	4,507	825	18.3122		
Monthly Delivery Commodity Charge																
4	First Block	10 ³ m ³	656	(12)	-	132	3,945	1.0561			(18,916)	354,638	3,945	1.1124		
5	All remaining use	10 ³ m ³	6	(0)	-	1	37	0.4556			(407)	7,632	37	0.4799		
7	Total Rate M4		1,655	(30)	-	332	12,795	3.3529			(19,323)	362,270	12,795	3.5318	7.2%	
M5A Interruptible Commercial/Industrial Contract Rate																
Firm contracts																
8	Monthly Demand Charge	10 ³ m ³ /d	31	(5)	-	3	179	28.5762			-	626	179	28.5762		
9	Monthly Delivery Commodity Charge	10 ³ m ³	59	(2)	-	1	336	2.0235			(958)	15,668	336	2.1472		
10	Total Delivery - Firm M5A		90	(7)	-	4	515	3.0987			(958)	15,668	515	3.2882	6.3%	
Interruptible contracts																
11	Monthly Charge	bills	-	(45)	-	-	1,133	\$669.55			-	1,692	1,133	\$669.55		
12	Delivery Commodity Charge (Avg Price)	10 ³ m ³	2,673	(286)	-	35	11,520	2.3266			(28,533)	466,611	11,520	2.4689		
13	Total Delivery -Interruptible M5A		2,673	(331)	-	35	12,653	2.5554			(28,533)	466,611	12,653	2.7116	5.0%	
14	Total Rate M5A		2,763	(338)	-	39	13,168	2.5730			(29,491)	482,279	13,168	2.7304	5.1%	

Notes:

- (8) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (f).
(9) EB-2015-0116, Rate Order, Working Papers, Schedule 10, column (d).
(10) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
(11) MCC = Monthly Customer Charge.
(12) EB-2015-0116, Rate Order, Working Papers, Schedule 12, Page 2 and 3, column (c) and EB-2015-0116, Rate Order, Working Papers, Schedule 17, column (a).

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		Adjustments to 2015 Base Rates										
Line No.	Particulars	Billing Units	Current Approved Forecast (1) Usage (a)	Current Approved Revenue (2) (\$000's) (b)	Current Approved Rates (3) (cents / m³) (c)	2015 DSM (4) (\$000's) (d)	2015 Capital Pass-Throughs (5) (\$000's) (e)	2015 Parkway Delivery Obligation (10) (\$000's) (f)	Upstream Transportation (7) (\$000's) (g)	Adjusted Revenue (\$000's) (h) = (b+d+e+f+g)	Price Cap Index (\$000's) (i)	Price Cap Index (%) (j)
M7 Special Large Volume Contract Rate Firm Contracts												
1	Monthly Demand Charge	10³m³/d	14,220	3,743	26.3233	(804)	44	(118)	-	2,866	23	
2	Monthly Delivery Commodity Charge	10³m³	135,227	461	0.3410	(99)	0	(21)	-	341	3	
3	Total Delivery - Firm M7		135,227	4,204	3.1091	(903)	44	(139)	-	3,207	26	0.80%
Interruptible / Seasonal Contracts												
4	Monthly Delivery Commodity Charge	10³m³	4,418	57	1.2978	(30)	1	-	-	29	0	
5	Total Rate M7		139,645	4,262	3.0518	(933)	46	(139)	-	3,236	26	0.80%
M9 Large Wholesale Service												
6	Monthly Demand Charge	10³m³/d	3,993	648	16.2405	-	8	(42)	-	614	5	
7	Monthly Delivery Commodity Charge	10³m³	60,750	123	0.2019	-	0	(11)	-	112	1	
8	Total Rate M9		60,750	771	1.2693	-	8	(53)	-	726	6	0.80%
M10 Small Wholesale Service												
9	Monthly Delivery Commodity Charge	10³m³	189	10	5.4186	-	0	(1)	-	9	0	
10	Total Rate M10		189	10	5.4186	-	0	(1)	-	9	0	0.80%

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2015-0116, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2015-0255, Appendix A, rates effective October 1, 2015 (Excludes Price Adjustments).
- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2015-0116, Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units	Prior to MCC Change (11)						MCC Change (11)		NAC / LRAM Volume Adjustment (12) (10³m³) (s)	Proposed			Rate Change (%) (w)
			2016 DSM (8)	2016 Capital Pass-Throughs (9)	Add Back Upstream Transportation	2016 Parkway Delivery Obligation (10)	Proposed Revenue	Proposed Rates	Proposed Revenue	Proposed Rates		Usage including	Revenue	Rates	
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(cents / m³)	(\$000's)	(cents / m³)		NAC & LRAM	(\$000's)	(cents / m³)	
			(k)	(l)	(m) = (-g)	(n)	(o) = (h+i+k+m+n)	(p) = (o / a)	(q)	(r) = (q / a)		(t) = (a + s)	(u)	(v) = (u / t)	
M7 Special Large Volume Contract Rate Firm Contracts															
1	Monthly Demand Charge	10³m³/d	804	28	-	130	3,851	27.0809			-	14,220	3,851	27.0809	
2	Monthly Delivery Commodity Charge	10³m³	99	(0)	-	20	463	0.3421			(12.873)	122,354	463	0.3781	
3	Total Delivery - Firm M7		903	28	-	150	4,313	3.1898			(12.873)	122,354	4,313	3.5254	13.4%
Interruptible / Seasonal Contracts															
4	Monthly Delivery Commodity Charge	10³m³	30	(4)	-	-	55	1.2451			(421)	3,997	55	1.3761	6.0%
5	Total Rate M7		933	24	-	150	4,368	3.1283			(13.294)	126,351	4,368	3.4574	13.3%
M9 Large Wholesale Service															
6	Monthly Demand Charge	10³m³/d	-	30	-	47	696	17.4339			-	3,993	696	17.4339	
7	Monthly Delivery Commodity Charge	10³m³	-	(0)	-	10	123	0.2022			-	60,750	123	0.2022	
8	Total Rate M9		-	30	-	57	819	1.3480			-	60,750	819	1.3480	6.2%
M10 Small Wholesale Service															
9	Monthly Delivery Commodity Charge	10³m³	-	0	-	1	11	5.9498			-	189	11	5.9498	
10	Total Rate M10		-	0	-	1	11	5.9498			-	189	11	5.9498	9.8%

Notes:

(8) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (f).

(9) EB-2015-0116, Rate Order, Working Papers, Schedule 10, column (d).

(10) EB-2015-0116, Rate Order, Working Papers, Schedule 20.

(11) MCC = Monthly Customer Charge.

(12) EB-2015-0116, Rate Order, Working Papers, Schedule 12, Page 2 and 3, column (c) and EB-2015-0116, Rate Order, Working Papers, Schedule 17, column (a).

UNION GAS LIMITED
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Adjustments to 2015 Base Rates												
Line No.	Particulars	Billing Units	Current Approved Forecast (1) Usage (a)	Current Approved Revenue (2) (\$000's) (b)	Current Approved Rates (3) (cents / m³) (c)	2015 DSM (4) (\$000's) (d)	2015 Capital Pass-Throughs (5) (\$000's) (e)	2015 Parkway Delivery Obligation (10) (\$000's) (f)	Upstream Transportation (7) (\$000's) (g)	Adjusted Revenue (\$000's) (h) = (b+d+e+f+g)	Price Cap Index (\$000's) (i)	Price Cap Index (%) (j)
T1 Storage and Transportation												
Storage (\$/GJ's)												
Demand:												
1	Firm injection / withdrawal											
2	Union provides deliverability inventory	GJ/d/mo.	492,360	789	1.603	-	9	-	-	798	6	
3	Customer provides deliverability inventory	GJ/d/mo.	166,800	202	1.208	-	2	-	-	204	2	
4	Incremental firm injection right	GJ/d/mo.	-	-	1.208	-	-	-	-	-	-	
5	Interruptible	GJ/d/mo.	62,244	76	1.208	-	-	-	-	76	1	
6	Space	GJ/d/mo.	22,396,680	254	0.011	-	3	-	-	257	2	
7	Commodity (Customer Provides)	GJ	2,750,300	21	0.008	-	0	-	-	21	0	
8	Commodity (Union Provides)	GJ	-	-	0.029	-	-	-	-	-	-	
8	Customer supplied fuel	GJ	16,442	53	-	-	-	-	-	53	0	
Transportation (cents/ m3)												
Demand:												
9	First 28,150 m³	10³m³/d/mo.	12,448	4,077	32.7527	(1,034)	41	(73)	-	3,011	24	
10	Next 112,720 m³	10³m³/d/mo.	13,002	2,942	22.6284	(746)	30	(53)	-	2,173	17	
Commodity												
Firm												
11	All Volumes	10³m³	468,507	346	0.0739	-	1	-	-	347	3	
12	Interruptible	10³m³	61,046	785	1.2862	(75)	6	-	-	716	6	
13	Monthly Charges	Meter/mo.	528	1,022	\$1,935.18	-	8	-	-	1,030	8	
14	Customer supplied fuel	10³m³	2,979	301	-	-	-	(53)	-	247	2	
15	Total Rate T1		529,553	10,867	2.0522	(1,855)	99	(179)	-	8,933	71	0.80%
T2 Storage and Transportation												
Storage (\$/GJ's)												
Demand:												
Firm injection / withdrawal												
16	Union provides deliverability inventory	GJ/d/mo.	1,516,920	2,432	1.603	-	28	-	-	2,460	20	
17	Customer provides deliverability inventory	GJ/d/mo.	1,336,556	1,615	1.208	-	19	-	-	1,633	13	
18	Incremental firm injection right	GJ/d/mo.	-	-	1.208	-	-	-	-	-	-	
19	Interruptible	GJ/d/mo.	415,704	504	1.208	-	-	-	-	504	4	
20	Space	GJ/d/mo.	106,645,056	1,208	0.011	-	16	-	-	1,224	10	
21	Commodity (Customer Provides)	GJ	7,869,782	60	0.008	-	0	-	-	60	0	
22	Commodity (Union Provides)	GJ	-	-	0.029	-	-	-	-	-	-	
23	Customer supplied fuel	GJ	47,061	152	-	-	-	-	-	152	1	
Transportation (cents/ m3)												
Demand:												
24	First 140,870 m³	10³m³/d/mo.	49,971	10,452	20.9163	(932)	94	(295)	-	9,320	75	
25	All Over 140,870 m³	10³m³/d/mo.	167,088	18,486	11.0637	(1,648)	167	(522)	-	16,483	132	
Commodity												
Firm												
26	All Volumes	10³m³	4,384,983	353	0.0080	-	1	-	-	354	3	
27	Interruptible	10³m³	347,637	3,397	0.9771	(107)	33	-	-	3,323	27	
28	Monthly Charges	Meter/mo.	444	2,639	\$5,943.28	-	63	-	-	2,701	22	
29	Customer supplied fuel	10³m³	23,922	2,132	-	-	-	(253)	-	1,879	15	
30	Total Rate T2		4,732,620	43,429	0.9177	(2,687)	420	(1,070)	-	40,093	321	0.80%

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2015-0116, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2015-0255, Appendix A, rates effective October 1, 2015 (Excludes Price Adjustments).
- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2015-0116, Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units	2016 DSM (8)	2016 Capital Pass-Throughs (9)	Add Back Upstream Transportation	2016 Parkway Delivery Obligation (10)	Prior to MCC Change (11)		MCC Change (11)		NAC / LRAM Volume Adjustment (12)	Proposed			Rate Change (%)
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	Proposed Revenue (\$000's)	Proposed Rates (cents / m ³)	Proposed Revenue (\$000's)	Proposed Rates (cents / m ³)	(10 ³ m ³)	Usage including NAC & LRAM (t) = (a + s)	Revenue (\$000's)	Rates (cents / m ³) (v) = (u / t)	
			(k)	(l)	(m) = (-g)	(n)	(o) = (h+i+k+t+m+n)	(p) = (o / a)	(q)	(r) = (q / a)	(s)		(u)	(v)	(w)
T1 Storage and Transportation															
Storage (\$/GJ's)															
Demand:															
1	Firm injection / withdrawal	GJ/d.mo.	-	(23)	-	-	782	1.586	-	-	-	492,360	782	1.586	
2	Union provides deliverability inventory	GJ/d.mo.	-	(6)	-	-	200	1.195	-	-	-	166,800	200	1.195	
3	Customer provides deliverability inventory	GJ/d.mo.	-	-	-	-	-	1.195	-	-	-	-	-	1.195	
4	Incremental firm injection right	GJ/d.mo.	-	-	-	-	77	1.195	-	-	-	62,244	77	1.195	
5	Interruptible	GJ/d.mo.	-	(9)	-	-	250	0.011	-	-	-	22,396,680	250	0.011	
6	Space	GJ/d.mo.	-	(0)	-	-	21	0.008	-	-	-	2,750,300	21	0.008	
7	Commodity (Customer Provides)	GJ	-	-	-	-	-	0.029	-	-	-	-	-	0.029	
8	Commodity (Union Provides)	GJ	-	-	-	-	54	-	-	-	-	16,442	54	-	
8	Customer supplied fuel	GJ	-	-	-	-	-	-	-	-	-	-	-	-	
Transportation (cents/ m3)															
Demand:															
9	First 28,150 m ³	10 ³ m ³ /d.mo.	1,034	10	-	81	4,160	33.4147	-	-	-	12,448	4,160	33.4147	
10	Next 112,720 m ³	10 ³ m ³ /d.mo.	746	7	-	58	3,002	23.0858	-	-	-	13,002	3,002	23.0858	
Commodity															
Firm															
11	All Volumes	10 ³ m ³	-	(2)	-	-	348	0.0742	-	-	(11,137)	457,370	348	0.0760	
12	Interruptible	10 ³ m ³	75	(16)	-	-	781	1.2791	-	-	(1,451)	59,595	781	1.3103	
13	Monthly Charges	Meter/mo.	-	(22)	-	-	1,016	\$1,924.04	-	-	-	528	1,016	\$1,924.04	
14	Customer supplied fuel	10 ³ m ³	-	-	-	53	302	-	-	-	-	2,979	302	-	
15	Total Rate T1		<u>1,855</u>	<u>(61)</u>	<u>-</u>	<u>192</u>	<u>10,990</u>	<u>2.0753</u>			<u>(12.588)</u>	<u>516,965</u>	<u>10,990</u>	<u>2.1259</u>	<u>3.6%</u>
T2 Storage and Transportation															
Storage (\$/GJ's)															
Demand:															
16	Firm injection / withdrawal	GJ/d.mo.	-	(74)	-	-	2,406	1.586	-	-	-	1,516,920	2,406	1.586	
17	Union provides deliverability inventory	GJ/d.mo.	-	(49)	-	-	1,598	1.195	-	-	-	1,336,556	1,598	1.195	
18	Customer provides deliverability inventory	GJ/d.mo.	-	-	-	-	-	1.195	-	-	-	-	-	1.195	
19	Incremental firm injection right	GJ/d.mo.	-	-	-	-	508	1.195	-	-	-	415,704	508	1.195	
20	Interruptible	GJ/d.mo.	-	(42)	-	-	1,191	0.011	-	-	-	106,645,056	1,191	0.011	
21	Space	GJ/d.mo.	-	(1)	-	-	60	0.008	-	-	-	7,869,782	60	0.008	
22	Commodity (Customer Provides)	GJ	-	-	-	-	-	0.029	-	-	-	-	-	0.029	
23	Commodity (Union Provides)	GJ	-	-	-	-	153	-	-	-	-	47,061	153	-	
23	Customer supplied fuel	GJ	-	-	-	-	-	-	-	-	-	-	-	-	
Transportation (cents/ m3)															
Demand:															
24	First 140,870 m ³	10 ³ m ³ /d.mo.	932	258	-	327	10,910	21.8329	-	-	-	49,971	10,910	21.8329	
25	All Over 140,870 m ³	10 ³ m ³ /d.mo.	1,648	455	-	578	19,296	11.5485	-	-	-	167,088	19,296	11.5485	
Commodity															
Firm															
26	All Volumes	10 ³ m ³	-	(3)	-	-	354	0.0081	-	-	(89,952)	4,295,031	354	0.0082	
27	Interruptible	10 ³ m ³	107	(89)	-	-	3,367	0.9686	-	-	(7,131)	340,506	3,367	0.9889	
28	Monthly Charges	Meter/mo.	-	(170)	-	-	2,553	\$5,751.12	-	-	-	444	2,553	\$5,751.12	
29	Customer supplied fuel	10 ³ m ³	-	-	-	253	2,147	-	-	-	-	23,922	2,147	-	
30	Total Rate T2		<u>2,687</u>	<u>286</u>	<u>-</u>	<u>1,158</u>	<u>44,544</u>	<u>0.9412</u>			<u>(97.083)</u>	<u>4,635,537</u>	<u>44,544</u>	<u>0.9609</u>	<u>4.7%</u>

Notes:

- (8) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (f).
(9) EB-2015-0116, Rate Order, Working Papers, Schedule 10, column (d).
(10) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
(11) MCC = Monthly Customer Charge.
(12) EB-2015-0116, Rate Order, Working Papers, Schedule 12, Page 2 and 3, column (c) and EB-2015-0116, Rate Order, Working Papers, Schedule 17, column (a).

UNION GAS LIMITED
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Adjustments to 2015 Base Rates												
Line No.	Particulars	Billing Units	Current Approved Forecast (1) Usage (a)	Current Approved Revenue (2) (\$000's) (b)	Current Approved Rates (3) (cents / m³) (c)	2015 DSM (4) (\$000's) (d)	2015 Capital Pass-Throughs (5) (\$000's) (e)	2015 Parkway Delivery Obligation (10) (\$000's) (f)	Upstream Transportation (7) (\$000's) (g)	Adjusted Revenue (\$000's) (h) = (b+d+e+f+g)	Price Cap Index (\$000's) (i)	Price Cap Index (%) (j)
T3												
Storage (\$/GJ's)												
Demand:												
	Firm injection / withdrawal											
1	Union provides deliverability inventory	GJ/d/mo.	-	-	1.603	-	-	-	-	-	-	-
2	Customer provides deliverability inventory	GJ/d/mo.	679,320	820	1.208	-	11	-	-	831	7	
3	Incremental firm injection right	GJ/d/mo.	-	-	1.208	-	-	-	-	-	-	-
4	Interruptible	GJ/d/mo.	-	-	1.208	-	-	-	-	-	-	-
5	Space	GJ/d/mo.	36,614,256	415	0.011	-	5	-	-	420	3	
6	Commodity (Customer Provides)	GJ	4,459,672	34	0.008	-	0	-	-	34	0	
7	Commodity (Union Provides)	GJ	-	-	0.029	-	-	-	-	-	-	-
8	Customer supplied fuel	GJ	26,668	86	-	-	-	-	-	86	1	
Transportation (cents/ m3)												
9	Demand	10³m³/d/mo.	28,200	2,947	10.4499	-	28	(296)	-	2,679	21	
10	Commodity	10³m³	272,712	29	0.0108	-	0	-	-	30	0	
11	Monthly Charges	Meter/mo.	12	244	\$20,369.55	-	2	-	-	247	2	
12	Customer supplied fuel	10³m³	1,972	192	-	-	-	(49)	-	143	1	
13	Total Rate T3		272,712	4,768	1.7482	-	47	(345)	-	4,470	36	0.80%

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2015-0116, Rate Order, Working Papers, Schedule 8, column (e).
- (3) EB-2015-0255, Appendix A, rates effective October 1, 2015 (Excludes Price Adjustments).
- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (a).
- (5) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (m).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 9, column (g).
- (7) EB-2015-0116, Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units					Prior to MCC Change (11)		MCC Change (11)		NAC / LRAM Volume Adjustment (12) Adjustment (10³m³) (s)	Proposed			Rate Change (%) (w)
			2016 DSM (8) (\$000's) (k)	2016 Capital Pass-Throughs (9) (\$000's) (l)	Add Back Upstream Transportation (\$000's) (m) = (-g)	2016 Parkway Delivery Obligation (10) (\$000's) (n)	Proposed Revenue (\$000's) (o) = (h+i+k+l+m+n)	Proposed Rates (cents / m³) (p) = (o / a)	Proposed Revenue (\$000's) (q)	Proposed Rates (cents / m³) (r) = (q / a)		Usage including NAC & LRAM (t) = (a + s)	Revenue (\$000's) (u)	Rates (cents / m³) (v) = (u / t)	
T3															
Storage (\$/GJ's)															
Demand:															
	Firm injection / withdrawal														
1	Union provides deliverability inventory	GJ/d/mo.	-	-	-	-	-	1.586	-	-	-	-	-	1.586	
2	Customer provides deliverability inventory	GJ/d/mo.	-	(29)	-	-	808	1.195	-	-	-	679,320	808	1.195	
3	Incremental firm injection right	GJ/d/mo.	-	-	-	-	-	1.195	-	-	-	-	-	1.195	
4	Interruptible	GJ/d/mo.	-	-	-	-	-	1.195	-	-	-	-	-	1.195	
5	Space	GJ/d/mo.	-	(15)	-	-	409	0.011	-	-	-	36,614,256	409	0.011	
6	Commodity (Customer Provides)	GJ	-	(0)	-	-	34	0.008	-	-	-	4,459,672	34	0.008	
7	Commodity (Union Provides)	GJ	-	-	-	-	-	0.029	-	-	-	-	-	0.029	
8	Customer supplied fuel	GJ	-	-	-	-	87	-	-	-	-	26,668	87	-	
Transportation (cents/ m3)															
9	Demand	10³m³/d/mo.	-	284	-	296	3,281	11.6340	-	-	-	28,200	3,281	11.6340	
10	Commodity	10³m³	-	(0)	-	-	30	0.0108	-	-	-	272,712	30	0.0108	
11	Monthly Charges	Meter/mo.	-	(6)	-	-	242	\$20,208.17	-	-	-	12	242	\$20,208.17	
12	Customer supplied fuel	10³m³	-	-	-	49	193	-	-	-	-	1,972	193	0	
13	Total Rate T3		-	234	-	345	5,084	1.8643	-	-	-	272,712	5,084	1.8643	6.6%

Notes:

(8) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (f).

(9) EB-2015-0116, Rate Order, Working Papers, Schedule 10, column (d).

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(12) EB-2015-0116, Rate Order, Working Papers, Schedule 12, Page 2 and 3, column (c) and EB-2015-0116, Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Adjustments to 2015 Base Rates									
			Current Approved Forecast Usage (1)	Current Approved Revenue (2)	Current Approved Rates (3)	2015 DSM	2015 Capital Pass-Throughs	2015 Parkway Delivery Obligation	Upstream Transportation	Adjusted Revenue	Price Cap Index	Price Cap Index
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
M12 Transportation Service												
<u>Demand:</u>												
	Dawn to Kirkwall											
1	- 12 months	GJ/d/mo	419,318	12,340	2.193	-	(792)	-	-	11,547	92	
2	- 10 months	GJ/d/mo	304,563	6,680	2.193	-	(429)	-	-	6,251	50	
3	- 2 months	GJ/d/mo	18,365	81	2.193	-	(5)	-	-	75	1	
4	- F24-T - 12 months	GJ/d/mo	49,500	41	0.069	-	0	-	-	41	0	
	Dawn to Parkway											
5	- 12 months	GJ/d/mo	3,286,550	112,299	2.604	-	(9,180)	-	-	103,119	825	
6	- 10 months	GJ/d/mo	65,000	1,693	2.604	-	(112)	-	-	1,581	13	
7	- 3 months	GJ/d/mo	2,000	16	2.604	-	(1)	-	-	15	0	
8	- F24-T - 12 months	GJ/d/mo	307,000	323	0.069	-	0	-	-	323	3	
	M12-X Easterly (between Dawn, Kirkwall and Parkway)											
9	- 12 months	GJ/d/mo	391,011	12,219	2.604	-	(807)	-	-	11,412	91	
	M12-X Westerly (between Dawn, Kirkwall and Parkway)											
10	- 12 months	GJ/d/mo	391,011	3,002	0.640	-	(228)	-	-	2,775	22	
	Kirkwall to Parkway											
11	- 12 months	GJ/d/mo	88,497	436	0.411	-	(33)	-	-	403	3	
12	- 2 months	GJ/d/mo	174,752	144	0.411	-	(11)	-	-	133	1	
<u>Commodity:</u>												
13	Easterly - Providing Own Fuel	GJ	705,499,899	23,652		-	-	(726)	-	22,926	183	
	Westerly - Providing Own Fuel	GJ										
14	Parkway to Kirkwall/Dawn		905,475	12		-	-	-	-	12	0	
15	Kirkwall to Dawn		5,031,274	38		-	-	-	-	38	0	
16	Total Rate M12		711,436,648	172,976		-	(11,598)	(726)	-	160,652	1,285	0.80%

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (f).
(2) EB-2015-0116, Rate Order, Working Papers, Schedule 7, Page 2, column (e).
(3) EB-2015-0255, Appendix A, rates effective October 1, 2015.

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									Demand Adjustments		Proposed			
Line			2016	2016 Capital	Add Back	2016 Parkway	Proposed	Proposed		LRAM	Usage	Revenue	Rates	Rate
No.	Particulars	Billing	DSM	Pass-Throughs (4)	Upstream	Delivery	Revenue	Rates	Demand	Volume	including			Change
		Units	(\$000's)	(\$000's)	Transportation	Obligation (5)	(\$000's)	(\$/ GJ)	Adjustment	Adjustment	Adjustment	(\$000's)	(\$/ GJ)	(%)
			(k)	(l)	(m) = (-g)	(n)	(o) = (h+i+j+k+l+m+n)	(p) = (o / a)	(q)	(r)	(r) = (a + q)	(s)	(t) = (s/ r)	(u)
M12 Transportation Service														
Demand:														
	Dawn to Kirkwall													
1	- 12 months	GJ/d/mo	-	1,981	-	-	13,621				419,318	13,621	2.421	
2	- 10 months	GJ/d/mo	-	1,073	-	-	7,374				304,563	7,374	2.421	
3	- 2 months	GJ/d/mo	-	13	-	-	89				18,365	89	2.421	
4	- F24-T - 12 months	GJ/d/mo	-	(0)	-	-	41				49,500	41	0.069	
	Dawn to Parkway													
5	- 12 months	GJ/d/mo	-	32,396	-	-	136,340		347,622		3,634,172	136,340	2.883	
6	- 10 months	GJ/d/mo	-	280	-	-	1,874				65,000	1,874	2.883	
7	- 3 months	GJ/d/mo	-	2	-	-	17				2,000	17	2.883	
8	- F24-T - 12 months	GJ/d/mo	-	(0)	-	-	326				307,000	326	0.069	
	M12-X Easterly (between Dawn, Kirkwall and Parkway)													
9	- 12 months	GJ/d/mo	-	2,023	-	-	13,527				391,011	13,527	2.883	
	M12-X Westerly (between Dawn, Kirkwall and Parkway)													
10	- 12 months	GJ/d/mo	-	577	-	-	3,374				391,011	3,374	0.719	
	Kirkwall to Parkway													
11	- 12 months	GJ/d/mo	-	117	-	-	524		6,050		94,547	524	0.462	
12	- 2 months	GJ/d/mo	-	28	-	-	161				174,752	161	0.462	
Commodity:														
13	Easterly - Providing Own Fuel	GJ	-	-	-	673	23,783				705,499,899	23,783		
	Westerly - Providing Own Fuel	GJ	-	-	-	-	-				-	-		
14	Parkway to Kirkwall/Dawn		-	-	-	-	12				905,475	12		
15	Kirkwall to Dawn		-	-	-	-	38				5,031,274	38		
16	Total Rate M12		-	38,490	-	673	201,100	-	353,672	-	711,436,648	201,100		16.3%

Notes:

- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 10, column (d).
(5) EB-2015-0116, Rate Order, Working Papers, Schedule 20, column (c).

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Line No.	Particulars	Billing Units	Adjustments to 2015 Base Rates									Price Cap Index (%)
			Current Approved Forecast Usage (1)	Current Approved Revenue (2)	Current Approved Rates (3)	2015 DSM (\$000's)	2015 Capital Pass-Throughs (\$000's)	2015 Parkway Delivery Obligation (\$000's)	Upstream Transportation (\$000's)	Adjusted Revenue (\$000's)	Price Cap Index (\$000's)	
			(a)	(b)	(\$/ GJ) (c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
M13 Transportation of Locally Produced Gas												
1	Monthly Fixed Charge	monthly	15	169	\$938.96		-	-	-	169	1	
2	Transmission Commodity Charge	GJ	5,934,507	203	0.034		1	-	-	204	2	
3	Commodity	GJ	5,934,507	47	0.008		-	-	-	47	0	
4	Total Rate M13		<u>5,934,507</u>	<u>419</u>			<u>1</u>	<u>-</u>	<u>-</u>	<u>421</u>	<u>3</u>	<u>0.80%</u>
M16 Transportation Service												
5	Monthly Fixed Charge	monthly	4	72	\$1,493.78		-	-	-	72	1	
6	Transmission Commodity Charge	GJ	6,236,394	214	0.034		0	-	-	214	2	
Charges West of Dawn:												
7	Firm Demand Charge	GJ/d	17,846	228	1.064		2	-	-	230	2	
8	Fuel & UFG to Dawn	GJ	4,098,775	33	0.008		-	-	-	33	0	
9	Fuel & UFG to Pool	GJ	4,098,775	93	0.023		-	-	-	93	1	
Charges East of Dawn:												
10	Firm Demand Charge	GJ/d	9,067	83	0.759		-	-	-	83	1	
11	Fuel & UFG to Dawn	GJ	2,137,619	17	0.008		-	-	-	17	0	
12	Fuel & UFG to Pool	GJ	2,137,619	21	0.010		-	(3)	-	18	0	
13	Total Rate M16		<u>12,472,788</u>	<u>760</u>			<u>2</u>	<u>(3)</u>	<u>-</u>	<u>759</u>	<u>6</u>	<u>0.80%</u>

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (r).
(2) EB-2015-0116, Rate Order, Working Papers, Schedule 7, Page 2, column (e).
(3) EB-2015-0255, Appendix A, rates effective October 1, 2015.

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										Volume Adjustments		Proposed			
Line		Billing	2016	2016 Capital	Add Back	2016 Parkway	Proposed	Proposed		LRAM	Usage	Revenue	Rates	Rate	
No.	Particulars	Units	DSM	Pass-Throughs (4)	Upstream	Delivery	Revenue	Rates		Volume	including	(000's)	(\$/ G.J)	Change	
			(\$000's)	(\$000's)	Transportation	Obligation (5)	(\$000's)	(\$/ G.J)		Adjustment	Adjustment			(%)	
			(k)	(l)	(m) = (-g)	(n)	(o) = (h+i+j+k+l+m+n)	(p) = (o / a)		(q)	(r)	(r) = (a + q)	(s)	(t) = (s/ r)	(u)
M13 Transportation of Locally Produced Gas															
1	Monthly Fixed Charge	monthly	-	-	-	-	170				15	170		\$946.47	
2	Transmission Commodity Charge	GJ	-	(1)	-	-	205				5,934,507	205		0.035	
3	Commodity	GJ	-	-	-	-	48				5,934,507	48		0.008	
4	Total Rate M13		-	(1)	-	-	423	-	-	-	5,934,507	423		0.9%	
M16 Transportation Service															
5	Monthly Fixed Charge	monthly	-	-	-	-	72				4	72		\$1,505.73	
6	Transmission Commodity Charge	GJ	-	(0)	-	-	216				6,236,394	216		0.035	
Charges West of Dawn:															
7	Firm Demand Charge	GJ/d	-	(6)	-	-	226				17,846	226		\$1.055	
8	Fuel & UFG to Dawn	GJ	-	-	-	-	33				4,098,775	33		0.008	
9	Fuel & UFG to Pool	GJ	-	-	-	-	94				4,098,775	94		0.023	
Charges East of Dawn:															
10	Firm Demand Charge	GJ/d	-	-	-	-	83				9,067	83		\$0.765	
11	Fuel & UFG to Dawn	GJ	-	-	-	-	17				2,137,619	17		0.008	
12	Fuel & UFG to Pool	GJ	-	-	-	-	21				2,137,619	21		0.010	
13	Total Rate M16		-	(6)	-	3	763	-	-	-	12,472,788	763		0.3%	

Notes:

- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 10, column (d).
(5) EB-2015-0116, Rate Order, Working Papers, Schedule 20, column (c).

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Line No.	Particulars	Billing Units	Adjustments to 2015 Base Rates									
			Current Approved Forecast Usage (1)	Current Approved Revenue (2)	Current Approved Rates (3)	2015 DSM (\$000's)	2015 Capital Pass-Throughs (\$000's)	2015 Parkway Delivery Obligation (\$000's)	Upstream Transportation (\$000's)	Adjusted Revenue (\$000's)	Price Cap Index (\$000's)	Price Cap Index (%)
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
<u>C1 Cross Franchise Transportation Service</u>												
Storage Service:												
1	Peak Storage(Short-term)	GJ	22,489,337	7,847		-	56	-	-	7,904	-	
Commodity												
2	Off Peak Storage/ Balancing /Loans	GJ	-	2,500		-	-	-	-	2,500	-	
Transportation Service:												
Demand:												
3	St.Clair & Dawn, Ojibway & Dawn - 12 months	GJ/mo	85,460	3,234	1.064	-	10	-	-	3,243	26	
Parkway to Dawn/Kirkwall												
4	- 12 months	GJ/mo	347,371	2,667	0.640	-	(202)	-	-	2,465	20	
5	- 3 months	GJ/mo	54,357	104	0.640	-	(8)	-	-	96	1	
6	Kirkwall to Dawn	GJ/mo	-	-	1.128	-	-	-	-	-	-	
Dawn to Parkway												
7	- 12 months	GJ/mo	7,065	418	2.604	-	-	-	-	418	3	
8	- 12 months North T-Service	GJ/mo	-	-		-	-	-	-	-	-	
9	Kirkwall to Parkway	GJ/mo	-	-	0.411	-	-	-	-	-	-	
Dawn to Dawn Vector												
10	- 12 months	GJ/mo	92,845	32	0.029	-	-	-	-	32	0	
Dawn to Dawn TCPL												
11	- 12 months	GJ/mo	500,000	816	0.136	-	-	-	-	816	7	
Firm Commodity												
Easterly												
Union Providing Fuel												
12	Dawn to Parkway (TCPL)	GJ	2,423,295	93		-	-	(8)	-	85	1	
Providing Own Fuel												
13	Dawn to Dawn TCPL	GJ	5,000,000	84		-	-	-	-	84	1	
14	Dawn to Dawn Vector	GJ	18,280,703	247		-	-	-	-	247	2	
15	Ojibway to Dawn	GJ	9,968,577	167		-	-	-	-	167	1	
Westerly - Providing Own Fuel												
16	Parkway to Kirkwall	GJ				-	-	-	-	-	-	
17	Parkway to Dawn	GJ	3,990,264	52		-	-	-	-	52	0	
18	Short-term Transportation	GJ	177,529,686	11,280		-	11	(229)	-	11,061	-	
19	Exchanges			14,918		-	-	-	-	14,918	-	
20	Other Transactional			1,067		-	-	-	-	1,067	-	
21	Total Rate C1		<u>217,192,525</u>	<u>45,526</u>		<u>-</u>	<u>(134)</u>	<u>(237)</u>	<u>-</u>	<u>45,155</u>	<u>62</u>	
22	Total Ex-Franchise			<u>219,682</u>		<u>-</u>	<u>(11,728)</u>	<u>(967)</u>	<u>-</u>	<u>206,987</u>	<u>1,356</u>	<u>0.66%</u>

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (r).
(2) EB-2015-0116, Rate Order, Working Papers, Schedule 7, Page 2, column (e).
(3) EB-2015-0255, Appendix A, rates effective October 1, 2015.

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Line No.	Particulars	Billing Units	2016 DSM	2016 Capital	Add Back	2016 Parkway	Proposed	Proposed	Volume Adjustments		Proposed			Rate Change (%)
			(\$000's)	Pass-Throughs (4) (\$000's)	Upstream Transportation (\$000's)	Delivery Obligation (5) (\$000's)	Revenue (\$000's)	Rates (\$/ GJ)	Demand Adjustment	LRAM Volume Adjustment	Usage including Adjustment	Revenue (\$000's)	Rates (\$/ GJ)	
			(k)	(l)	(m) = (-g)	(n)	(o) = (h++j+*+l+m+n)	(p) = (o / a)	(q)	(r)	(r) = (a + q)	(s)	(t) = (s/ r)	(u)
C1 Cross Franchise Transportation Service														
Storage Service:														
1	Peak Storage(Short-term)	GJ	-	(150)	-	-	7,754				22,489,337	7,754		
Commodity														
2	Off Peak Storage/ Balancing /Loans	GJ	-	-	-	-	2,500					2,500		
Transportation Service:														
Demand:														
3	St.Clair & Dawn, Ojibway & Dawn - 12 months	GJ/mo	-	(27)	-	-	3,243				85,460	3,243	1.055	
Parkway to Dawn/Kirkwall														
4	- 12 months	GJ/mo	-	513	-	-	2,997				347,371	2,997	0.719	
5	- 3 months	GJ/mo	-	20	-	-	117				54,357	117	0.719	
6	Kirkwall to Dawn	GJ/mo	-	-	-	-	-				-	-	1.268	
Dawn to Parkway														
7	- 12 months	GJ/mo	-	-	-	-	421				7,065	421	2.883	
8	- 12 months North T-Service	GJ/mo	-	168	-	-	168		4,853		4,853	168	2.883	
9	Kirkwall to Parkway	GJ/mo	-	-	-	-	-				-	-	0.462	
Dawn to Dawn Vector														
10	- 12 months	GJ/mo	-	-	-	-	33				92,845	33	0.029	
Dawn to Dawn TCPL														
11	- 12 months	GJ/mo	-	-	-	-	822				500,000	822	0.137	
Firm Commodity														
Easterly														
Union Providing Fuel														
12	Dawn to Parkway (TCPL)	GJ	-	-	-	8	93				2,423,295	93		
Providing Own Fuel														
13	Dawn to Dawn TCPL	GJ	-	-	-	-	84				5,000,000	84		
14	Dawn to Dawn Vector	GJ	-	-	-	-	249				18,280,703	249		
15	Ojibway to Dawn	GJ	-	-	-	-	168				9,968,577	168		
Westerly - Providing Own Fuel														
16	Parkway to Kirkwall	GJ	-	-	-	-	-				-	-		
17	Parkway to Dawn	GJ	-	-	-	-	52				3,990,264	52		
18	Short-term Transportation	GJ	-	(29)	-	212	11,245				177,529,686	11,245		
19	Exchanges		-	-	-	-	14,918					14,918		
20	Other Transactional		-	-	-	-	1,067					1,067		
21	Total Rate C1		-	496	-	220	45,932	-	4,853	-	217,192,525	45,932	0.9%	
22	Total Ex-Franchise		-	38,979	-	896	248,218	-	358,525	-		248,218		

Notes:

- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 10, column (d).
(5) EB-2015-0116, Rate Order, Working Papers, Schedule 20, column (c).

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Line No.	Particulars	2015 Current Approved Revenue (2) (\$000s)	Price Cap Index (2) (\$000s)	DSM (2) (\$000s)	Capital Pass-Throughs (2) (\$000s)	2016 Parkway Delivery Obligation (2) (\$000s)	Total Excluding Volume Adjustments	Volume Adjustments	Total Including Volume Adjustments
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
<u>North Delivery</u>									
1	R01 Revenue (\$000s)	160,716	1,253	-	(2,748)	-	159,222		159,222
2	Volumes (10 ³ m ³)	927,922	927,922	927,922	927,922	927,922	927,922	36,464	964,386
3	Average rate (cents / m ³)	17.3200	0.1350	-	(0.2961)	-	17.1589	(0.6488)	16.5101
4	Average rate change (1)		0.8%	0.0%	-1.7%	0.0%	-0.9%	-3.7%	-4.7%
5	R10 Revenue (\$000s)	19,903	147	-	(343)	-	19,707		19,707
6	Volumes (10 ³ m ³)	346,746	346,746	346,746	346,746	346,746	346,746	16,799	363,545
7	Average rate (cents / m ³)	5.7399	0.0424	-	(0.0990)	-	5.6834	(0.2626)	5.4208
8	Average rate change (1)		0.7%	0.0%	-1.7%	0.0%	-1.0%	-4.6%	-5.6%
9	R20 Revenue (\$000s)	13,449	100	-	(282)	-	13,267		13,267
10	Volumes (10 ³ m ³)	618,460	618,460	618,460	618,460	618,460	618,460	(9,414)	609,046
11	Average rate (cents / m ³)	2.1746	0.0161	-	(0.0455)	-	2.1452	0.0332	2.1784
12	Average rate change (1)		0.7%	0.0%	-2.1%	0.0%	-1.4%	1.5%	0.2%
13	R25 Revenue (\$000s)	4,464	36	-	(87)	-	4,414		4,414
14	Volumes (10 ³ m ³)	159,555	159,555	159,555	159,555	159,555	159,555	-	159,555
15	Average rate (cents / m ³)	2.7980	0.0226	-	(0.0545)	-	2.7662	-	2.7662
16	Average rate change (1)		0.8%	0.0%	-1.9%	0.0%	-1.1%	0.0%	-1.1%
17	R100 Revenue (\$000s)	15,530	110	-	(239)	-	15,401		15,401
18	Volumes (10 ³ m ³)	1,857,374	1,857,374	1,857,374	1,857,374	1,857,374	1,857,374	(37,375)	1,819,999
19	Average rate (cents / m ³)	0.8361	0.0059	-	(0.0129)	-	0.8292	0.0170	0.8462
20	Average rate change (1)		0.7%	0.0%	-1.5%	0.0%	-0.8%	2.0%	1.2%
<u>South Delivery & Storage</u>									
21	M1 - Delivery Revenue (\$000s)	370,307	2,881	-	(2,678)	262	370,772		370,772
22	Volumes (10 ³ m ³)	2,921,516	2,921,516	2,921,516	2,921,516	2,921,516	2,921,516	96,290	3,017,807
23	Average rate (cents / m ³)	12.6752	0.0986	-	(0.0917)	0.0090	12.6911	(0.4049)	12.2861
24	M1 - Storage Revenue (\$000s)	21,666	176	-	(636)	-	21,207		21,207
25	Volumes (10 ³ m ³)	2,921,516	2,921,516	2,921,516	2,921,516	2,921,516	2,921,516	96,290	3,017,807
26	Average rate (cents / m ³)	0.7416	0.0060	-	(0.0218)	-	0.7259	(0.0232)	0.7027
27	M1 Revenue (\$000s)	391,973	3,057	-	(3,314)	262	391,978	-	391,978
28	Total Average rate (cents / m ³)	13.4168	0.1046	-	(0.1134)	0.0090	13.4169	(0.4281)	12.9888
29	Average rate change (1)		0.8%	0.0%	-0.8%	0.1%	0.0%	-3.2%	-3.2%
30	M2 - Delivery Revenue (\$000s)	43,853	314	-	446	88	44,701		44,701
31	Volumes (10 ³ m ³)	1,146,167	1,146,167	1,146,167	1,146,167	1,146,167	1,146,167	24,215	1,170,382
32	Average rate (cents / m ³)	3.8261	0.0274	-	0.0389	0.0076	3.9000	(0.0807)	3.8193
33	M2 - Storage Revenue (\$000s)	7,368	60	-	(217)	-	7,211		7,211
34	Volumes (10 ³ m ³)	1,146,167	1,146,167	1,146,167	1,146,167	1,146,167	1,146,167	24,215	1,170,382
35	Average rate (cents / m ³)	0.6428	0.0052	-	(0.0189)	-	0.6291	(0.0130)	0.6161
36	M2 Revenue (\$000s)	51,221	374	-	229	88	51,912	-	51,912
37	Total Average rate (cents / m ³)	4.4689	0.0326	-	0.0200	0.0076	4.5291	(0.0937)	4.4354
38	Average rate change (1)		0.7%	0.0%	0.4%	0.2%	1.3%	-2.1%	-0.7%
39	M4 Revenue (\$000s)	12,576	86	-	108	24	12,795		12,795
40	Volumes (10 ³ m ³)	381,593	381,593	381,593	381,593	381,593	381,593	(19,323)	362,270
41	Average rate (cents / m ³)	3.2957	0.0225	-	0.0282	0.0064	3.3529	0.1788	3.5318
42	Average rate change (1)		0.7%	0.0%	0.9%	0.2%	1.7%	5.4%	7.2%
43	M5 Revenue (\$000s)	13,296	85	-	(212)	(2)	13,168		13,168
44	Volumes (10 ³ m ³)	511,770	511,770	511,770	511,770	511,770	511,770	(29,491)	482,279
45	Average rate (cents / m ³)	2.5981	0.0166	-	(0.0413)	(0.0004)	2.5730	0.1573	2.7304
46	Average rate change (1)		0.6%	0.0%	-1.6%	0.0%	-1.0%	6.1%	5.1%

Notes:

- (1) Average rate change is compared to column (a).
(2) EB-2015-0116, Rate Order, Working Paper, Schedule 3.

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Line No.	Particulars	2015 Current Approved Revenue (2) (\$000s)	Price Cap Index (2) (\$000s)	DSM (2) (\$000s)	Capital Pass-Throughs (2) (\$000s)	2016 Parkway Delivery Obligation (2) (\$000s)	Total Excluding Volume Adjustments	Volume Adjustments	Total Including Volume Adjustments
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
<u>South Delivery & Storage (cont.)</u>									
1	M7 Revenue (\$000s)	4,262	26	-	70	11	4,368		4,368
2	Volumes (10 ³ m ³)	139,645	139,645	139,645	139,645	139,645	139,645	(13,294)	126,351
3	Average rate (cents / m ³)	3.0518	0.0185	-	0.0498	0.0082	3.1283	0.3291	3.4574
4	Average rate change (1)		0.6%	0.0%	1.6%	0.3%	2.5%	10.8%	13.3%
5	M9 Revenue (\$000s)	771	6	-	38	4	819		819
6	Volumes (10 ³ m ³)	60,750	60,750	60,750	60,750	60,750	60,750	-	60,750
7	Average rate (cents / m ³)	1.2693	0.0096	-	0.0627	0.0064	1.3480	-	1.3480
8	Average rate change (1)		0.8%	0.0%	4.9%	0.5%	6.2%	0.0%	6.2%
9	M10 Revenue (\$000s)	10	0	-	1	0	11		11
10	Volumes (10 ³ m ³)	189	189	189	189	189	189	-	189
11	Average rate (cents / m ³)	5.4186	0.0396	-	0.4191	0.0725	5.9498	-	5.9498
12	Average rate change (1)		0.7%	0.0%	7.7%	1.3%	9.8%	0.0%	9.8%
13	T1 Revenue (\$000s)	10,867	71	-	38	13	10,990		10,990
14	Volumes (10 ³ m ³)	529,553	529,553	529,553	529,553	529,553	529,553	(12,588)	516,965
15	Average rate (cents / m ³)	2.0522	0.0135	-	0.0072	0.0025	2.0753	0.0505	2.1259
16	Average rate change (1)		0.7%	0.0%	0.3%	0.1%	1.1%	2.5%	3.6%
17	T2 Revenue (\$000s)	43,429	321	-	707	87	44,544		44,544
18	Volumes (10 ³ m ³)	4,732,620	4,732,620	4,732,620	4,732,620	4,732,620	4,732,620	(97,083)	4,635,537
19	Average rate (cents / m ³)	0.9177	0.0068	-	0.0149	0.0018	0.9412	0.0197	0.9609
20	Average rate change (1)		0.7%	0.0%	1.6%	0.2%	2.6%	2.1%	4.7%
21	T3 Revenue (\$000s)	4,768	36	-	281	-	5,084		5,084
22	Volumes (10 ³ m ³)	272,712	272,712	272,712	272,712	272,712	272,712	-	272,712
23	Average rate (cents / m ³)	1.7482	0.0131	-	0.1030	-	1.8643	-	1.8643
24	Average rate change (1)		0.8%	0.0%	5.9%	0.0%	6.6%	0.0%	6.6%
<u>North Transportation & Storage</u>									
25	R01 Revenue (\$000s)	97,865	123	-	1,849	(0)	99,837		99,837
26	Volumes (10 ³ m ³)	927,922	927,922	927,922	927,922	927,922	927,922	36,464	964,386
27	Average rate (cents / m ³)	10.5467	0.0132	-	0.1993	(0.0000)	10.7592	(0.4068)	10.3524
28	Average rate change (1)		0.1%	0.0%	1.9%	0.0%	2.0%	-3.9%	-1.8%
29	R10 Revenue (\$000s)	30,721	33	-	474	(0)	31,227		31,227
30	Volumes (10 ³ m ³)	346,746	346,746	346,746	346,746	346,746	346,746	16,799	363,545
31	Average rate (cents / m ³)	8.8597	0.0095	-	0.1366	(0.0000)	9.0057	(0.4162)	8.5895
32	Average rate change (1)		0.1%	0.0%	1.5%	0.0%	1.6%	-4.7%	-3.0%
33	R20 Revenue (\$000s)	9,949	9	-	123	(0)	10,082		10,082
34	Volumes (10 ³ m ³)	121,935	121,935	121,935	121,935	121,935	121,935	-	121,935
35	Average rate (cents / m ³)	8.1591	0.0077	-	0.1012	(0.0000)	8.2680	-	8.2680
36	Average rate change (1)		0.1%	0.0%	1.2%	0.0%	1.3%	0.0%	1.3%
37	R25 Revenue (\$000s)	1,800	0	-	(2)	-	1,799		1,799
38	Volumes (10 ³ m ³)	42,913	42,913	42,913	42,913	42,913	42,913	1,799	44,711
39	Average rate (cents / m ³)	4.1944	0.0004	-	(0.0036)	-	4.1912	(0.1686)	4.0226
40	Average rate change (1)		0.0%	0.0%	-0.1%	0.0%	-0.1%	-4.0%	-4.1%
41	R100 Revenue (\$000s)	209	1	-	8	(0)	217		217
42	Change (1)		0.4%	0.0%	3.8%	0.0%	4.2%	0.0%	4.2%
<u>Ex-Franchise</u>									
43	M12 Revenue (\$000s)	172,976	1,285	-	26,893	(53)	201,100		201,100
44	Change (1)		0.7%	0.0%	15.5%	0.0%	16.3%	0.0%	16.3%
45	M13 Revenue (\$000s)	419	3	-	1	-	423		423
46	Change (1)		0.8%	0.0%	0.1%	0.0%	0.9%	0.0%	0.9%
47	M16 Revenue (\$000s)	760	6	-	(4)	(0)	763		763
48	Change (1)		0.8%	0.0%	-0.5%	0.0%	0.3%	0.0%	0.3%
49	C1 Revenue (\$000s)	45,526	62	-	362	(17)	45,932		45,932
50	Change (1)		0.1%	0.0%	0.8%	0.0%	0.9%	0.0%	0.9%
51	Gas Supply Admin	6,774	-	-	(26)	-	6,749	-	6,749
52	Totals	1,114,236	7,231	-	23,925	416	1,145,808	-	1,145,808

Notes:

- (1) Average rate change is compared to column (a).
(2) EB-2015-0116, Rate Order, Working Paper, Schedule 3.

UNION GAS LIMITED
Union North
Percentage Change in Average Unit Price
Effective January 1, 2016

Line No.	Particulars (cents/m ³)	Rate Class	Current Approved Rates (1) (cents / m ³) (a)	Rate Change (b) = (c - a)	Proposed Rates (2) (cents / m ³) (c)	Percent Change (3) (%) (d) = (b / a)
	Small Volume General Service	01				
1	Delivery		17.3200	(0.8099)	16.5101	-4.7%
2	Gas Supply Transportation		6.6027	0.0041	6.6068	0.1%
3	Storage		3.9508	0.0511	4.0019	1.3%
4	Total		<u>27.8735</u>	<u>(0.7547)</u>	<u>27.1188</u>	<u>-2.7%</u>
	Large Volume General Service	10				
5	Delivery		5.7399	(0.3191)	5.4208	-5.6%
6	Gas Supply Transportation		6.1218	(0.0002)	6.1216	0.0%
7	Storage		2.7947	0.0102	2.8049	0.4%
8	Total		<u>14.6564</u>	<u>(0.3091)</u>	<u>14.3473</u>	<u>-2.1%</u>
	Medium Volume Firm Service	20				
9	Delivery		2.1746	0.0038	2.1784	0.2%
10	Gas Supply Transportation		8.1591	0.1089	8.2680	1.3%
11	Total		<u>10.3337</u>	<u>0.1127</u>	<u>10.4464</u>	<u>1.1%</u>
	Large Volume High Load Factor	100				
12	Delivery		<u>0.8361</u>	<u>0.0101</u>	<u>0.8462</u>	<u>1.2%</u>
	Large Volume Interruptible	25				
13	Delivery		<u>2.7980</u>	<u>(0.0318)</u>	<u>2.7662</u>	<u>-1.1%</u>

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (c).
- (2) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (v).
- (3) Excludes Gas Supply Commodity related costs.

UNION GAS LIMITED
Union South
Percentage Change in Average Unit Price
Effective January 1, 2016

Line No.	Particulars (cents/m ³)	Rate Class	Current Approved Rates (1) (cents / m ³) (a)	Rate Change (b) = (c - a)	Proposed Rates (2) (cents / m ³) (c)	Percent Change (3) (%) (d) = (b / a)
1	General Service Delivery	M1	12.6752	(0.3891)	12.2861	-3.1%
2	Storage		0.7416	(0.0389)	0.7027	-5.2%
3	Total		<u>13.4168</u>	<u>(0.4280)</u>	<u>12.9888</u>	<u>-3.2%</u>
4	General Service Delivery	M2	3.8261	(0.0068)	3.8193	-0.2%
5	Storage		0.6428	(0.0267)	0.6161	-4.2%
6	Total		<u>4.4689</u>	<u>(0.0335)</u>	<u>4.4354</u>	<u>-0.7%</u>
7	Firm Contract Commercial / Industrial Delivery	M4	<u>3.2957</u>	<u>0.2361</u>	<u>3.5318</u>	<u>7.2%</u>
8	Firm Contract Commercial / Industrial Delivery	M5 (F)	<u>3.0939</u>	<u>0.1943</u>	<u>3.2882</u>	<u>6.3%</u>
9	Interruptible Contract Commercial / Industrial Delivery	M5 (I)	<u>2.5815</u>	<u>0.1301</u>	<u>2.7116</u>	<u>5.0%</u>
10	Firm Special Large Volume Contract Delivery	M7 (F)	<u>3.1091</u>	<u>0.4163</u>	<u>3.5254</u>	<u>13.4%</u>
11	Interruptible Special Large Volume Contract Delivery	M7 (I)	<u>1.2978</u>	<u>0.0783</u>	<u>1.3761</u>	<u>6.0%</u>
12	Large Wholesale Service Delivery	M9	<u>1.2693</u>	<u>0.0787</u>	<u>1.3480</u>	<u>6.2%</u>
13	Small Wholesale Service Delivery	M10	<u>5.4186</u>	<u>0.5312</u>	<u>5.9498</u>	<u>9.8%</u>
14	Storage and Transportation Delivery	T1 (F/I)	<u>2.0522</u>	<u>0.0737</u>	<u>2.1259</u>	<u>3.6%</u>
15	Delivery excluding fuel		<u>1.9854</u>	<u>0.0716</u>	<u>2.0571</u>	<u>3.6%</u>
16	Storage and Transportation Delivery	T2 (F/I)	<u>0.9177</u>	<u>0.0432</u>	<u>0.9609</u>	<u>4.7%</u>
17	Delivery excluding fuel		<u>0.8694</u>	<u>0.0419</u>	<u>0.9113</u>	<u>4.8%</u>
18	Storage and Transportation Distributor	T3	<u>1.7482</u>	<u>0.1161</u>	<u>1.8643</u>	<u>6.6%</u>

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (c).
- (2) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (v).
- (3) Excludes Gas Supply Commodity related costs.

UNION GAS LIMITED
Summary of Approved 2015 Revenue Changes

Line No.	Particulars (\$000's)	Approved 2014 Revenue per EB-2014-0271 (1) 2015 Rates (a)	Revenue change per EB-2014-0356 Jan 2015 QRAM (b)	Revenue change per EB-2015-0035 Apr 2015 QRAM (c)	Revenue change per EB-2015-0187 Jul 2015 QRAM (d)	Revenue change per EB-2015-0255 Oct 2015 QRAM (e)	2015 Revenue per EB-2015-0116 (f) = (a+b+c+d+e)
<u>North Delivery</u>							
1	Rate 01	160,987	295	(676)	118	(7)	160,716
2	Rate 10	19,985	89	(205)	36	(2)	19,903
3	Rate 20	13,476	30	(69)	12	(1)	13,449
4	Rate 25	4,464	-	-	-	-	4,464
5	Rate 100	15,529	2	(2)	-	-	15,530
6	Total In-Franchise North Delivery	<u>214,442</u>	<u>417</u>	<u>(952)</u>	<u>165</u>	<u>(10)</u>	<u>214,062</u>
<u>South Delivery & Storage</u>							
7	Rate M1	392,465	540	(1,236)	216	(12)	391,974
8	Rate M2	51,387	182	(416)	72	(5)	51,221
9	Rate M4	12,629	57	(132)	23	(2)	12,576
10	Rate M5A	13,363	73	(167)	29	(2)	13,296
11	Rate M7	4,281	21	(49)	9	(1)	4,262
12	Rate M9	780	9	(21)	4	(0)	771
13	Rate M10	10	0	(0)	0	(0)	10
14	Rate T1	10,878	11	(26)	4	-	10,868
15	Rate T2	43,462	34	(79)	12	-	43,429
16	Rate T3	4,768	-	-	-	-	4,768
17	Total In-Franchise South Delivery and Storage	<u>534,023</u>	<u>928</u>	<u>(2,125)</u>	<u>369</u>	<u>(20)</u>	<u>533,175</u>
18	Total In-franchise Delivery	<u>748,466</u>	<u>1,345</u>	<u>(3,077)</u>	<u>534</u>	<u>(30)</u>	<u>747,238</u>

Notes:

- (1) EB-2014-0271, Working Papers, Schedule 3.
- (2) EB-2014-0356, Tab 2, Schedule 4, column (g).
- (3) EB-2015-0035, Tab 2, Schedule 4, column (g).
- (4) EB-2015-0187, Tab 2, Schedule 4, column (g).
- (5) EB-2015-0255, Tab 2, Schedule 4, column (g).
- (6) EB-2015-0116, Working Papers, Schedule 3.

UNION GAS LIMITED
Summary of Approved 2015 Revenue Changes

Line No.	Particulars (\$000's)	Approved 2014 Revenue per EB-2014-0271 (1) 2015 Rates (a)	Revenue change per EB-2014-0356 Jan 2015 QRAM (b)	Revenue change per EB-2015-0035 Apr 2015 QRAM (c)	Revenue change per EB-2015-0187 Jul 2015 QRAM	Revenue change per EB-2015-0255 Oct 2015 QRAM (d)	2015 Revenue per EB-2015-0116 (e) = (a+b+c+d)
<u>North Transportation & Storage</u>							
1	Rate 01	79,122	13,779	5,882	-	(918)	97,865
2	Rate 10	24,846	4,270	1,953	-	(348)	30,721
3	Rate 20	8,060	1,359	659	-	(129)	9,949
4	Rate 25	1,454	240	144	-	(38)	1,800
5	Rate 100	168	33	5	-	2	209
6	Total Northern Transportation and Storage	<u>113,650</u>	<u>19,682</u>	<u>8,643</u>	<u>-</u>	<u>(1,431)</u>	<u>140,544</u>
7	Gas Supply Admin Charge	<u>6,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,774</u>
8	Total In-Franchise	<u>868,890</u>	<u>21,027</u>	<u>5,566</u>	<u>534</u>	<u>(1,462)</u>	<u>894,556</u>
<u>Ex-Franchise</u>							
9	Rate M12	172,976	-	-	-	-	172,976
10	Rate M13	422	3	(6)	1	(0)	419
11	Rate M16	768	9	(21)	3	(0)	759
12	Rate C1	45,526	5	(12)	2	5	45,526
13	Total Ex-Franchise	<u>219,692</u>	<u>16</u>	<u>(39)</u>	<u>6</u>	<u>5</u>	<u>219,681</u>
14	Total Union Gas	<u>1,088,582</u>	<u>21,043</u>	<u>5,527</u>	<u>540</u>	<u>(1,457)</u>	<u>1,114,236</u>

Notes:

- (1) EB-2014-0271, Working Papers, Schedule 3.
- (2) EB-2014-0356, Tab 2, Schedule 4, column (g).
- (3) EB-2015-0035, Tab 2, Schedule 4, column (g).
- (4) EB-2015-0187, Tab 2, Schedule 4, column (g).
- (5) EB-2015-0255, Tab 2, Schedule 4, column (g).
- (6) EB-2015-0116, Working Papers, Schedule 3.

UNION GAS LIMITED
Union South
General Service Customer Bill Impacts

Line No.	Particulars	Rate M1 - Residential (Annual Consumption of 2,200 m³)				Rate M2 - Commercial (Annual Consumption of 93,000 m³)			
		EB-2015-0255 Approved 01-Oct-15 Total Bill (\$) (1) (a)	EB-2015-0116 Proposed 01-Jan-16 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)		EB-2015-0255 Approved 01-Oct-15 Total Bill (\$) (1) (d)	EB-2015-0116 Proposed 01-Jan-16 Total Bill (\$) (1) (e)	Impact (\$) (f) = (e) - (d)	
	<u>Delivery Charges</u>								
1	Monthly Charge	252.00	252.00	-		840.00	840.00	-	
2	Delivery Commodity Charge	81.31	79.07	(2.24)		2,562.34	2,557.22	(5.13)	
3	Storage Services	16.32	15.46	(0.86)		469.24	449.75	(19.49)	
4	Total Delivery Charge	349.63	346.53	(3.10)	-0.9%	3,871.59	3,846.97	(24.62)	-0.6%
	<u>Gas Supply Charges</u>								
5	Transportation to Union	77.35	77.35	-		2,566.53	2,566.53	-	
6	Commodity & Fuel	275.72	275.70	(0.02)		9,148.73	9,148.21	(0.51)	
7	Total Gas Supply Charges	353.06	353.05	(0.02)	0.0%	11,715.26	11,714.75	(0.51)	0.0%
8	Total Bill	702.69	699.58	(3.11)	-0.4%	15,586.85	15,561.72	(25.13)	-0.2%
9	Impact - Sales Service (line 8)			(3.11)				(25.13)	
10	Impact - Direct Purchase (line 4)			(3.10)				(24.62)	

Notes:

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

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	(Fort Frances) Rate 01 - Residential (Annual Consumption of 2,200 m³)				(Western) Rate 01 - Residential (Annual Consumption of 2,200 m³)			
		EB-2015-0255 Approved 01-Oct-15 Total Bill (\$) (1) (a)	EB-2015-0116 Proposed 01-Jan-16 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)		EB-2015-0255 Approved 01-Oct-15 Total Bill (\$) (1) (d)	EB-2015-0116 Proposed 01-Jan-16 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	195.51	184.61	(10.90)		195.51	184.61	(10.90)	
3	Total Delivery Charge	447.51	436.61	(10.90)	-2.4%	447.51	436.61	(10.90)	-2.4%
	<u>Supply Charges</u>								
4	Transportation to Union	126.91	126.99	0.08		108.99	109.06	0.07	
5	Storage Services	79.59	80.61	1.03		72.42	73.36	0.94	
6	Subtotal	206.50	207.60	1.11	0.5%	181.42	182.42	1.00	0.6%
7	Commodity & Fuel	268.60	268.58	(0.02)		270.55	270.53	(0.02)	
8	Total Gas Supply Charge	475.09	476.19	1.09		451.96	452.95	0.99	
9	Total Bill	922.61	912.80	(9.81)	-1.1%	899.48	889.56	(9.91)	-1.1%
10	Impact - Sales Service (line 9)			(9.81)				(9.91)	
11	Impact - Direct Purchase (line 3 + line 6)			(9.80)				(9.90)	

Notes:

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

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	(Northern) Rate 01 - Residential (Annual Consumption of 2,200 m³)				(Eastern) Rate 01 - Residential (Annual Consumption of 2,200 m³)			
		EB-2015-0255 Approved 01-Oct-15 Total Bill (\$) (1) (a)	EB-2015-0116 Proposed 01-Jan-16 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)		EB-2015-0255 Approved 01-Oct-15 Total Bill (\$) (1) (d)	EB-2015-0116 Proposed 01-Jan-16 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	195.47	184.57	(10.90)		195.26	184.37	(10.89)	
3	Total Delivery Charge	447.47	436.57	(10.90)	-2.4%	447.26	436.37	(10.89)	-2.4%
	<u>Supply Charges</u>								
4	Transportation to Union	141.91	142.00	0.09		169.73	169.83	0.11	
5	Storage Services	85.58	86.68	1.11		96.69	97.95	1.25	
6	Subtotal	227.48	228.68	1.20	0.5%	266.42	267.78	1.36	0.5%
7	Commodity & Fuel	273.56	273.55	(0.02)		275.96	275.95	(0.02)	
8	Total Gas Supply Charge	501.05	502.23	1.18		542.39	543.73	1.34	
9	Total Bill	948.51	938.79	(9.72)	-1.0%	989.64	980.10	(9.55)	-1.0%
10	Impact - Sales Service (line 9)			(9.72)				(9.55)	
11	Impact - Direct Purchase (line 3 + line 6)			(9.71)				(9.53)	

Notes:

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

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	(Fort Frances) Rate 10 - Residential (Annual Consumption of 93,000 m³)				(Western) Rate 10 - Residential (Annual Consumption of 93,000 m³)			
		EB-2015-0255 Approved 01-Oct-15 Total Bill (\$) (1) (a)	EB-2015-0116 Proposed 01-Jan-16 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)		EB-2015-0255 Approved 01-Oct-15 Total Bill (\$) (1) (d)	EB-2015-0116 Proposed 01-Jan-16 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	5,488.90	5,160.69	(328.21)		5,488.90	5,160.69	(328.21)	
3	Total Delivery Charge	6,328.90	6,000.69	(328.21)	-5.2%	6,328.90	6,000.69	(328.21)	-5.2%
	<u>Supply Charges</u>								
4	Transportation to Union	4,734.92	4,734.81	(0.11)		3,977.43	3,977.33	(0.10)	
5	Storage Services	2,216.10	2,224.28	8.18		1,913.38	1,920.45	7.07	
6	Subtotal	6,951.02	6,959.10	8.08	0.1%	5,890.81	5,897.78	6.97	0.1%
7	Commodity & Fuel	11,354.27	11,353.62	(0.65)		11,436.67	11,436.02	(0.65)	
8	Total Gas Supply Charge	18,305.29	18,312.72	7.43		17,327.48	17,333.80	6.32	
9	Total Bill	24,634.20	24,313.41	(320.79)	-1.3%	23,656.38	23,334.49	(321.89)	-1.4%
10	Impact - Sales Service (line 9)			(320.79)				(321.89)	
11	Impact - Direct Purchase (line 3 + line 6)			(320.13)				(321.24)	

Notes:

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

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	(Northern) Rate 10 - Residential (Annual Consumption of 93,000 m³)				(Eastern) Rate 10 - Residential (Annual Consumption of 93,000 m³)			
		EB-2015-0255 Approved 01-Oct-15 Total Bill (\$) (1) (a)	EB-2015-0116 Proposed 01-Jan-16 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)		EB-2015-0255 Approved 01-Oct-15 Total Bill (\$) (1) (d)	EB-2015-0116 Proposed 01-Jan-16 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	5,483.90	5,156.33	(327.57)		5,496.74	5,167.53	(329.21)	
3	Total Delivery Charge	6,323.90	5,996.33	(327.57)	-5.2%	6,336.74	6,007.53	(329.21)	-5.2%
	<u>Supply Charges</u>								
4	Transportation to Union	5,368.83	5,368.70	(0.12)		6,544.94	6,544.78	(0.16)	
5	Storage Services	2,469.43	2,478.54	9.11		2,939.36	2,950.15	10.79	
6	Subtotal	7,838.26	7,847.25	8.99	0.1%	9,484.30	9,494.93	10.63	0.1%
7	Commodity & Fuel	11,564.18	11,563.52	(0.65)		11,665.64	11,664.99	(0.65)	
8	Total Gas Supply Charge	19,402.43	19,410.77	8.34		21,149.94	21,159.91	9.98	
9	Total Bill	25,726.33	25,407.10	(319.24)	-1.2%	27,486.67	27,167.44	(319.23)	-1.2%
10	Impact - Sales Service (line 9)			(319.24)				(319.23)	
11	Impact - Direct Purchase (line 3 + line 6)			(318.58)				(318.58)	

Notes:

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

UNION GAS LIMITED
Calculation of Sales Service and Direct Purchase Impacts for Typical Small and Large Customers - Union North

EB-2015-0255								
		2015 Oct QRAM Rates (1)		2016 IR Rates Proposed		Impact		
Line		Bill	Unit Rate	Bill	Unit Rate	Unit Rate	Delivery	Bill
No.	Particulars	(\$)	(cents/m ³)	(\$)	(cents/m ³)	(cents/m ³)	Rate Change	(%)
		(a)	(b)	(c)	(d)	(e) = (d-b)	(f) = (c-a)	(g) = (f/a)
<u>Small Rate 01</u>								
1	Delivery Charges	447	20.3299	436	19.8349	(0.4950)	(10.89)	-2.4%
2	Gas Supply Charges	542	24.6538	544	24.7148	0.0610	1.34	0.2%
3	Total Bill	990	44.9837	980	44.5497	(0.4340)	(9.55)	-1.0%
4	Sales Service Impact						(9.55)	-1.0%
5	Bundled-T (Direct Purchase) Impact						(9.53)	-1.3%
<u>Small Rate 10</u>								
6	Delivery Charges	4,492	7.4871	4,270	7.1168	(0.3703)	(222.17)	-4.9%
7	Gas Supply Charges	14,792	24.6538	14,829	24.7148	0.0610	36.60	0.2%
8	Total Bill	19,285	32.1409	19,099	31.8316	(0.3093)	(185.57)	-1.0%
9	Sales Service Impact						(185.57)	-1.0%
10	Bundled-T (Direct Purchase) Impact						(185.15)	-1.6%
<u>Large Rate 10</u>								
11	Delivery Charges	14,505	5.8021	13,738	5.4953	(0.3069)	(767.16)	-5.3%
12	Gas Supply Charges	61,634	24.6538	61,787	24.7148	0.0610	152.50	0.2%
13	Total Bill	76,140	30.4559	75,525	30.2101	(0.2459)	(614.65)	-0.8%
14	Sales Service Impact						(614.65)	-0.8%
15	Bundled-T (Direct Purchase) Impact						(612.90)	-1.4%
<u>Small Rate 20</u>								
16	Delivery Charges	74,675	2.4892	73,656	2.4552	(0.0340)	(1,018.94)	-1.4%
17	Gas Supply Charges	656,568	21.8856	660,779	22.0260	0.1404	4,210.99	0.6%
18	Total Bill	731,243	24.3748	734,435	24.4812	0.1064	3,192.04	0.4%
19	Sales Service Impact						3,192.04	0.4%
20	Bundled-T (Direct Purchase) Impact						3,213.04	0.9%
<u>Large Rate 20</u>								
21	Delivery Charges	286,251	1.9083	283,415	1.8894	(0.0189)	(2,836.25)	-1.0%
22	Gas Supply Charges	3,078,125	20.5208	3,096,157	20.6410	0.1202	18,032.08	0.6%
23	Total Bill	3,364,376	22.4292	3,379,572	22.5305	0.1013	15,195.83	0.5%
24	Sales Service Impact						15,195.83	0.5%
25	Bundled-T (Direct Purchase) Impact						15,300.83	1.0%
<u>Average Rate 25</u>								
26	Delivery Charges	63,539	2.7929	62,814	2.7611	(0.0319)	(725.19)	-1.1%
27	Gas Supply Charges	375,980	16.5266	370,365	16.2798	(0.2468)	(5,615.25)	-1.5%
28	Total Bill	439,520	19.3195	433,179	19.0408	(0.2787)	(6,340.44)	-1.4%
29	Sales Service Impact						(6,340.44)	-1.4%
30	T-Service (Direct Purchase) Impact						(725.19)	-1.1%
<u>Small Rate 100</u>								
31	Delivery Charges	261,451	0.9683	260,238	0.9638	(0.0045)	(1,212.96)	-0.5%
32	Gas Supply Charges	6,128,454	22.6980	6,128,265	22.6973	(0.0007)	(189.00)	0.0%
33	Total Bill	6,389,905	23.6663	6,388,503	23.6611	(0.0052)	(1,401.96)	0.0%
34	Sales Service Impact						(1,401.96)	0.0%
35	T-Service (Direct Purchase) Impact						(1,212.96)	-0.5%
<u>Large Rate 100</u>								
36	Delivery Charges	2,113,543	0.8806	2,107,200	0.8780	(0.0026)	(6,342.96)	-0.3%
37	Gas Supply Charges	53,386,743	22.2445	53,385,063	22.2438	(0.0007)	(1,680.00)	0.0%
38	Total Bill	55,500,286	23.1251	55,492,263	23.1218	(0.0033)	(8,022.96)	0.0%
39	Sales Service Impact						(8,022.96)	0.0%
40	T-Service (Direct Purchase) Impact						(6,342.96)	-0.3%

Notes:

(1) Reflects Board-approved rates per Appendix A in Union's October 2015 QRAM filing (EB-2015-0255).

UNION GAS LIMITED
Calculation of Sales Service and Direct Purchase Impacts for Typical Small and Large Customers - Union South

EB-2015-0255								
		2015 Oct QRAM Rates (1)		2016 IR Rates Proposed		Impact		
Line		Bill	Unit Rate	Bill	Unit Rate	Unit Rate	Delivery	
No.	Particulars	(\$)	(cents/m ³)	(\$)	(cents/m ³)	(cents/m ³)	Rate Change	Bill
		(a)	(b)	(c)	(d)	(e) = (d-b)	(f) = (c-a)	(g) = (f/a)
Small Rate M1								
1	Delivery Charges	350	15.8921	347	15.7513	(0.1408)	(3.10)	-0.9%
2	Gas Supply Charges	353	16.0483	353	16.0476	(0.0007)	(0.02)	0.0%
3	Total Bill	703	31.9404	700	31.7989	(0.1415)	(3.11)	-0.4%
4	Sales Service Impact						(3.11)	-0.4%
5	Direct Purchase Impact						(3.10)	-0.9%
Small Rate M2								
6	Delivery Charges	3,343	5.5710	3,321	5.5352	(0.0358)	(21.48)	-0.6%
7	Gas Supply Charges	9,629	16.0483	9,629	16.0476	(0.0007)	(0.42)	0.0%
8	Total Bill	12,972	21.6193	12,950	21.5828	(0.0365)	(21.90)	-0.2%
9	Sales Service Impact						(21.90)	-0.2%
10	Direct Purchase Impact						(21.48)	-0.6%
Large Rate M2								
11	Delivery Charges	10,800	4.3201	10,743	4.2971	(0.0229)	(57.34)	-0.5%
12	Gas Supply Charges	40,121	16.0483	40,119	16.0476	(0.0007)	(1.75)	0.0%
13	Total Bill	50,921	20.3684	50,862	20.3447	(0.0236)	(59.09)	-0.1%
14	Sales Service Impact						(59.09)	-0.1%
15	Direct Purchase Impact						(57.34)	-0.5%
Small Rate M4								
16	Delivery Charges	36,615	4.1846	37,734	4.3125	0.1279	1,119.24	3.1%
17	Gas Supply Charges	140,423	16.0483	140,417	16.0476	(0.0007)	(6.13)	0.0%
18	Total Bill	177,038	20.2329	178,151	20.3601	0.1272	1,113.11	0.6%
19	Sales Service Impact						1,113.11	0.6%
20	Direct Purchase Impact						1,119.24	3.1%
Large Rate M4								
21	Delivery Charges	270,707	2.2559	282,322	2.3527	0.0968	11,615.36	4.3%
22	Gas Supply Charges	1,925,796	16.0483	1,925,712	16.0476	(0.0007)	(84.00)	0.0%
23	Total Bill	2,196,503	18.3042	2,208,034	18.4003	0.0961	11,531.36	0.5%
24	Sales Service Impact						11,531.36	0.5%
25	Direct Purchase Impact						11,615.36	4.3%
Small Rate M5								
26	Delivery Charges	30,069	3.6448	30,921	3.7480	0.1032	851.73	2.8%
27	Gas Supply Charges	132,398	16.0483	132,393	16.0476	(0.0007)	(5.77)	0.0%
28	Total Bill	162,468	19.6931	163,314	19.7956	0.1025	845.96	0.5%
29	Sales Service Impact						845.96	0.5%
30	Direct Purchase Impact						851.73	2.8%
Large Rate M5								
31	Delivery Charges	164,682	2.5336	172,355	2.6516	0.1180	7,673.08	4.7%
32	Gas Supply Charges	1,043,140	16.0483	1,043,094	16.0476	(0.0007)	(45.50)	0.0%
33	Total Bill	1,207,821	18.5819	1,215,449	18.6992	0.1173	7,627.58	0.6%
34	Sales Service Impact						7,627.58	0.6%
35	Direct Purchase Impact						7,673.08	4.7%
Small Rate M7								
36	Delivery Charges	643,961	1.7888	672,318	1.8675	0.0788	28,356.48	4.4%
37	Gas Supply Charges	5,777,388	16.0483	5,777,136	16.0476	(0.0007)	(252.00)	0.0%
38	Total Bill	6,421,349	17.8371	6,449,454	17.9151	0.0781	28,104.48	0.4%
39	Sales Service Impact						28,104.48	0.4%
40	Direct Purchase Impact						28,356.48	4.4%
Large Rate M7								
41	Delivery Charges	2,451,653	4.7147	2,536,402	4.8777	0.1630	84,748.64	3.5%
42	Gas Supply Charges	8,345,116	16.0483	8,344,752	16.0476	(0.0007)	(364.00)	0.0%
43	Total Bill	10,796,769	20.7630	10,881,154	20.9253	0.1623	84,384.64	0.8%
44	Sales Service Impact						84,384.64	0.8%
45	Direct Purchase Impact						84,748.64	3.5%

Notes:

(1) Reflects Board-approved rates per Appendix A in Union's October 2015 QRAM filing (EB-2015-0255).

UNION GAS LIMITED
Calculation of Sales Service and Direct Purchase Impacts for Typical Small and Large Customers - Union South

EB-2015-0255								
2015 Oct QRAM Rates (1)				2016 IR Rates Proposed		Impact		
Line		Bill	Unit Rate	Bill	Unit Rate	Unit Rate	Delivery	
No.	Particulars	(\$)	(cents/m ³)	(\$)	(cents/m ³)	(cents/m ³)	Rate Change	Bill
		(a)	(b)	(c)	(d)	(e) = (d-b)	(f) = (c-a)	(g) = (f/a)
<u>Small Rate M9</u>								
1	Delivery Charges	124,024	1.7845	132,127	1.9011	0.1166	8,103.37	6.5%
2	Gas Supply Charges	1,115,357	16.0483	1,115,308	16.0476	(0.0007)	(48.65)	0.0%
3	Total Bill	1,239,381	17.8328	1,247,435	17.9487	0.1159	8,054.72	0.6%
4	Sales Service Impact						8,054.72	0.6%
5	Direct Purchase Impact						8,103.37	6.5%
<u>Large Rate M9</u>								
6	Delivery Charges	368,343	1.8255	392,477	1.9451	0.1196	24,133.80	6.6%
7	Gas Supply Charges	3,238,226	16.0483	3,238,085	16.0476	(0.0007)	(141.25)	0.0%
8	Total Bill	3,606,569	17.8738	3,630,561	17.9927	0.1189	23,992.55	0.7%
9	Sales Service Impact						23,992.55	0.7%
10	Direct Purchase Impact						24,133.80	6.6%
<u>Average Rate M10</u>								
11	Delivery Charges	5,121	5.4186	5,623	5.9498	0.5312	501.98	9.8%
12	Gas Supply Charges	15,166	16.0483	15,165	16.0476	(0.0007)	(0.66)	0.0%
13	Total Bill	20,286	21.4669	20,788	21.9974	0.5305	501.32	2.5%
14	Sales Service Impact						501.32	2.5%
15	Direct Purchase Impact						501.98	9.8%
<u>Small Rate T1</u>								
16	Delivery Charges	129,998	1.7248	132,068	1.7523	0.0275	2,070.18	1.6%
17	Gas Supply Charges	1,209,560	16.0483	1,209,508	16.0476	(0.0007)	(52.76)	0.0%
18	Total Bill	1,339,558	17.7731	1,341,576	17.7999	0.0268	2,017.42	0.2%
19	Sales Service Impact						2,017.42	0.2%
20	Direct Purchase Impact						2,070.18	1.6%
<u>Average Rate T1</u>								
21	Delivery Charges	198,345	1.7149	201,822	1.7450	0.0301	3,476.13	1.8%
22	Gas Supply Charges	1,856,136	16.0483	1,856,055	16.0476	(0.0007)	(80.96)	0.0%
23	Total Bill	2,054,482	17.7632	2,057,877	17.7926	0.0294	3,395.17	0.2%
24	Sales Service Impact						3,395.17	0.2%
25	Direct Purchase Impact						3,476.13	1.8%
<u>Large Rate T1</u>								
26	Delivery Charges	437,508	1.7074	445,903	1.7402	0.0328	8,395.67	1.9%
27	Gas Supply Charges	4,112,229	16.0483	4,112,050	16.0476	(0.0007)	(179.37)	0.0%
28	Total Bill	4,549,737	17.7557	4,557,953	17.7878	0.0321	8,216.30	0.2%
29	Sales Service Impact						8,216.30	0.2%
30	Direct Purchase Impact						8,395.67	1.9%
<u>Small Rate T2</u>								
31	Delivery Charges	494,864	0.8351	511,030	0.8624	0.0273	16,165.35	3.3%
32	Gas Supply Charges	9,509,581	16.0483	9,509,166	16.0476	(0.0007)	(414.79)	0.0%
33	Total Bill	10,004,445	16.8834	10,020,196	16.9100	0.0266	15,750.56	0.2%
34	Sales Service Impact						15,750.56	0.2%
35	Direct Purchase Impact						16,165.35	3.3%
<u>Average Rate T2</u>								
36	Delivery Charges	1,141,889	0.5773	1,186,197	0.5997	0.0224	44,308.72	3.9%
37	Gas Supply Charges	31,741,908	16.0483	31,740,524	16.0476	(0.0007)	(1,384.53)	0.0%
38	Total Bill	32,883,797	16.6256	32,926,721	16.6473	0.0217	42,924.19	0.1%
39	Sales Service Impact						42,924.19	0.1%
40	Direct Purchase Impact						44,308.72	3.9%
<u>Large Rate T2</u>								
41	Delivery Charges	1,860,652	0.5028	1,936,196	0.5232	0.0204	75,544.78	4.1%
42	Gas Supply Charges	59,392,993	16.0483	59,390,402	16.0476	(0.0007)	(2,590.62)	0.0%
43	Total Bill	61,253,645	16.5511	61,326,599	16.5708	0.0197	72,954.15	0.1%
44	Sales Service Impact						72,954.15	0.1%
45	Direct Purchase Impact						75,544.78	4.1%
<u>Large Rate T3</u>								
46	Delivery Charges	3,220,759	1.1810	3,552,739	1.3027	0.1217	331,979.64	10.3%
47	Gas Supply Charges	43,765,640	16.0483	43,763,731	16.0476	(0.0007)	(1,908.98)	0.0%
48	Total Bill	46,986,399	17.2293	47,316,470	17.3503	0.1210	330,070.66	0.7%
49	Sales Service Impact						330,070.66	0.7%
50	Direct Purchase Impact						331,979.64	10.3%

Notes:

(1) Reflects Board-approved rates per Appendix A in Union's October 2015 QRAM filing (EB-2015-0255).

UNION GAS LIMITED
Summary of 2016 Capital Pass Through Adjustments
Related to Parkway Projects, Burlington - Oakville Pipeline, 2016 Dawn to Parkway, and 2017 Dawn to Parkway

Line No.	Particulars (\$000s)	Delivery (a)	Transportation (b)	Storage (c)	Total (d) = (a + b + c)
<u>Union North In-Franchise</u>					
1	Rate 01	(4,335)	60	3,326	(949)
2	Rate 10	(544)	(1)	871	326
3	Rate 20	(448)	(5)	233	(221)
4	Rate 25	(138)	(2)	-	(141)
5	Rate 100	(381)	(2)	16	(366)
6	Total Union North In-Franchise	<u>(5,846)</u>	<u>50</u>	<u>4,445</u>	<u>(1,350)</u>
<u>Union South In-Franchise</u>					
7	Rate M1	(6,184)	-	(1,020)	(7,204)
8	Rate M2	38	-	(348)	(309)
9	Rate M4	33	-	(63)	(30)
10	Rate M5A	(286)	-	(52)	(338)
11	Rate M7	47	-	(23)	24
12	Rate M9	38	-	(8)	30
13	Rate M10	1	-	(0)	0
14	Rate T1	(24)	-	(38)	(61)
15	Rate T2	452	-	(166)	286
16	Rate T3	278	-	(44)	234
17	Total Union South In-Franchise	<u>(5,606)</u>	<u>-</u>	<u>(1,762)</u>	<u>(7,368)</u>
<u>Ex-Franchise</u>					
18	Excess Utility Space	-	(22)	(128)	(150)
19	Rate M12	-	39,189	-	39,189
20	Rate M13	-	(1)	-	(1)
21	Rate M16	-	(6)	-	(6)
22	Rate C1	-	(53)	-	(53)
23	Total Ex-Franchise	<u>-</u>	<u>39,107</u>	<u>(128)</u>	<u>38,979</u>
24	Total (line 6 + line 17 + line 23)	<u><u>(11,452)</u></u>	<u><u>39,157</u></u>	<u><u>2,556</u></u>	<u><u>30,261</u></u>
25	Gas Supply Admin				(40)
26	Grand Total (1)				<u><u>30,221</u></u>

Note:

- (1) Sum of projects from EB-2012-0433/EB-2013-0074 Parkway Projects, EB-2014-0182, Burlington Oakville, EB-2014-0261, Dawn to Parkway 2016 System Expansion EB-2015-0200, 2017 Dawn to Parkway Project.

UNION GAS LIMITED
Summary of 2016 Capital Pass Through Adjustments
Related to Parkway Projects, Burlington - Oakville Pipeline, 2016 Dawn to Parkway, and 2017 Dawn to Parkway

Line No.	Particulars (\$000s)	Parkway Projects (1) (a)	BOP (b)	2016 D-P Expansion (c)	2017 D-P Expansion (d)	Total (e) = (a + b + c + d)
<u>Union North In-Franchise</u>						
1	Rate 01	662	(403)	(548)	(660)	(949)
2	Rate 10	462	(61)	16	(91)	326
3	Rate 20	(17)	(41)	(90)	(73)	(221)
4	Rate 25	(66)	(11)	(42)	(22)	(141)
5	Rate 100	(161)	(31)	(113)	(60)	(366)
6	Total Union North In-Franchise	<u>879</u>	<u>(547)</u>	<u>(776)</u>	<u>(905)</u>	<u>(1,350)</u>
<u>Union South In-Franchise</u>						
7	Rate M1	(3,684)	85	(2,158)	(1,447)	(7,204)
8	Rate M2	(184)	192	(134)	(183)	(309)
9	Rate M4	(38)	71	(21)	(43)	(30)
10	Rate M5A	(160)	(26)	(99)	(52)	(338)
11	Rate M7	6	26	4	(13)	24
12	Rate M9	13	10	8	(1)	30
13	Rate M10	(0)	0	0	(0)	0
14	Rate T1	(61)	66	(34)	(33)	(61)
15	Rate T2	(96)	557	(49)	(125)	286
16	Rate T3	101	71	65	(4)	234
17	Total Union South In-Franchise	<u>(4,102)</u>	<u>1,052</u>	<u>(2,418)</u>	<u>(1,900)</u>	<u>(7,368)</u>
<u>Ex-Franchise</u>						
18	Excess Utility Space	(70)	(13)	(46)	(21)	(150)
19	Rate M12	34,538	(414)	3,945	1,120	39,189
20	Rate M13	(1)	2	(1)	(1)	(1)
21	Rate M16	(3)	(0)	(2)	(1)	(6)
22	Rate C1	(34)	(1)	(12)	(6)	(53)
23	Total Ex-Franchise	<u>34,430</u>	<u>(426)</u>	<u>3,884</u>	<u>1,091</u>	<u>38,979</u>
24	Total (line 6 + line 17 + line 23)	<u>31,207</u>	<u>78</u>	<u>690</u>	<u>(1,714)</u>	<u>30,261</u>
25	Gas Supply Admin	(30)	(1)	(6)	(2)	(40)
26	Grand Total (1)	<u>31,177</u>	<u>77</u>	<u>683</u>	<u>(1,716)</u>	<u>30,221</u>

Note:

- (1) EB-2012-0433, Schedule 12-6 Updated and EB-2013-0074, Schedule 9-7.
- (2) EB-2014-0182, Exhibit A, Tab 9, Schedule 9.
- (3) EB-2014-0261, Settlement Agreement, Appendix 3, Schedule 6.
- (4) EB-2015-0200, Exhibit A, Tab 10, Schedule 5 Updated.

UNION GAS LIMITED
Calculation of 2016 DSM Budget
Allocation by Rate Class

Line No.	Particulars (\$000's)	2015			2016				
		Approved DSM Budget (1) (a) = (b + c)	DSM Program Budget (b)	Low Income Program Budget (c)	DSM Program Budget (d)	Low Income Program Budget (e)	Inflation Factor Budget (f)	100% Utility Incentive (g)	DSM Budget (h) = (d + e + f + g)
	<u>Union North</u>								
1	Rate 01	3,843	2,057	1,786	2,057	1,786	-	-	3,843
2	Rate 10	1,222	917	305	917	305	-	-	1,222
3	Rate 20	1,004	909	94	909	94	-	-	1,004
4	Rate 100	1,852	1,655	196	1,655	196	-	-	1,852
5	Total Union North	<u>7,920</u>	<u>5,539</u>	<u>2,381</u>	<u>5,539</u>	<u>2,381</u>	<u>-</u>	<u>-</u>	<u>7,920</u>
	<u>Union South</u>								
6	Rate M1	10,763	6,414	4,349	6,414	4,349	-	-	10,763
7	Rate M2	4,012	3,420	592	3,420	592	-	-	4,012
8	Rate M4	1,655	1,508	147	1,508	147	-	-	1,655
9	Rate M5A	2,763	2,659	104	2,659	104	-	-	2,763
10	Rate M7	933	861	71	861	71	-	-	933
11	Rate T1	1,855	1,748	107	1,748	107	-	-	1,855
12	Rate T2	2,687	2,115	572	2,115	572	-	-	2,687
13	Total Union South	<u>24,668</u>	<u>18,725</u>	<u>5,943</u>	<u>18,725</u>	<u>5,943</u>	<u>-</u>	<u>-</u>	<u>24,668</u>
14	Total Union (line 5 + line 13)	<u>32,588</u>	<u>24,264</u>	<u>8,324</u>	<u>24,264</u>	<u>8,324</u>	<u>-</u>	<u>-</u>	<u>32,588</u>

Notes:

(1) EB-2015-0029, Exhibit A, Tab 3, Appendix E, Schedule 1.

UNION GAS LIMITED
Calculation of 2016 NAC Target Percentage Change
to General Service Rate Classes

Line No.	Particulars (m ³)	2013 Actual NAC (1)(2) (a)	2014 Actual NAC (1)(3) (b)	NAC Variance (c) = (b - a)	2016 NAC Target % Change (d) = (c / a)
1	Rate 01	2,901	3,015	114	3.9%
2	Rate 10	169,025	177,214	8,189	4.8%
3	Rate M1	2,761	2,852	91	3.3%
4	Rate M2	169,121	172,694	3,573	2.1%

Notes:

- (1) NAC based on 2013 Board-approved 50:50 weather normal methodology.
- (2) 2013 actual NAC calculated using 2015 weather normal
- (3) 2014 actual NAC calculated using 2016 weather normal
2014 actual NAC is adjusted for February 29th day

UNION GAS LIMITED
Calculation of 2016 NAC Target Percentage Change
Volumetric Adjustments to Union North General Service Rate Classes

Line No.	Particulars (10 ³ m ³)	Approved 2015 Billing Units (1) (a)	2016 NAC Target % Change (2) (b)	Change in Billing Units (c) = (a x b)	Proposed 2016 Billing Units (d) = (a + c)
<u>Rate 01 Delivery</u>					
1	First 100 m ³	273,618	3.9%	10,752	284,370
2	Next 200 m ³	310,686	3.9%	12,209	322,895
3	Next 200 m ³	135,534	3.9%	5,326	140,860
4	Next 500 m ³	92,571	3.9%	3,638	96,209
5	All Over 100 m ³	115,512	3.9%	4,539	120,052
6	Total Rate 01 Delivery	<u>927,922</u>		<u>36,464</u>	<u>964,386</u>
<u>Rate 01 Storage</u>					
7	Fort Frances Zone	12,901	3.9%	507	13,408
8	Western Zone	179,704	3.9%	7,062	186,766
9	Northern Zone	403,875	3.9%	15,871	419,746
10	Eastern Zone	331,441	3.9%	13,025	344,466
11	Total Rate 01 Storage	<u>927,922</u>		<u>36,464</u>	<u>964,386</u>
<u>Rate 10 Delivery</u>					
12	First 1,000 m ³	25,432	4.8%	1,232	26,664
13	Next 9,000 m ³	137,301	4.8%	6,652	143,953
14	Next 20,000 m ³	87,335	4.8%	4,231	91,566
15	Next 70,000 m ³	66,220	4.8%	3,208	69,428
16	All Over 100,000 m ³	30,458	4.8%	1,476	31,934
17	Total Rate 10	<u>346,746</u>		<u>16,799</u>	<u>363,545</u>
<u>Rate 10 Storage</u>					
18	Fort Frances Zone	2,851	4.8%	138	2,989
19	Western Zone	48,575	4.8%	2,353	50,928
20	Northern Zone	140,669	4.8%	6,815	147,484
21	Eastern Zone	154,652	4.8%	7,493	162,144
22	Total Rate 10 Storage	<u>346,746</u>		<u>16,799</u>	<u>363,545</u>

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (u).
- (2) EB-2015-0116, Rate Order, Working Papers, Schedule 12, Page 1, column (d).

UNION GAS LIMITED
Calculation of 2016 NAC Target Percentage Change
Volumetric Adjustments to Union South General Service Rate Classes

Line No.	Particulars (10 ³ m ³)	Approved 2015 Billing Units (1) (a)	2016 NAC Target % Change (2) (b)	Change in Billing Units (c) = (a x b)	Proposed 2016 Billing Units (d) = (a + c)
<u>Rate M1 Delivery</u>					
1	First 100 m ³	879,923	3.3%	29,001	908,925
2	Next 150 m ³	781,347	3.3%	25,752	807,099
3	All Over 250 m ³	1,260,246	3.3%	41,537	1,301,783
4	Total Rate M1 Delivery	<u>2,921,516</u>		<u>96,290</u>	<u>3,017,807</u>
5	Rate M1 Storage	<u>2,921,516</u>	3.3%	<u>96,290</u>	<u>3,017,807</u>
<u>Rate M2 Delivery</u>					
6	First 1,000 m ³	62,323	2.1%	1,317	63,640
7	Next 6,000 m ³	303,299	2.1%	6,408	309,707
8	Next 13,000 m ³	342,713	2.1%	7,240	349,953
9	All Over 20,000 m ³	437,832	2.1%	9,250	447,082
10	Total Rate M2 Delivery	<u>1,146,167</u>		<u>24,215</u>	<u>1,170,382</u>
11	Rate M2 Storage	<u>1,146,167</u>	2.1%	<u>24,215</u>	<u>1,170,382</u>

Notes:

- (1) EB-2014-0271, Rate Order, Working Papers, Schedule 4, column (u).
(2) EB-2015-0116, Rate Order, Working Papers, Schedule 12, Page 1, column (d).

UNION GAS LIMITED
Summary of S&T Transactional Margin Included In 2016 In-Franchise Rates

Line No.	Particulars (\$000s)	Total Revenue (1) (a)	Allocated Cost (2) (b)	Total Margin (c) = (a - b)	Shareholder Portion of Margin (d) = (c) * 10%	Margin Included in 2013 In-Franchise Rates (e) = (c - d)	Margin Included in 2016 In-Franchise Rates (f)	Variance (g) = (f - e)
<u>Long-Term Transportation</u>								
1	M12 Long-term Transportation	120,604	125,384	(4,781)				
2	M12-X	13,896	11,623	2,272				
3	F24-T	359	359	0				
4	M12 Fuel	22,674	22,673	1				
5	C1 Long-term Transportation	6,954	1,669	5,286				
6	C1 Fuel	626	632	(6)				
7	M13	411	211	200				
8	M16	736	451	286				
9	Heritage Pool M16 Transmission Charge (3)			56				
10	Total Long-Term Transportation	<u>166,260</u>	<u>163,002</u>	<u>3,314</u>	<u>-</u>	<u>3,314</u>	<u>3,314</u>	<u>-</u>
<u>Short-Term Transportation</u>								
11	Short-term Transportation	11,067	5,843	5,224				
12	Other Transactional	<u>1,067</u>	<u>-</u>	<u>1,067</u>				
13	Total Short-Term Transportation	<u>12,134</u>	<u>5,843</u>	<u>6,291</u>	<u>-</u>	<u>6,291</u>	<u>6,291</u>	<u>-</u>
<u>Short-term Storage and Other Balancing Services Acct. 179-70</u>								
14	Short Term Peak Storage Services	7,883	5,626	2,257				
15	Less: Non-utility System Integrity Costs (4)	-	(300)	300				
16	Off Peak Storage/Balancing/Loans Services	<u>2,500</u>	<u>-</u>	<u>2,500</u>				
17	Total Short-term Storage and Other Balancing Services	<u>10,383</u>	<u>5,327</u>	<u>5,056</u>	<u>506</u>	<u>4,551</u>	<u>4,551</u>	<u>-</u>
18	Total S&T Transactional Margin Included in Rates	<u>188,777</u>	<u>174,171</u>	<u>14,661</u>	<u>506</u>	<u>14,156</u>	<u>14,156</u>	<u>-</u>

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, Page 9 - 11, column (g).
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 14, Page 9 - 11, column (e).
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 39, line 4.
- (4) Excludes the non-utility portion of system integrity costs of \$0.300 million as per EB-2011-0210 Board Decision.

UNION GAS LIMITED
Summary of Gas Supply Optimization Margin Included In 2016 Gas Supply Transportation Rates

Line No.	Particulars (\$000s)	Total Revenue (1) (a)	Allocated Cost (b)	Total Margin (c) = (a - b)	Portion of Margin (d) = (c) * 10%	Margin in 2013 Gas Supply Transportation Rates (e) = (c - d)	Margin in 2016 Gas Supply Transportation Rates (f)	Variance (g) = (f - e)
	<u>Exchanges (2)</u>							
1	Base Exchanges	9,118	-	9,118	912	8,206	8,206	-
2	FT-RAM Related Exchanges	5,800	-	5,800	580	5,220	5,220	-
3	Total Exchanges Revenue	<u>14,918</u>	<u>-</u>	<u>14,918</u>	<u>1,492</u>	<u>13,426</u>	<u>13,426</u>	<u>-</u>

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, Page 11, Line 18, column (g).
(2) EB-2011-0210, Board Decision, page 40.

UNION GAS LIMITED
2016 Gas Supply Optimization Margin - Allocation of Ratepayer Portion and Calculation of Unit Rates

Line No.	Rate Class	Union North FT Demand Allocation Units TRANSALLO (\$000s) (a)	Union North Margin (\$000s) (b)	Union South Landed Supply Allocation Units S_SUPPLYVOL (10 ³ m ³) (c)	Union South Margin (\$000s) (d)	Total Margin (\$000s) (1) (e) = (b + d)	Billing Units (10 ³ m ³) (2) (f)	2016 Unit Rate (cents/m ³) (g) = (e / f)
1	Rate 01	65,876	(3,920)			(3,920)	926,963	(0.4229)
2	Rate 10	22,548	(1,342)			(1,342)	343,530	(0.3906)
3	Rate 20	8,016	(477)			(477) (3)		
4	Rate 100	-	-			-	-	-
5	Rate 25	1,961	(117)			(117)	42,913	(0.2720)
6	Total Union North	<u>98,400</u>	<u>(5,856)</u>			<u>(5,856)</u>		
7	Rate M1			2,271,443	(6,415)	(6,415)	2,271,443	(0.2824)
8	Rate M2			378,137	(1,068)	(1,068)	378,137	(0.2824)
9	Rate M4			16,855	(48)	(48)	16,855	(0.2824)
10	Rate M5 - Firm			226	(1)	(1)	226	(0.2824)
11	Rate M5 - Int			13,906	(39)	(39)	13,906	(0.2824)
12	Rate M10			48	(0)	(0)	48	(0.2824)
13	Total Union South			<u>2,680,616</u>	<u>(7,571)</u>	<u>(7,571)</u>	<u>2,680,616</u>	
14	Total Exchanges Revenue					<u>(13,426)</u>		

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 43, Line 3, column (e).
(2) Union North billing units per EB-2015-0116, Rate Order, Working Papers, Schedule 4, Column (t).
Union South billing units are 2013 Board-approved Sales volumes per EB-2011-0210.
(3) Rate 20 margin will be refunded 60% in the Gas Supply Demand Charge and 40% in the Commodity Transportation 1 Charge.
The Rate 20 unit rates are calculated below:

Margin Allocated to Gas Supply Demand Charge (\$000s)	(286)
Total Gas Supply Demand Billing Units (10 ³ m ³)	<u>6,873</u>
Unit Rate (cents/m ³)	<u>(4.1642)</u>
Margin Allocated to Commodity Transportation Charge 1 (\$000s)	(191)
Total Commodity Transportation 1 Billing Units (10 ³ m ³)	<u>73,456</u>
Unit Rate (cents/m ³)	<u>(0.2597)</u>

UNION GAS LIMITED
Allocation of Long-term and Short-term Transportation-related S&T Margin to Union North and Union South

Line No.	Particulars (\$000s)	Design Day Demand (10 ³ m ³ /d) (1) (a)	Easterly Flow Volume (10 ³ m ³ /d) (2) (b)	Available Capacity (10 ³ m ³ /d) (c) = (a - b)	Distance (km) (d)	Available Capacity - Distance (10 ³ m ³ /d x km) (e) = (c x d)	Allocated Proportion (%) (f)	Allocated Proportion (\$000s) (g)
<u>Union North</u>								
1	North In-fran	6,956	938	6,018	228.94	1,377,858	37%	3,513
<u>Union South</u>								
2	South: In-fran	43,674	21,874	21,800	82.15	1,790,897	48%	4,566
3	St. Clair	2,833	1,419	1,414	29.40	41,571	1%	106
4	Ojibway	9,619	4,818	4,801	116.05	557,186	15%	1,420
5	Total Union South	56,126	28,111	28,015		2,389,654	63%	6,092
6	Total Union North and Union South	63,082	29,048	34,034		3,767,512	100%	9,605 (3)

Notes:

- (1) EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, Page 8, Line 5, Union North, updated for EB-2011-0210 Board Decision.
EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, Page 8, Line 2, South In-fran, updated for EB-2011-0210 Board Decision.
EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, Page 9, Line 4, St. Clair-Ojibway, updated for EB-2011-0210 Board Decision.
- (2) Easterly annual volumes on Dawn to Parkway for Union North and Union South are 342,196 10³m³ and 10,260,364 10³m³ respectively divided by 365.
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 40, Line 10 + Line 13, column (e).

UNION GAS LIMITED
Total Upstream Transportation Costs in Union North Rates
Effective January 1, 2016

Line No.	Particulars (\$000s)	Upstream Transportation Costs per EB-2014-0271 (1) (a)	Change in Upstream Transportation Costs in 2015 (2) (b)	Upstream Transportation Costs per EB-2015-0116 (3) (c) = (a + b)
1	Rate 01	64,046	18,744	82,790
2	Rate 10	20,832	5,875	26,707
3	Rate 20	6,907	1,889	8,796
4	Rate 25	1,436	346	1,781
5	Rate 100	73	34	107
6	Total Union North	<u>93,293</u>	<u>26,888</u>	<u>120,181</u>

Notes:

- (1) EB-2014-0271, Working Papers, Schedule 15, column (d).
Excludes FT Transportation fuel of \$1.463 million and Black Creek Storage of \$0.042 million.
- (2) Upstream Transportation costs in 2015 updated at EB-2014-0356, Working Papers Schedule 4, EB-2015-0035, Working Papers, Schedule 4, EB-2015-0255, Working Papers, Schedule 4.
- (3) EB-2015-0116, Rate Order, Working Papers, Schedule 3, column (l).

UNION GAS LIMITED
Calculation of 2016 Gas Supply Admin Charge

Line No.	Particulars	EB-2014-0271 2015 Board Approved (a)	2016 Capital Pass Throughs (3) (b)	EB-2015-0116 2016 Proposed (c) = (a + b)
1	Costs (\$000s)	6,774 (1)	(26)	6,749
2	2013 Approved Sales Volumes (10 ³ m ³)	3,533,863 (2)		3,533,863
3	Gas Supply Admin Charge Unit Rate (cents/m ³) (4)	<u>0.1917</u>		<u>0.1910</u>

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 3, column (a).
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (a).
- (3) EB-2015-0116, Rate Order, Working Papers, Schedule 3, Page 2, line 7, column (d) + (k).
- (4) Line 1 / Line 2 x 100.

UNION GAS LIMITED
2014 Lost Revenue Adjustment Mechanism ("LRAM") and 2011 LRAM Volume Adjustment
Volumes for 2016 Rate Calculations

Line No.	Particulars (10 ⁹ m ³)	2014 - Post-Audit Post RR Full Year Impact DSM Volumes by Rate Class (a)	Customer Rate Class Adjustment (b)	2011 Actual LRAM Volumes (1) (c)	Total Volume Adjustment by Rate Class (d) = (a + b + c)
<u>Union South</u>					
	Contract				
1	Rate M4	(9,945)	(1,398)	(7,981)	(19,323)
2	Rate M5A	(9,141)	(5,936)	(14,414)	(29,491)
3	Rate M7	(7,848)	7,334	(12,780)	(13,294)
4	Rate T1	(4,195)		(8,394)	(12,588)
5	Rate T2	(40,465)		(56,618)	(97,083)
6	Total Union South	<u>(71,594)</u>	<u>-</u>	<u>(100,186)</u>	<u>(171,780)</u>
<u>Union North</u>					
	Contract				
7	Rate 20	(7,051)	2,215	(4,577)	(9,414)
8	Rate 100	(26,110)	(2,215)	(9,050)	(37,375)
9	Total Union North	<u>(33,162)</u>	<u>-</u>	<u>(13,627)</u>	<u>(46,789)</u>
10	Total (line 6 + line 9)	<u>(104,756)</u>	<u>-</u>	<u>(113,813)</u>	<u>(218,569)</u>

Notes:

(1) EB-2014-0273, Exhibit A, Tab 4 Schedule 2, Page 2 of 4, Corrected, column (a).

UNION GAS LIMITED
Calculation of Supplemental Service Charges
Commissioning and Decommissioning Rates
Effective January 1, 2016

Line No.	Particulars	Ft. Frances (a)	Western (b)	Northern (c)	Eastern (d)
Union North					
<u>Rate 20 - At 50% Load Factor</u>					
<u>Delivery (cents / m³)</u>					
1	Monthly Demand (1)	27.6426	27.6426	27.6426	27.6426
2	Line 1 x 12 months	331.7112	331.7112	331.7112	331.7112
3	Line 2 / 365 days	0.9088	0.9088	0.9088	0.9088
4	Line 3 @ 50% Load Factor	1.8176	1.8176	1.8176	1.8176
5	Delivery Commodity Charge (1)	0.5341	0.5341	0.5341	0.5341
6	Total Delivery Commissioning	<u>2.3517</u>	<u>2.3517</u>	<u>2.3517</u>	<u>2.3517</u>
<u>Gas Supply (cents / m³)</u>					
7	Monthly Demand (1)	54.0801	34.0754	73.2293	106.3242
8	Gas Supply Demand - Price Adjustment (1)	-	-	-	-
9	(Line 7 + Line 8) x 12 months	648.9607	408.9048	878.7516	1,275.8904
10	Line 9 / 365 days	1.7780	1.1203	2.4075	3.4956
11	Line 10 @ 50% Load Factor	3.5559	2.2406	4.8151	6.9912
12	Commodity Transportation 1 (1)	4.3859	3.9293	4.7668	5.4747
13	Commodity Transportation 1 - Price Adjustment	-	-	-	-
14	(Line 12 + Line 13) x (4/5)	3.5087	3.1434	3.8134	4.3798
15	Commodity Transportation 2 (1)	-	-	-	-
16	Line 15 * (1/5)	-	-	-	-
17	Total Commodity Transportation Charge for Commissioning Rate	<u>7.0646</u>	<u>5.3840</u>	<u>8.6285</u>	<u>11.3709</u>
<u>Rate 100 - At 70% Load Factor</u>					
<u>Delivery (cents / m³)</u>					
18	Monthly Demand (2)	15.2678	15.2678	15.2678	15.2678
19	Line 18 x 12 months	183.2136	183.2136	183.2136	183.2136
20	Line 19 / 365 days	0.5020	0.5020	0.5020	0.5020
21	Line 20 @ 70% Load Factor	0.7171	0.7171	0.7171	0.7171
22	Commodity Charge (2)	0.2220	0.2220	0.2220	0.2220
23	Total Delivery Commissioning	<u>0.9391</u>	<u>0.9391</u>	<u>0.9391</u>	<u>0.9391</u>
<u>Gas Supply (cents / m³)</u>					
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 January 1, 2016

Line No.	Particulars	cents / m ³ (a)	\$ / GJ (b)
	<u>Minimum annual gas supply commodity charge - Rate M4, Rate M5A</u>		
1	Compressor Fuel	0.5214	
2	Transportation Tolls	3.5158	
3	Administration Charge	0.1910	
4	Minimum annual gas supply commodity charge	<u>4.2282</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 January 1, 2016

Line No.	Particulars		cents / m ³ (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 ³ of additional inventory.	43		
3	Number of months	12	21.8810 (a)	
	Inventory carrying costs:			
4	Sales WACOG	16.0476		
5	Overrun storage withdrawal	0.4009		
6		16.4485		
7	Units required (m ³)	43		
8	Pre-tax return (%)	8.170%	57.7853 (b)	
9	Annual demand charge		79.6663 (a) + (b)	
10	Number of months	12		
11	Monthly demand charge		6.6389	1.722
	Commodity:			
12	Sales WACOG		16.0476	
13	Overrun storage withdrawal		0.4009	
14	Overrun transportation		1.2347	
15	Commodity charge		17.6832	4.587
	Reasonable Efforts Backstop Gas:			
16	M1 Block 1 plus Storage		4.4940	
17	Sales WACOG		16.0476	
18			20.5416	5.329
	Supplemental Inventory:			
19	Sales WACOG		16.0476	
20	Injection commodity		0.2012	
21	Space charge (line 1 x 12)		0.5089	
22			16.7577	4.347
	Carrying costs (1/2 year)			
23	(line 8 x line 22) / 2		0.6846	
24	Total (line 22 + line 23)		17.4422	4.525
	Supplemental Gas Sales:			
25	Supplemental inventory		17.4422	
26	Overrun storage withdrawal		0.4009	
27	Overrun transportation		1.2347	
28	Total		19.0778	
	Failure to Deliver:			
29	M1 Block 1 plus Storage		4.4940	1.166
30	Failure to Deliver Adjustment		5.1708	1.341
31	Failure to Deliver Charge		9.6648	2.507

Notes:

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

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Calculation of Minimum, Maximum & Seasonal Charges
Effective January 1, 2016

Line No.	Particulars	cents / m ³
	<u>Minimum Charges</u>	(a)
	Rate M4 (F)	
1	Minimum annual delivery commodity charge:	
2	Monthly delivery commodity charge (1st Block M4)	1.1124
3	Administration Fee	0.191
	Minimum annual delivery commodity charge	<u>1.3034</u>
	Rate M4 (I) / M5	
4	Minimum annual delivery commodity charge:	
5	Monthly delivery commodity charge (1st block M5)	2.7741
6	Administration Fee	0.191
	Minimum annual delivery commodity charge	<u>2.9651</u>
	<u>Maximum Charges</u>	
	Rate 25 Interruptible	
7	Average Rate 10 Firm Delivery Charge	4.9466
8	Percent of Average Firm Delivery Price	90%
9	R25 Maximum interruptible delivery commodity charge	<u>4.4519</u>
	Rate M7 Interruptible	
10	Maximum interruptible delivery commodity charge:	
11	M7 firm commodity charge	0.3781
12	M7 firm demand charge commoditized at a Load Factor of 19.80%	<u>4.4962</u>
	M7 maximum interruptible charge	<u>4.8743</u>
13	Rate T1 Interruptible	<u>4.8743</u>
14	Rate T2 Interruptible	<u>4.8743</u>
	<u>Rate M7 - Commissioning and Decommissioning Rate</u>	
	Delivery (cents / m ³)	
15	Monthly Demand (1)	27.0809
16	Annual Demand (line 15 x 12 months)	324.9708
17	Daily Demand (line 16 / 365 days)	0.8903
18	@ Class Average Firm Load Factor of	3.1473
19	Delivery Commodity Charge (1)	0.3781
20	Delivery - Price Adjustment	-
21	Total Delivery Commissioning	<u>3.5254</u>

Notes:

(1) Appendix A, Page 9.

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Effective January 1, 2016

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)	1.586	1.586
2	Annual Demand (line 1 x 12 months)	19.032	19.032
3	Daily Demand (line 2 / 365 days)	0.052	0.052
4	@ 100% Load Factor	0.052	0.052
5	Commodity Charge (WACOG / Heat Value * Overrun Fuel Ratio + Injection Commodity) (2)	0.052	0.008
6	Total Storage Overrun	<u>0.104</u>	<u>0.060</u>
<u>Rate T1 - At 100% Load Factor</u>			
	Authorized Transportation Overrun (cents / m³)		
7	Monthly Demand (3)	33.4147	33.4147
8	Annual Demand (line 7 x 12 months)	400.9764	400.9764
9	Daily Demand (line 8 / 365 days)	1.0986	1.0986
10	@ 100% Load Factor	1.0986	1.0986
11	Commodity Charge (WACOG / 10 * Transportation Fuel Ratio + Firm Commodity Transport) (4)	0.1361	0.0760
12	Total Transportation Overrun	<u>1.2347</u>	<u>1.1746</u>
<u>Rate T2 - At 100% Load Factor</u>			
	Authorized Transportation Overrun (cents / m³)		
13	Monthly Demand (5)	21.8329	21.8329
14	Annual Demand (line 13 x 12 months)	261.9948	261.9948
15	Daily Demand (line 14 / 365 days)	0.7178	0.7178
16	@ 100% Load Factor	0.7178	0.7178
17	Commodity Charge (WACOG / 10 * Transportation Fuel Ratio + Firm Commodity Transport) (6)	0.0640	0.0082
18	Total Transportation Overrun	<u>0.7818</u>	<u>0.7260</u>
<u>Rate T3 - At 100% Load Factor</u>			
	Authorized Transportation Overrun (cents / m³)		
19	Monthly Demand (7)	11.6340	11.6340
20	Annual Demand (line 19 x 12 months)	139.6080	139.6080
21	Daily Demand (line 20 / 365 days)	0.3825	0.3825
22	@ 100% Load Factor	0.3825	0.3825
23	Commodity Charge (7)	0.0858	0.0108
24	Total Transportation Overrun	<u>0.4682</u>	<u>0.3933</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 January 1, 2016

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-2015-0116	19.8147	
2	2016 Fuel Ratio as per EB-2015-0116	0.303%	
3	Fuel Rate (line 1 x line 2)	0.0601	
4	Firm Transportation Commodity Charge All volumes	<u>0.1361</u>	<u>0.0760</u>
5	Interruptible Transportation Commodity Charge - Maximum	<u>4.8743</u>	<u>4.8142</u>
<u>Rate T2 Transportation Service (cents/m³)</u>			
6	Ontario Landed Reference Price as per EB-2015-0116	19.8147	
7	2016 Fuel Ratio as per EB-2015-0116	0.282%	
8	Fuel Rate (line 6 x line 7)	0.0558	
9	Firm Transportation Commodity Charge All volumes	<u>0.0640</u>	<u>0.0082</u>
10	Interruptible Transportation Commodity Charge - Maximum	<u>4.8743</u>	<u>4.8185</u>
<u>Rate T3 Transportation Service (cents/m³)</u>			
11	Ontario Landed Reference Price as per EB-2015-0116	19.8147	
12	2016 Fuel Ratio as per EB-2015-0116	0.378%	
13	Fuel Rate (line 11 x line 12)	0.0750	
14	Firm Transportation Commodity Charge	<u>0.0858</u>	<u>0.0108</u>
<u>Rate T1, Rate T2 & Rate T3 Storage Service (\$/GJ)</u>			
15	Ontario Landed Reference Price as per EB-2015-0116	5.140	
16	2016 Fuel Ratio as per EB-2015-0116	0.403%	
17	Fuel Rate (line 15 x line 16)	0.021	
18	Storage Commodity Charge	<u>0.029</u>	<u>0.008</u>

UNION GAS LIMITED
Southern Operations Area
Unbundled Delivery Rate Detail
Effective January 1, 2016

Line No.	Particulars	Billing Units	2016 Forecast (1) Usage (a)	SSS & SPS (\$000's) (b)	Gas Supply Balancing Costs (\$000's) (c)	Gas in Storage Inventory Carrying Costs (\$000's) (d)	Unbundled Storage Revenue (\$000's) (e) = (b + c + d)	Unbundled Storage Rates (cents/m³) (f) = (e / a)	Unbundled Delivery Rates (6) (cents/m³) (g)
<u>Rate M1</u>									
Monthly delivery commodity charge:									
1	First 100 m³	10³m³	908,925	4,190	-	2,196	6,386	0.7026	3.7913
2	Next 150 m³	10³m³	807,099	3,721	-	1,950	5,671	0.7026	3.5997
3	All over 250 m³	10³m³	1,301,783	6,001	-	3,145	9,146	0.7026	3.1046
4	Total		<u>3,017,807</u>	<u>13,912</u> (2)	<u>-</u>	<u>7,291</u> (3)	<u>21,203</u>		
<u>Rate M2</u>									
Monthly delivery commodity charge:									
5	First 1,000 m³	10³m³	63,640	257	-	135	392	0.6160	3.5991
6	Next 6,000 m³	10³m³	309,707	1,249	-	659	1,908	0.6160	3.5324
7	Next 13,000 m³	10³m³	349,953	1,411	-	745	2,156	0.6160	3.3681
8	All over 20,000 m³	10³m³	447,082	1,803	-	951	2,754	0.6160	3.1273
9	Total		<u>1,170,382</u>	<u>4,720</u> (4)	<u>-</u>	<u>2,490</u> (5)	<u>7,210</u>		

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (t).
- (2) EB-2015-0116, Rate Order, Working Papers, Schedule 19, Page 2, line 6, column (a).
- (3) EB-2015-0116, Rate Order, Working Papers, Schedule 19, Page 2, line 10, column (a).
- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 19, Page 2, line 6, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 19, Page 2, line 10, column (b).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 4, Page 10, column (v).

UNION GAS LIMITED
Southern Operations Area
Unbundled Delivery Cost Detail
Effective January 1, 2016

Line No.	Particulars (\$000's)	Rate M1 (a)	Rate M2 (b)
	<u>SSS/ SPS</u>		
1	Storage Dehydrator (1)	173	58
2	Storage Ex. Dehydrator (2)	9,636	3,260
3	Storage Space (3)	11,394	3,891
4	Storage	21,203	7,210
5	Less: ICC on Gas in Storage (4)	7,291	2,490
6	Total SSS/SPS	<u>13,912</u>	<u>4,720</u>
	<u>Gas Supply Balancing</u>		
7	Total Gas Supply Balancing	<u>-</u>	<u>-</u>
	<u>Gas In Storage Inventory Carrying Costs</u>		
8	Gas in Storage (5)	89,246	30,481
9	ICC %	8.2%	8.2%
10	Gas in Storage Inventory Carrying Costs	<u>7,291</u>	<u>2,490</u>

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 18, Page 2, line 1, updated for PCI and Capital Pass Throughs per EB-2014-0271.
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 18, Page 2, line 2, updated for PCI and Capital Pass Throughs per EB-2014-0271.
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 18, Page 2, line 3, updated for PCI and Capital Pass Throughs per EB-2014-0271.
- (4) Per line 10.
- (5) EB-2011-0210, Exhibit G3, Tab 5, Schedule 9, page 16 of 40, updated for EB-2011-0210 Board Decision.

UNION GAS LIMITED
2016 Rate Adjustment Summary based on
Parkway Delivery Obligation Reduction of 165 T/J/d and 67 T/J/d of M12 Turnback

Line No.	Rate Class (\$000's)	In Rates		
		Dawn-Parkway Demand Costs	Compressor Fuel Costs	Total Costs
		(a)	(b)	(c) = (a + b)
1	Rate M1	2,889	309	3,198
2	Rate M2	971	109	1,080
3	Rate M4	282	50	332
4	Rate M5 - Firm	3	1	4
5	Rate M5 - Interruptible	-	35	35
6	Rate M7 - Firm	130	20	150
7	Rate M7 - Interruptible	-	-	-
8	Rate M9	47	10	57
9	Rate M10	1	0	1
10	Rate T1 - Firm	139	45	185
11	Rate T1 - Interruptible	-	5	5
12	Rate T2 - Firm	905	234	1,139
13	Rate T2 - Interruptible	-	6	6
14	Rate T3	328	46	374
15	Total South In-franchise	5,694	871	6,565
16	Excess Utility Storage Space	-	-	-
17	Rate C1 - Firm	-	8	8
18	Rate C1 - Interruptible	-	217	217
19	Rate M12	-	687	687
20	Rate M13	-	-	-
21	Rate M16	-	3	3
22	Total Ex-franchise	-	914	914
23	Rate 01	-	8	8
24	Rate 10	-	3	3
25	Rate 20	-	1	1
26	Rate 100	-	0	0
27	Rate 25	-	-	-
28	Total North In-franchise	-	12	12
29	Total Costs (line 15 + line 22 + line 28)	5,694	1,797	7,491

UNION GAS LIMITED
2016 Delivery Impacts to Union South In-Franchise customers of M12 Demand Costs
Based on 212 TJ per day of M12 Dawn to Parkway Capacity

Line No.	Rate Class	2013 Approved Dawn-Parkway Design Day Demands (1) (10 ³ m ³ /d) (a)	Dawn-Parkway Demand Costs of 146 TJ/d (2) (\$000's) (b)	Dawn-Parkway Demand Costs of 19 TJ/d (2) (\$000's) (c)	Dawn-Parkway Demand Costs of 48 TJ/d (2) (\$000's) (d)	Dawn-Parkway Demand Costs of 212 TJ/d (\$000's) (e) = (b + c + d)	T2 BCD Revenue Credit of 48 TJ/d (\$000's) (f)	Total Demand Costs (\$000's) (g) = (e + f)
1	Rate M1	22,132	2,563	326	836	3,725	(836)	2,889
2	Rate M2	7,435	861	110	281	1,252	(281)	971
3	Rate M4	2,162	250	32	82	364	(82)	282
4	Rate M5 Firm	20	2	0	1	3	(1)	3
5	Rate M5 Interruptible	-	-	-	-	-	-	-
6	Rate M7 Firm	997	115	15	38	168	(38)	130
7	Rate M7 Interruptible	-	-	-	-	-	-	-
8	Rate M9	356	41	5	13	60	(13)	47
9	Rate M10	11	1	0	0	2	(0)	1
10	Rate T1 Firm	1,068	124	16	40	180	(40)	139
11	Rate T1 Interruptible	-	-	-	-	-	-	-
12	Rate T2 Firm	6,931	803	102	262	1,167	(262)	905
13	Rate T2 Interruptible	-	-	-	-	-	-	-
14	Rate T3	2,511	291	37	95	423	(95)	328
15	Total	43,624	5,052 (3)	643 (4)	1,649 (5)	7,343	(1,649) (5)	5,694

Notes:

- (1) In-franchise Design Day Demand Allocation Factor per EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, Page 7, line 2, Updated for Board Decision.
(2) Allocated using column (a).
(3) Calculated as 146 TJ x \$2.883/GJ/day/month x 12 = \$5.052 million. Rate represents the M12 Dawn to Parkway demand rate per 2016 Rates, Appendix A.
(4) Calculated as 19 TJ x \$2.883/GJ/day/month x 12 = \$0.643 million. Rate represents the M12 Dawn to Parkway demand rate per 2016 Rates, Appendix A.
(5) Calculated as 48 TJ x \$2.883/GJ/day/month x 12 = \$1.649 million. Rate represents the M12 Dawn to Parkway demand rate per 2016 Rates, Appendix A.

UNION GAS LIMITED
2016 Commodity Cost Adjustments based on
Parkway Delivery Obligation Reduction of 165 TJ/d and 66 TJ/d of M12 Turnback

Line No.	Rate Class	2013 Board-Approved Compressor Fuel Allocation				Adjusted Compressor Fuel Allocation				Difference (GJ) (i) = (h - d)	Compressor Fuel Cost (1) (\$000's) (j)=(i x 5.14/1000)
		Dawn Station Compressor Fuel (GJ)	D-P Easterly Compressor Fuel (GJ)	D-P Westerly Compressor Fuel (GJ)	Total Compressor Fuel (GJ)	Dawn Station Compressor Fuel (GJ)	D-P Easterly Compressor Fuel (GJ)	D-P Westerly Compressor Fuel (GJ)	Total Compressor Fuel (GJ)		
		(a)	(b)	(c)	(d) = (a+b+c)	(e)	(f)	(g)	(h) = (e+f+g)		
1	Rate M1	37,867	37,469	-	75,337	65,720	69,812	-	135,532	60,196	309
2	Rate M2	13,397	13,256	-	26,653	23,251	24,699	-	47,950	21,297	109
3	Rate M4	6,107	6,042	-	12,149	10,598	11,258	-	21,857	9,708	50
4	Rate M5 - Firm	156	154	-	310	270	287	-	557	248	1
5	Rate M5 - Interruptible	4,233	4,189	-	8,422	7,347	7,804	-	15,151	6,729	35
6	Rate M7 - Firm	2,457	2,431	-	4,888	4,264	4,529	-	8,793	3,905	20
7	Rate M7 - Interruptible	-	-	-	-	-	-	-	-	-	-
8	Rate M9	1,261	1,248	-	2,509	2,189	2,325	-	4,514	2,005	10
9	Rate M10	4	4	-	8	7	7	-	14	6	0
10	Rate T1 - Firm	5,563	5,505	-	11,068	9,655	10,256	-	19,912	8,844	45
11	Rate T1 - Interruptible	593	587	-	1,179	1,029	1,093	-	2,122	942	5
12	Rate T2 - Firm	28,658	28,356	-	57,014	49,736	52,833	-	102,569	45,555	234
13	Rate T2 - Interruptible	673	666	-	1,340	1,169	1,241	-	2,410	1,070	6
14	Rate T3	5,662	5,603	-	11,265	9,827	10,439	-	20,265	9,001	46
15	Total South In-franchise	106,631	105,510	-	212,141	185,061	196,585	-	381,646	169,505	871
16	Excess Utility Storage Space	-	-	-	-	-	-	-	-	-	-
17	Rate C1 - Firm	35,316	10,023	4,718	50,057	35,340	10,808	5,444	51,592	1,535	8
18	Rate C1 - Interruptible	226,118	520,843	-	746,960	226,877	562,223	-	789,100	42,140	217
19	Rate M12	1,135,933	2,479,902	1,009	3,616,843	1,132,730	2,616,541	1,167	3,750,437	133,594	687
20	Rate M13	-	-	-	-	-	-	-	-	-	-
21	Rate M16	-	-	-	-	146	470	-	615	615	3
22	Total Ex-franchise	1,397,366	3,010,768	5,726	4,413,861	1,395,092	3,190,041	6,611	4,591,744	177,883	914
23	Rate 01	28,728	27,573	-	56,300	28,840	29,025	-	57,865	1,565	8
24	Rate 10	9,042	8,679	-	17,721	9,078	9,136	-	18,213	492	3
25	Rate 20	3,212	3,083	-	6,295	3,225	3,245	-	6,470	175	1
26	Rate 100	102	98	-	200	102	103	-	205	6	0
27	Rate 25	-	-	-	-	-	-	-	-	-	-
28	Total North In-franchise	41,084	39,432	-	80,516	41,245	41,509	-	82,754	2,238	12
29	Total (line 15 + line 22 + line 28)	1,545,082	3,155,710	5,726	4,706,518	1,621,397	3,428,135	6,611	5,056,144	349,626	1,797

Notes:

(1) Compressor fuel cost based on EB-2015-0255 October 2015 QRAM Ontario Landed reference price of \$5.140/GJ.

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

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

Notes:

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

UNION GAS LIMITED
Continuity of M12 Monthly Transportation Fuel Ratios and Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2016

Line No. Particulars		VT1 Easterly Dawn to Parkway (TCPL) With Dawn Compression						VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression						VT3 Westerly Parkway to Kirkwall, Dawn						
		2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016	
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)	
1	April	0.813	0.007	0.819	0.037	0.856	0.044	0.540	0.004	0.544	-	0.003	0.541	0.028	0.155	0.001	0.156	-	0.156	0.008
2	May	0.574	0.005	0.579	0.029	0.608	0.031	0.364	0.003	0.366	0.001	0.368	0.019	0.155	0.001	0.156	-	0.156	0.008	
3	June	0.470	0.004	0.473	0.032	0.505	0.026	0.263	0.002	0.265	0.004	0.270	0.014	0.361	0.003	0.364	0.031	0.395	0.020	
4	July	0.457	0.004	0.461	0.030	0.491	0.025	0.251	0.002	0.253	0.004	0.257	0.013	0.361	0.003	0.364	0.030	0.394	0.020	
5	August	0.360	0.003	0.363	0.028	0.390	0.020	0.156	0.001	0.157	-	0.000	0.157	0.008	0.359	0.003	0.362	0.032	0.393	0.020
6	September	0.356	0.003	0.359	0.027	0.386	0.020	0.156	0.001	0.157	-	0.000	0.157	0.008	0.356	0.003	0.358	0.031	0.389	0.020
7	October	0.706	0.006	0.712	0.023	0.734	0.038	0.469	0.004	0.473	-	0.012	0.461	0.024	0.155	0.001	0.156	-	0.156	0.008
8	November	0.851	0.007	0.858	0.019	0.877	0.045	0.612	0.005	0.616	0.001	0.618	0.032	0.155	0.001	0.156	-	0.156	0.008	
9	December	0.957	0.008	0.965	0.024	0.989	0.051	0.712	0.006	0.717	0.011	0.728	0.037	0.155	0.001	0.156	-	0.156	0.008	
10	January	1.100	0.009	1.109	0.030	1.139	0.059	0.842	0.007	0.848	0.015	0.864	0.044	0.155	0.001	0.156	-	0.156	0.008	
11	February	1.046	0.008	1.055	0.027	1.082	0.056	0.796	0.006	0.803	0.012	0.815	0.042	0.155	0.001	0.156	-	0.156	0.008	
12	March	0.985	0.008	0.993	0.018	1.011	0.052	0.729	0.006	0.734	-	0.003	0.731	0.038	0.155	0.001	0.156	-	0.156	0.008
		M12-X Easterly Kirkwall to Parkway (TCPL)						M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)						M12-X Westerly Parkway to Kirkwall, Dawn						
		2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016	
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)	
13	April	0.428	0.003	0.431	0.040	0.471	0.024	0.155	0.001	0.156	-	0.156	0.008	0.272	0.002	0.274	0.018	0.291	0.015	
14	May	0.366	0.003	0.369	0.028	0.396	0.020	0.155	0.001	0.156	-	0.156	0.008	0.272	0.002	0.274	0.018	0.291	0.015	
15	June	0.361	0.003	0.364	0.027	0.391	0.020	0.155	0.001	0.156	-	0.156	0.008	0.272	0.002	0.274	0.018	0.291	0.015	
16	July	0.361	0.003	0.364	0.026	0.390	0.020	0.155	0.001	0.156	-	0.156	0.008	0.272	0.002	0.274	0.018	0.291	0.015	
17	August	0.359	0.003	0.362	0.028	0.389	0.020	0.155	0.001	0.156	-	0.156	0.008	0.272	0.002	0.274	0.018	0.291	0.015	
18	September	0.356	0.003	0.358	0.027	0.385	0.020	0.155	0.001	0.156	-	0.156	0.008	0.272	0.002	0.274	0.018	0.291	0.015	
19	October	0.392	0.003	0.395	0.035	0.430	0.022	0.155	0.001	0.156	-	0.156	0.008	0.272	0.002	0.274	0.018	0.291	0.015	
20	November	0.394	0.003	0.397	0.018	0.415	0.021	0.155	0.001	0.156	-	0.156	0.008	0.155	0.001	0.156	-	0.156	0.008	
21	December	0.401	0.003	0.404	0.013	0.417	0.021	0.155	0.001	0.156	-	0.156	0.008	0.155	0.001	0.156	-	0.156	0.008	
22	January	0.413	0.003	0.417	0.015	0.432	0.022	0.155	0.001	0.156	-	0.156	0.008	0.155	0.001	0.156	-	0.156	0.008	
23	February	0.405	0.003	0.408	0.015	0.424	0.022	0.155	0.001	0.156	-	0.156	0.008	0.155	0.001	0.156	-	0.156	0.008	
24	March	0.412	0.003	0.415	0.021	0.436	0.022	0.155	0.001	0.156	-	0.156	0.008	0.155	0.001	0.156	-	0.156	0.008	

UNION GAS LIMITED

Continuity of M12 Monthly Transportation Authorized Overrun Fuel Ratios and Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2016

Line No.	Particulars	VT1 Easterly Dawn to Parkway (TCPL) With Dawn Compression						VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression						VT3 Westerly Parkway to Kirkwall, Dawn					
		2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
1	April	1.421	0.011	1.432	0.037	1.469	0.170	1.148	0.009	1.157	(0.003)	1.154	0.139	0.763	0.006	0.769	-	0.769	0.134
2	May	1.182	0.009	1.192	0.029	1.221	0.158	0.972	0.008	0.979	0.001	0.980	0.130	0.763	0.006	0.769	-	0.769	0.134
3	June	1.078	0.009	1.086	0.032	1.118	0.152	0.871	0.007	0.878	0.004	0.883	0.125	0.969	0.008	0.977	0.031	1.008	0.147
4	July	1.065	0.009	1.073	0.030	1.104	0.152	0.859	0.007	0.866	0.004	0.870	0.124	0.969	0.008	0.977	0.030	1.006	0.147
5	August	0.968	0.008	0.976	0.028	1.003	0.146	0.764	0.006	0.770	(0.000)	0.770	0.119	0.967	0.008	0.975	0.032	1.006	0.147
6	September	0.964	0.008	0.972	0.027	0.999	0.146	0.764	0.006	0.770	(0.000)	0.770	0.119	0.964	0.008	0.971	0.031	1.002	0.146
7	October	1.314	0.011	1.325	0.023	1.347	0.164	1.077	0.009	1.086	(0.012)	1.074	0.135	0.763	0.006	0.769	-	0.769	0.134
8	November	1.459	0.012	1.470	0.019	1.490	0.171	1.220	0.010	1.229	0.001	1.231	0.143	0.763	0.006	0.769	-	0.769	0.134
9	December	1.565	0.013	1.578	0.024	1.602	0.177	1.320	0.011	1.330	0.011	1.341	0.149	0.763	0.006	0.769	-	0.769	0.134
10	January	1.708	0.014	1.722	0.030	1.752	0.185	1.450	0.012	1.461	0.015	1.477	0.156	0.763	0.006	0.769	-	0.769	0.134
11	February	1.654	0.013	1.668	0.027	1.695	0.182	1.404	0.011	1.416	0.012	1.428	0.153	0.763	0.006	0.769	-	0.769	0.134
12	March	1.593	0.013	1.606	0.018	1.624	0.178	1.337	0.011	1.347	(0.003)	1.344	0.149	0.763	0.006	0.769	-	0.769	0.134
		M12-X Easterly Kirkwall to Parkway (TCPL)						M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)						M12-X Westerly Parkway to Kirkwall, Dawn					
		2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
13	April	1.036	0.008	1.044	0.040	1.084	0.071	0.763	0.006	0.769	-	0.769	0.055	0.880	0.007	0.887	0.018	0.904	0.141
14	May	0.974	0.008	0.981	0.028	1.009	0.067	0.763	0.006	0.769	-	0.769	0.055	0.880	0.007	0.887	0.018	0.904	0.141
15	June	0.969	0.008	0.977	0.027	1.004	0.067	0.763	0.006	0.769	-	0.769	0.055	0.880	0.007	0.887	0.018	0.904	0.141
16	July	0.969	0.008	0.977	0.026	1.003	0.067	0.763	0.006	0.769	-	0.769	0.055	0.880	0.007	0.887	0.018	0.904	0.141
17	August	0.967	0.008	0.975	0.028	1.002	0.067	0.763	0.006	0.769	-	0.769	0.055	0.880	0.007	0.887	0.018	0.904	0.141
18	September	0.964	0.008	0.971	0.027	0.998	0.066	0.763	0.006	0.769	-	0.769	0.055	0.880	0.007	0.887	0.018	0.904	0.141
19	October	1.000	0.008	1.008	0.035	1.043	0.069	0.763	0.006	0.769	-	0.769	0.055	0.880	0.007	0.887	0.018	0.904	0.141
20	November	1.002	0.008	1.010	0.018	1.028	0.068	0.763	0.006	0.769	-	0.769	0.055	0.763	0.006	0.769	-	0.769	0.134
21	December	1.009	0.008	1.017	0.013	1.030	0.068	0.763	0.006	0.769	-	0.769	0.055	0.763	0.006	0.769	-	0.769	0.134
22	January	1.021	0.008	1.030	0.015	1.044	0.069	0.763	0.006	0.769	-	0.769	0.055	0.763	0.006	0.769	-	0.769	0.134
23	February	1.013	0.008	1.021	0.015	1.037	0.068	0.763	0.006	0.769	-	0.769	0.055	0.763	0.006	0.769	-	0.769	0.134
24	March	1.020	0.008	1.028	0.021	1.049	0.069	0.763	0.006	0.769	-	0.769	0.055	0.763	0.006	0.769	-	0.769	0.134

UNION GAS LIMITED

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

Effective January 1, 2016

Line No.	Particulars	M13 Delivery Commodity Charge						M13 Authorized overrun - Delivery Commodity Charge					
		2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
1		0.155	0.001	0.156	-	0.156	0.008	0.155	0.001	0.156	-	0.156	0.079

		M16 Fuel Charges to Dawn						M16 Fuel Charges to Pool					
		2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
2	East	0.155	0.001	0.156	-	0.156	0.008	0.155	0.001	0.156	0.035	0.192	0.010
3	West	0.155	0.001	0.156	-	0.156	0.008	0.441	0.004	0.444	-	0.444	0.023

		M16 Authorized overrun - Fuel Charges to Dawn						M16 Authorized Overrun - Fuel Charges to Pool					
		2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
4	East	0.155	0.001	0.156	-	0.156	0.068	0.155	0.001	0.156	0.035	0.192	0.036
5	West	0.155	0.001	0.156	-	0.156	0.079	0.441	0.004	0.444	-	0.444	0.060

UNION GAS LIMITED

Continuity of C1 Monthly Transportation Fuel Ratios and Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2016

Line No.	Particulars	C1 St. Clair/Dawn						C1 Ojibway/Dawn						C1 Bluewater/Dawn					
		2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
1	Summer	0.204	0.002	0.205	-	0.205	0.011	0.441	0.004	0.444	-	0.444	0.023	0.204	0.002	0.205	-	0.205	0.011
2	Winter	0.262	0.002	0.264	-	0.264	0.014	0.299	0.002	0.301	-	0.301	0.015	0.262	0.002	0.264	-	0.264	0.014
3	Summer	C1 Dawn to Dawn TCPL						C1 Dawn to Dawn Vector											
		2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016						
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate						
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)						
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)						
3	Summer	0.155	0.001	0.156	-	0.156	0.008	0.335	0.003	0.337	-	0.337	0.017						
4	Winter	0.346	0.003	0.349	-	0.349	0.018	0.155	0.001	0.156	-	0.156	0.008						
5	Summer	C1 Parkway to Kirkwall						C1 Parkway to Dawn						C1 Kirkwall to Dawn					
		2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
5	Summer	0.272	0.002	0.274	0.018	0.292	0.015	0.272	0.002	0.274	0.018	0.292	0.015	0.155	0.001	0.156	-	0.156	0.008
6	Winter	0.155	0.001	0.156	-	0.156	0.008	0.155	0.001	0.156	-	0.156	0.008	0.155	0.001	0.156	-	0.156	0.008
7	Summer	C1 Dawn to Kirkwall						C1 Dawn to Parkway						C1 Kirkwall to Parkway					
		2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
7	Summer	0.314	0.003	0.317	(0.001)	0.316	0.016	0.534	0.004	0.538	0.029	0.567	0.029	0.375	0.003	0.378	0.030	0.408	0.021
8	Winter	0.738	0.006	0.744	0.007	0.751	0.039	0.988	0.008	0.996	0.024	1.020	0.052	0.405	0.003	0.408	0.016	0.425	0.022

UNION GAS LIMITED

Continuity of C1 Monthly Transportation Authorized Overrun Fuel Ratios and Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2016

Line No.	Particulars	C1 Authorized Overrun - St. Clair/Dawn						C1 Authorized Overrun - Ojibway/Dawn						C1 Authorized Overrun - Bluewater/Dawn					
		2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
1	Summer	0.204	0.002	0.205	-	0.205	0.047	0.441	0.004	0.444	-	0.444	0.060	0.204	0.002	0.205	-	0.205	0.047
2	Winter	0.262	0.002	0.264	-	0.264	0.050	0.299	0.002	0.301	-	0.301	0.052	0.262	0.002	0.264	-	0.264	0.050
3	Summer	C1 Authorized Overrun - Dawn to Dawn TCPL						C1 Authorized Overrun - Dawn to Dawn Vector											
		2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016						
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate						
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)						
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)						
4	Winter	0.155	0.001	0.156	-	0.156	0.008	0.335	0.003	0.337	-	0.337	0.017						
		0.346	0.003	0.349	-	0.349	0.018	0.155	0.001	0.156	-	0.156	0.008						
5	Summer	C1 Authorized Overrun - Parkway to Kirkwall						C1 Authorized Overrun - Parkway to Dawn						C1 Authorized Overrun - Kirkwall to Dawn					
		2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
6	Winter	0.880	0.007	0.887	0.018	0.904	0.123	0.880	0.007	0.887	0.018	0.904	0.123	0.155	0.001	0.156	-	0.156	0.040
		0.763	0.006	0.769	-	0.769	0.116	0.763	0.006	0.769	-	0.769	0.116	0.155	0.001	0.156	-	0.156	0.040
7	Summer	C1 Authorized Overrun - Dawn to Kirkwall						C1 Authorized Overrun - Dawn to Parkway						C1 Authorized Overrun - Kirkwall to Parkway					
		2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016	2015	PCI ADJ	2016	PDO ADJ	2016	2016
		Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Ratio	Excluding PDO	Fuel Ratio	Fuel Ratio	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
8	Winter	0.922	0.007	0.929	(0.001)	0.929	0.113	1.142	0.009	1.151	0.029	1.180	0.138	0.983	0.008	0.990	0.030	1.020	0.067
		1.346	0.011	1.357	0.007	1.364	0.137	1.596	0.013	1.609	0.024	1.633	0.163	1.013	0.008	1.021	0.016	1.038	0.068

UNION GAS LIMITED
Continuity of Rate T1, Rate T2, Rate T3 Transportation Fuel Ratios including the Parkway Delivery Obligation (PDO) Passthrough
Firm and Interruptible Transportation Fuel Ratios
Effective January 1, 2016

Line No.	Particulars	Application of PCI to 2015 Approved Fuel Ratios					Passthrough of Incremental 2016 Parkway Delivery Obligation Fuel				Total 2016 Transportation Fuel Ratio (%)
		2015 Fuel Ratio (1) (%)	2015 PDO Adjustment (2) (%)	2015 Adjusted (%)	PCI Adjustment (3) (%)	2015 Excluding PDO (%)	Incremental Fuel Volume (4) (GJ)	Incremental Fuel (5) (10 ³ m ³)	Annual Delivery Volume (10 ³ m ³)	Incremental PDO Fuel Ratio (%)	
		(a)	(b)	(c) = (a + b)	(d)	(e) = (c + d)	(f)	(g)	(h)	(i) = (h / g)	(j) = (e + i)
1	Rate T1	0.301%	-0.048%	0.253%	0.002%	0.255%	9,786	259	536,730	0.048%	0.303%
2	Rate T2	0.279%	-0.029%	0.250%	0.002%	0.252%	46,626	1,235	4,129,518	0.030%	0.282%
3	Rate T3	0.375%	-0.086%	0.289%	0.002%	0.291%	9,001	238	272,712	0.087%	0.378%

Notes:

- (1) EB-2014-0271, Working Papers, Schedule 22, column (h).
- (2) EB-2014-0271, Working Papers, Schedule 22, column (g).
- (3) PCI of 0.80% shown at Working Papers, Schedule 1, column (c) applied to column (a) above.
- (4) Incremental Parkway Delivery Obligation Fuel shown at Working Papers, Schedule 20, column (j).
- (5) Used heat value of 37.75 from 2013 Cost of Service EB-2011-0210.

APPENDIX B

DISTRIBUTION INTERRUPTIONS COMPLIANCE REPORTING SUMMARY

2015 Distribution Interruption

Location	Advanced Notice of Interruption to Customers (h:mm)	Interruption Start Date	Interruption End Date	Interrupted Customers	Interruption Day	Number of Non-Compliant Customers	Overrun Volume (m ³)
Panhandle	22:00	13/Jan/15	15/Jan/15	72	1	36	142,689
					2	29	112,615
						38	255,304
Sudbury	23:15	31/Jan/15	2/Feb/15	9	1	5	50,540
					2	7	66,350
						8	116,889
Panhandle	22:45	1/Feb/15	3/Feb/15	72	1	27	134,525
					2	25	141,021
						30	275,546
Panhandle	9:45	5/Feb/15	6/Feb/15	72	1	26	148,024
Panhandle	22:15	12/Feb/15	13/Feb/15	72	1	27	143,785
Sudbury	22:15	12/Feb/15	13/Feb/15	9	1	8	96,188
Sudbury	18:00	14/Feb/15	16/Feb/15	9	1	8	160,361
					2	8	99,662
						8	260,023
Panhandle	18:30	14/Feb/15	20/Feb/15	72	1	36	209,943
					2	30	215,538
					3	32	231,811
					4	29	176,288
					5	33	243,813
					6	36	279,655
						48	1,357,049
Panhandle	8:30	23/Feb/15	24/Feb/15	72	1	36	1,185,341