

October 07, 2016

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

Dear Ms. Walli:

Re: EB-2016-0245 – Union Gas Limited (“Union”) – 2017 Rates Evidence

Please find Union’s application and evidence for an order of the Ontario Energy Board (the “Board”) approving or fixing rates for the distribution, transmission and storage of natural gas, effective January 1, 2017. Union originally filed its 2017 Rates evidence with the Board September 9, 2016 incorporating customer-related and facility-related Greenhouse Gas obligation costs in 2017 rates. However, based on direction received from the Board, Union has removed the Greenhouse Gas obligation costs from its 2017 Rates application. Union will file to recover the Greenhouse Gas obligation costs separately in its 2017 Cap and Trade Compliance Plan proceeding (EB-2016-0296). In addition, Union updated the 2017 Rates evidence for the Board-approved October 1, 2016 QRAM.

If the proposed 2017 rate changes are approved by the Board, the total bill increase for a typical Union South residential customer consuming 2,200 m³ per year would amount to \$13 per year. For a typical Union North residential customer consuming 2,200 m³ per year, the total bill impact ranges from a decrease of \$50 to an increase of \$18 per year.

Union seeks the Board’s issuance of the final Rate Order by November 30, 2016 to ensure the implementation of 2017 rates by January 1, 2017. In the event that the Board does not issue a rate order by November 30, 2016 for implementation by Union on January 1, 2017, Union seeks an Order of the Board declaring Union’s rates as filed interim as of January 1, 2017. Union proposes to deal with any retrospective impact of the Board’s Decision through a rate rider for general service rate classes and a one-time adjustment for all other rate classes, which will recover any changes in rates ultimately approved by the Board’s order with effect from January 1, 2017.

Yours truly,

[original signed by]

Chris Ripley
Manager, Regulatory Applications

c.c.: 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 (Sched. B);

AND IN THE MATTER OF an Application by
Union Gas Limited, pursuant to section 36(1) of the
Ontario Energy Board Act, 1998, for an order or
orders approving or fixing just and reasonable rates
and other charges for the sale, distribution,
transmission and storage of gas as of January 1,
2017.

APPLICATION

1. Union Gas Limited (“Union”) is a business corporation incorporated under the laws of the province of Ontario, with its head office in the Municipality of Chatham-Kent.
2. Union conducts both an integrated natural gas utility business that combines the operations of distributing, transmitting and storing natural gas, and a non-utility storage business.
3. Union was an applicant in a proceeding before the Board for an order of the Board approving or fixing a multi-year incentive rate mechanism (“IRM”) to determine rates for the regulated distribution, transmission and storage of natural gas. The Board assigned EB-2013-0202 to Union’s application.
4. Union filed an IRM application with the Board on July 31, 2013. The application was supported by a comprehensive Settlement Agreement (the “Agreement”) between Union and stakeholders. The stakeholders party to the Agreement were parties who participated in Union’s 2008-2012 IRM proceeding and in the annual rate proceedings throughout the last IRM term. The proposed IRM parameters found in the Agreement were further supported by evidence and reports. The Board approved the Agreement on October 7, 2013.

5. Union's 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.
6. The IRM approved for Union contemplates the filing by Union of an application for Z factor adjustments, structural rate design changes or the pricing of new regulated services in a time frame that will enable these issues to be resolved in sufficient time to be reflected prospectively in the next year's rates. This requires the filing of a draft Rate Order with supporting documentation which reflects the impact of the PCI pricing formula so that a final Rate Order will be issued for implementation by January 1, 2017.
7. Union hereby applies to the Board, pursuant to section 36 of the Act and pursuant to the annual rate-setting process underlying the IRM in the Agreement, for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas effective January 1, 2017.
8. Union further applies to the Board for all necessary orders and directions concerning pre-hearing and hearing procedures for the determination of this application.
9. This application is supported by written evidence that has been filed with this application and may be amended from time to time as circumstances may require.
10. The persons affected by this application are the customers resident or located in the municipalities, police villages and Indian reserves served by Union, together with those to whom Union sells gas, or on whose behalf Union distributes, transmits or stores gas. It is impractical to set out in this application the names and addresses of such persons because they are too numerous.

11. The address of service for Union is:

Union Gas Limited

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

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

- and -

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

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

DATED October 7, 2016.

UNION GAS LIMITED

[Original signed by]

Chris Ripley
Manager, Regulatory Applications

PREFILED EVIDENCE

The purpose of this evidence is to describe proposed changes to Union’s regulated transportation, storage and distribution rates effective January 1, 2017 determined in accordance with the Board-approved 2014-2018 Incentive Regulation (“IR”) application (EB-2013-0202), Settlement Agreement and supporting evidence (collectively “the Agreement”). The Board approved the Agreement on October 7, 2013.

The Board-approved Agreement sets out a multi-year incentive ratemaking mechanism (“IRM”) for calendar years 2014 to 2018. The framework includes a price cap index (“PCI”), where rates are a function of: an inflation factor (“I”), a productivity factor (“X”), certain non-routine adjustments (Z factors), certain predetermined pass-throughs (Y factors), and an adjustment for Normalized Average Consumption (“NAC”) to reflect changes in consumption in the general service rate classes. The 2017 rate setting process described below follows the same approach used to set 2016 rates in EB-2015-0116.

This evidence is organized under the following headings:

Tab 1

1. 2017 Inflation Factor and Productivity Factor
2. Z Factor Adjustments
3. Y Factor Adjustments
4. Normalized Average Consumption Adjustment

5. Union North Cost Allocation and Rate Design Implementation

6. General Service Delivery Rate Adjustment

7. Parkway Delivery Commitment Incentive

8. Customer Bill Impacts

9. Rate Schedule Changes

10. New Deferral Accounts

11. Deferral Account Closure Requests

12. Implementation

13. Distribution Interruptions

Tab 2

Parkway Delivery Obligation Reporting

Tab 3

Gas Supply Memorandum

Tab 4

Customer Managed Service

A description of the supporting schedules referred to below is provided in the Overview of Working Papers document following Tab 1. A summary of Union's 2017 proposed revenue changes is provided in Table 1 below.

Table 1
Proposed Changes in Revenue
Effective January 1, 2017

Line No.	Particulars	(\$000's)
	<u>Summary Change in Revenue:</u>	
1	2017 Proposed in EB-2016-0245	1,215,646
2	2016 Approved in EB-2016-0247	<u>1,169,572</u>
3	Net Change (line 1 - line 2)	<u><u>46,074</u></u>
	<u>Detail Change in Revenue:</u>	
4	2017 Price Cap Index (0.66%)	6,006
5	2017 Union North Redesign	(25,764)
6	2017 DSM Budget Change	1,749
7	2017 Capital Pass-throughs	46,557
8	2017 Parkway Delivery Obligation	17,525
9	2017 Facility-Related GHG Obligation	<u>-</u>
10	Total (line 4 through line 9)	<u><u>46,074</u></u>

1

2 **1. 2017 INFLATION FACTOR AND PRODUCTIVITY FACTOR**

3 The inflation factor used in Union's PCI mechanism is the actual year-over-year percentage
4 change in the annualized average of four quarters (using Q2 to Q2) of Statistics Canada's
5 Gross Domestic Product Implicit Price Index Final Domestic Demand ("GDP IPI FDD").
6 The inflation factor is adjusted annually on this basis with no restatement for adjustments by
7 Statistics Canada. For 2017 rates, the inflation factor is 1.66%. It is based on the actual
8 change in the GDP IPI FDD from 2015 Q2 to 2016 Q2. The calculation is provided at Rate
9 Order, Working Papers, Schedule 1.

1 The approved annual productivity (“X”) factor for the IR term is expressed as a percentage of
2 inflation. Specifically, for each year of the IR term productivity is 60% of GDP IPI FDD,
3 inclusive of a stretch factor. This results in an annual rate escalation factor, before the impact
4 of Y and Z factors and earnings sharing, of 40% of GDP IPI FDD. For 2017 rates, the X
5 factor is 1.00% and the PCI is 0.66%.

6 7 **2. Z FACTOR ADJUSTMENTS**

8 **Treatment of Tax Savings**

9 Consistent with the Board-approved Agreement, Union will maintain an equal and symmetrical
10 sharing of tax changes over the IR term, sharing the impact of tax changes 50:50 as applied to
11 the tax level reflected in rates. Beginning January 1, 2017, changes are expected to the tax
12 treatment of cumulative eligible capital (“CEC”). Currently, 75% of eligible capital expenditures
13 (such as licences, acquisition of goodwill, customer lists, etc.), are included in a CEC pool. A
14 deduction can be claimed at the rate of 7% per year on a declining balance basis. Under the
15 proposed rules, beginning January 1, 2017, 100% of CECs will be included in a new Capital
16 Cost Allowance (“CCA”) Class 14.1, rather than the previous CEC pool. There will be a 5%
17 depreciation rate, and current rules that apply to depreciable property, such as the ‘half-year
18 rule’, recapture and capital gains, will apply to the properties included in Class 14.1. CEC
19 balances from the current system will be transferred to the new Class 14.1 pool as of January 1,
20 2017. The opening balance of the Class 14.1 pool will be equal to the CEC balance as at
21 December 31, 2016. The CCA depreciation rate for property included in the Class 14.1 pool

related to expenditures incurred before January 1, 2017, will be 7% until 2027. The financial impact that would otherwise relate to 2017 rates is approximately \$2,000, subject to 50:50 sharing. Due to materiality, Union has not reflected this amount in 2017 rates.

3. Y FACTOR ADJUSTMENTS

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

- Cost of gas and upstream transportation costs as defined in EB-2011-0210;
- DSM budget changes as determined in EB-2015-0029 and any subsequent Board proceeding;
- Lost Revenue Adjustment Mechanism (“LRAM”) for the contract rate classes;
- Unaccounted for gas volume variances; and,
- Major capital additions.

3.1 Cost of Gas and Upstream Transportation Costs

Union’s current upstream gas costs are as filed in Union’s October 1, 2016 QRAM (EB-2016-0247). Changes in upstream gas costs will continue to be determined using the Board-approved QRAM methodology. Rate Order, Working Papers, Schedule 15 provides the allocation of upstream transportation costs by rate class included in current approved revenue.

1 3.2 DSM Budget Changes

2 Consistent with the Board's Revised Decision in the 2015-2020 DSM Plan proceeding (EB-
3 2015-0029) dated February 24, 2016, Union has included an approved DSM budget of \$58.6
4 million in 2017 rates. The difference between the 2017 DSM budget and actual 2017 DSM
5 budget will be captured in the Demand Side Management Variance Account ("DSMVA").
6 The allocation to rate classes can be found at Rate Order, Working Papers, Schedule 11.

7
8 3.3 LRAM for the Contract Rate Classes

9 For contract rate classes, Union will continue to adjust volumes and calculate rates to capture
10 the LRAM volume impacts. As the 2015 DSM audit process is not yet complete, Union
11 proposes to adjust 2017 volumes by 2015 pre-audit results. The variance related to the
12 difference between the 2015 pre-audit and post-audit results will be captured in the LRAM
13 Deferral Account.

14
15 Consistent with 2016 rates, the 2015 pre-audit LRAM results by rate class are determined
16 based on the rate class of a customer at December 31, 2015. In order to align the 2015 pre-
17 audit LRAM results with the rate class of the customer in the Board-approved forecast
18 volume, Union transferred the LRAM pre-audit results of the identified customers in Rate M7
19 of 13,926 10³m³ to rate classes M4 and M5A based on the rate class of the customer in 2013
20 Board-approved volumes.
21 Rate Order, Working Papers, Schedule 17 provides the LRAM volume adjustments by rate
22 class.

1 3.4 Major Capital Additions

2 Consistent with the Board-approved Agreement, parties agreed that Union's 2014-2018 IR
3 term would include Y factor treatment for major capital projects, subject to the projects
4 meeting certain eligibility criteria. Union includes a capital pass-through mechanism to adjust
5 rates during the IR term to reflect the associated impacts of significant capital investments
6 made throughout the IR term deemed "not-business-as-usual".

7
8 The Board approved capital pass-through treatment on Union's Leave-to-Construct applications
9 for the proceedings listed below. Union has included the Board-approved 2017 costs for each of
10 the proceedings in 2017 rates.

- 11 1. Parkway West Project – EB-2012-0433;
12 2. Brantford-Kirkwall / Parkway D Project – EB-2013-0074;
13 3. Dawn Parkway 2016 System Expansion Project – EB-2014-0261;
14 4. Burlington Oakville Pipeline Project – EB-2014-0182; and,
15 5. 2017 Dawn Parkway Project – EB-2015-0200.

16 Please see Rate Order, Working Papers, Schedule 10 for the 2017 rate adjustments by rate class.

1 **4. NORMALIZED AVERAGE CONSUMPTION ADJUSTMENT**

2 Consistent with the Board-approved Agreement, Union adjusts general service rates annually
3 during the 2014-2018 IR term for the changes in NAC. NAC incorporates all volume
4 changes, including changes due to average use and DSM activities (LRAM) for general
5 service rate classes.

6
7 Consistent with the 2016 methodology, Union adjusted the general service storage and
8 delivery rates for the 2015 actual NAC, using the Board-approved weather normal
9 methodology blend of 50:50 (30-year average and 20-year declining trend). For 2017, the
10 NAC adjustment is the variance between 2014 Actual NAC and 2015 Actual NAC, as seen in
11 Rate Order, Working Papers, Schedule 12.

12
13 **5. UNION NORTH COST ALLOCATION AND RATE DESIGN IMPLEMENTATION**

14 In 2017 rates, Union has implemented changes to Union North storage and transportation rates in
15 accordance with the Dawn Reference Price (EB-2015-0181) Settlement Proposal (the
16 “Settlement”) approved by the Board on January 7, 2016.

17
18 Union updated the 2017 Union North storage and transportation rates to reflect the gas supply
19 plan for the 2017 calendar year as filed in EB-2015-0181 and agreed to in the Settlement. The
20 changes to storage and transportation rates are based on a detailed cost allocation for each of the
21 new Union North West and Union North East Zones. Within each of the two Union North
22 Zones, Union has set storage and transportation rates on a postage stamp basis. The Union North

1 West Zone is comprised of the Centrat Manitoba Delivery Area (“MDA”) (i.e. the Fort Frances
2 Zone), Union Western Delivery Area (“WDA”) and the Union Sault Ste. Marie Delivery Area
3 (“SSMDA”). The Union North East Zone is comprised of the Union North Delivery Area
4 (“NDA”), Union North Central Delivery Area (“NCDA”) and Union East Delivery Area
5 (“EDA”).

6
7 Per the Settlement, Union has also included upstream transportation fuel costs for both Union
8 North sales service and bundled DP customers in the Union North West and Union North East
9 transportation rates. The upstream transportation fuel for sales service customers is currently
10 recovered in gas commodity rates and the upstream transportation fuel for bundled DP customers
11 is currently provided as fuel in-kind. Effective January 1, 2017, Union will remove the upstream
12 transportation fuel costs from the Union North gas commodity rate as part of its January, 2017
13 QRAM application, and bundled DP customers will no longer provide fuel in-kind. The Union
14 North transportation rates will be updated each quarter as part of Union’s QRAM process to
15 reflect changes in the reference price used to determine the cost of the upstream transportation
16 compressor fuel requirements.

17
18 The cost allocation for the cost-based storage and transportation costs by Zone is provided at
19 Rate Order, Working Papers, Schedule 23. The 2017 gas supply plan has been updated to reflect
20 the reference price and tolls per the October, 2016 QRAM (EB-2016-0247).

1 In accordance with the Settlement, Union will implement changes for each of the new Union
2 North zones gas commodity and fuel rates with Union's January, 2017 QRAM application.
3 Changes to the reference price used to set gas commodity rates to account for the changing gas
4 supply portfolio will be implemented with the QRAM coincident with or immediately following
5 the TransCanada King's North Project in-service date.

6
7 **6. GENERAL SERVICE DELIVERY RATE ADJUSTMENT**

8 Consistent with 2016 rates, Union adjusted small volume general service Rate M1 and Rate 01
9 distribution customer-related costs during the 2014-2018 IR term on a revenue neutral basis by
10 adjusting the 2017 customer-related cost variance over all of the delivery volumes within each of
11 the Rate M1 and Rate 01 rate classes.

12
13 **7. PARKWAY DELIVERY COMMITMENT INCENTIVE**

14 In Union's 2014 Rates (EB-2013-0365) Decision and Order, the Board approved the Settlement
15 Framework for Reduction of Parkway Delivery Obligation. As part of the Settlement
16 Framework the Board approved payment of a Parkway Delivery Commitment Incentive
17 ("PDCI") for any continued obligated DCQ deliveries at Parkway beginning November 1, 2016
18 to DP and sales service customers for all PDO volumes.

19
20 As agreed in the Settlement, the PDCI credit is set at the M12 Dawn to Parkway toll at 100%
21 load factor including fuel. In Union's 2016 Rates application (EB-2015-0116), Union included

1 the PDCI credit on the applicable rate schedules and has updated the PDCI credit to reflect the
2 proposed 2017 Rate M12 demand and fuel rate for 2017 rates.

3
4 Beginning November 1, 2016, the PDCI credit will be paid monthly to DP customers based on
5 their obligated DCQ volumes at Parkway. The PDCI credit will be paid monthly to sales service
6 customers by way of the South Purchase Gas Variance Accounts ("SPGVA") based on the
7 Parkway deliveries in Union's gas supply portfolio. Union is proposing to use the SPGVA to
8 provide the PDCI credit to sales service customers rather than including the PDCI credit in the
9 gas supply transportation rate as was set out in the Settlement Framework. Union is proposing to
10 use the SPGVA rather than the gas supply transportation rate because the Union South
11 transportation rate will be set to zero effective January 1, 2017, per Union's Dawn Reference
12 Price proceeding (EB-2015-0181).

13
14 Union is including the PDCI costs of \$16.6 million in rates effective January 1, 2017. Per the
15 Settlement, Union has allocated the PDCI costs to rate classes consistent with the allocation of
16 other PDO costs included in rates. The PDCI costs for the period of November 1, 2016 to
17 December 31, 2016 will be recorded in the Parkway Obligation Rate Variance Deferral Account.
18 Please see Rate Order, Working Papers, Schedule 20 for the calculation of the 2017 PDCI costs
19 and allocation to rate classes.

1 **8. CUSTOMER BILL IMPACTS**

2 The bill impact for a typical residential customer consuming 2,200 m³ annually in the Union
3 South area is an increase of \$13 per year. The bill impact for a typical residential customer
4 consuming 2,200 m³ annually in the Union North area is a decrease of \$50 to an increase of
5 \$18 per year.

6
7 Rate Order, Working Papers, Schedule 6 provides average 2017 unit price changes for all in-
8 franchise rate classes. Rate Order, Working Papers, Schedule 8 provides customer bill
9 impacts for general service rate classes M1, M2, Rate 01 and Rate 10. Rate Order, Working
10 Papers, Schedule 9 provides the bill impact for all in-franchise rate classes for both sales
11 service and direct purchase customers.

12
13 Bill impacts do not reflect changes to Union's gas commodity and fuel rates that will be
14 implemented with Union's January 1, 2017 QRAM application.

15
16 **9. RATE SCHEDULE CHANGES**

17 **Elimination of Union North Rate S1**

18 Union is proposing to eliminate the Union North general service unbundled storage Rate S1 rate
19 schedule effective January 1, 2017.

20
21 Union is proposing to eliminate the Rate S1 rate schedule during the IRM term since Rate S1
22 was not updated for the Union North storage and transportation rate changes, per Union's Dawn

1 Reference Price proceeding (EB-2015-0181). Union did not update the Rate S1 rate schedule as
2 part of that proceeding because no customers contracted for the Union North general service
3 unbundled storage service under Rate S1.

4
5 The Rate S1 rate schedule was first introduced in January 1, 2000 as part of the RP-1999-0017
6 Decision. The Rate S1 general service unbundled storage service has been available for over 15
7 years and no customers have contracted for the service since it was introduced. Union is also not
8 forecasting any customers to take the service. Accordingly, the elimination of the Rate S1 rate
9 schedule will result in no customer impacts. Consistent with this proposal, the contract
10 unbundled storage service offerings were eliminated from Union's rate schedules as part of
11 Union's 2013 Cost of Service proceeding (EB-2011-2010).

12 13 **10. NEW DEFERRAL ACCOUNTS**

14 There are no new deferral account requests.

15 16 **11. DEFERRAL ACCOUNT CLOSURE REQUESTS**

17 Gas Supply Review – Consultant Cost (Account No. 179-128)

18 The Gas Supply Review – Consultation Cost account was established as part of Union's 2013
19 Cost of Service proceeding (EB-2011-0210). In the proceeding, the Board ordered Union to
20 file an expert, independent review of its gas supply plan, its gas supply planning process, and
21 its gas supply planning methodology. The Board directed Union to establish a deferral
22 account to capture the cost of the expert, independent review. Union filed the review in its

1 updated 2012 Deferrals Disposition evidence dated November 11, 2013. Union requests
2 approval to close the Gas Supply Review – Consultant Cost Deferral Account (Account
3 No.179-128) effective January 1, 2017.

4
5 Carbon Dioxide Offset Credits (Account No. 179-117)

6 In Union’s Demand Side Management (“DSM”) Generic Issues Review proceeding (EB-
7 2006-0021), the Board ordered Union to establish a deferral account to deal with existing or
8 future carbon dioxide offset credits for dollar amounts representing proceeds from the sale or
9 other dealings in credits related to DSM plans and programs. When the deferral account was
10 established, the rules related to carbon dioxide offset credits were unknown and the purpose
11 of the account was to mitigate risks associated with this unknown. The account has never
12 held a balance. Union requests approval to close the Carbon Dioxide Offset Credits Deferral
13 Account (Account No. 179-117) effective January 1, 2017.

14
15 **12. IMPLEMENTATION**

16 Union proposes to implement new rates effective January 1, 2017 as described in the Rate
17 Setting Process of the EB-2013-0202 Settlement Agreement at Section 13.1. Union therefore
18 requests a decision by November 30, 2016. This timing allows 2017 rates to be implemented
19 prospectively and aligns with the January 1, 2017 QRAM process.

20
21 In the event that the Board does not issue a rate order by November 30, 2016 for implementation
22 by Union on January 1, 2017, Union seeks an Order of the Board declaring Union’s rates as filed

1 interim as of January 1, 2017. Union proposes to deal with any retrospective impact of the
2 Board's Decision through a rate rider for general service rate classes and a one-time adjustment
3 for all other rate classes, which will recover any changes in rates ultimately approved by the
4 Board's order with effect from January 1, 2017.

5
6 **13. DISTRIBUTION INTERRUPTIONS**

7 In Union's 2016 Rates Settlement Agreement (EB-2015-0116), Union agreed to provide
8 information on distribution interruptions as part of its annual rate application. Please see
9 Appendix A for Union's 2016 Distribution Interruptions.

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)	
Sudbury	22:50	13/Feb/16	14/Feb/16	10	1	5	122,510	
						5	122,510	
Panhandle	24:15	12/Feb/16	14/Feb/16	72	1	3	22,446	
						2	4	23,496
							4	45,942
Madoc	24:30	12/Feb/16	14/Feb/16	1	1	0	0	
					2	0	0	
						0	0	

EB-2016-0245
Rate Order for 2017 Rates
Index of Appendices

Appendix A	Summary of Changes to Sales Rates
Appendix B	Rate Schedules
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APPENDIX A

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

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
1	Monthly Charge - All Zones	\$21.00		\$21.00
	Monthly Delivery Charge - All Zones			
	Including Customer-Related GHG Obligation			
2	First 100 m ³			
3	Next 200 m ³			
4	Next 200 m ³			
5	Next 500 m ³			
6	Over 1,000 m ³			
	Excluding Customer-Related GHG Obligation			
7	First 100 m ³	8.9080	0.3494	9.2574
8	Next 200 m ³	8.6825	0.3419	9.0244
9	Next 200 m ³	8.3287	0.3280	8.6567
10	Next 500 m ³	8.0040	0.3152	8.3192
11	Over 1,000 m ³	7.7358	0.3046	8.0404
12	Delivery - Price Adjustment (All Volumes)	1.3070 (1)	(0.6393)	0.6677 (2)
	Gas Transportation Service			
13	Union North West Zone (previously Fort Frances)	5.8185	0.9107	6.7292
14	Union North West Zone (previously Western Zone)	4.9868	1.7424	6.7292
15	Union North West Zone (previously Northern Zone)	6.4915	0.2377	6.7292
16	Union North East Zone (previously Northern Zone)	6.4915	(3.5260)	2.9655
17	Union North East Zone (previously Eastern Zone)	7.7619	(4.7964)	2.9655
18	Transportation - Price Adjustment (All Zones)	0.3919 (3)		0.3919 (3)
	Storage Service			
19	Union North West Zone (previously Fort Frances)	3.6786	(1.6197)	2.0589
20	Union North West Zone (previously Western Zone)	3.3463	(1.2874)	2.0589
21	Union North West Zone (previously Northern Zone)	3.9476	(1.8887)	2.0589
22	Union North East Zone (previously Northern Zone)	3.9476	2.6744	6.6220
23	Union North East Zone (previously Eastern Zone)	4.4552	2.1668	6.6220
24	Storage - Price Adjustment (All Zones)	-		-
	Commodity Cost of Gas and Fuel			
25	Fort Frances	11.2726	(0.0008)	11.2718
26	Western Zone	11.3542	(0.0008)	11.3534
27	Northern Zone	11.4805	(0.0008)	11.4797
28	Eastern Zone	11.5808	(0.0008)	11.5800
29	Commodity and Fuel - Price Adjustment (All Zones)	(1.6907) (4)		(1.6907) (4)

Notes:

- (1) Includes a temporary charge of 0.6393 cents/m³ expiring December 31, 2016, and temporary charges of 0.6186 and 0.0491 cents/m³ expiring March 31, 2017.
- (2) Includes temporary charges of 0.6186 and 0.0491 cents/m³ expiring March 31, 2017.
- (3) Includes Prospective Recovery of (0.3510), (0.0065), 0.0388, and 0.2015 cents/m³, and a temporary charge of 0.5091 cents/m³ expiring March 31, 2017.
- (4) Includes Prospective Recovery of 0.4405, (1.0675), (0.9289), and (0.1348) 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-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
	Including Customer-Related GHG Obligation			
2	First 1,000 m ³			
3	Next 9,000 m ³			
4	Next 20,000 m ³			
5	Next 70,000 m ³			
6	Over 100,000 m ³			
	Excluding Customer-Related GHG Obligation			
7	First 1,000 m ³	7.2298	0.5273	7.7571
8	Next 9,000 m ³	5.8947	0.4299	6.3246
9	Next 20,000 m ³	5.2108	0.4422	5.6530
10	Next 70,000 m ³	4.7160	0.4002	5.1162
11	Over 100,000 m ³	2.8414	0.2411	3.0825
12	Delivery - Price Adjustment (All Volumes)	1.2320 (1)	(0.5971)	0.6349 (2)
	Gas Transportation Service			
13	Union North West Zone (previously Fort Frances)	5.1333	0.7596	5.8929
14	Union North West Zone (previously Western Zone)	4.3016	1.5913	5.8929
15	Union North West Zone (previously Northern Zone)	5.8063	0.0866	5.8929
16	Union North East Zone (previously Northern Zone)	5.8063	(3.0760)	2.7303
17	Union North East Zone (previously Eastern Zone)	7.0767	(4.3464)	2.7303
18	Transportation - Price Adjustment (All Zones)	0.4196 (3)		0.4196 (3)
	Storage Service			
19	Union North West Zone (previously Fort Frances)	2.4007	(0.8512)	1.5495
20	Union North West Zone (previously Western Zone)	2.0684	(0.5189)	1.5495
21	Union North West Zone (previously Northern Zone)	2.6697	(1.1202)	1.5495
22	Union North East Zone (previously Northern Zone)	2.6697	2.0065	4.6762
23	Union North East Zone (previously Eastern Zone)	3.1773	1.4989	4.6762
24	Storage - Price Adjustment (All Zones)	-		-
	Commodity Cost of Gas and Fuel			
25	Fort Frances	11.2726	(0.0008)	11.2718
26	Western Zone	11.3542	(0.0008)	11.3534
27	Northern Zone	11.4805	(0.0008)	11.4797
28	Eastern Zone	11.5808	(0.0008)	11.5800
29	Commodity and Fuel - Price Adjustment (All Zones)	(1.6907) (4)		(1.6907) (4)

Notes:

- (1) Includes a temporary charge of 0.5971 cents/m³ expiring December 31, 2016, and temporary charges of 0.4730 and 0.1619 cents/m³ expiring March 31, 2017.
- (2) Includes temporary charges of 0.4730 and 0.1619 cents/m³ expiring March 31, 2017.
- (3) Includes Prospective Recovery of (0.3498), (0.0052), 0.0415, and 0.2019 cents/m³, and a temporary charge of 0.5312 cents/m³ expiring March 31, 2017.
- (4) Includes Prospective Recovery of 0.4405, (1.0675), (0.9289), and (0.1348) 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-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
1	Monthly Charge	\$932.79	(\$48.33)	\$884.46
2	Delivery Demand Charge			
3	First 70,000 m ³	29.3047	(0.6721)	28.6326
	All over 70,000 m ³	17.2326	(0.3952)	16.8374
	Delivery Commodity Charge			
	Including Customer-Related GHG Obligation			
4	First 852,000 m ³			
5	All over 852,000 m ³			
	Excluding Customer-Related GHG Obligation			
6	First 852,000 m ³	0.5891	(0.0242)	0.5649
7	All over 852,000 m ³	0.4282	(0.0176)	0.4106
	Monthly Gas Supply Demand Charge			
8	Union North West Zone (previously Fort Frances)	55.7556	0.0929	55.8485
9	Union North West Zone (previously Western Zone)	34.5138	21.3347	55.8485
10	Union North West Zone (previously Northern Zone)	72.9435	(17.0950)	55.8485
11	Union North East Zone (previously Northern Zone)	72.9435	(23.2168)	49.7267
12	Union North East Zone (previously Eastern Zone)	105.4062	(55.6795)	49.7267
13	Gas Supply Demand - Price Adjustment (All Zones)	-		-
	Commodity Transportation 1			
14	Union North West Zone (previously Fort Frances)	4.4802	(0.9177)	3.5625
15	Union North West Zone (previously Western Zone)	4.0146	(0.4521)	3.5625
16	Union North West Zone (previously Northern Zone)	4.8570	(1.2945)	3.5625
17	Union North East Zone (previously Northern Zone)	4.8570	(2.2491)	2.6079
18	Union North East Zone (previously Eastern Zone)	5.5682	(2.9603)	2.6079
19	Transportation 1 - Price Adjustment (All Zones)	(0.0806) (1)		(0.0806) (1)
	Commodity Transportation 2			
20	Union North West Zone (previously Fort Frances)	-		-
21	Union North West Zone (previously Western Zone)	-		-
22	Union North West Zone (previously Northern Zone)	-		-
23	Union North East Zone (previously Northern Zone)	-		-
24	Union North East Zone (previously Eastern Zone)	-		-
	Commodity Cost of Gas and Fuel			
25	Fort Frances	11.0099	(0.0008)	11.0091
26	Western Zone	11.0896	(0.0008)	11.0888
27	Northern Zone	11.2128	(0.0008)	11.2120
28	Eastern Zone	11.3108	(0.0008)	11.3100
29	Commodity and Fuel - Price Adjustment (All Zones)	(1.6907) (2)		(1.6907) (2)
	Bundled Storage Service (\$/GJ)			
30	Monthly Demand Charge	12.489	7.622	20.111
31	Commodity Charge	0.159	0.047	0.206
32	Storage Demand - Price Adjustment	-		-

Notes:

- (1) Includes Prospective Recovery of (0.3725), 0.0235, 0.0609, and 0.2075 cents/m³.
(2) Includes Prospective Recovery of 0.4405, (1.0675), (0.9289), and (0.1348) 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-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
1	Monthly Charge	\$1,423.71	(\$50.96)	\$1,372.75
2	Delivery Demand Charge All Zones	15.5220	(0.4137)	15.1083
3	Delivery Commodity Charge All Zones			
4	Including Customer-Related GHG Obligation			
4	Excluding Customer-Related GHG Obligation	0.2252	(0.0047)	0.2205
5	Monthly Gas Supply Demand Charge Union North West Zone (previously Fort Frances Zone)	103.8605	8.2389	112.0994
6	Union North West Zone (previously Western Zone)	79.0784	33.0210	112.0994
7	Union North West Zone (previously Northern Zone)	123.9130	(11.8136)	112.0994
8	Union North East Zone (previously Northern Zone)	123.9130	34.5294	158.4424
9	Union North East Zone (previously Eastern Zone)	161.7862	(3.3438)	158.4424
10	Gas Supply Demand - Price Adjustment (All Zones)	-		-
11	Commodity Transportation 1 Union North West Zone (previously Fort Frances Zone)	7.1222	(0.8337)	6.2885
12	Union North West Zone (previously Western Zone)	6.7730	(0.4845)	6.2885
13	Union North West Zone (previously Northern Zone)	7.4048	(1.1163)	6.2885
14	Union North East Zone (previously Northern Zone)	7.4048	1.6565	9.0613
15	Union North East Zone (previously Eastern Zone)	7.9382	1.1231	9.0613
16	Transportation 1 - Price Adjustment (All Zones)	-		-
17	Commodity Transportation 2 Union North West Zone (previously Fort Frances Zone)	-		-
18	Union North West Zone (previously Western Zone)	-		-
19	Union North West Zone (previously Northern Zone)	-		-
20	Union North East Zone (previously Northern Zone)	-		-
21	Union North East Zone (previously Eastern Zone)	-		-
22	Commodity Cost of Gas and Fuel Fort Frances	11.0099	(0.0008)	11.0091
23	Western Zone	11.0896	(0.0008)	11.0888
24	Northern Zone	11.2128	(0.0008)	11.2120
25	Eastern Zone	11.3108	(0.0008)	11.3100
26	Commodity and Fuel - Price Adjustment (All Zones)	(1.6907) (1)		(1.6907) (1)
27	Bundled Storage Service (\$/GJ) Monthly Demand Charge	12.489	7.622	20.111
28	Commodity Charge	0.159	0.047	0.206
29	Storage Demand - Price Adjustment	-		-

Notes:

(1) Includes Prospective Recovery of 0.4405, (1.0675), (0.9289), and (0.1348) cents/m³.

UNION GAS LIMITED
Union North
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>Rate 25 - Large Volume Interruptible Service</u>			
1	Monthly Charge	\$331.70	(\$24.95)	\$306.75
	Delivery Charge - All Zones *			
	Maximum			
2	Including Customer-Related GHG Obligation			
3	Excluding Customer-Related GHG Obligation	4.7943	0.3762	5.1705
	Gas Supply Charges - All Zones			
4	Minimum	1.4848		1.4848
5	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-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>Utility Sales</u>			
1	Commodity and Fuel	11.5706	(0.0008)	11.5698
2	Commodity and Fuel - Price Adjustment	(0.6779) (1)		(0.6779) (1)
3	Transportation	4.2031		4.2031
4	Total Gas Supply Commodity Charge	15.0958	(0.0008)	15.0950
	<u>M4 Firm Commercial/Industrial</u>			
5	Minimum annual gas supply commodity charge	4.8603	(0.0008)	4.8595
	<u>M4 / M5A Interruptible Commercial/Industrial</u>			
6	Minimum annual gas supply commodity charge	4.8603	(0.0008)	4.8595
	<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	59.279		59.279
8	Firm backstop gas	1.693	(0.001)	1.692
	Commodity charges:			
9	Gas supply	2.932		2.932
10	Backstop gas	4.477	0.035	4.512
11	Reasonable Efforts Backstop Gas	5.305	0.165	5.470
12	Supplemental Inventory	Note (2)		Note (2)
13	Supplemental Gas Sales Service (cents/m ³)	18.7530	0.1389	18.8919
14	Failure to Deliver	2.573	0.165	2.738
15	Discretionary Gas Supply Service (DGSS)	Note (3)		Note (3)

Notes:

- (1) Includes Prospective Recovery of (0.1174), (0.0942), (0.4849), and (0.1771) cents/m³, and a temporary charge of 0.1957 cents/m³ expiring March 31, 2017.
- (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.

UNION GAS LIMITED
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>Rate M1 - Small Volume General Service Rate</u>			
1	Monthly Charge	\$21.00		\$21.00
	Including Customer-Related GHG Obligation			
2	First 100 m ³			
3	Next 150 m ³			
4	All over 250 m ³			
	Excluding Customer-Related GHG Obligation			
5	First 100 m ³	4.1132	0.6274	4.7406
6	Next 150 m ³	3.9046	0.5956	4.5002
7	All over 250 m ³	3.3656	0.5134	3.8790
8	Delivery - Price Adjustment (All Volumes)	0.9331 (1)	(0.4966)	0.4365 (2)
9	Storage Service	0.7027	0.0126	0.7153
10	Storage - Price Adjustment	-		-
	<u>Rate M2 - Large Volume General Service Rate</u>			
11	Monthly Charge	\$70.00		\$70.00
	Including Customer-Related GHG Obligation			
12	First 1,000 m ³			
13	Next 6,000 m ³			
14	Next 13,000 m ³			
15	All over 20,000 m ³			
	Excluding Customer-Related GHG Obligation			
16	First 1,000 m ³	4.0507	0.6627	4.7134
17	Next 6,000 m ³	3.9755	0.6504	4.6259
18	Next 13,000 m ³	3.7869	0.6527	4.4396
19	All over 20,000 m ³	3.5152	0.6059	4.1211
20	Delivery - Price Adjustment (All Volumes)	1.1485 (3)	(0.6649)	0.4836 (4)
21	Storage Service	0.6161	0.0091	0.6252
22	Storage - Price Adjustment	-		-

Notes:

- (1) Includes a temporary charge of 0.4966 cents/m³ expiring December 31, 2016, and temporary charges of 0.2283 and 0.2082 cents/m³ expiring March 31, 2017.
(2) Includes temporary charges of 0.2283 and 0.2082 cents/m³ expiring March 31, 2017.
(3) Includes a temporary charge of 0.6649 cents/m³ expiring December 31, 2016, and temporary charges of 0.1629 and 0.3207 cents/m³ expiring March 31, 2017.
(4) Includes temporary charges of 0.1629 and 0.3207 cents/m³ expiring March 31, 2017.

UNION GAS LIMITED
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>Rate M4 - Firm comm/ind contract rate</u>			
	Monthly demand charge:			
1	First 8,450 m ³	52.9231	3.8796	56.8027
2	Next 19,700 m ³	23.7294	1.7395	25.4689
3	All over 28,150 m ³	19.9360	1.4614	21.3974
	Monthly delivery commodity charge:			
	Including Customer-Related GHG Obligation			
4	First block			
5	All remaining use			
	Excluding Customer-Related GHG Obligation			
6	First block	1.2454	0.1786	1.4240
7	All remaining use	0.5301	0.0760	0.6061
8	Delivery - Price Adjustment (All Volumes)	-		-
9	Minimum annual firm delivery commodity charge	1.4364	0.1778	1.6142
	<u>Interruptible contracts *</u>			
10	Monthly Charge	\$669.55	(\$15.40)	\$654.15
	Daily delivery commodity charge:			
	Including Customer-Related GHG Obligation			
11	2,400 m ³ to 17,000 m ³			
12	17,000 m ³ to 30,000 m ³			
13	30,000 m ³ to 50,000 m ³			
14	50,000 m ³ to 60,000 m ³			
	Excluding Customer-Related GHG Obligation			
15	2,400 m ³ to 17,000 m ³	3.0056	0.0257	3.0313
16	17,000 m ³ to 30,000 m ³	2.8757	0.0257	2.9014
17	30,000 m ³ to 50,000 m ³	2.8074	0.0257	2.8331
18	50,000 m ³ to 60,000 m ³	2.7595	0.0257	2.7852
19	Delivery - Price Adjustment (All Volumes)	-		-
20	Minimum annual interruptible delivery commodity charge	3.1966	0.0249	3.2215
	<u>Rate M5A - interruptible comm/ind contract</u>			
	<u>Firm contracts *</u>			
21	Monthly demand charge	30.7027	1.0932	31.7959
	Monthly delivery commodity charge			
22	Including Customer-Related GHG Obligation			
23	Excluding Customer-Related GHG Obligation	2.2944	0.0774	2.3718
24	Delivery - Price Adjustment (All Volumes)	-		-
	<u>Interruptible contracts *</u>			
25	Monthly Charge	\$669.55	(\$15.40)	\$654.15
	Daily delivery commodity charge:			
	Including Customer-Related GHG Obligation			
26	2,400 m ³ to 17,000 m ³			
27	17,000 m ³ to 30,000 m ³			
28	30,000 m ³ to 50,000 m ³			
29	50,000 m ³ to 60,000 m ³			
	Excluding Customer-Related GHG Obligation			
29	2,400 m ³ to 17,000 m ³	3.0056	0.0257	3.0313
30	17,000 m ³ to 30,000 m ³	2.8757	0.0257	2.9014
31	30,000 m ³ to 50,000 m ³	2.8074	0.0257	2.8331
32	50,000 m ³ to 60,000 m ³	2.7595	0.0257	2.7852
33	Delivery - Price Adjustment (All Volumes)	-		-
34	Minimum annual interruptible delivery commodity charge	3.1966	0.0249	3.2215

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-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>Rate M7 - Special large volume contract</u>			
	<u>Firm</u>			
1	Monthly demand charge	27.6801	3.1445	30.8246
2	Monthly delivery commodity charge			
3	Including Customer-Related GHG Obligation			
3	Excluding Customer-Related GHG Obligation	0.3734	0.0762	0.4496
4	Delivery - Price Adjustment	-		-
	<u>Interruptible *</u>			
	Monthly delivery commodity charge:			
	Maximum			
5	Including Customer-Related GHG Obligation			
6	Excluding Customer-Related GHG Obligation	4.9691	0.6607	5.6298
7	Delivery - Price Adjustment	-		-
	<u>Seasonal *</u>			
	Monthly delivery commodity charge:			
	Maximum			
8	Including Customer-Related GHG Obligation			
9	Excluding Customer-Related GHG Obligation	4.7250	0.6607	5.3857
10	Delivery - Price Adjustment	-		-
	<u>Rate M9 - Large wholesale service</u>			
11	Monthly demand charge	17.4339	4.8815	22.3154
12	Monthly delivery commodity charge			
12	Including Customer-Related GHG Obligation			
13	Excluding Customer-Related GHG Obligation	0.1902	0.0801	0.2703
14	Delivery - Price Adjustment	-		-
	<u>Rate M10 - Small wholesale service</u>			
	Monthly delivery commodity charge			
15	Including Customer-Related GHG Obligation			
16	Excluding Customer-Related GHG Obligation	5.9327	0.8792	6.8119

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-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 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	1.570	(0.009)	1.561
3	Customer provides deliverability inventory	1.195	(0.009)	1.186
4	Firm incremental injection	1.195	(0.009)	1.186
5	Interruptible withdrawal	1.195	(0.009)	1.186
	Commodity charges:			
6	Withdrawal	0.028		0.028
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.028		0.028
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - customer provides fuel	0.403%	0.003%	0.406%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge first 28,150 m ³	32.5602	2.8774	35.4376
12	Monthly demand charge next 112,720 m ³	22.4954	1.9879	24.4833
	Firm commodity charges:			
	Union provides compressor fuel - All volumes			
13	Including Customer-Related GHG Obligation			
14	Excluding Customer-Related GHG Obligation	0.1335	0.0488	0.1823
	Customer provides compressor fuel - All volumes			
15	Including Customer-Related GHG Obligation			
16	Excluding Customer-Related GHG Obligation	0.0760	0.0485	0.1245
	Interruptible commodity charges: *			
	Maximum - Union provides compressor fuel			
17	Including Customer-Related GHG Obligation			
18	Excluding Customer-Related GHG Obligation	4.9691	0.6607	5.6298
	Maximum - customer provides compressor fuel			
19	Including Customer-Related GHG Obligation			
20	Excluding Customer-Related GHG Obligation	4.9116	0.6604	5.5720
21	Transportation fuel ratio - customer provides fuel	0.303%	0.002%	0.305%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
22	Injection / Withdrawals	0.102	(0.001)	0.101
23	Customer provides compressor fuel	0.060	(0.001)	0.059
	Transportation commodity charge (cents/m ³)			
24	Including Customer-Related GHG Obligation			
25	Excluding Customer-Related GHG Obligation	1.2040	0.1434	1.3474
	Customer provides compressor fuel			
26	Including Customer-Related GHG Obligation			
27	Excluding Customer-Related GHG Obligation	1.1465	0.1431	1.2896
28	<u>Monthly Charge</u>	\$1,924.04	(\$18.10)	\$1,905.94

* 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-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 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	1.570	(0.009)	1.561
3	Customer provides deliverability inventory	1.195	(0.009)	1.186
4	Firm incremental injection	1.195	(0.009)	1.186
5	Interruptible withdrawal	1.195	(0.009)	1.186
	Commodity charges:			
6	Withdrawal	0.028		0.028
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.028		0.028
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - customer provides fuel	0.403%	0.003%	0.406%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge first 140,870 m ³	22.7402	3.7053	26.4455
12	Monthly demand charge all over 140,870 m ³	12.0285	1.9599	13.9884
	Firm commodity charges:			
	Union provides compressor fuel - All volumes			
13	Including Customer-Related GHG Obligation			
14	Excluding Customer-Related GHG Obligation	0.0616	0.0264	0.0880
	Customer provides compressor fuel - All volumes			
15	Including Customer-Related GHG Obligation			
16	Excluding Customer-Related GHG Obligation	0.0082	0.0261	0.0343
	Interruptible commodity charges: *			
	Maximum - Union provides compressor fuel			
17	Including Customer-Related GHG Obligation			
18	Excluding Customer-Related GHG Obligation	4.9691	0.6607	5.6298
	Maximum - customer provides compressor fuel			
19	Including Customer-Related GHG Obligation			
20	Excluding Customer-Related GHG Obligation	4.9157	0.6604	5.5761
21	Transportation fuel ratio - customer provides fuel	0.282%	0.002%	0.283%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
22	Injection / Withdrawals	0.102	(0.001)	0.101
23	Customer provides compressor fuel	0.060	(0.001)	0.059
	Transportation commodity charge (cents/m ³)			
24	Including Customer-Related GHG Obligation			
25	Excluding Customer-Related GHG Obligation	0.8092	0.1482	0.9574
	Customer provides compressor fuel			
26	Including Customer-Related GHG Obligation			
27	Excluding Customer-Related GHG Obligation	0.7558	0.1479	0.9037
28	<u>Monthly Charge</u>	\$5,751.12	(\$237.31)	\$5,513.81

* 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-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 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	1.570	(0.009)	1.561
3	Customer provides deliverability inventory	1.195	(0.009)	1.186
4	Firm incremental injection	1.195	(0.009)	1.186
5	Interruptible withdrawal	1.195	(0.009)	1.186
	Commodity charges:			
6	Withdrawal	0.028		0.028
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.028		0.028
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - Customer provides fuel	0.403%	0.003%	0.406%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge	11.6340	5.0873	16.7213
	Union provides compressor fuel - All volumes			
12	Including Customer-Related GHG Obligation			
13	Excluding Customer-Related GHG Obligation	0.0825	0.0804	0.1629
	Customer provides compressor fuel - All volumes			
14	Including Customer-Related GHG Obligation			
15	Excluding Customer-Related GHG Obligation	0.0108	0.0801	0.0909
16	Transportation fuel ratio- Customer provides fuel	0.378%	0.002%	0.380%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
17	Injection / Withdrawals	0.102	(0.001)	0.101
18	Customer provides compressor fuel	0.060	(0.001)	0.059
	Transportation commodity charge (cents/m ³)			
19	Including Customer-Related GHG Obligation			
20	Excluding Customer-Related GHG Obligation	0.4650	0.2476	0.7126
	Customer provides compressor fuel			
21	Including Customer-Related GHG Obligation			
22	Excluding Customer-Related GHG Obligation	0.3933	0.2473	0.6406
	<u>Monthly Charge</u>			
23	City of Kitchener	\$20,208.17	(\$239.98)	\$19,968.19
24	Natural Resource Gas	\$3,102.16	(\$36.84)	\$3,065.32
25	Six Nations	\$1,034.05	(\$12.28)	\$1,021.77

UNION GAS LIMITED
Union South
Summary of Changes to Unbundled Rates

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>U2 Unbundled Service</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
	Standard Storage Service (SSS)			
1	Combined Firm Space & Deliverability	0.023		0.023
	Standard Peaking Service (SPS)			
2	Combined Firm Space & Deliverability	0.115	(0.001)	0.114
3	Incremental firm injection right	1.039	(0.009)	1.030
4	Incremental firm withdrawal right	1.039	(0.009)	1.030
	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	0.403%	0.003%	0.406%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
8	Injection customer provides compressor fuel	0.060		0.060
9	Withdrawal customer provides compressor fuel	0.060		0.060

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>M12 Transportation Service</u>			
	<u>Firm transportation</u>			
	Monthly demand charges:			
1	Dawn to Kirkwall	2.421	0.444	2.865
2	Dawn to Parkway	2.883	0.519	3.402
3	Kirkwall to Parkway	0.462	0.075	0.537
4	F24-T	0.069	0.001	0.070
	<u>M12-X Firm Transportation</u>			
5	Between Dawn, Kirkwall and Parkway	3.602	0.637	4.239
	Commodity charges:			
6	Dawn to Kirkwall / Parkway (Cons) / Lisgar	Note (1)		0.000 (1)
7	Dawn to Parkway (TCPL / EGT)	Note (1)		0.000 (1)
8	Kirkwall to Parkway	Note (1)		0.000 (1)
9	Parkway to Dawn / Kirkwall	Note (1)		0.000 (1)
10	Kirkwall to Dawn	Note (1)		0.000 (1)
11	Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar	Note (1)		0.000 (1)
	<u>Limited Firm/Interruptible</u>			
	Monthly demand charges:			
12	Maximum	6.919	1.246	8.165
	Commodity charges :			
13	Others	Note (1)		Note (1)
	<u>Authorized Overrun</u>			
	Transportation commodity charges:			
	Easterly:			
14	Dawn to Kirkwall - Union supplied fuel	Note (1)		Note (1)
15	Dawn to Parkway (Cons) / Lisgar - Union supplied fuel	Note (1)		Note (1)
16	Dawn to Parkway (TCPL / EGT) - Union supplied fuel	Note (1)		Note (1)
17	Kirkwall to Parkway - Union supplied fuel	Note (1)		Note (1)
18	Dawn to Kirkwall - Shipper supplied fuel	0.080 (1)	0.014	0.094 (1)
19	Dawn to Parkway (Cons) / Lisgar - Shipper supplied fuel	0.095 (1)	0.017	0.112 (1)
20	Dawn to Parkway (TCPL / EGT) - Shipper supplied fuel	0.095	0.017	0.112 (1)
21	Kirkwall to Parkway - Shipper supplied fuel	0.015	0.003	0.018 (1)
	<u>M12-X Firm Transportation</u>			
22	Between Dawn, Kirkwall and Parkway - Union supplied fuel	Note (1)		Note (1)
	Between Dawn, Kirkwall and Parkway - Shipper supplied fuel:			
23	Dawn to Kirkwall / Parkway (Cons) / Lisgar	0.118 (1)	0.021	0.139 (1)
24	Dawn to Parkway (TCPL / EGT)	0.118 (1)	0.021	0.139 (1)
25	Kirkwall to Parkway	0.118 (1)	0.021	0.139 (1)
26	Parkway to Dawn / Kirkwall	0.118 (1)	0.021	0.139 (1)
27	Kirkwall to Dawn	0.118 (1)	0.021	0.139 (1)
	<u>M13 Transportation of Locally Produced Gas</u>			
28	Monthly fixed charge per customer station	\$946.47	6.250	\$952.72
29	Transmission commodity charge to Dawn	0.035		0.035
30	Commodity charge - Union supplied fuel	0.008		0.008
31	Commodity charge - Shipper supplied fuel	Note (2)		0.000 (2)
32	Authorized Overrun - Union supplied fuel	0.077		0.077
33	Authorized Overrun - Shipper supplied fuel	0.070 (2)	(0.001)	0.069 (2)

Notes:

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

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>M16 Storage Transportation Service</u>			
1	Monthly fixed charge per customer station	\$1,505.73	9.940	\$1,515.67
	Monthly demand charges:			
2	East of Dawn	0.765	0.005	0.770
3	West of Dawn	1.055	(0.010)	1.045
4	Transmission commodity charge to Dawn	0.035		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)		0.000 (1)
8	West of Dawn - Shipper supplied fuel	Note (1)		0.000 (1)
	Transportation Fuel Charges to Pools:			
9	East of Dawn - Union supplied fuel	0.009		0.009
10	West of Dawn - Union supplied fuel	0.022		0.022
11	East of Dawn - Shipper supplied fuel	Note (1)		0.000 (1)
12	West of Dawn - Shipper supplied fuel	Note (1)		0.000 (1)
	<u>Authorized Overrun</u>			
	Transportation Fuel Charges to Dawn:			
13	East of Dawn - Union supplied fuel	0.068	(0.001)	0.067
14	West of Dawn - Union supplied fuel	0.077		0.077
15	East of Dawn - Shipper supplied fuel	0.060 (1)		0.060 (1)
16	West of Dawn - Shipper supplied fuel	0.070 (1)	(0.001)	0.069 (1)
	Transportation Fuel Charges to Pools:			
17	East of Dawn - Union supplied fuel	0.035	(0.001)	0.034
18	West of Dawn - Union supplied fuel	0.056		0.056
19	East of Dawn - Shipper supplied fuel	0.025 (1)		0.025 (1)
20	West of Dawn - Shipper supplied fuel	0.035 (1)	(0.001)	0.034 (1)
	<u>C1 - Cross Franchise Transportation Service</u>			
	<u>Transportation service</u>			
	Monthly demand charges:			
21	St. Clair / Bluewater & Dawn	1.055	(0.010)	1.045
22	Ojibway & Dawn	1.055	(0.010)	1.045
23	Parkway to Dawn	0.719	0.118	0.837
24	Parkway to Kirkwall	0.719	0.118	0.837
25	Kirkwall to Dawn	1.268	0.207	1.475
26	Dawn to Kirkwall	2.421	0.444	2.865
27	Dawn to Parkway	2.883	0.519	3.402
28	Kirkwall to Parkway	0.462	0.075	0.537
29	Dawn to Dawn-Vector	0.029		0.029
30	Dawn to Dawn-TCPL	0.137	0.001	0.138
	Short-term:			
31	Maximum	75.00		75.00
	Commodity charges:			
32	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.013		0.013
33	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.010		0.010
34	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.015		0.015
35	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.022		0.022
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)	0.014		0.014
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)	0.037		0.037
41	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.015	0.001	0.016
42	Dawn to Parkway (TCPL) - Union supplied fuel (Nov. 1 - Mar. 31)	0.050		0.050
43	Dawn to Parkway (TCPL) - Union supplied fuel (Apr. 1 - Oct.31)	0.028		0.028
44	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.021		0.021
45	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.020		0.020

Notes:

(1) Plus shipper supplied fuel per rate schedule.

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 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)		0.000 (1)
2	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		0.000 (1)
3	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
4	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		0.000 (1)
5	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
6	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		0.000 (1)
7	Kirkwall to Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
8	Kirkwall to Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		0.000 (1)
9	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
10	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		0.000 (1)
11	Dawn to Parkway (TCPL) - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
12	Dawn to Parkway (TCPL) - Shipper supplied fuel (Apr. 1 - Oct.31)	Note (1)		0.000 (1)
13	Kirkwall to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
14	Kirkwall to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	Note (1)		0.000 (1)
15	Dawn to Dawn-Vector - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
16	Dawn to Dawn-Vector - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		0.000 (1)
17	Dawn to Dawn-TCPL - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
18	Dawn to Dawn-TCPL - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		0.000 (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	(0.001)	0.047
22	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.045	(0.001)	0.044
23	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.049		0.049
24	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.056		0.056
25	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.132	0.018	0.150
26	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.139	0.017	0.156
27	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.049	0.007	0.056
28	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.049	0.007	0.056
29	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.146	0.015	0.161
30	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.125	0.015	0.140
31	Dawn to Parkway (TCPL) - Union supplied fuel (Nov. 1 - Mar. 31)	0.174	0.018	0.192
32	Dawn to Parkway (TCPL) - Union supplied fuel (Apr. 1 - Oct.31)	0.152	0.018	0.170
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)	0.065	0.003	0.068
35	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.035 (1)	(0.001)	0.034 (1)
36	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.035 (1)	(0.001)	0.034 (1)
37	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.035 (1)	(0.001)	0.034 (1)
38	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.035 (1)	(0.001)	0.034 (1)
39	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.095 (1)	0.017	0.112 (1)
40	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.095 (1)	0.017	0.112 (1)
41	Kirkwall to Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.042 (1)	0.007	0.049 (1)
42	Kirkwall to Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.042 (1)	0.007	0.049 (1)
43	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.080 (1)	0.014	0.094 (1)
44	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.080 (1)	0.014	0.094 (1)
45	Dawn to Parkway (TCPL) - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.095 (1)	0.017	0.112 (1)
46	Dawn to Parkway (TCPL) - Shipper supplied fuel (Apr. 1 - Oct.31)	0.095 (1)	0.017	0.112 (1)
47	Kirkwall to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.015 (1)	0.003	0.018 (1)
48	Kirkwall to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	0.015 (1)	0.003	0.018 (1)
49	Dawn to Dawn-Vector - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.001 (1)	(0.000)	0.001 (1)
50	Dawn to Dawn-Vector - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.001 (1)		0.001 (1)
51	Dawn to Dawn-TCPL - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.005 (1)		0.005 (1)
52	Dawn to Dawn-TCPL - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.005 (1)		0.005 (1)
	Short Term Firm transportation commodity charges:			
53	Maximum	75.00		75.00

Notes:

(1) Plus shipper supplied fuel per rate schedule.

APPENDIX B



RATE 01A - SMALL VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

Any customer in Union's North West and North East 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 TransCanada's system to the Point of Consumption on the customer's premises of natural gas owned by the customer and transported by TransCanada 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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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

	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
	Union North West	Union North East	Union North West	Union North East
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>			\$21.00	\$21.00
<u>DELIVERY CHARGE</u>			<u>¢ per m³</u>	<u>¢ per m³</u>
First 100 m ³ per month @			9.2574	9.2574
Next 200 m ³ per month @			9.0244	9.0244
Next 200 m ³ per month @			8.6567	8.6567
Next 500 m ³ per month @			8.3192	8.3192
Over 1,000 m ³ per month @			8.0404	8.0404
Delivery-Price Adjustment (All Volumes)			0.6677 (1)	0.6677 (1)

Notes:

(1) Includes a temporary charge of 0.6186, and 0.0491 cents/m³ expiring March 31, 2017.



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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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



RATE 10 - LARGE VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

Any customer in Union's North West and North East 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 TransCanada's system to the Point of Consumption on the customer's premises of natural gas owned by the customer and transported by TransCanada 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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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

	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
	Union North West	Union North East	Union North West	Union North East
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>			\$70.00	\$70.00
<u>DELIVERY CHARGE</u>			<u>¢ per m³</u>	<u>¢ per m³</u>
First 1,000 m ³ per month @			7.7571	7.7571
Next 9,000 m ³ per month @			6.3246	6.3246
Next 20,000 m ³ per month @			5.6530	5.6530
Next 70,000 m ³ per month @			5.1162	5.1162
Over 100,000 m ³ per month @			3.0825	3.0825
Delivery-Price Adjustment (All Volumes)			0.6349 (1)	0.6349 (1)

Notes:

(1) Includes a temporary charge of 0.4730, and 0.1619 cents/m³ expiring March 31, 2017.



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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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

RATE 20 - MEDIUM VOLUME FIRM SERVICE**ELIGIBILITY**

Any customer in Union's North West and North East 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 TransCanada'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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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)

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
<u>MONTHLY CHARGE</u>		\$884.46
<u>DELIVERY CHARGES</u> (cents per month per m ³)		
Monthly Demand Charge for first 70,000 m ³ of Contracted Daily Demand		28.6326
Monthly Demand Charge for all units over 70,000 m ³ of Contracted Daily Demand		16.8374
Commodity Charge for first 852,000 m ³ of gas volumes delivered		0.5649
Commodity Charge for all units over 852,000 m ³ of gas volumes delivered		0.4106

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.

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.

	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
	Union <u>North West</u>	Union <u>North East</u>	Union <u>North West</u>	Union <u>North East</u>
<u>MONTHLY CHARGE</u>			\$884.46	\$884.46
<u>DELIVERY CHARGES</u>			<u>cents per m³</u>	<u>cents per m³</u>
Commodity Charge for each unit of gas volumes delivered			2.4476	2.4476

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)	\$20.111
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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)	\$0.206
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Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ)	\$0.867
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The Authorized Overrun Commodity Charge is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

DIVERSION TRANSACTION CHARGE

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

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

MINIMUM BILL

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

DELAYED PAYMENT

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

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



RATE 25 - LARGE VOLUME INTERRUPTIBLE SERVICE

ELIGIBILITY

Any customer in Union's North West and North East 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 TransCanada'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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

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)

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
<u>MONTHLY CHARGE</u>		\$306.75
<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:		5.1705
<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.		232.8600

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 (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.

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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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

ELIGIBILITY

Any customer in Union's North West and North East 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 10³m³ 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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

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

Any customer in Union's North West and North East 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 TransCanada'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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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)

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
<u>MONTHLY CHARGE</u>		\$1,372.75
<u>DELIVERY CHARGES</u> (cents per Month per m ³ of Daily Contract Demand)		
Monthly Demand Charge for each unit of Contracted Daily Demand		15.1083
Commodity Charge for each unit of gas volumes delivered (cents/m ³)		0.2205

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.

ADDITIONAL CHARGES FOR SALES SERVICE

Gas Supply Charges

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

Commodity Transportation

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

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

HEAT CONTENT ADJUSTMENT

The gas supply commodity charges hereunder will be adjusted upwards or downwards as described below if the average total heating value of the gas per cubic metre (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	Including Customer-Related <u>GHG Obligation</u>		Excluding Customer-Related <u>GHG Obligation</u>	
	Union <u>North West</u>	Union <u>North East</u>	Union <u>North West</u>	Union <u>North East</u>
<u>MONTHLY CHARGE</u>			\$1,372.75	\$1,372.75
<u>DELIVERY CHARGES</u> (cents per m ³)				
Commodity Charge for each unit of gas volumes delivered			0.9301	0.9301

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 ZONESMONTHLY 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)	\$20.111
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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)	\$0.206
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Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ)	\$0.867
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The Authorized Overrun Commodity Charge is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

DIVERSION TRANSACTION CHARGE

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

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

MINIMUM BILL

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

DELAYED PAYMENT

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

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



Union Gas Limited
Union North
Gas Supply Charges

(A) Availability

Available to customers in Union's North West and North East Delivery Zones.

(B) Applicability:

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

(C) Rates

<u>Utility Sales</u>	Union North West			Union North East	
	Previously Fort Frances Zone	Previously Western Zone	Previously Northern Zone	Previously Northern Zone	Previously Eastern Zone
<u>Rate 01A (cents / m³)</u>					
Storage	2.0589	2.0589	2.0589	6.6220	6.6220
Storage - Price Adjustment	-	-	-	-	-
Commodity and Fuel (1)	11.2718	11.3534	11.4797	11.4797	11.5800
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Transportation	6.7292	6.7292	6.7292	2.9655	2.9655
Transportation - Price Adjustment	0.3919	0.3919	0.3919	0.3919	0.3919
Total Gas Supply Charge	<u>18.7611</u>	<u>18.8427</u>	<u>18.9690</u>	<u>19.7684</u>	<u>19.8687</u>

Rate 10 (cents / m³)

Storage	1.5495	1.5495	1.5495	4.6762	4.6762
Storage - Price Adjustment	-	-	-	-	-
Commodity and Fuel (1)	11.2718	11.3534	11.4797	11.4797	11.5800
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Transportation	5.8929	5.8929	5.8929	2.7303	2.7303
Transportation - Price Adjustment	0.4196	0.4196	0.4196	0.4196	0.4196
Total Gas Supply Charge	<u>17.4431</u>	<u>17.5247</u>	<u>17.6510</u>	<u>17.6151</u>	<u>17.7154</u>

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1902 cents/m³.



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Union Gas Limited
Union North
Gas Supply Charges

<u>Utility Sales</u>	Union North West			Union North East	
	Previously	Previously	Previously	Previously	Previously
	<u>Fort Frances Zone</u>	<u>Western Zone</u>	<u>Northern Zone</u>	<u>Northern Zone</u>	<u>Eastern Zone</u>
<u>Rate 20 (cents / m³)</u>					
Commodity and Fuel (1)	11.0091	11.0888	11.2120	11.2120	11.3100
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Commodity Transportation - Charge 1	3.5625	3.5625	3.5625	2.6079	2.6079
Transportation 1 - Price Adjustment	(0.0806)	(0.0806)	(0.0806)	(0.0806)	(0.0806)
Commodity Transportation - Charge 2	-	-	-	-	-
Monthly Gas Supply Demand	55.8485	55.8485	55.8485	49.7267	49.7267
Gas Supply Demand - Price Adjustment	-	-	-	-	-
Commissioning and Decommissioning Rate	6.5222	6.5222	6.5222	5.3560	5.3560

Rate 100 (cents / m³)

Commodity and Fuel (1)	11.0091	11.0888	11.2120	11.2120	11.3100
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Commodity Transportation - Charge 1	6.2885	6.2885	6.2885	9.0613	9.0613
Commodity Transportation - Charge 2	-	-	-	-	-
Monthly Gas Supply Demand	112.0994	112.0994	112.0994	158.4424	158.4424
Commissioning and Decommissioning Rate	7.9600	7.9600	7.9600	11.3249	11.3249

Rate 25 (cents / m³)

Gas Supply Charge:

Interruptible Service

Minimum

Maximum

1.4848

1.4848

1.4848

1.4848

1.4848

675.9484

675.9484

675.9484

675.9484

675.9484

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

Gas Supply Charge:

Interruptible Service

Minimum

Maximum

0.3919

178.3976

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1902 cents/m³.
- (2) Billing in energy (\$/GJ) will only apply to the Natural Gas Liquefaction Service.

Effective:

January 1, 2017

Chatham, Ontario

O.E.B. Order # EB-2016-0245

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



uniongas

Effective
2017-01-01
Schedule "A"

Gas Supply Charges

(A) Availability:

Available to customers in Union's Southern Delivery Zone.

(B) Applicability:

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

(C) Rates:

cents / m³

Utility Sales

Commodity and Fuel	11.5698 (1)
Commodity and Fuel - Price Adjustment	(0.6779)
Transportation	4.2031
Total Gas Supply Commodity Charge	<u>15.0950</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	4.8595
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Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3

\$/GJ

Monthly demand charges:	
Firm gas supply service	59.279
Firm backstop gas	1.692
Commodity charges:	
Gas supply	2.932
Backstop gas	4.512
Reasonable Efforts Backstop Gas	5.470
Supplemental Inventory	Note (2)
Supplemental Gas Sales Service (cents / m ³)	18.8919
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.738
Discretionary Gas Supply Service (DGSS)	Note (3)

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1902 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 a gas supply administration charge.

Effective: January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

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.

		<u>Including Customer-Related GHG Obligation</u>	<u>Excluding Customer-Related GHG Obligation</u>
a)	Monthly Charge		\$21.00
b)	Delivery Charge		
	First 100 m ³		4.7406 ¢ per m ³
	Next 150 m ³		4.5002 ¢ per m ³
	All Over 250 m ³		3.8790 ¢ per m ³
	Delivery - Price Adjustment (All Volumes)		0.4365 ¢ per m ³
c)	Storage Charge (if applicable)		0.7153 ¢ per m ³
	Storage - Price Adjustment (All Volumes)		- ¢ 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 0.2283, and 0.2082 cents/m³ expiring March 31, 2017.

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

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Overrun Delivery Charge		5.4559 ¢ per m ³

(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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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.

		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
a)	Monthly Charge		\$70.00
b)	Delivery Charge		
	First 1 000 m ³		4.7134 ¢ per m ³
	Next 6 000 m ³		4.6259 ¢ per m ³
	Next 13 000 m ³		4.4396 ¢ per m ³
	All Over 20 000 m ³		4.1211 ¢ per m ³
	Delivery – Price Adjustment (All Volumes) (1)		0.4836 ¢ per m ³
c)	Storage Charge (if applicable)		0.6252 ¢ per m ³
	Storage - Price Adjustment (All Volumes)		- ¢ 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 0.1629, and 0.3207 cents/m³ expiring March 31, 2017.

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

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Overrun Delivery Charge		5.3386 ¢ per m ³

(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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

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.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
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		56.8027 ¢ per m ³
Next 19 700 m ³ of daily contracted demand		25.4689 ¢ per m ³
All Over 28 150 m ³ of daily contracted demand		21.3974 ¢ per m ³
(ii) A Monthly Delivery Commodity Charge		
First 422 250 m ³ delivered per month		1.4240 ¢ per m ³
Next volume equal to 15 days use of daily contracted demand		1.4240 ¢ per m ³
For remainder of volumes delivered in the month		0.6061 ¢ per m ³
Delivery- Price Adjustment (All Volumes)		- ¢ 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 at the identified authorized overrun delivery charge and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m ³ for all volumes purchased.		
Unauthorized overrun gas taken in any month shall be paid for at the identified unauthorized overrun delivery charge for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m ³ for all gas supply volumes purchased.		
	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Authorized Overrun Delivery Charge		3.2915 ¢ per m ³
Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³



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 the identified firm minimum annual delivery charge and, if applicable a gas supply commodity charge provided in Schedule "A".

Firm Minimum Annual Delivery Charge	1.6142 ¢ per m ³
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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:

	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
a) (i) Monthly Delivery Commodity Charge		
<u>Daily Contracted Demand Level (CD)</u>		
2 400 m ³ ≤ CD < 17 000 m ³		3.0313 ¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³		2.9014 ¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³		2.8331 ¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³		2.7852 ¢ per m ³

Delivery - Price Adjustment (All Volumes)	- ¢ per m ³
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(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	\$654.15 per month
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- 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 the identified interruptible minimum annual delivery charge, 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.

Interruptible Minimum Annual Delivery Charge	3.2215 ¢ per m ³
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- 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 identified unauthorized overrun delivery charge and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³

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 232.8600 ¢ per m³ (\$60 per GJ) for the delivery.

(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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

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:

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
a) (i) Monthly Delivery Commodity Charge		
<u>Daily Contracted Demand Level (CD)</u>		
2 400 m ³ ≤ CD < 17 000 m ³		3.0313 ¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³		2.9014 ¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³		2.8331 ¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³		2.7852 ¢ per m ³
Delivery- Price Adjustment (All Volumes)		- ¢ per m ³
(ii) Days Use of Interruptible Contract Demand		
The price determined under Paragraph 1(a) of "Rates" will be reduced by the amount based on the number of Days Use of Contracted Demand as scheduled below:		
For 75 days use of contracted demand		0.0530 ¢ per m 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		\$654.15 per month



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 the identified interruptible minimum annual delivery charge, 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.

Interruptible Minimum Annual Delivery Charge	3.2215 ¢ per m ³
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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 identified unauthorized overrun delivery charge and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³

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 232.8600 ¢ 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 31.7959 ¢ 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 31.7959 ¢ 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.



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Effective
2017-01-01
Rate M5A
Page 3 of 3

(D) Delayed Payment

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

(E) Direct Purchase

Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must obligate to deliver at a point(s) specified by Union, and must acquire and maintain firm transportation on all upstream pipeline systems. 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

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O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
1. Bills will be rendered monthly and shall be the total of:		
(i) A Monthly Demand Charge		
A negotiated Monthly Demand Charge for each m ³ of daily contracted firm demand up to		30.8246 ¢ per m ³
(ii) A Monthly Delivery Commodity Charge		
(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of and a Delivery - Price Adjustment of		0.4496 ¢ per m ³ - ¢ per m ³
(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 and a Delivery - Price Adjustment of		5.6298 ¢ per m ³ - ¢ per m ³
(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 and a Delivery - Price Adjustment of		5.3857 ¢ per m ³ - ¢ 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) Overrun Gas		
Overrun gas is available without penalty provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization.		
Unauthorized overrun gas taken in any month shall be paid for at the M1 rate in effect at the time the overrun occurs, plus, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m ³ for all the gas supply volumes purchased (3).		
<u>Unauthorized Overrun Non-Compliance Rate:</u> 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 232.8600 ¢ per m ³ (\$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 at the identified commissioning and decommissioning rate and the total gas supply charge for utility sales provided in Schedule "A" per m³, if applicable.

Including
Customer-Related
GHG Obligation

Excluding
Customer-Related
GHG Obligation

Commissioning and Decommissioning Rate

4.0758 ¢ per m³

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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
1.		
(i) A Monthly Demand Charge 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.		22.3154 ¢ per m ³
(ii) A Delivery Commodity Charge for gas delivered of and a Delivery - Price Adjustment of		0.2703 ¢ per m ³ - ¢ 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".		

(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.



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(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 at the identified authorized overrun delivery charge. 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 at the identified unauthorized overrun delivery charge.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Authorized Overrun Delivery Charge		1.0040 ¢ per m ³
Unauthorized Overrun Delivery Charge		36.0000 ¢ per m ³

(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, 2017
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Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
1. A Delivery Commodity Charge of		6.8119 ¢ per m ³
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 identified unauthorized overrun delivery charge 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.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³

(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

	<u>Demand Charge Rate/GJ/month</u>	<u>Commodity Charges/Credits Rate/GJ</u>
a) Transportation by Union For gas delivered to Union at any point other than the Ontario Point(s) of Receipt, Union will charge a customer all approved tolls and charges, incurred by Union to transport the gas to the Ontario Point(s) of Receipt		
b) Firm Backstop Gas Applied to the contracted Firm Backstop Gas Supply Service	\$1.692	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$4.512
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$5.470
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		\$2.738
f) Short Term Storage / Balancing Service (2) Maximum		\$6.000
g) Discretionary Gas Supply Service ("DGSS")		Note (3)
h) Parkway Delivery Commitment Incentive ("PDCI")		\$0.149



Notes:

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

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

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



STORAGE AND TRANSPORTATION RATES
FOR CONTRACT CARRIAGE CUSTOMERS

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer:

- a) whose qualifying annual transportation volume for combined firm and interruptible service is at least 2 500 000 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	\$1.561			
Customer provides deliverability Inventory (4)	\$1.186			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.186			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.186			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio <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		\$0.028	0.406%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.028	0.406%	\$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	Union Providing Compressor Fuel		Fuel Ratio (5)	For Customers Providing Their Own Compressor Fuel	
		Commodity Charge			Commodity Charge	
		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
		<u>Rate/m³/mo</u>	<u>Rate/m³</u>		<u>Rate/m³</u>	<u>Rate/m³</u>
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand First 28,150 m ³ per month Next 112,720 m ³ per month	35.4376 ¢ 24.4833 ¢					
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption Commodity Charge (All volumes)			0.1823 ¢	0.305%		0.1245 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum			5.6298 ¢	0.305%		5.5720 ¢

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.

Firm or Interruptible Service

	Union Providing Compressor Fuel		For Customers Providing Their Own Compressor Fuel	
	Commodity Charge		Fuel Ratio	Commodity Charge
	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation		Including Customer-Related GHG Obligation
Storage Injections		\$0.101/GJ	0.861%	\$0.059/GJ
Storage Withdrawals		\$0.101/GJ	0.861%	\$0.059/GJ
Transportation		1.3474 ¢/m ³	0.305%	1.2896 ¢/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 the identified unauthorized overrun charge, as appropriate.

	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
Unauthorized Overrun Storage Injections and Withdrawals Charge		5.4559 ¢ per m ³ or \$1.406 per GJ
Unauthorized Overrun Transportation Charge		5.4559 ¢ per m ³ or \$1.406 per GJ

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 232.8600 ¢ 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	\$1,905.94
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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:
www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features

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

- Storage space and deliverability entitlement;
- The determination of gas supply receipt points and delivery obligations;
- The nomination schedule;
- The management of multiple redelivery points by a common fuel manager; and
- 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.	<u>Rate/GJ</u>
PDCI	\$0.149

(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

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Chatham, Ontario

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STORAGE AND TRANSPORTATION RATES
FOR CONTRACT CARRIAGE CUSTOMERS

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer:

- a) who has a daily firm contracted demand of at least 140 870 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	\$1.561			
Customer provides deliverability Inventory (4)	\$1.186			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.186			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.186			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio <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		\$0.028	0.406%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.028	0.406%	\$0.008
g) Short Term Storage / Balancing Service Maximum		\$6.000		
h) Daily Variance Account Interruptible Injections/Withdrawals Paid on all quantities withdrawn from and injected into the Daily Variance Account up to the Maximum Injection/Withdrawal Quantity		\$0.101	0.861%	\$0.059

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.

3.4 Contract Demand multiple of 10

For customers with non-obligated supply and who are not eligible for Section 3.3 above, the maximum storage space is determined as 9 x firm daily Contract Demand and the Daily Variance Account maximum storage space is determined as 1 x firm daily Contract Demand.

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

4.3 For customers with non-obligated supply and are not eligible for Section 4.2 above, the firm storage deliverability is determined as 1.2% of firm storage space, excluding the firm storage space associated with the Daily Variance Account. For the Daily Variance Account, the storage deliverability is available on an interruptible basis up to the customer's firm contracted demand.

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	Union Providing Compressor Fuel		For Customers Providing Their Own Compressor Fuel	
		Commodity Charge		Commodity Charge	
		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
	<u>Rate/m³/mo</u>	<u>Rate/m³</u>	<u>Rate/m³</u>	<u>Rate/m³</u>	<u>Rate/m³</u>
a) Annual Firm Transportation Demand					
Applied to the Firm Daily Contract Demand					
First 140,870 m ³ per month	26.4455 ¢				
All over 140,870 m ³ per month	13.9884 ¢				
b) Firm Transportation Commodity					
Paid on all firm quantities redelivered to the customer's Point(s) of Consumption					
Commodity Charge (All volumes)			0.0880 ¢	0.283%	0.0343 ¢
c) Interruptible Transportation Commodity					
Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption					
Maximum			5.6298 ¢	0.283%	5.5761 ¢

Notes:

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



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

SUPPLEMENTAL CHARGES:

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

Notes:

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

OVERRUN SERVICE:

1. Annual Storage Space

Authorized

Authorized Overrun is provided as Storage/Balancing Service. It is payable on all quantities on any Day in excess of the customer's contracted Maximum Storage Space. Overrun will be authorized by Union at its sole discretion. Storage Space Overrun equal to the customer's firm deliveries from TCPL: less the customer's Firm Daily Contract Demand, all multiplied by the Days of Interruption called during the period of November 1 to March 31, will be automatically authorized until the following July 1. Authorized Overrun is not applicable to the Daily Variance Account.

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. The Authorized Overrun rates are not applicable to the Daily Variance Account.

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

Firm or Interruptible Service

	Union Providing Compressor Fuel		Fuel Ratio	For Customers Providing Their Own Compressor Fuel	
	Commodity Charge			Commodity Charge	
	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Storage Injections		\$0.101/GJ	0.861%		\$0.059/GJ
Storage Withdrawals		\$0.101/GJ	0.861%		\$0.059/GJ
Transportation		0.9574 ¢/m³	0.283%		0.9037 ¢/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 the identified unauthorized overrun charge, as appropriate. For the Daily Variance Account, this unauthorized storage overrun rate will be charged on all quantities in excess of the Daily Variance Account maximum injection/withdrawal quantity.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Storage Injections and Withdrawals Charge		5.4559 ¢ per m ³ or \$1.406 per GJ
Unauthorized Overrun Transportation Charge		5.4559 ¢ per m ³ or \$1.406 per GJ

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 232.8600 ¢ 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	\$5,513.81
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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

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 \$0.070/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:
www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features

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

- 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

\$0.149

(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.



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	\$1.561			
Customer provides deliverability Inventory (4)	\$1.186			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.186			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.186			



	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		\$0.028	0.406%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.028	0.406%	\$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	Union Providing Compressor Fuel		For Customers Providing Their Own Compressor Fuel	
		Commodity Charge		Commodity Charge	
		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
		<u>Rate/m³/mo</u>	<u>Rate/m³</u>	<u>Rate/m³</u>	<u>Rate/m³</u>
a) Annual Firm Transportation Demand (1) Applied to the Firm Daily Contract Demand	16.7213 ¢				
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the Customer's Point(s) of Redelivery			0.1629 ¢	0.380%	0.0909 ¢

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 Compressor Fuel		For Customers Providing Their Own Compressor Fuel		
	Commodity		Fuel Ratio	Commodity	
	Charge			Charge	
	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>	
Storage Injections		\$0.101/GJ	0.861%		\$0.059/GJ
Storage Withdrawals		\$0.101/GJ	0.861%		\$0.059/GJ
Transportation		0.7126 ¢/m³	0.380%		0.6406 ¢/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 the identified unauthorized overrun charge, as appropriate.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Storage Injections and Withdrawals Charge		36.0000 ¢ per m³ or \$9.276 per GJ
Unauthorized Overrun Transportation Charge		36.0000 ¢ per m³ or \$9.276 per GJ

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 / Withdrawal 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	\$ 19,968.19
NRG	\$ 3,065.32
Six Nations	\$ 1,021.77

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	\$0.149

(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

**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		0.406%	\$0.026
c) Withdrawal Commodity		0.406%	\$0.026
ii) Standard Peaking Service (SPS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.114		
b) Injection Commodity		0.406%	\$0.026
c) Withdrawal Commodity		0.861%	\$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	\$1.030		
b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$1.030		
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.



OVERRUN SERVICE

1. Injection and Withdrawal

Authorized

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	0.861%	\$0.060
Withdrawal	0.861%	\$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	\$0.149

(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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

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 - Parkway 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	<u>Fuel and Commodity Charges</u>			
	<u>Charges</u>				
	(applied to daily	<u>Union Supplied Fuel</u>	<u>Shipper Supplied Fuel</u>		
	contract demand)	Fuel and Commodity Charge	Fuel		Commodity Charge
	<u>Rate/GJ</u>	<u>Rate/GJ</u>	<u>Ratio %</u>	<u>AND</u>	<u>Rate/GJ</u>
<u>Firm Transportation (1)</u>					
Dawn to Parkway (Cons) / Lisgar	\$3.402	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		\$0.000
Dawn to Parkway (TCPL / EGT)	\$3.402				\$0.000
Dawn to Kirkwall	\$2.865				\$0.000
Kirkwall to Parkway	\$0.537				\$0.000
<u>M12-X Firm Transportation</u>					
Between Dawn, Kirkwall and Parkway	\$4.239	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		
<u>Limited Firm/Interruptible Transportation (1)</u>					
Dawn to Parkway (Cons) / Lisgar – Maximum	\$8.165	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		\$0.000
Dawn to Parkway (TCPL / EGT) – Maximum	\$8.165				\$0.000
Dawn to Kirkwall – Maximum	\$8.165				\$0.000
Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar (2)	n/a			n/a	0.157%

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.

	<u>Fuel and Commodity Charges</u>			
	<u>Union Supplied Fuel</u>		<u>Shipper Supplied Fuel</u>	
	Fuel and Commodity Charge Rate/GJ		Fuel Ratio %	Commodity Charge Rate/GJ
Transportation Overrun				
Dawn to Parkway (Cons) / Lisgar		Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	\$0.112
Dawn to Parkway (TCPL / EGT)				\$0.112
Dawn to Kirkwall				\$0.094
Kirkwall to Parkway				\$0.018
Parkway (TCPL) Overrun (4)	n/a		0.704%	n/a
M12-X Firm Transportation				
Dawn to Kirkwall / Parkway (Cons) / Lisgar		Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	\$0.139
Dawn to Parkway (TCPL / EGT)				\$0.139
Kirkwall to Parkway				\$0.139
Parkway to Dawn / Kirkwall				\$0.139
Kirkwall to Dawn				\$0.139

(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) or Parkway (EGT) 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) or Parkway (EGT) 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 \$0.070/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 =
$$\sum_{1}^{4} [(0.001570 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [0.001570 \times (QT1 + Q3)) + (DWFxQT1) + F_{WT}] \text{ For Oct. 1 to May 31}$$

YCRR =
$$\sum_{1}^{4} [(0.001570 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \times R \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [(0.001570 \times (QT1 + QT3)) + (DWFxQT1) + F_{WT}] \times R \text{ For Oct. 1 to May 31}$$

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.

(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.

**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

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VI. FACILITIES ON SHIPPER'S PROPERTY

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

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

VII. MEASURING EQUIPMENT

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

SCHEDULE "A"

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 Fuel and Commodity Rates

Firm or Interruptible Transportation Commodity

Effective January 1, 2017

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 and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	0.862	0.042	0.545	0.027	0.157	0.008
May	0.612	0.030	0.370	0.018	0.157	0.008
June	0.508	0.025	0.271	0.013	0.398	0.019
July	0.494	0.024	0.259	0.013	0.396	0.019
August	0.393	0.019	0.158	0.008	0.396	0.019
September	0.389	0.019	0.158	0.008	0.392	0.019
October	0.739	0.036	0.464	0.023	0.157	0.008
November	0.882	0.043	0.622	0.030	0.157	0.008
December	0.995	0.049	0.733	0.036	0.157	0.008
January	1.147	0.056	0.870	0.042	0.157	0.008
February	1.089	0.053	0.820	0.040	0.157	0.008
March	1.018	0.050	0.736	0.036	0.157	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 and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	0.474	0.023	0.157	0.008	0.293	0.014
May	0.399	0.019	0.157	0.008	0.293	0.014
June	0.394	0.019	0.157	0.008	0.293	0.014
July	0.392	0.019	0.157	0.008	0.293	0.014
August	0.392	0.019	0.157	0.008	0.293	0.014
September	0.388	0.019	0.157	0.008	0.293	0.014
October	0.432	0.021	0.157	0.008	0.293	0.014
November	0.418	0.020	0.157	0.008	0.157	0.008
December	0.420	0.020	0.157	0.008	0.157	0.008
January	0.434	0.021	0.157	0.008	0.157	0.008
February	0.426	0.021	0.157	0.008	0.157	0.008
March	0.439	0.021	0.157	0.008	0.157	0.008

UNION GAS LIMITED

M12 Monthly Transportation Authorized Overrun Fuel Ratios and Fuel and Commodity Rates

Firm or Interruptible Transportation Commodity

Effective January 1, 2017

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 and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	1.479	0.184	1.162	0.151	0.774	0.150
May	1.228	0.172	0.987	0.142	0.774	0.150
June	1.125	0.167	0.888	0.138	1.015	0.161
July	1.111	0.166	0.876	0.137	1.013	0.161
August	1.010	0.161	0.775	0.132	1.013	0.161
September	1.005	0.161	0.775	0.132	1.009	0.161
October	1.356	0.178	1.081	0.147	0.774	0.150
November	1.499	0.185	1.239	0.155	0.774	0.150
December	1.612	0.191	1.350	0.160	0.774	0.150
January	1.764	0.198	1.486	0.167	0.774	0.150
February	1.706	0.195	1.437	0.164	0.774	0.150
March	1.635	0.192	1.353	0.160	0.774	0.150

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 and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	1.091	0.193	0.774	0.177	0.910	0.184
May	1.016	0.189	0.774	0.177	0.910	0.184
June	1.011	0.189	0.774	0.177	0.910	0.184
July	1.009	0.189	0.774	0.177	0.910	0.184
August	1.009	0.189	0.774	0.177	0.910	0.184
September	1.005	0.188	0.774	0.177	0.910	0.184
October	1.049	0.191	0.774	0.177	0.910	0.184
November	1.035	0.190	0.774	0.177	0.774	0.177
December	1.037	0.190	0.774	0.177	0.774	0.177
January	1.051	0.191	0.774	0.177	0.774	0.177
February	1.043	0.190	0.774	0.177	0.774	0.177
March	1.056	0.191	0.774	0.177	0.774	0.177

**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 <u>Rate/Month</u>	Commodity Charge <u>Rate/GJ</u>	Union Supplied Fuel Fuel and Commodity Charge <u>Rate/GJ</u>	Fuel <u>Ratio %</u>	AND	Shipper Supplied Fuel Commodity Charge <u>Rate/GJ</u>
1. Monthly fixed charge per Customer Station	\$952.72					
2. Transmission Commodity Charge		\$0.035				
3. Delivery Commodity Charge			\$0.008	0.157%		\$0.000

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 the identified authorized overrun charge. Overrun will be authorized at Union's sole discretion.

	Union Supplied Fuel Fuel and Commodity Charge <u>Rate/GJ</u>	Fuel <u>Ratio %</u>	AND	Shipper Supplied Fuel Commodity Charge <u>Rate/GJ</u>
Authorized Overrun Charge	\$0.077	0.157%		\$0.069

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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

**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)	\$1,515.67
Transmission Commodity Charge to Dawn (\$ per GJ)	\$0.035

Transportation Fuel	Customers located East of Dawn	Customers located West of Dawn
Fuel Charges to Dawn:		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.008	\$0.008
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.000	\$0.000
Fuel Ratio - Shipper supplied fuel (%)	0.157%	0.157%

Fuel Charges to the Pool		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.009	\$0.022
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.000	\$0.000
Fuel Ratio - Shipper supplied fuel (%)	0.186%	0.447%

b) Firm Transportation Demand Charges: (2)

Monthly Demand Charge applied to contract demand (\$ per GJ)	\$0.770	\$1.045
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Authorized Overrun:

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

	Customers located East of Dawn	Customers located West of Dawn
Firm Transportation:		
Charges to Dawn		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.067	\$0.077
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.060	\$0.069
Fuel Ratio - Shipper supplied fuel (%)	0.157%	0.157%
Charges to the Pool		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.034	\$0.056
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.025	\$0.034
Fuel Ratio - Shipper supplied fuel (%)	0.186%	0.447%

Overrun will be authorized at Union's sole discretion.



uniongas

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Unauthorized Overrun

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

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

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

Notes for Section (B) Rates:

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

(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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

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

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

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

II. GAS QUALITY

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

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

III. MEASUREMENTS

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

IV. POINT OF RECEIPT AND POINT OF DELIVERY

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

N/A

VI. FACILITIES ON SHIPPER'S PROPERTY

N/A

VII. MEASURING EQUIPMENT

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

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 Charges (applied to daily contract demand) <u>Rate/GJ</u>	<u>Union Supplied Fuel</u>		<u>Fuel and Commodity Charges</u>			Commodity <u>Charge Rate/GJ</u>
		<u>Fuel and Commodity Charge</u>		<u>Shipper Supplied Fuel</u>			
		<u>Apr.1-Oct.31</u>	<u>Nov.1-Mar.31</u>	<u>Fuel Ratio</u>			
		<u>Rate/GJ</u>	<u>Rate/GJ</u>	<u>Apr.1-Oct.31</u>	<u>Nov.1-Mar.31</u>	<u>AND</u>	
				<u>%</u>	<u>%</u>		
a) Firm Transportation							
Between:							
St.Clair & Dawn	\$1.045	\$0.010	\$0.013	0.207%	0.266%		\$0.000
Ojibway & Dawn	\$1.045	\$0.022	\$0.015	0.447%	0.303%		\$0.000
Bluewater & Dawn	\$1.045	\$0.010	\$0.013	0.207%	0.266%		\$0.000
From:							
Parkway to Kirkwall	\$0.837	\$0.014	\$0.008	0.293%	0.157%		\$0.000
Parkway to Dawn	\$0.837	\$0.014	\$0.008	0.293%	0.157%		\$0.000
Kirkwall to Dawn	\$1.475	\$0.008	\$0.008	0.157%	0.157%		\$0.000
Dawn to Kirkwall	\$2.865	\$0.016	\$0.037	0.318%	0.756%		\$0.000
Dawn to Parkway (TCPL)	\$3.402	\$0.028	\$0.050	0.571%	1.026%		\$0.000
Kirkwall to Parkway	\$0.537	\$0.020	\$0.021	0.410%	0.427%		\$0.000
b) Firm Transportation between two points within Dawn							
Dawn to Dawn-Vector	\$0.029	n/a	n/a	0.339%	0.157%		\$0.000
Dawn to Dawn-TCPL	\$0.138	n/a	n/a	0.157%	0.351%		\$0.000
c) Interruptible Transportation between two points within Dawn*							
*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)				0.157%	0.157%		\$0.000
d) Interruptible and Short Term (1 year or less) Firm Transportation:							
Maximum		\$75.00					

**(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.

	Union Supplied Fuel		Shipper Supplied Fuel		
	Commodity Charge		Fuel Ratio		Commodity Charge
	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>AND</u> <u>Rate/GJ</u>
a) Firm Transportation					
Between:					
St.Clair & Dawn	\$0.044	\$0.047	0.207%	0.266%	\$0.034
Ojibway & Dawn	\$0.056	\$0.049	0.447%	0.303%	\$0.034
Bluewater & Dawn	\$0.044	\$0.047	0.207%	0.266%	\$0.034
From:					
Parkway to Kirkwall	\$0.156	\$0.150	0.910%	0.774%	\$0.112
Parkway to Dawn	\$0.156	\$0.150	0.910%	0.774%	\$0.112
Kirkwall to Dawn	\$0.056	\$0.056	0.157%	0.157%	\$0.049
Dawn to Kirkwall	\$0.140	\$0.161	0.935%	1.373%	\$0.094
Dawn to Parkway (TCPL)	\$0.170	\$0.192	1.188%	1.643%	\$0.112
Kirkwall to Parkway	\$0.068	\$0.069	1.027%	1.044%	\$0.018
b) Firm Transportation within Dawn					
Dawn to Dawn-Vector	n/a	n/a	0.339%	0.157%	\$0.001
Dawn to Dawn-TCPL	n/a	n/a	0.157%	0.351%	\$0.005

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 \$0.070/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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

**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);

SCHEDULE "A"

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

II. GAS QUALITY

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

SCHEDULE "A"

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

III. MEASUREMENTS

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

IV. RECEIPT POINT AND DELIVERY POINT

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

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VI. FACILITIES ON SHIPPER'S PROPERTY

SCHEDULE "A"

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

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

VII. MEASURING EQUIPMENT

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

SCHEDULE "A"

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.

SCHEDULE "A"

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

SCHEDULE "A 2010"

"**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

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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, 2017

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)
	Rate 25 - All Zones				
1	Including Customer-Related GHG Obligation				
2	Excluding Customer-Related GHG Obligation	(\$24.95)	(0.0330)		(0.2720)
	Rate M4 - Interruptible				
3	Including Customer-Related GHG Obligation				
4	Excluding Customer-Related GHG Obligation	(\$15.40)	0.0257		
	Rate M5A - Interruptible				
5	Including Customer-Related GHG Obligation				
6	Excluding Customer-Related GHG Obligation	(\$15.40)	0.0257		
	Rate M7				
	Interruptible				
7	Including Customer-Related GHG Obligation				
8	Excluding Customer-Related GHG Obligation		(0.1250)		
	Seasonal				
9	Including Customer-Related GHG Obligation				
10	Excluding Customer-Related GHG Obligation		(0.1250)		
	Rate T1 - Interruptible				
	Transportation - Union supplies fuel				
11	Including Customer-Related GHG Obligation				
12	Excluding Customer-Related GHG Obligation		0.0488		
	Transportation - Customer supplies fuel				
13	Including Customer-Related GHG Obligation				
14	Excluding Customer-Related GHG Obligation		0.0325		
	Rate T2 - Interruptible				
	Transportation - Union supplies fuel				
15	Including Customer-Related GHG Obligation				
16	Excluding Customer-Related GHG Obligation		0.0264		
	Transportation - Customer supplies fuel				
17	Including Customer-Related GHG Obligation				
18	Excluding Customer-Related GHG Obligation		(0.0014)		

Notes:

(1) Applies to sales service customers only.

APPENDIX D

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
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
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.179-139
 Other Deferred Charges – Energy East Pipeline Consultation Costs

Credit - Account No. 728
 General Expense

To record, as a debit (credit) in Deferral Account No. 179-139, the consultation costs related to the Energy East Pipeline Project allocated by the Board.

Debit - Account No.179-139
 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. 179-139, interest on the balance in Deferral Account No. 179-139. 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.

UNION GAS LIMITED

**Accounting Entries for
Dawn H/Lobo D/Bright C Compressor Project Costs
Deferral Account No. 179-144**

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

Debit	-	Account No.179-144 Other Deferred Charges – Dawn H/Lobo D/Bright C Compressor Project Costs
Credit	-	Account No. 579 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-144, the difference between the actual revenue requirement related to the costs for the Dawn H/Lobo D/Bright C Compressor Project and the revenue requirement included in rates as approved by the Board.

Debit	-	Account No.179-144 Other Deferred Charges – Dawn H/Lobo D/Bright C Compressor Project Costs
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-144, interest on the balance in Deferral Account No. 179-144. 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
 Transportation Tolls and Fuel – Union North West Operations Area
Deferral Account No. 179-145**

This account is applicable to the North West 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.179-145 Other Deferred Charges – Transportation Tolls and Fuel – Union North West Operations Area
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-145, the difference in the costs between the actual cost of the transportation portfolio to serve Union North West delivery areas including associated fuel costs and the forecast cost of the transportation portfolio to serve these areas including associated forecast fuel costs as approved by the Board.

Debit	-	Account No. 179-145 Other Deferred Charges - Transportation Tolls and Fuel – Union North West Operations Area
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-145 charges that result from the Limited Balancing Agreement.

Debit	-	Account No. 500 Sales Revenue
Credit	-	Account No. 179-145 Other Deferred Charges - Transportation Tolls and Fuel – Union North West Operations Area

To record, as a credit (debit) in Deferral Account No. 179-145 revenue from T-Service customers for load balancing service resulting from the Limited Balancing Agreement.

Debit	-	Account No. 179-145 Other Deferred Charges - Transportation Tolls and Fuel – Union North West Operations Area
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-145 interest expense on the balance in Deferral Account No. 179-145. 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
Transportation Tolls and Fuel – Union North East Operations Area
Deferral Account No. 179-146**

This account is applicable to the North East 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.179-146 Other Deferred Charges – Transportation Tolls and Fuel – Union North East Operations Area
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-146, the difference in the costs between the actual cost of the transportation portfolio to serve Union North East delivery areas including associated fuel costs and the forecast cost of the transportation portfolio to serve these areas including associated forecast fuel costs as approved by the Board.

Debit	-	Account No. 179-146 Other Deferred Charges - Transportation Tolls and Fuel – Union North East Operations Area
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-146 charges that result from the Limited Balancing Agreement.

Debit	-	Account No. 500 Sales Revenue
Credit	-	Account No. 179-146 Other Deferred Charges - Transportation Tolls and Fuel – Union North East Operations Area

To record, as a credit (debit) in Deferral Account No. 179-146 revenue from T-Service customers for load balancing service resulting from the Limited Balancing Agreement.

Debit	-	Account No. 179-146 Other Deferred Charges - Transportation Tolls and Fuel – Union North East Operations Area
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-146 interest expense on the balance in Deferral Account No. 179-146. 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
Union North West Purchase Gas Variance Account
Deferral Account No. 179-147**

This account is applicable to the North West delivery areas 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. 179-147 Other Deferred Charges – Union North West Purchase Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-147, the difference between the unit cost of gas purchased each month for the Union North West delivery areas 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. 179-147 Other Deferred Charges - Union North West Purchase Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-147, interest expense on the balance in Deferral Account No. 179-147. 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
Union North East Purchase Gas Variance Account
Deferral Account No. 179-148**

This account is applicable to the North East delivery areas 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. 179-148 Other Deferred Charges – Union North East Purchase Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-148, the difference between the unit cost of gas purchased each month for the Union North East delivery areas 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. 179-148 Other Deferred Charges - Union North East Purchase Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-148, interest expense on the balance in Deferral Account No. 179-148. 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
Burlington Oakville Project Costs
Deferral Account No. 179-149**

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

Debit - Account No.179-149
 Other Deferred Charges – Burlington Oakville Project Costs

Credit - Account No. 579
 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-149, the difference between the actual revenue requirement related to the costs for the Burlington Oakville Project and the revenue requirement included in rates as approved by the Board.

Debit - Account No.179-149
 Other Deferred Charges – Burlington Oakville Project Costs

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-149, interest on the balance in Deferral Account No. 179-149. 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 Cost-Efficiency Incentive Deferral Account (“DSMCEIDA”)
Deferral Account No. 179-150**

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

Debit	-	Account No. 728 General Expense
Credit	-	Account No. 179-150 Other Deferred Charges – DSMCEIDA

The purpose of the DSMCEIDA is to record, as a credit in Deferral Account No. 179-150, the differences between Union Gas Limited’s (Union or the Company) annual approved DSM budget and the actual amounts spent to achieve the total aggregate annual lifetime savings (cumulative cubic metres of natural gas, or CCM) targets made up of all 100% CCM targets across all programs, in accordance with program evaluation results. Any OEB-approved DSMCEIDA amounts will be available to use in meeting the Company’s targets in a subsequent year over the 2015-2020 DSM term.

UNION GAS LIMITED

**Accounting Entries for
OEB Cost Assessment Variance Account
Deferral Account No. 179-151**

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

Debit	-	Account No. 179-151 Other Deferred Charges – OEB Cost Assessment Variance Account
Credit	-	Account No. 728 General Expense

To record as a debit (credit) in Deferral Account No. 179-151 any differences between OEB cost assessments currently built into rates, and cost assessments that will result from the application of the new cost assessment model effective April 1, 2016.

Debit	-	Account No. 179-151 Other Deferred Charges – OEB Cost Assessment Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-151, interest on the balance in Deferral Account No. 179-151. 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
Greenhouse Gas Emissions Impact Deferral Account
Deferral Account No. 179-152**

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

Debit - Account No.179-152
 Other Deferred Charges – Greenhouse Gas Emissions Impact Deferral Account

Credit - Account No. 728
 General Expense

To record, as a debit (credit) in Deferral Account No. 179-152, the impacts of provincial and federal regulations related to greenhouse gas emission requirements.

Debit - Account No.179-152
 Other Deferred Charges – Greenhouse Gas Emissions Impact Deferral Account

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-152, interest on the balance in Deferral Account No. 179-152. 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
Base Service North T-Service TransCanada Capacity Deferral Account
Deferral Account No. 179-153**

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

Debit	-	Account No.179-153 Other Deferred Charges – Base Service North T-Service TransCanada Capacity Deferral Account
Credit	-	Account No. 140 Accounts Receivable - Customers

To record, as a debit (credit) in Deferral Account No. 179-153, the differences between revenues and costs for the excess capacity from Parkway to the Union Point of Receipt as part of the Base Service offering of the North T-Service Transportation from Dawn.

Debit	-	Account No. 179-153 Other Deferred Charges - Base Service North T-Service TransCanada Capacity Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-153 interest expense on the balance in Deferral Account No. 179-153. 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 (a)	2016 (b)	2017 (c)	2018 (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	<u>2,871</u>	<u>6,782</u>	<u>6,824</u>	<u>6,824</u>
7	Required Return (4)	1,359	11,383	11,176	10,868
8	Total Operating Expenses and Return	<u>4,230</u>	<u>18,165</u>	<u>18,001</u>	<u>17,693</u>
	<u>Income Taxes:</u>				
9	Income Taxes - Equity Return (5)	272	2,281	2,240	2,178
10	Income Taxes - Utility Timing Differences (6)	<u>(4,580)</u>	<u>(5,726)</u>	<u>(4,808)</u>	<u>(3,969)</u>
11	Total Income Taxes	<u>(4,307)</u>	<u>(3,445)</u>	<u>(2,568)</u>	<u>(1,791)</u>
12	Total Revenue Requirement (7)	<u>(77)</u>	<u>14,720</u>	<u>15,433</u>	<u>15,902</u>
13	Incremental Project Revenue (8)	1,534	9,204	9,204	9,204
14	Net Revenue Requirement	<u>(1,611)</u>	<u>5,516</u>	<u>6,229</u>	<u>6,698</u>

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.

Dawn Parkway 2016 System Expansion Project - Revenue Requirement

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% ($0.64 \times 0.044 + 0.36 \times 0.0893$)
The 2018 required return calculation is as follows:
 $\$372.457 \text{ million} \times 64\% \times 4.4\% = \$10.488 \text{ million plus}$
 $\$372.457 \text{ million} \times 36\% \times 8.93\% = \$11.974 \text{ 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><u>77</u></u>	<u><u>8,284</u></u>	<u><u>8,531</u></u>
12	Incremental Project Revenue	<u>-</u>	<u>-</u>	<u>-</u>
13	Net Revenue Requirement (line 11 - line 12)	<u><u>77</u></u>	<u><u>8,284</u></u>	<u><u>8,531</u></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:
 $\$114.697 \text{ million} * 64\% * 4.4\% = \$3.230 \text{ million plus}$
 $\$114.697 \text{ million} * 36\% * 8.93\% = \$3.687 \text{ 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.

2017 Dawn Parkway Project - Revenue Requirement

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% ($0.64 \times 0.04 + 0.36 \times 0.0893$)
The 2018 required return calculation is as follows:
 $\$592.525 \text{ million} \times 64\% \times 4.0\% = \$15.169 \text{ million plus}$
 $\$592.525 \text{ million} \times 36\% \times 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



RATE 01A - SMALL VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

Any customer in Union's North West and North East 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 TransCanada's system to the Point of Consumption on the customer's premises of natural gas owned by the customer and transported by TransCanada 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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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

	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
	Union North West	Union North East	Union North West	Union North East
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>			\$21.00	\$21.00
<u>DELIVERY CHARGE</u>			<u>¢ per m³</u>	<u>¢ per m³</u>
First 100 m ³ per month @			9.2574	9.2574
Next 200 m ³ per month @			9.0244	9.0244
Next 200 m ³ per month @			8.6567	8.6567
Next 500 m ³ per month @			8.3192	8.3192
Over 1,000 m ³ per month @			8.0404	8.0404
Delivery-Price Adjustment (All Volumes)			0.6677 (1)	0.6677 (1)

Notes:

(1) Includes a temporary charge of 0.6186, and 0.0491 cents/m³ expiring March 31, 2017.



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2017-01-01
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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



RATE 10 - LARGE VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

Any customer in Union's North West and North East 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 TransCanada's system to the Point of Consumption on the customer's premises of natural gas owned by the customer and transported by TransCanada 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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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

	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
	Union North West	Union North East	Union North West	Union North East
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>			\$70.00	\$70.00
<u>DELIVERY CHARGE</u>			<u>¢ per m³</u>	<u>¢ per m³</u>
First 1,000 m ³ per month @			7.7571	7.7571
Next 9,000 m ³ per month @			6.3246	6.3246
Next 20,000 m ³ per month @			5.6530	5.6530
Next 70,000 m ³ per month @			5.1162	5.1162
Over 100,000 m ³ per month @			3.0825	3.0825
Delivery-Price Adjustment (All Volumes)			0.6349 (1)	0.6349 (1)

Notes:

(1) Includes a temporary charge of 0.4730, and 0.1619 cents/m³ expiring March 31, 2017.



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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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

RATE 20 - MEDIUM VOLUME FIRM SERVICE**ELIGIBILITY**

Any customer in Union's North West and North East 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 TransCanada'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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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)

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
<u>MONTHLY CHARGE</u>		\$884.46
<u>DELIVERY CHARGES</u> (cents per month per m ³)		
Monthly Demand Charge for first 70,000 m ³ of Contracted Daily Demand		28.6326
Monthly Demand Charge for all units over 70,000 m ³ of Contracted Daily Demand		16.8374
Commodity Charge for first 852,000 m ³ of gas volumes delivered		0.5649
Commodity Charge for all units over 852,000 m ³ of gas volumes delivered		0.4106

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.

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.

	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
	Union <u>North West</u>	Union <u>North East</u>	Union <u>North West</u>	Union <u>North East</u>
<u>MONTHLY CHARGE</u>			\$884.46	\$884.46
<u>DELIVERY CHARGES</u>			<u>cents per m³</u>	<u>cents per m³</u>
Commodity Charge for each unit of gas volumes delivered			2.4476	2.4476

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) \$20.111

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) \$0.206

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ) \$0.867

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

DIVERSION TRANSACTION CHARGE

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



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THE BILL

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

MINIMUM BILL

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

DELAYED PAYMENT

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

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

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

Any customer in Union's North West and North East 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 TransCanada'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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

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)

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
<u>MONTHLY CHARGE</u>		\$306.75
<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:		5.1705
<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.		232.8600

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 (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.

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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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

ELIGIBILITY

Any customer in Union's North West and North East 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 10³m³ 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, 2017
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Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

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

Any customer in Union's North West and North East 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 TransCanada'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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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)

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
<u>MONTHLY CHARGE</u>		\$1,372.75
<u>DELIVERY CHARGES</u> (cents per Month per m ³ of Daily Contract Demand)		
Monthly Demand Charge for each unit of Contracted Daily Demand		15.1083
Commodity Charge for each unit of gas volumes delivered (cents/m ³)		0.2205

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.

ADDITIONAL CHARGES FOR SALES SERVICE

Gas Supply Charges

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

Commodity Transportation

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

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

HEAT CONTENT ADJUSTMENT

The gas supply commodity charges hereunder will be adjusted upwards or downwards as described below if the average total heating value of the gas per cubic metre (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	Including Customer-Related <u>GHG Obligation</u>		Excluding Customer-Related <u>GHG Obligation</u>	
	Union <u>North West</u>	Union <u>North East</u>	Union <u>North West</u>	Union <u>North East</u>
<u>MONTHLY CHARGE</u>			\$1,372.75	\$1,372.75
<u>DELIVERY CHARGES</u> (cents per m ³)				
Commodity Charge for each unit of gas volumes delivered			0.9301	0.9301
<u>GAS SUPPLY CHARGES</u>				

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) \$20.111

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) \$0.206

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ) \$0.867

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

DIVERSION TRANSACTION CHARGE

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



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THE BILL

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

MINIMUM BILL

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

DELAYED PAYMENT

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

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



Union Gas Limited
Union North
Gas Supply Charges

(A) Availability

Available to customers in Union's North West and North East Delivery Zones.

(B) Applicability:

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

(C) Rates

<u>Utility Sales</u>	Union North West			Union North East	
	Previously Fort Frances Zone	Previously Western Zone	Previously Northern Zone	Previously Northern Zone	Previously Eastern Zone
<u>Rate 01A (cents / m³)</u>					
Storage	2.0589	2.0589	2.0589	6.6220	6.6220
Storage - Price Adjustment	-	-	-	-	-
Commodity and Fuel (1)	11.2718	11.3534	11.4797	11.4797	11.5800
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Transportation	6.7292	6.7292	6.7292	2.9655	2.9655
Transportation - Price Adjustment	0.3919	0.3919	0.3919	0.3919	0.3919
Total Gas Supply Charge	<u>18.7611</u>	<u>18.8427</u>	<u>18.9690</u>	<u>19.7684</u>	<u>19.8687</u>

Rate 10 (cents / m³)

Storage	1.5495	1.5495	1.5495	4.6762	4.6762
Storage - Price Adjustment	-	-	-	-	-
Commodity and Fuel (1)	11.2718	11.3534	11.4797	11.4797	11.5800
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Transportation	5.8929	5.8929	5.8929	2.7303	2.7303
Transportation - Price Adjustment	0.4196	0.4196	0.4196	0.4196	0.4196
Total Gas Supply Charge	<u>17.4431</u>	<u>17.5247</u>	<u>17.6510</u>	<u>17.6151</u>	<u>17.7154</u>

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1902 cents/m³.



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Union Gas Limited
Union North
Gas Supply Charges

<u>Utility Sales</u>	Union North West			Union North East	
	Previously	Previously	Previously	Previously	Previously
	<u>Fort Frances Zone</u>	<u>Western Zone</u>	<u>Northern Zone</u>	<u>Northern Zone</u>	<u>Eastern Zone</u>
<u>Rate 20 (cents / m³)</u>					
Commodity and Fuel (1)	11.0091	11.0888	11.2120	11.2120	11.3100
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Commodity Transportation - Charge 1	3.5625	3.5625	3.5625	2.6079	2.6079
Transportation 1 - Price Adjustment	(0.0806)	(0.0806)	(0.0806)	(0.0806)	(0.0806)
Commodity Transportation - Charge 2	-	-	-	-	-
Monthly Gas Supply Demand	55.8485	55.8485	55.8485	49.7267	49.7267
Gas Supply Demand - Price Adjustment	-	-	-	-	-
Commissioning and Decommissioning Rate	6.5222	6.5222	6.5222	5.3560	5.3560

Rate 100 (cents / m³)

Commodity and Fuel (1)	11.0091	11.0888	11.2120	11.2120	11.3100
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Commodity Transportation - Charge 1	6.2885	6.2885	6.2885	9.0613	9.0613
Commodity Transportation - Charge 2	-	-	-	-	-
Monthly Gas Supply Demand	112.0994	112.0994	112.0994	158.4424	158.4424
Commissioning and Decommissioning Rate	7.9600	7.9600	7.9600	11.3249	11.3249

Rate 25 (cents / m³)

Gas Supply Charge:

Interruptible Service					
Minimum	1.4848	1.4848	1.4848	1.4848	1.4848
Maximum	675.9484	675.9484	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 0.1902 cents/m³.
- (2) Billing in energy (\$/GJ) will only apply to the Natural Gas Liquefaction Service.

Effective: January 1, 2017 Chatham, Ontario
O.E.B. Order # EB-2016-0245

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



uniongas

Effective
2017-01-01
Schedule "A"

Gas Supply Charges

(A) Availability:

Available to customers in Union's Southern Delivery Zone.

(B) Applicability:

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

(C) Rates:

cents / m³

Utility Sales

Commodity and Fuel	11.5698 (1)
Commodity and Fuel - Price Adjustment	(0.6779)
Transportation	4.2031
Total Gas Supply Commodity Charge	<u>15.0950</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	4.8595
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Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3

\$/GJ

Monthly demand charges:	
Firm gas supply service	59.279
Firm backstop gas	1.692
Commodity charges:	
Gas supply	2.932
Backstop gas	4.512
Reasonable Efforts Backstop Gas	5.470
Supplemental Inventory	Note (2)
Supplemental Gas Sales Service (cents / m ³)	18.8919
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.738
Discretionary Gas Supply Service (DGSS)	Note (3)

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1902 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 a gas supply administration charge.

Effective: January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

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.

		<u>Including Customer-Related GHG Obligation</u>	<u>Excluding Customer-Related GHG Obligation</u>
a)	Monthly Charge		\$21.00
b)	Delivery Charge		
	First 100 m ³		4.7406 ¢ per m ³
	Next 150 m ³		4.5002 ¢ per m ³
	All Over 250 m ³		3.8790 ¢ per m ³
	Delivery - Price Adjustment (All Volumes)		0.4365 ¢ per m ³
c)	Storage Charge (if applicable)		0.7153 ¢ per m ³
	Storage - Price Adjustment (All Volumes)		- ¢ 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 0.2283, and 0.2082 cents/m³ expiring March 31, 2017.

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

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Overrun Delivery Charge		5.4559 ¢ per m ³

(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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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.

		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
a)	Monthly Charge		\$70.00
b)	Delivery Charge		
	First 1 000 m ³		4.7134 ¢ per m ³
	Next 6 000 m ³		4.6259 ¢ per m ³
	Next 13 000 m ³		4.4396 ¢ per m ³
	All Over 20 000 m ³		4.1211 ¢ per m ³
	Delivery – Price Adjustment (All Volumes) (1)		0.4836 ¢ per m ³
c)	Storage Charge (if applicable)		0.6252 ¢ per m ³
	Storage - Price Adjustment (All Volumes)		- ¢ 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 0.1629, and 0.3207 cents/m³ expiring March 31, 2017.

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

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Overrun Delivery Charge		5.3386 ¢ per m ³

(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, 2017
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Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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.

		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
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		56.8027 ¢ per m ³
	Next 19 700 m ³ of daily contracted demand		25.4689 ¢ per m ³
	All Over 28 150 m ³ of daily contracted demand		21.3974 ¢ per m ³
(ii)	A Monthly Delivery Commodity Charge		
	First 422 250 m ³ delivered per month		1.4240 ¢ per m ³
	Next volume equal to 15 days use of daily contracted demand		1.4240 ¢ per m ³
	For remainder of volumes delivered in the month		0.6061 ¢ per m ³
	Delivery- Price Adjustment (All Volumes)		- ¢ 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 at the identified authorized overrun delivery charge and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m ³ for all volumes purchased.		
	Unauthorized overrun gas taken in any month shall be paid for at the identified unauthorized overrun delivery charge for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m ³ for all gas supply volumes purchased.		
		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
	Authorized Overrun Delivery Charge		3.2915 ¢ per m ³
	Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³



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 the identified firm minimum annual delivery charge and, if applicable a gas supply commodity charge provided in Schedule "A".

Firm Minimum Annual Delivery Charge	1.6142 ¢ per m ³
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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:

	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
a) (i) Monthly Delivery Commodity Charge		
<u>Daily Contracted Demand Level (CD)</u>		
2 400 m ³ ≤ CD < 17 000 m ³		3.0313 ¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³		2.9014 ¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³		2.8331 ¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³		2.7852 ¢ per m ³

Delivery - Price Adjustment (All Volumes)	- ¢ per m ³
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(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	\$654.15 per month
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- 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 the identified interruptible minimum annual delivery charge, 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.

Interruptible Minimum Annual Delivery Charge	3.2215 ¢ per m ³
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- 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 identified unauthorized overrun delivery charge and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³

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 232.8600 ¢ per m³ (\$60 per GJ) for the delivery.

(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

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O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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:

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
a) (i) Monthly Delivery Commodity Charge		
<u>Daily Contracted Demand Level (CD)</u>		
2 400 m ³ ≤ CD < 17 000 m ³		3.0313 ¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³		2.9014 ¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³		2.8331 ¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³		2.7852 ¢ per m ³
Delivery- Price Adjustment (All Volumes)		- ¢ per m ³
(ii) Days Use of Interruptible Contract Demand		
The price determined under Paragraph 1(a) of "Rates" will be reduced by the amount based on the number of Days Use of Contracted Demand as scheduled below:		
For 75 days use of contracted demand		0.0530 ¢ per m 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		\$654.15 per month



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 the identified interruptible minimum annual delivery charge, 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.

Interruptible Minimum Annual Delivery Charge	3.2215 ¢ per m ³
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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 identified unauthorized overrun delivery charge and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³

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 232.8600 ¢ 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.

- The monthly demand charge for firm daily deliveries will be 31.7959 ¢ per m³.
- 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 31.7959 ¢ per m³ of daily contracted demand and a delivery commodity price adjustment of 0.0000 ¢ per m³.
- The interruptible commodity charge will be established under Clause 1 of this schedule.



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Rate M5A
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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. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

(F) Bundled Direct Purchase Delivery

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

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

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Chatham, Ontario

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SPECIAL LARGE VOLUME
INDUSTRIAL AND COMMERCIAL CONTRACT RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a Customer

- a) who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a combined maximum daily requirement for firm, interruptible and seasonal service of at least 60 000 m³; and
- b) who has site specific energy measuring equipment that will be used in determining energy balances.

(C) Rates

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

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
1. Bills will be rendered monthly and shall be the total of:		
(i) A Monthly Demand Charge		
A negotiated Monthly Demand Charge for each m ³ of daily contracted firm demand up to		30.8246 ¢ per m ³
(ii) A Monthly Delivery Commodity Charge		
(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of and a Delivery - Price Adjustment of		0.4496 ¢ per m ³ - ¢ per m ³
(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 and a Delivery - Price Adjustment of		5.6298 ¢ per m ³ - ¢ per m ³
(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 and a Delivery - Price Adjustment of		5.3857 ¢ per m ³ - ¢ 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) 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 (3).

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 232.8600 ¢ 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 at the identified commissioning and decommissioning rate and the total gas supply charge for utility sales provided in Schedule "A" per m³, if applicable.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Commissioning and Decommissioning Rate		4.0758 ¢ per m ³

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.



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.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
1.		
(i) A Monthly Demand Charge 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.		22.3154 ¢ per m ³
(ii) A Delivery Commodity Charge for gas delivered of and a Delivery - Price Adjustment of		0.2703 ¢ per m ³ - ¢ 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".

(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 at the identified authorized overrun delivery charge. 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 at the identified unauthorized overrun delivery charge.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Authorized Overrun Delivery Charge		1.0040 ¢ per m ³
Unauthorized Overrun Delivery Charge		36.0000 ¢ per m ³

(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.



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.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
1. A Delivery Commodity Charge of		6.8119 ¢ per m ³
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 identified unauthorized overrun delivery charge 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.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³

(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

	<u>Demand Charge Rate/GJ/month</u>	<u>Commodity Charges/Credits Rate/GJ</u>
a) Transportation by Union For gas delivered to Union at any point other than the Ontario Point(s) of Receipt, Union will charge a customer all approved tolls and charges, incurred by Union to transport the gas to the Ontario Point(s) of Receipt		
b) Firm Backstop Gas Applied to the contracted Firm Backstop Gas Supply Service	\$1.692	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$4.512
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$5.470
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		\$2.738
f) Short Term Storage / Balancing Service (2) Maximum		\$6.000
g) Discretionary Gas Supply Service ("DGSS")		Note (3)
h) Parkway Delivery Commitment Incentive ("PDCI")		\$0.149



uniongas

Effective
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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.

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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	\$1.561			
Customer provides deliverability Inventory (4)	\$1.186			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.186			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.186			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio <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		\$0.028	0.406%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.028	0.406%	\$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	Union Providing Compressor Fuel		Fuel Ratio (5)	For Customers Providing Their Own Compressor Fuel	
		Commodity Charge			Commodity Charge	
		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
		<u>Rate/m³/mo</u>	<u>Rate/m³</u>		<u>Rate/m³</u>	<u>Rate/m³</u>
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand First 28,150 m ³ per month Next 112,720 m ³ per month	35.4376 ¢ 24.4833 ¢					
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption Commodity Charge (All volumes)			0.1823 ¢	0.305%		0.1245 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum			5.6298 ¢	0.305%		5.5720 ¢

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.

	<u>Firm or Interruptible Service</u>				
	Union Providing Compressor Fuel		<u>Fuel Ratio</u>	For Customers Providing Their Own Compressor Fuel	
	<u>Commodity Charge</u>			<u>Commodity Charge</u>	
	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
	Storage Injections		\$0.101/GJ	0.861%	
Storage Withdrawals		\$0.101/GJ	0.861%		\$0.059/GJ
Transportation		1.3474 ¢/m³	0.305%		1.2896 ¢/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 the identified unauthorized overrun charge, as appropriate.

	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
Unauthorized Overrun Storage Injections and Withdrawals Charge		5.4559 ¢ per m ³ or \$1.406 per GJ
Unauthorized Overrun Transportation Charge		5.4559 ¢ per m ³ or \$1.406 per GJ

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 232.8600 ¢ 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	\$1,905.94
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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:
www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features

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

- 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.	<u>Rate/GJ</u>
PDCI	\$0.149

(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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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	\$1.561			
Customer provides deliverability Inventory (4)	\$1.186			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.186			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.186			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio <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		\$0.028	0.406%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.028	0.406%	\$0.008
g) Short Term Storage / Balancing Service Maximum		\$6.000		
h) Daily Variance Account Interruptible Injections/Withdrawals Paid on all quantities withdrawn from and injected into the Daily Variance Account up to the Maximum Injection/Withdrawal Quantity		\$0.101	0.861%	\$0.059

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.

3.4 Contract Demand multiple of 10

For customers with non-obligated supply and who are not eligible for Section 3.3 above, the maximum storage space is determined as 9 x firm daily Contract Demand and the Daily Variance Account maximum storage space is determined as 1 x firm daily Contract Demand.

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

4.3 For customers with non-obligated supply and are not eligible for Section 4.2 above, the firm storage deliverability is determined as 1.2% of firm storage space, excluding the firm storage space associated with the Daily Variance Account. For the Daily Variance Account, the storage deliverability is available on an interruptible basis up to the customer's firm contracted demand.

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	Union Providing Compressor Fuel		For Customers Providing Their Own Compressor Fuel	
		Commodity Charge		Commodity Charge	
		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
	<u>Rate/m³/mo</u>	<u>Rate/m³</u>	<u>Rate/m³</u>	<u>Rate/m³</u>	<u>Rate/m³</u>
a) Annual Firm Transportation Demand					
Applied to the Firm Daily Contract Demand					
First 140,870 m ³ per month					
All over 140,870 m ³ per month					
	26.4455 ¢				
	13.9884 ¢				
b) Firm Transportation Commodity					
Paid on all firm quantities redelivered to the					
customer's Point(s) of Consumption					
Commodity Charge (All volumes)					
			0.0880 ¢	0.283%	0.0343 ¢
c) Interruptible Transportation Commodity					
Paid on all interruptible quantities redelivered					
to the customer's Point(s) of Consumption					
Maximum					
			5.6298 ¢	0.283%	5.5761 ¢

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. Authorized Overrun is not applicable to the Daily Variance Account.

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. The Authorized Overrun rates are not applicable to the Daily Variance Account.

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

	<u>Firm or Interruptible Service</u>				
	Union Providing Compressor Fuel		Fuel Ratio	For Customers Providing Their Own Compressor Fuel	
	Commodity Charge			Commodity Charge	
	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
	Storage Injections		\$0.101/GJ	0.861%	
Storage Withdrawals		\$0.101/GJ	0.861%		\$0.059/GJ
Transportation		0.9574 ¢/m³	0.283%		0.9037 ¢/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 the identified unauthorized overrun charge, as appropriate. For the Daily Variance Account, this unauthorized storage overrun rate will be charged on all quantities in excess of the Daily Variance Account maximum injection/withdrawal quantity.

	<u>Including Customer-Related GHG Obligation</u>	<u>Excluding Customer-Related GHG Obligation</u>
Unauthorized Overrun Storage Injections and Withdrawals Charge		5.4559 ¢ per m³ or \$1.406 per GJ
Unauthorized Overrun Transportation Charge		5.4559 ¢ per m³ or \$1.406 per GJ

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 232.8600 ¢ 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	\$5,513.81
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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

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 \$0.070/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:
www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features

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

- 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

\$0.149

(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.



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	\$1.561			
Customer provides deliverability Inventory (4)	\$1.186			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.186			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.186			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel Commodity 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		\$0.028	0.406%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.028	0.406%	\$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	Union Providing Compressor Fuel		For Customers Providing Their Own Compressor Fuel	
		Commodity Charge		Commodity Charge	
		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
		<u>Rate/m³/mo</u>	<u>Rate/m³</u>	<u>Rate/m³</u>	<u>Rate/m³</u>
a) Annual Firm Transportation Demand (1) Applied to the Firm Daily Contract Demand	16.7213 ¢				
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the Customer's Point(s) of Redelivery			0.1629 ¢	0.380%	0.0909 ¢

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 Compressor Fuel		For Customers Providing Their Own Compressor Fuel		
	Commodity Charge		Fuel Ratio	Commodity Charge	
	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Storage Injections		\$0.101/GJ	0.861%		\$0.059/GJ
Storage Withdrawals		\$0.101/GJ	0.861%		\$0.059/GJ
Transportation		0.7126 ¢/m³	0.380%		0.6406 ¢/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 the identified unauthorized overrun charge, as appropriate.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Storage Injections and Withdrawals Charge		36.0000 ¢ per m³ or \$9.276 per GJ
Unauthorized Overrun Transportation Charge		36.0000 ¢ per m³ or \$9.276 per GJ

3. Short Term Storage ServicesAuthorized

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

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

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

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

	<u>Monthly Charge</u>
City of Kitchener	\$ 19,968.19
NRG	\$ 3,065.32
Six Nations	\$ 1,021.77

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	\$0.149

(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

**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		0.406%	\$0.026
c) Withdrawal Commodity		0.406%	\$0.026
ii) Standard Peaking Service (SPS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.114		
b) Injection Commodity		0.406%	\$0.026
c) Withdrawal Commodity		0.861%	\$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	\$1.030		
b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$1.030		
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.

**OVERRUN SERVICE****1. Injection and Withdrawal**

Authorized

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	0.861%	\$0.060
Withdrawal	0.861%	\$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	\$0.149

(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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

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 - Parkway 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 Charges (applied to daily contract demand) Rate/GJ	Fuel and Commodity Charges			
		Union Supplied Fuel Fuel and Commodity Charge Rate/GJ	Shipper Supplied Fuel		
			Fuel Ratio %	AND	Commodity Charge Rate/GJ
<u>Firm Transportation (1)</u>					
Dawn to Parkway (Cons) / Lisgar	\$3.402	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		\$0.000
Dawn to Parkway (TCPL / EGT)	\$3.402				\$0.000
Dawn to Kirkwall	\$2.865				\$0.000
Kirkwall to Parkway	\$0.537				\$0.000
<u>M12-X Firm Transportation</u>					
Between Dawn, Kirkwall and Parkway	\$4.239	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		
<u>Limited Firm/Interruptible Transportation (1)</u>					
Dawn to Parkway (Cons) / Lisgar – Maximum	\$8.165	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		\$0.000
Dawn to Parkway (TCPL / EGT) – Maximum	\$8.165				\$0.000
Dawn to Kirkwall – Maximum	\$8.165				\$0.000
Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar (2)	n/a			n/a	0.157%

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.

	<u>Fuel and Commodity Charges</u>			
	<u>Union Supplied Fuel</u>		<u>Shipper Supplied Fuel</u>	
	Fuel and Commodity Charge Rate/GJ		Fuel Ratio %	Commodity Charge Rate/GJ
Transportation Overrun				
Dawn to Parkway (Cons) / Lisgar		Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	\$0.112
Dawn to Parkway (TCPL / EGT)				\$0.112
Dawn to Kirkwall				\$0.094
Kirkwall to Parkway				\$0.018
Parkway (TCPL) Overrun (4)	n/a		0.704%	n/a
M12-X Firm Transportation				
Dawn to Kirkwall / Parkway (Cons) / Lisgar		Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	\$0.139
Dawn to Parkway (TCPL / EGT)				\$0.139
Kirkwall to Parkway				\$0.139
Parkway to Dawn / Kirkwall				\$0.139
Kirkwall to Dawn				\$0.139

(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) or Parkway (EGT) 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) or Parkway (EGT) 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 \$0.070/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 =
$$\sum_{1}^{4} [(0.001570 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [0.001570 \times (QT1 + Q3)) + (DWFxQT1) + F_{WT}] \text{ For Oct. 1 to May 31}$$

YCRR =
$$\sum_{1}^{4} [(0.001570 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \times R \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [(0.001570 \times (QT1 + QT3)) + (DWFxQT1) + F_{WT}] \times R \text{ For Oct. 1 to May 31}$$

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.

(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.

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 <u>Rate/Month</u>	Commodity Charge <u>Rate/GJ</u>	Union Supplied Fuel Fuel and Commodity Charge <u>Rate/GJ</u>	Fuel <u>Ratio %</u>	AND	Shipper Supplied Fuel Commodity Charge <u>Rate/GJ</u>
1. Monthly fixed charge per Customer Station	\$952.72					
2. Transmission Commodity Charge		\$0.035				
3. Delivery Commodity Charge			\$0.008	0.157%		\$0.000

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 the identified authorized overrun charge. Overrun will be authorized at Union's sole discretion.

	Union Supplied Fuel Fuel and Commodity Charge <u>Rate/GJ</u>	Fuel <u>Ratio %</u>	AND	Shipper Supplied Fuel Commodity Charge <u>Rate/GJ</u>
Authorized Overrun Charge	\$0.077	0.157%		\$0.069

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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

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) \$1,515.67

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

Transportation Fuel	Customers located East of Dawn	Customers located West of Dawn
---------------------	--------------------------------------	--------------------------------------

Fuel Charges to Dawn:

Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.008	\$0.008
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.000	\$0.000
Fuel Ratio - Shipper supplied fuel (%)	0.157%	0.157%

Fuel Charges to the Pool

Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.009	\$0.022
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.000	\$0.000
Fuel Ratio - Shipper supplied fuel (%)	0.186%	0.447%

b) Firm Transportation Demand Charges: (2)

Monthly Demand Charge applied to contract demand (\$ per GJ)	\$0.770	\$1.045
--	---------	---------

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 supplied fuel (\$ per GJ)	\$0.067	\$0.077
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.060	\$0.069
Fuel Ratio - Shipper supplied fuel (%)	0.157%	0.157%
Charges to the Pool		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.034	\$0.056
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.025	\$0.034
Fuel Ratio - Shipper supplied fuel (%)	0.186%	0.447%

Overrun will be authorized at Union's sole discretion.



uniongas

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Unauthorized Overrun

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

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

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

Notes for Section (B) Rates:

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

(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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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 Charges (applied to daily contract demand) <u>Rate/GJ</u>	<u>Union Supplied Fuel</u>		<u>Fuel and Commodity Charges</u>			Commodity <u>Charge</u> <u>Rate/GJ</u>
		<u>Fuel and Commodity Charge</u>		<u>Shipper Supplied Fuel</u>		<u>AND</u>	
		<u>Fuel Ratio</u>					
		<u>Apr.1-Oct.31</u> <u>Rate/GJ</u>	<u>Nov.1-Mar.31</u> <u>Rate/GJ</u>	<u>Apr.1-Oct.31</u> <u>%</u>	<u>Nov.1-Mar.31</u> <u>%</u>		
a) Firm Transportation							
Between:							
St.Clair & Dawn	\$1.045	\$0.010	\$0.013	0.207%	0.266%		\$0.000
Ojibway & Dawn	\$1.045	\$0.022	\$0.015	0.447%	0.303%		\$0.000
Bluewater & Dawn	\$1.045	\$0.010	\$0.013	0.207%	0.266%		\$0.000
From:							
Parkway to Kirkwall	\$0.837	\$0.014	\$0.008	0.293%	0.157%		\$0.000
Parkway to Dawn	\$0.837	\$0.014	\$0.008	0.293%	0.157%		\$0.000
Kirkwall to Dawn	\$1.475	\$0.008	\$0.008	0.157%	0.157%		\$0.000
Dawn to Kirkwall	\$2.865	\$0.016	\$0.037	0.318%	0.756%		\$0.000
Dawn to Parkway (TCPL)	\$3.402	\$0.028	\$0.050	0.571%	1.026%		\$0.000
Kirkwall to Parkway	\$0.537	\$0.020	\$0.021	0.410%	0.427%		\$0.000
b) Firm Transportation between two points within Dawn							
Dawn to Dawn-Vector	\$0.029	n/a	n/a	0.339%	0.157%		\$0.000
Dawn to Dawn-TCPL	\$0.138	n/a	n/a	0.157%	0.351%		\$0.000
c) Interruptible Transportation between two points within Dawn*							
*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)				0.157%	0.157%		\$0.000
d) Interruptible and Short Term (1 year or less) Firm Transportation:							
Maximum		\$75.00					

**(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.

	Union Supplied Fuel		Shipper Supplied Fuel		
	Commodity Charge		Fuel Ratio		Commodity Charge
	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>AND</u> <u>Rate/GJ</u>
a) Firm Transportation					
Between:					
St.Clair & Dawn	\$0.044	\$0.047	0.207%	0.266%	\$0.034
Ojibway & Dawn	\$0.056	\$0.049	0.447%	0.303%	\$0.034
Bluewater & Dawn	\$0.044	\$0.047	0.207%	0.266%	\$0.034
From:					
Parkway to Kirkwall	\$0.156	\$0.150	0.910%	0.774%	\$0.112
Parkway to Dawn	\$0.156	\$0.150	0.910%	0.774%	\$0.112
Kirkwall to Dawn	\$0.056	\$0.056	0.157%	0.157%	\$0.049
Dawn to Kirkwall	\$0.140	\$0.161	0.935%	1.373%	\$0.094
Dawn to Parkway (TCPL)	\$0.170	\$0.192	1.188%	1.643%	\$0.112
Kirkwall to Parkway	\$0.068	\$0.069	1.027%	1.044%	\$0.018
b) Firm Transportation within Dawn					
Dawn to Dawn-Vector	n/a	n/a	0.339%	0.157%	\$0.001
Dawn to Dawn-TCPL	n/a	n/a	0.157%	0.351%	\$0.005

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 \$0.070/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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

2017 Rates
Overview of Working Papers

- Schedule 1*** **Calculation of Price Cap Index (PCI)** – This schedule provides the calculation of the average annual percentage change in the GDP IPI FDD over the four quarters ending June 2016.
- Schedule 2*** **Calculation of Price Cap Adjustment** – This schedule provides the 2017 PCI applied to the 2016 approved revenue adjusted for DSM, PDO, capital pass-through, and upstream transportation costs to arrive at the total price cap adjustment.
- Schedule 3*** **Summary of 2017 Proposed Rates** – This schedule summarizes the proposed 2017 rate changes 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 2016 revenue adjustments to arrive at the final 2017 revenue.
- Schedule 6*** **Percentage Change in Average Unit Price** – This schedule identifies average unit price changes for in-franchise rate classes.
- Schedule 7*** **Summary of Approved 2016 Revenue Changes** – This schedule summarizes the approved revenue changes that occurred during 2016.
- Schedule 8*** **General Service Customer Bill Impacts** – This schedule provides illustrative customer bill impacts for general service customers in Rate M1, Rate M2, Rate 01, and Rate 10.
- Schedule 9*** **Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers** – This schedule provides illustrative customer bill impacts for all Union North and Union South in-franchise rate classes based on typical small and large customers within each rate class.
- Schedule 10*** **Summary of 2017 Capital Pass-Through Adjustments** – This schedule summarizes the 2017 cost adjustments by rate class related to Union’s capital pass-through projects.

- Schedule 11** **Calculation of 2017 DSM Budget** – This schedule provides the calculation of the 2017 DSM budget included in rates.
- Schedule 12** **Calculation of 2017 NAC Target Percentage Change** – This schedule provides the calculation of the NAC target percentage change used to adjust billing units for general service classes (Rate M1, Rate M2, Rate 01 and Rate 10).
- Schedule 13** **Summary of S&T Transactional Margin Included in 2017 Rates** – This schedule provides the S&T transactional margin included in in-franchise rates.
- Schedule 14** **Summary of Gas Supply Optimization Margin Included in 2017 Rates** – This schedule summarizes the gas supply optimization margin amounts included in 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 summarizes the approved changes to upstream transportation costs that occurred during 2016 through the QRAM process that are not subject to the price cap adjustment.
- Schedule 16** **Calculation of 2017 Gas Supply Administration Charge** – This schedule provides the calculation of the 2017 gas supply administration charge included in commodity rates.
- Schedule 17** **LRAM Volume Adjustment** – This schedule provides the LRAM-related volume adjustments by contract rate class included in the for 2017 rate calculations.
- Schedule 18** **Calculation of Supplemental Service Charges** – This schedule provides the calculation of Union’s supplemental service charges.
- 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 (PDO) Rate Adjustments** – This schedule provides the 2017 costs related to the PDO and the Parkway Delivery Commitment Incentive (PDCI).

- Schedule 21*** **Ex-Franchise Transportation Fuel Ratios** – This schedule provides the fuel ratios adjustments related to the PCI, the PDO compressor fuel and PDCI compressor fuel, as shown at Working Paper Schedule 20, page 2.
- Schedule 22*** **In-Franchise Transportation Fuel Ratios** – This schedule provides the fuel ratio adjustments related to the PCI, the PDO compressor fuel and PDCI compressor fuel, as shown at Working Paper Schedule 20, page 2.
- Schedule 23*** **Union North Storage and Transportation Costs by Rate Class** – This schedule provides the allocation of Union North storage and transportation costs for each of the Union North West and Union North East Zones by rate class.

UNION GAS LIMITED
Estimated Calculation of Price Cap Index
Effective January 1, 2017

Line No.	Particulars	Annual % Change in GDP IPI FDD (1)		
1	July - September 2015	1.67%		
2	October - December 2015	1.75%		
3	January - March 2016	1.75%		
4	April - June 2016	<u>1.48%</u>		
5	Inflation Factor (Average % Change)	1.66%		
		<u>Inflation Factor (a)</u>	<u>X Factor (2) (b)</u>	<u>2017 PCI (c) = (a-b)</u>
6	2017 Price Cap Index	1.66%	1.00%	0.66%

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, p.12.

UNION GAS LIMITED
Calculation of Price Cap Adjustment
Effective January 1, 2017

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	2016 Current Approved Revenue (1)	772,959	141,657	914,616	210,724	1,125,340	
	Current year's pre-cap adjustments:						
2	2016 DSM	(39,247)	(17,575)	(56,821)	-	(56,821)	(2)
3	2016 Capital Pass-Throughs	8,136	582	8,718	(38,979)	(30,261)	(3)
4	2016 Parkway Delivery Obligation	(4,289)	(2,275)	(6,564)	(896)	(7,460)	(4)
5	Upstream Transportation	(110,049)	(10,740)	(120,789)	-	(120,789)	(5)
6	Price Cap Base Revenue	<u>627,511</u>	<u>111,649</u>	<u>739,160</u>	<u>170,848</u>	<u>910,009</u>	
7	2017 Price Cap Adjustment (Line 6 * PCI %)	<u>4,142</u>	<u>737</u>	<u>4,878</u>	<u>1,128</u>	<u>6,006</u>	
8	2017 PCI %	0.66%	(6)				

Notes:

- (1) Rate Order, Working Papers, Schedule 3, column (a). Rates per Board-approved October 1, 2016 QRAM (EB-2016-0247), excluding Gas Supply Admin charge revenue, Rate C1 Market Based Storage Services, Short-Term Transportation, Exchanges and Other Transactional revenue not subject to escalation.
- (2) Rate Order, Working Papers, Schedule 3, column (c).
- (3) Rate Order, Working Papers, Schedule 3, column (d), excluding Gas Supply Admin charge.
- (4) Rate Order, Working Papers, Schedule 3, column (e).
- (5) Rate Order, Working Papers, Schedule 15, column (c).
- (6) Rate Order, Working Papers, Schedule 1, column (c).

UNION GAS LIMITED
Summary of 2017 Proposed Rates

Line No.	Particulars	Current Approved Revenue (1) (\$000's)	Current Approved Rates (2) (cents / m³)	Adjustments to 2016 Base Rates					Adjusted Revenue (8) (\$000's)	Price Cap Index (7) (\$000's)	Adjustments to 2017 Rates					Proposed Revenue (15) (\$000's)	Excluding Customer-Related GHG Obligation		Customer-Related GHG Unit Rate (cents / m³)	Including Customer-Related GHG Obligation	
				2016 DSM (3) (\$000's)	2016 Capital Pass-Throughs (4) (\$000's)	2016 Delivery Obligation (5) (\$000's)	Upstream Transportation (6) (\$000's)	Union North Redesign Revenue (8) (\$000's)			2017 DSM (9) (\$000's)	2017 Capital Pass-Throughs (10) (\$000's)	2017 Delivery Obligation (11) (\$000's)	2017 Facility-Related GHG Obligation (\$000's)	Add Back Upstream Transportation (\$000's)		Proposed Rates (cents / m³)	Rate Change (%)		Proposed Rates (cents / m³)	Rate Change (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)		
North Delivery																					
1	Rate 01	162,721	16.8730	(7,576)	4,335	-	(1,836)	157,644	1,040	-	8,100	(7,509)	-	1,836	161,111	17.7105	5.0%				
2	Rate 10	21,090	5.8013	(2,675)	544	-	(485)	18,474	122	-	2,951	(941)	-	485	21,091	6.2564	7.8%				
3	Rate 20	14,135	2.3209	(1,895)	448	-	(132)	12,557	83	-	1,734	(783)	-	132	13,723	2.2638	-2.5%				
4	Rate 25	4,414	2.7662	-	138	-	-	4,552	30	-	-	(242)	-	-	4,340	2.7201	-1.7%				
5	Rate 100	15,643	0.8595	(2,096)	381	-	(9)	13,919	92	-	1,882	(665)	-	9	15,237	0.8396	-2.3%				
6	Total North Delivery	218,003		(14,241)	5,846	-	(2,461)	207,146	1,367	-	14,667	(10,140)	-	2,461	215,502						
South Delivery & Storage																					
7	Rate M1	400,762	13.2799	(19,979)	7,204	(3,198)	-	384,788	2,540	-	21,550	(8,077)	11,478	-	412,278	14.2303	7.2%				
8	Rate M2	56,771	4.8506	(9,017)	309	(1,080)	-	46,983	310	-	9,992	963	3,887	-	62,135	5.5132	13.7%				
9	Rate M4	14,052	3.8788	(2,958)	30	(332)	-	10,792	71	-	2,696	419	1,233	-	15,211	4.3552	12.3%				
10	Rate M5A	14,285	2.9619	(3,937)	338	(39)	-	10,646	70	-	3,589	(577)	212	-	13,941	2.9952	1.1%				
11	Rate M7	4,451	3.5224	(1,032)	(24)	(150)	-	3,245	21	-	940	220	552	-	4,979	3.9884	13.2%				
12	Rate M9	812	1.3360	-	(30)	(57)	-	725	5	-	-	111	215	-	1,055	1.7370	30.0%				
13	Rate M10	11	5.9327	-	(0)	(1)	-	9	0	-	-	2	5	-	17	6.8119	14.8%				
14	Rate T1	10,791	2.0873	(1,664)	61	(192)	-	8,996	59	-	1,532	269	755	-	11,611	2.2711	8.8%				
15	Rate T2	45,827	0.9886	(3,994)	(286)	(1,158)	-	40,389	267	-	3,605	3,199	4,404	-	51,863	1.1281	14.1%				
16	Rate T3	5,084	1.8643	-	(234)	(345)	-	4,505	30	-	-	815	1,365	-	6,715	2.4625	32.1%				
17	Total South Delivery & Storage	552,844		(42,580)	7,368	(6,552)	-	511,080	3,373	-	43,903	(2,656)	24,106	-	579,806						
18	Total In-Franchise Delivery	770,847		(56,821)	13,214	(6,552)	(2,461)	718,226	4,740	-	58,570	(12,796)	24,106	2,461	795,307						

Notes:

- (1) Rate Order, Working Papers, Schedule 7, column (f).
- (2) Rate Order, Working Papers, Schedule 4, column (c).
- (3) Rate Order, Working Papers, Schedule 11, column (a).
- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (l).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (n).
- (6) Rate Order, Working Papers, Schedule 15, column (c).
- (7) Rate Order, Working Papers, Schedule 2, line 7.

Notes:

- (8) Rate Order, Working Papers, Schedule 23, excluding Union North Transportation and Storage adjusted revenue and PCI of \$21.1 million (p.2, line 6, column (g) + column (h)).
- (9) Rate Order, Working Papers, Schedule 11, column (b).
- (10) Rate Order, Working Papers, Schedule 10.
- (11) Rate Order, Working Papers, Schedule 20, p. 1, column (i).

UNION GAS LIMITED
Summary of 2017 Proposed Rates

Line No.	Particulars	Current Approved Revenue (1) (\$000's)	Current Approved Rates (2) (cents / m³)	Adjustments to 2016 Base Rates					Price Cap Index (7) (\$000's)	Adjustments to 2017 Rates					Proposed Revenue (\$000's)	Excluding Customer-Related GHG Obligation		Customer-Related GHG Unit Rate (cents / m³)	Including Customer-Related GHG Obligation		
				2016 DSM (3) (\$000's)	2016 Capital Pass-Throughs (4) (\$000's)	2016 Parkway Delivery Obligation (5) (\$000's)		Upstream Transportation (6) (\$000's)		Union North Redesign Revenue (8) (\$000's)	2017 DSM (9) (\$000's)	2017 Capital Pass-Throughs (10) (\$000's)	2017 Parkway Delivery Obligation (11) (\$000's)	2017 Facility-Related GHG Obligation (m) (\$000's)		Add Back Upstream Transportation (n) (\$000's)	Proposed Rates (p) (cents / m³)		Rate Change (q) (%)	Proposed Rates (s) (cents / m³)	Rate Change (t) (%)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
North Transportation & Storage																					
1	Rate 01	100,252	10.3954	-	(3,386)	(8)	(81,369)	15,489	102	65,447	-	4,769	8	-	-	85,815	9.4334	-9.3%			
2	Rate 10	31,364	8.6273	-	(870)	(3)	(26,359)	4,132	27	19,839	-	1,220	2	-	-	25,221	7.4815	-13.3%			
3	Rate 20	10,127	8.3057	-	(228)	(1)	(8,710)	1,189	8	6,399	-	318	1	-	-	7,914	6.4904	-21.9%			
4	Rate 25	1,809	3.9483	-	2	-	(1,791)	20	0	672	-	(4)	-	-	-	688	1.6030	-59.4%			
5	Rate 100	217	-	-	(15)	(0)	(98)	105	1	208	-	20	0	-	-	334	-				
6	Total North Transportation & Storage	143,769		-	(4,495)	(12)	(118,328)	20,935	138	92,564	-	6,324	11	-	-	119,972					
7	Gas Supply Admin Charge	6,749		-	40	-	-	6,789	-	-	-	(66)	-	-	-	6,723					
8	Total In-Franchise	921,365		(56,821)	8,758	(6,564)	(120,789)	745,949	4,878	92,564	58,570	(6,537)	24,117	-	2,461	922,003					
Ex-Franchise																					
9	Rate M12	201,100		-	(38,490)	(673)	-	161,937	1,069	-	-	81,408	652	-	-	245,065		21.9%			
10	Rate M13	421		-	1	-	-	422	3	-	-	(5)	-	-	-	420		-0.3%			
11	Rate M16	754		-	6	(3)	-	757	5	-	-	(10)	3	-	-	755		0.2%			
12	Rate C1	45,932		-	(496)	(220)	-	45,217	51	-	-	1,922	213	-	-	47,403		3.2%			
13	Total Ex-Franchise	248,207		-	(38,979)	(896)	-	208,332	1,128	-	-	83,315	868	-	-	293,643					
14	Total In-Franchise & Ex-Franchise	1,169,572		(56,821)	(30,221)	(7,460)	(120,789)	954,281	6,006	92,564	58,570	76,778	24,985	-	2,461	1,215,646					

Notes:

- (1) Rate Order, Working Papers, Schedule 7, column (f).
- (2) Rate Order, Working Papers, Schedule 4, column (c).
- (3) Rate Order, Working Papers, Schedule 11, column (a).
- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (l).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (n).
- (6) Rate Order, Working Papers, Schedule 15, column (c).
- (7) Rate Order, Working Papers, Schedule 2, line 7.

Notes:

- (8) Rate Order, Working Papers, Schedule 23, excluding Union North Transportation and Storage adjusted revenue and PCI of \$21.1 million (p.2, line 6, column (g) + column (h)).
- (9) Rate Order, Working Papers, Schedule 11, column (b).
- (10) Rate Order, Working Papers, Schedule 10.
- (11) Rate Order, Working Papers, Schedule 20, p. 1, column (i).

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Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2016 Base Rates				Adjusted Revenue (\$'000's)	Price Cap Index 0.66% (\$'000's)	Price Cap Index (%)
			(1)	(2)	(3)	2016 DSM (4)	2016 Capital Pass-Throughs (5)	2016 Parkway Delivery Obligation (6)	Upstream Transportation (7)			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
1	Rate 01 General Service											
	Monthly Charge	bills	3,839,732	80,634	\$21.00	-	3,173	-	-	83,808	553	
	Monthly Delivery Charge - All Zones											
2	First 100 m³	10³m³	284,370	25,332	8.9080	(2,338)	358	-	(578)	22,774	150	
3	Next 200 m³	10³m³	322,895	28,035	8.6825	(2,587)	397	-	(621)	25,224	166	
4	Next 200 m³	10³m³	140,860	11,732	8.3287	(1,083)	166	-	(260)	10,555	70	
5	Next 500 m³	10³m³	96,209	7,701	8.0040	(711)	109	-	(171)	6,928	46	
6	Over 1,000 m³	10³m³	120,052	9,287	7.7358	(857)	131	-	(206)	8,356	55	
7	Delivery Commodity charge - 01		964,386	82,086	8.5118	(7,576)	1,161	-	(1,836)	73,836	487	0.66%
8	Total Delivery - 01		964,386	162,721	16.8730	(7,576)	4,335	-	(1,836)	157,644	1,040	0.66%
	Gas Transportation - Current Approved											
9	Fort Frances	10³m³	12,888	750	5.8185	-	(1)	-	(748)	1	0	
10	Western	10³m³	179,519	8,952	4.9868	-	(9)	-	(8,931)	12	0	
11	Northern	10³m³	403,458	26,191	6.4915	-	(26)	-	(26,129)	36	0	
12	Eastern	10³m³	331,099	25,699	7.7619	-	(25)	-	(25,639)	35	0	
13	Transportation - 01		926,963	61,592	6.6445	-	(60)	-	(61,447)	85	1	0.66%
	Union North Redesign											
14	Union North West	10³m³	267,830									
15	Union North East	10³m³	659,134									
16	Transportation - 01		926,963									
	Storage											
17	Fort Frances	10³m³	13,408	493	3.6786	-	(42)	(0)	(254)	197	1	
18	Western	10³m³	186,766	6,250	3.3463	-	(538)	(1)	(3,221)	2,490	16	
19	Northern	10³m³	419,746	16,570	3.9476	-	(1,425)	(3)	(8,539)	6,602	44	
20	Eastern	10³m³	344,466	15,347	4.4552	-	(1,320)	(3)	(7,908)	6,115	40	
21	Storage - 01		964,386	38,660	4.0087	-	(3,326)	(8)	(19,922)	15,404	102	0.66%
	Union North Redesign											
22	Union North West	10³m³	278,642									
23	Union North East	10³m³	685,744									
24	Storage - 01		964,386									
25	Total Rate 01		964,386	262,973	27.2684	(7,576)	949	(8)	(83,205)	173,133	1,143	0.66%

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (i).
- (2) Rate Order, Working Papers, Schedule 7, column (f).
- (3) EB-2016-0247, Appendix A, rates effective October 1, 2016 (excludes Price Adjustments).
- (4) EB-2015-0029, Rate Order, Working Papers, Schedule 2, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

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													Proposed Rates				
		Adjustments to 2017 Rates											Excluding Customer-Related GHG Obligation		Customer-Related GHG	Including Customer-Related GHG Obligation	
Line		Billing	Union North	2017	2017 Capital	2017 Parkway	2017 Facility-	Add Back	Monthly		NAC / LRAM		Proposed	Excluding	Rate	Unit Rate	
No.	Particulars	Units	Redesign Revenue (8)	DSM (9)	Pass-Throughs (10)	Delivery Obligation (11)	Related GHG Obligation (12)	Upstream Transportation (13)	Customer Charge Adjustment (14)	Proposed Revenue (15)	Usage Adjustment (16)	Proposed Forecast Usage (17)	Rates (cents / m³)	Rate Change (%)			Rates (cents / m³)
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(u) = (r / t)	(v)		(w)	(x) = (u+w)
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)	(r)= sum(h,q)	(s)	(t) = (a + s)					(y)
1	Rate 01 General Service																
	Monthly Charge	bills		-	(5,499)	-	-	-	1,773	80,634	-	3,839,732	\$21.00				
	Monthly Delivery Charge - All Zones																
2	First 100 m³	10³m³	-	2,500	(620)	-	-	578	(550)	24,832	(16,128)	268,242	9.2574				
3	Next 200 m³	10³m³		2,766	(686)	-	-	621	(604)	27,487	(18,313)	304,582	9.0244				
4	Next 200 m³	10³m³	-	1,158	(287)	-	-	260	(253)	11,502	(7,989)	132,871	8.6567				
5	Next 500 m³	10³m³		760	(189)	-	-	171	(166)	7,550	(5,457)	90,752	8.3192				
6	Over 1,000 m³	10³m³	-	916	(227)	-	-	206	(200)	9,105	(6,809)	113,243	8.0404				
7	Delivery Commodity charge - 01		-	8,100	(2,010)	-	-	1,836	(1,773)	80,476	(54,697)	909,690	8.8466				
8	Total Delivery - 01		-	8,100	(7,509)	-	-	1,836	0	161,111	(54,697)	909,690	17.7105	5.0%			
	Gas Transportation - Current Approved																
9	Fort Frances	10³m³															
10	Western	10³m³															
11	Northern	10³m³															
12	Eastern	10³m³															
13	Transportation - 01																
14	Union North Redesign																
15	Union North West	10³m³	17,993	-	29	-	-	-	-	18,023	-	267,830	6.7292				
16	Union North East	10³m³	19,474	-	72	-	-	-	-	19,546	-	659,134	2.9655				
	Transportation - 01		37,468	-	101	-	-	-	-	37,569	-	926,963	4.0529	-39.0%			
	Storage																
17	Fort Frances	10³m³															
18	Western	10³m³															
19	Northern	10³m³															
20	Eastern	10³m³															
21	Storage - 01																
22	Union North Redesign																
23	Union North West	10³m³	4,061	-	1,349	2	-	-	-	5,412	(15,804)	262,839	2.0589				
24	Union North East	10³m³	39,510	-	3,319	5	-	-	-	42,834	(38,893)	646,851	6.6220				
	Storage - 01		43,570	-	4,668	8	-	-	-	48,246	(54,697)	909,690	5.3035	32.3%			
25	Total Rate 01		81,038	8,100	(2,740)	8	-	1,836	0	246,926	(54,697)	909,690	27.1439	-0.5%			

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
(9) Rate Order, Working Papers, Schedule 11, column (b).
(10) Rate Order, Working Papers, Schedule 10, column (d).
(11) Rate Order, Working Papers, Schedule 20.
(12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Current	Current	Current	Adjustments to 2016 Base Rates				Adjusted Revenue (\$'000's)	Price Cap Index 0.66% (\$'000's)	Price Cap Index (%)
			Approved Forecast Usage (1)	Approved Revenue (2)	Approved Rates (3)	2016 DSM (4)	2016 Capital Pass-Throughs (5)	2016 Parkway Delivery Obligation (6)	Upstream Transportation (7)			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
1	Rate 10 General Service											
	Monthly Charge	bills	24,629	1,724	\$70.00	-	175	-	-	1,899	13	
	Monthly Delivery Charge - All Zones											
2	First 1,000 m³	10³m³	26,664	1,928	7.2298	(266)	37	-	(49)	1,650	11	
3	Next 9,000 m³	10³m³	143,953	8,486	5.8947	(1,172)	162	-	(214)	7,261	48	
4	Next 20,000 m³	10³m³	91,566	4,771	5.2108	(659)	91	-	(118)	4,085	27	
5	Next 70,000 m³	10³m³	69,428	3,274	4.7160	(452)	62	-	(81)	2,803	19	
6	Over 100,000 m³	10³m³	31,934	907	2.8414	(125)	17	-	(22)	777	5	
7	Delivery Commodity charge - 10		363,545	19,366	5.3271	(2,675)	369	-	(485)	16,575	109	0.66%
8	Total Delivery - 10		363,545	21,090	5.8013	(2,675)	544	-	(485)	18,474	122	0.66%
	Gas Transportation											
9	Fort Frances	10³m³	2,824	145	5.1333	-	-	-	(145)	0	0	
10	Western	10³m³	48,124	2,070	4.3016	-	-	-	(2,069)	1	0	
11	Northern	10³m³	139,364	8,092	5.8063	-	-	-	(8,087)	5	0	
12	Eastern	10³m³	153,218	10,843	7.0767	-	-	-	(10,836)	6	0	
13	Transportation - 10		343,530	21,150	6.1566	-	1	-	(21,138)	13	0	0.66%
	Union North Redesign											
14	Union North West	10³m³	82,150									
15	Union North East	10³m³	261,380									
16	Transportation - 10		343,530									
	Storage											
17	Fort Frances	10³m³	2,989	72	2.4007	-	(6)	(0)	(37)	29	0	
18	Western	10³m³	50,928	1,053	2.0684	-	(90)	(0)	(538)	425	3	
19	Northern	10³m³	147,484	3,937	2.6697	-	(336)	(1)	(2,013)	1,588	10	
20	Eastern	10³m³	162,144	5,152	3.1773	-	(439)	(1)	(2,633)	2,078	14	
21	Storage - 10		363,545	10,214	2.8096	-	(871)	(3)	(5,221)	4,120	27	0.66%
	Union North Redesign											
22	Union North West	10³m³	86,936									
23	Union North East	10³m³	276,608									
24	Storage - 10		363,545									
25	Total Rate 10		363,545	52,454	14.4286	(2,675)	(326)	(3)	(26,844)	22,607	149	0.66%

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (i).
- (2) Rate Order, Working Papers, Schedule 7, column (f).
- (3) EB-2016-0247, Appendix A, rates effective October 1, 2016 (excludes Price Adjustments).
- (4) EB-2015-0029, Rate Order, Working Papers, Schedule 2, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

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												Proposed Rates					
												Excluding Customer-Related GHG Obligation		Customer-Related GHG	Including Customer-Related GHG Obligation		
												Rates	Rate Change	Unit Rate	Rates	Rate Change	
												(cents / m³)	(%)	(cents / m³)	(cents / m³)	(%)	
												(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)	
Line No.	Particulars	Billing Units	Union North Redesign Revenue (8) (\$000's)	2017 DSM (9) (\$000's)	2017 Capital Pass-Throughs (10) (\$000's)	2017 Parkway Delivery Obligation (11) (\$000's)	2017 Facility-Related GHG Obligation (\$000's)	Add Back Upstream Transportation (\$000's)	Customer Charge Adjustment (\$000's)	Proposed Revenue (\$000's)	NAC / LRAM Usage Adjustment (12) (10³m³)	Proposed Forecast Usage					
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)	(r)= sum(h,q)	(s)	(t) = (a + s)					
1	Rate 10 General Service Monthly Charge	bills	-	-	(303)	-	-	-	115	1,724	-	24,629	\$70.00				
	Monthly Delivery Charge - All Zones																
2	First 1,000 m³	10³m³	-	294	(63)	-	-	49	(21)	1,918	(1,939)	24,725	7.7571				
3	Next 9,000 m³	10³m³	-	1,293	(279)	-	-	214	(94)	8,442	(10,467)	133,487	6.3246				
4	Next 20,000 m³	10³m³	-	727	(157)	-	-	118	-	4,800	(6,658)	84,909	5.6530				
5	Next 70,000 m³	10³m³	-	499	(108)	-	-	81	-	3,294	(5,048)	64,380	5.1162				
6	Over 100,000 m³	10³m³	-	138	(30)	-	-	22	-	913	(2,322)	29,612	3.0825				
7	Delivery Commodity charge - 10		-	2,951	(638)	-	-	485	(115)	19,367	(26,433)	337,112	5.7450				
8	Total Delivery - 10		-	2,951	(941)	-	-	485	-	21,091	(26,433)	337,112	6.2564	7.8%			
	Gas Transportation																
9	Fort Frances	10³m³															
10	Western	10³m³															
11	Northern	10³m³															
12	Eastern	10³m³															
13	Transportation - 10																
14	Union North Redesign Union North West	10³m³	4,841	-	(0)	-	-	-	-	4,841	-	82,150	5.8929				
15	Union North East	10³m³	7,138	-	(1)	-	-	-	-	7,137	-	261,380	2.7303				
16	Transportation - 10		11,979	-	(2)	-	-	-	-	11,978	-	343,530	3.4866	-43.4%			
	Storage																
17	Fort Frances	10³m³															
18	Western	10³m³															
19	Northern	10³m³															
20	Eastern	10³m³															
21	Storage - 10																
22	Union North Redesign Union North West	10³m³	956	-	292	1	-	-	-	1,249	(6,321)	80,615	1.5495				
23	Union North East	10³m³	11,063	-	930	2	-	-	-	11,994	(20,112)	256,497	4.6762				
24	Storage - 10		12,019	-	1,222	2	-	-	-	13,243	(26,433)	337,112	3.9285	39.8%			
25	Total Rate 10		23,998	2,951	280	2	-	485	-	46,312	(26,433)	337,112	13.7379	-4.8%			

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
(9) Rate Order, Working Papers, Schedule 11, column (b).
(10) Rate Order, Working Papers, Schedule 10, column (d).
(11) Rate Order, Working Papers, Schedule 20.
(12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2016 Base Rates				Adjusted Revenue (\$'000's)	Price Cap Index 0.66% (\$'000's)	Price Cap Index (%)
			(1)	(2)	(3)	2016 DSM (4)	2016 Capital Pass-Throughs (5)	2016 Parkway Delivery Obligation (6)	Upstream Transportation (7)			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
1	Rate 20 Medium Volume Firm Service Monthly Charge	bills	748	698	\$932.79	-	56	-	-	754	5	
2	Monthly Demand Charge											
3	First 70,000 m³	10³m³/d	23,260	6,816	29.3047	(822)	170	-	-	6,164	41	
4	All over 70,000 m³	10³m³/d	19,701	3,395	17.2326	(409)	85	-	-	3,070	20	
5	Monthly Commodity Charge											
6	First 852,000 m³	10³m³	320,282	1,887	0.5891	(401)	83	-	(80)	1,489	10	
7	All over 852,000 m³	10³m³	288,764	1,236	0.4282	(263)	54	-	(52)	976	6	
8	Delivery (Commodity/Demand)		609,046	13,334	2,1894	(1,895)	392	-	(132)	11,700	77	0.66%
9	Transportation Account Charge	10³m³	460	103	\$224.13	-	-	-	-	103	1	
10	Total Delivery - 20		609,046	14,135	2,3209	(1,895)	448	-	(132)	12,557	83	0.66%
11	Gas Supply Demand Charge											
12	Fort Frances	10³m³	-	-	55.7556	-	-	-	-	-	-	
13	Western	10³m³	2,650	915	34.5138	-	(41)	(0)	(890)	(16)	(0)	
14	Northern	10³m³	702	512	72.9435	-	(23)	(0)	(498)	(9)	(0)	
15	Eastern	10³m³	3,521	3,711	105.4062	-	(164)	(1)	(3,610)	(63)	(0)	
16	Union North Redesign											
17	Union North West	10³m³	2,962									
18	Union North East	10³m³	3,911									
19	Commodity Transportation 1											
20	Fort Frances	10³m³	-	-	4.4802	-	-	-	-	-	-	
21	Western	10³m³	24,899	1,000	4.0146	-	-	-	(1,017)	(18)	(0)	
22	Northern	10³m³	7,775	378	4.8570	-	-	-	(384)	(7)	(0)	
23	Eastern	10³m³	40,782	2,271	5.5682	-	-	-	(2,311)	(41)	(0)	
24	Union North Redesign											
25	Union North West	10³m³	28,383									
26	Union North East	10³m³	45,073									
27	Commodity Transportation 2											
28	Fort Frances		-	-	-	-	-	-	-	-	-	
29	Western	10³m³	10,903	-	-	-	-	-	-	-	-	
30	Northern	10³m³	6,194	-	-	-	-	-	-	-	-	
31	Eastern	10³m³	31,381	-	-	-	-	-	-	-	-	
32	Union North Redesign											
33	Union North West	10³m³	14,503									
34	Union North East	10³m³	33,976									
35	Storage (GJ's)											
36	Demand	GJ/d	99,288	1,240	12.489	-	-	-	-	1,240	8	
37	Commodity	GJ	639,477	102	0.159	-	-	-	-	102	1	
38	Union North Redesign											
39	Demand	GJ/d	99,288									
40	Commodity	GJ	639,477									
41	Gas Supply Transportation - 20		121,935	10,127	8.3057	-	(228)	(1)	(8,710)	1,189	8	0.66%
42	Total Rate 20		609,046	24,263	3.9837	(1,895)	221	(1)	(8,842)	13,746	91	0.66%

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (f).
- (2) Rate Order, Working Papers, Schedule 7, column (f).
- (3) EB-2016-0247, Appendix A, rates effective October 1, 2016 (excludes Price Adjustments).
- (4) EB-2015-0029, Rate Order, Working Papers, Schedule 2, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units	Adjustments to 2017 Rates							Proposed Revenue (\$000's)	NAC / LRAM Usage Adjustment (12) (10³m³)	Proposed Forecast Usage	Proposed Rates				
			Union North	2017 DSM	2017 Capital	2017 Parkway	2017 Facility-	Add Back	Customer				Excluding	Customer-	Including	Unit Rate	Rate Change
			Redesign Revenue (8)	DSM (9)	Pass-Throughs (10)	Delivery Obligation (11)	Related GHG Obligation (11)	Upstream Transportation (12)	Charge Adjustment (13)				Customer-Related GHG Obligation	Related GHG	Customer-Related GHG Obligation		
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)				Rates (cents / m³)	Rate Change (%)	Rates (cents / m³)		
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)	(r) = sum(h,q)	(s)	(t) = (a + s)	(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
1	Rate 20 Medium Volume Firm Service Monthly Charge	bills	-	-	(97)	-	-	-	-	662	-	748	\$884.46				
2	Monthly Demand Charge																
3	First 70,000 m³	10³m³/d	-	752	(298)	-	-	-	-	6,660	-	23,260	28.6326				
4	All over 70,000 m³	10³m³/d	-	375	(148)	-	-	-	-	3,317	-	19,701	16.8374				
5	Monthly Commodity Charge																
6	First 852,000 m³	10³m³	-	367	(145)	-	-	80	-	1,801	(1,509)	318,773	0.5649				
7	All over 852,000 m³	10³m³	-	240	(95)	-	-	52	-	1,180	(1,361)	287,403	0.4106				
8	Delivery (Commodity/Demand)		-	1,734	(686)	-	-	132	-	12,958	(2,870)	606,176	2.1376	-2.4%			
9	Transportation Account Charge	10³m³	-	-	-	-	-	-	-	104	-	460	\$225.61				
10	Total Delivery - 20		-	1,734	(783)	-	-	132	-	13,723	(2,870)	606,176	2.2638	-2.5%			
11	Gas Supply Demand Charge																
12	Fort Frances	10³m³															
13	Western	10³m³															
14	Northern	10³m³															
15	Eastern	10³m³															
16	Union North Redesign																
17	Union North West	10³m³	1,517	-	137	0	-	-	-	1,654	-	2,962	55.8485				
18	Union North East	10³m³	1,763	-	181	0	-	-	-	1,945	-	3,911	49.7267				
19	Commodity Transportation 1																
20	Fort Frances	10³m³															
21	Western	10³m³															
22	Northern	10³m³															
23	Eastern	10³m³															
24	Union North Redesign																
25	Union North West	10³m³	1,011	-	-	-	-	-	-	1,011	-	28,383	3.5625				
26	Union North East	10³m³	1,175	-	-	-	-	-	-	1,175	-	45,073	2.6079				
27	Commodity Transportation 2																
28	Fort Frances	10³m³															
29	Western	10³m³															
30	Northern	10³m³															
31	Eastern	10³m³															
32	Union North Redesign																
33	Union North West	10³m³	-	-	-	-	-	-	-	-	-	14,503	-				
34	Union North East	10³m³	-	-	-	-	-	-	-	-	-	33,976	-				
35	Storage (GJ's)																
36	Demand	GJ/d															
37	Commodity	GJ															
38	Union North Redesign																
39	Demand	GJ/d	1,997	-	-	-	-	-	-	1,997	-	99,288	20.111				
40	Commodity	GJ	132	-	-	-	-	-	-	132	-	639,477	0.206				
41	Gas Supply Transportation - 20		7,595	-	318	1	-	-	-	7,914	-	121,935	6.4904	-21.9%			
42	Total Rate 20		7,595	1,734	(465)	1	-	132	-	21,637	(2,870)	606,176	3.5694	-10.4%			

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
(9) Rate Order, Working Papers, Schedule 11, column (b).
(10) Rate Order, Working Papers, Schedule 10, column (d).
(11) Rate Order, Working Papers, Schedule 20.
(12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Current	Current	Current	Adjustments to 2016 Base Rates				Adjusted Revenue (\$000's)	Price Cap Index	Price Cap Index
			Approved Forecast Usage (1)	Approved Revenue (2)	Approved Rates (3)	2016 DSM (4)	2016 Capital Pass-Throughs (5)	2016 Parkway Delivery Obligation (6)	Upstream Transportation (7)		0.66% (\$000's)	(%)
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
Rate 25 Large Volume Interruptible Service												
1	Monthly Charge	bills	842	279	\$331.70	-	31	-	-	310	2	
2	Monthly Delivery Charge	10³m³	159,555	4,126	2.5861	-	107	-	-	4,234	28	
3	Transportation Account Charge	bills	36	8	\$224.13	-	-	-	-	8	0	
4	Total Delivery - 25		159,555	4,414	2.7662	-	138	-	-	4,552	30	0.66%
5	Gas Supply Transportation	10³m³	42,913	1,809	3.9483	-	2	-	(1,791)	20	0	
6	Total Rate 25		159,555	6,222	3.8998	-	141	-	(1,791)	4,571	30	0.66%
Rate 100 Large Volume Firm Service												
7	Monthly Charge	bills	226	322	\$1,423.71	-	19	-	-	340	2	
8	Demand	10³m³/d	71,975	11,172	15.5220	(1,572)	272	-	-	9,872	65	
9	Commodity	10³m³	1,819,999	4,099	0.2252	(524)	91	-	(9)	3,656	24	
10	Delivery (Commodity/Demand)		1,819,999	15,592	0.8567	(2,096)	362	-	(9)	13,850	92	0.66%
11	Transportation Account Charge	bills	226	51	\$224.13	-	-	-	-	51	0	
12	Total Delivery - 100		1,819,999	15,643	0.8595	(2,096)	381	-	(9)	13,919	92	0.66%
Gas Supply Demand Charge												
13	Fort Frances	10³m³/d	-	-	103.8605	-	-	-	-	-	-	
14	Western	10³m³/d	-	-	79.0784	-	-	-	-	-	-	
15	Northern	10³m³/d	-	-	123.9130	-	-	-	-	-	-	
16	Eastern	10³m³/d	-	-	161.7862	-	-	-	-	-	-	
Union North Redesign												
17	Union North West	10³m³	-	-	-	-	-	-	-	-	-	
18	Union North East	10³m³	-	-	-	-	-	-	-	-	-	
Commodity Transportation 1												
19	Fort Frances	10³m³	-	-	7.1222	-	-	-	-	-	-	
20	Western	10³m³	-	-	6.7730	-	-	-	-	-	-	
21	Northern	10³m³	-	-	7.4048	-	-	-	-	-	-	
22	Eastern	10³m³	-	-	7.9382	-	-	-	-	-	-	
Union North Redesign												
23	Union North West	10³m³	-	-	-	-	-	-	-	-	-	
24	Union North East	10³m³	-	-	-	-	-	-	-	-	-	
Commodity Transportation 2												
25	Fort Frances	10³m³	-	-	-	-	-	-	-	-	-	
26	Western	10³m³	-	-	-	-	-	-	-	-	-	
27	Northern	10³m³	-	-	-	-	-	-	-	-	-	
28	Eastern	10³m³	-	-	-	-	-	-	-	-	-	
Union North Redesign												
29	Union North West	10³m³	-	-	-	-	-	-	-	-	-	
30	Union North East	10³m³	-	-	-	-	-	-	-	-	-	
Storage (GJ's)												
31	Demand	GJ/d	15,600	201	12.489	-	(14)	(0)	(98)	90	1	
32	Commodity	GJ	100,000	17	0.159	-	(1)	(0)	-	15	0	
Union North Redesign												
33	Demand	GJ/d	15,600	-	-	-	-	-	-	-	-	
34	Commodity	GJ	100,000	-	-	-	-	-	-	-	-	
35	Gas Supply - 100		-	217	-	-	(15)	(0)	(98)	105	1	0.66%
36	Total Rate 100		1,819,999	15,860	0.8715	(2,096)	366	(0)	(107)	14,024	93	0.66%

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (f).
- (2) Rate Order, Working Papers, Schedule 7, column (f).
- (3) EB-2016-0247, Appendix A, rates effective October 1, 2016 (excludes Price Adjustments).
- (4) EB-2015-0029, Rate Order, Working Papers, Schedule 2, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

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		Adjustments to 2017 Rates								Proposed Rates							
		Union North	2017	2017 Capital	2017 Parkway	2017 Facility-	Add Back	Customer		NAC / LRAM		Excluding	Customer-	Including			
		Redesign	DSM	Pass-Throughs	Delivery	Related GHG	Upstream	Charge	Proposed	Usage	Proposed	Customer-Related	Related	Customer-Related			
		Revenue	(9)	(10)	Obligation	Obligation	Transportation	Adjustment	Revenue	Adjustment	Forecast	GHG Obligation	GHG	GHG Obligation			
Line	Particulars	Billing										Rates	Rate	Unit Rate	Rates	Rate	
No.		Units	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(10³m³)	Usage	(cents / m³)	(%)	(cents / m³)	(cents / m³)	(%)	
			(k)	(l)	(m)	(q)	(o)	(p) = (-g)	(q)	(r)= sum(h,q)	(s)	(t) = (a + s)	(v)	(w)	(x) = (u+w)	(y)	
1	Rate 25 Large Volume Interruptible Service																
2	Monthly Charge	bills	-	-	(54)	-	-	-	258	-	842	\$306.75					
3	Monthly Delivery Charge	10³m³	-	-	(188)	-	-	-	4,074	-	159,555	2.5531					
4	Transportation Account Charge	bills	-	-	-	-	-	-	8	-	36	\$225.61					
4	Total Delivery - 25		-	-	(242)	-	-	-	4,340	-	159,555	2.7201	-1.7%				
5	Gas Supply Transportation	10³m³	692	-	(4)	-	-	-	688	-	42,913	1.6030					
6	Total Rate 25		692	-	(246)	-	-	-	5,028	-	159,555	3.1512	-19.2%				
7	Rate 100 Large Volume Firm Service																
8	Monthly Charge	bills	-	-	(32)	-	-	-	310	-	226	\$1,372.75					
9	Demand	10³m³/d	-	1,411	(474)	-	-	-	10,874	-	71,975	15.1083					
10	Commodity	10³m³	-	470	(158)	-	-	9	4,002	(5,132)	1,814,867	0.2205					
10	Delivery (Commodity/Demand)		-	1,882	(632)	-	-	9	15,186	(5,132)	1,814,867	0.8368	-2.3%				
11	Transportation Account Charge	bills	-	-	-	-	-	-	51	-	226	\$225.61					
12	Total Delivery - 100		-	1,882	(665)	-	-	9	15,237	(5,132)	1,814,867	0.8396	-2.3%				
13	Gas Supply Demand Charge																
14	Fort Frances	10³m³/d															
15	Western	10³m³/d															
16	Northern	10³m³/d															
17	Eastern	10³m³/d															
17	Union North Redesign																
18	Union North West	10³m³	-	-	-	-	-	-	-	-	-	112.0994					
18	Union North East	10³m³	-	-	-	-	-	-	-	-	-	158.4424					
19	Commodity Transportation 1																
20	Fort Frances	10³m³															
21	Western	10³m³															
22	Northern	10³m³															
23	Eastern	10³m³															
23	Union North Redesign																
24	Union North West	10³m³	-	-	-	-	-	-	-	-	-	6.2885					
24	Union North East	10³m³	-	-	-	-	-	-	-	-	-	9.0613					
25	Commodity Transportation 2																
26	Fort Frances	10³m³															
27	Western	10³m³															
28	Northern	10³m³															
29	Eastern	10³m³															
29	Union North Redesign																
30	Union North West	10³m³	-	-	-	-	-	-	-	-	-						
30	Union North East	10³m³	-	-	-	-	-	-	-	-	-						
31	Storage (GJ's)																
32	Demand	GJ/d															
33	Commodity	GJ															
33	Union North Redesign																
34	Demand	GJ/d	295	-	19	0	-	-	314	-	15,600	20.111					
35	Commodity	GJ	19	-	2	0	-	-	21	-	100,000	0.206					
35	Gas Supply - 100		314	-	20	0	-	-	334	-	115,600	-					
36	Total Rate 100		314	1,882	(644)	0	-	9	15,572	(5,132)	1,814,867	0.8580	-1.5%				

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
- (9) Rate Order, Working Papers, Schedule 11, column (b).
- (10) Rate Order, Working Papers, Schedule 10, column (d).
- (11) Rate Order, Working Papers, Schedule 20.
- (12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2016 Base Rates				Adjusted Revenue (\$000's)	Price Cap Index 0.66% (\$000's)	Price Cap Index (%)
			(1)	(2)	(3)	2016 DSM (4)	2016 Capital Pass-Throughs (5)	2016 Parkway Delivery Obligation (6)	Upstream Transportation (7)			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
1	M1 Monthly Charge	bills	12,706,802	266,843	\$21.00	-	7,170	-	-	274,013	1,808	
	Monthly Delivery Commodity Charge											
2	First 100 m³	10³m³	908,925	37,386	4.1132	(6,627)	(327)	(1,061)	-	29,371	194	
3	Next 150 m³	10³m³	807,099	31,514	3.9046	(5,586)	(276)	(894)	-	24,758	163	
4	All over 250 m³	10³m³	1,301,783	43,813	3.3656	(7,766)	(383)	(1,243)	-	34,420	227	
5	Total Delivery - M1		<u>3,017,807</u>	<u>379,556</u>	<u>12.5772</u>	<u>(19,979)</u>	<u>6,184</u>	<u>(3,198)</u>	<u>-</u>	<u>362,562</u>	<u>2,393</u>	<u>0.66%</u>
6	Storage	10³m³	3,017,807	21,206	0.7027	-	1,020	-	-	22,226	147	
7	Total Rate M1		<u>3,017,807</u>	<u>400,762</u>	<u>13.2799</u>	<u>(19,979)</u>	<u>7,204</u>	<u>(3,198)</u>	<u>-</u>	<u>384,788</u>	<u>2,540</u>	<u>0.66%</u>
8	M2 Monthly Charge	bills	81,451	5,702	\$70.00	-	223	-	-	5,925	39	
	Monthly Delivery Commodity Charge											
9	First 1,000 m³	10³m³	63,640	2,578	4.0507	(530)	(15)	(63)	-	1,969	13	
10	Next 6,000 m³	10³m³	309,707	12,312	3.9755	(2,531)	(73)	(303)	-	9,405	62	
11	Next 13,000 m³	10³m³	349,953	13,252	3.7869	(2,724)	(79)	(326)	-	10,123	67	
12	All over 20,000 m³	10³m³	447,082	15,716	3.5152	(3,231)	(94)	(387)	-	12,004	79	
13	Total Delivery - M2		<u>1,170,382</u>	<u>49,560</u>	<u>4.2345</u>	<u>(9,017)</u>	<u>(38)</u>	<u>(1,080)</u>	<u>-</u>	<u>39,425</u>	<u>260</u>	<u>0.66%</u>
14	Storage	10³m³	1,170,382	7,211	0.6161	-	348	-	-	7,558	50	
15	Total Rate M2		<u>1,170,382</u>	<u>56,771</u>	<u>4.8506</u>	<u>(9,017)</u>	<u>309</u>	<u>(1,080)</u>	<u>-</u>	<u>46,983</u>	<u>310</u>	<u>0.66%</u>

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (i).
- (2) Rate Order, Working Papers, Schedule 7, column (f).
- (3) EB-2016-0247, Appendix A, rates effective October 1, 2016 (excludes Price Adjustments).
- (4) EB-2015-0029, Rate Order, Working Papers, Schedule 2, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

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													Proposed Rates				
			Adjustments to 2017 Rates									Excluding Customer-Related GHG Obligation		Customer-Related GHG	Including Customer-Related GHG Obligation		
Line		Billing	Union North	2017	2017 Capital	2017 Parkway	2017 Facility-	Add Back	Customer	Proposed	NAC / LRAM	Proposed	Rates	Rate	Unit Rate	Rates	Rate
No.	Particulars	Units	Redesign Revenue (8)	DSM (9)	Pass-Throughs (10)	Delivery Obligation (11)	Related GHG Obligation	Upstream Transportation	Charge Adjustment	Revenue	Adjustment	Forecast Usage	(cents / m³)	Change (%)	(cents / m³)	(cents / m³)	Change (%)
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(10³m³)	Usage	(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)	(r)= sum(h,q)	(s)	(t) = (a + s)					
1	M1																
	Monthly Charge	bills	-	-	(12,469)	-	-	-	3,490	266,843	-	12,706,802	\$21.00				
	Monthly Delivery Commodity Charge																
2	First 100 m³	10³m³	-	7,148	2,004	3,807	-	-	(1,158)	41,366	(36,331)	872,593	4.7406				
3	Next 150 m³	10³m³	-	6,025	1,689	3,209	-	-	(976)	34,869	(32,261)	774,838	4.5002				
4	All over 250 m³	10³m³	-	8,377	2,348	4,462	-	-	(1,357)	48,477	(52,035)	1,249,748	3.8790				
5	Total Delivery - M1		-	21,550	(6,428)	11,478	-	-	-	391,556	(120,628)	2,897,179	13.5151	7.5%			
6	Storage	10³m³	-	-	(1,650)	-	-	-	-	20,723	(120,628)	2,897,179	0.7153	1.8%			
7	Total Rate M1		-	21,550	(8,077)	11,478	-	-	-	412,278	(120,628)	2,897,179	14.2303	7.2%			
8	M2																
	Monthly Charge	bills	-	-	(388)	-	-	-	126	5,702	-	81,451	\$70.00				
	Monthly Delivery Commodity Charge																
9	First 1,000 m³	10³m³	-	587	112	228	-	-	(22)	2,889	(2,357)	61,283	4.7134				
10	Next 6,000 m³	10³m³	-	2,805	537	1,091	-	-	(104)	13,796	(11,472)	298,234	4.6259				
11	Next 13,000 m³	10³m³	-	3,019	578	1,175	-	-	-	14,961	(12,963)	336,990	4.4396				
12	All over 20,000 m³	10³m³	-	3,580	685	1,393	-	-	-	17,742	(16,561)	430,521	4.1211				
13	Total Delivery - M2		-	9,992	1,525	3,887	-	-	-	55,090	(43,354)	1,127,028	4.8880	15.4%			
14	Storage	10³m³	-	-	(563)	-	-	-	-	7,046	(43,354)	1,127,028	0.6252	1.5%			
15	Total Rate M2		-	9,992	963	3,887	-	-	-	62,135	(43,354)	1,127,028	5.5132	13.7%			

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
(9) Rate Order, Working Papers, Schedule 11, column (b).
(10) Rate Order, Working Papers, Schedule 10, column (d).
(11) Rate Order, Working Papers, Schedule 20.
(12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2016 Base Rates				Adjusted Revenue (\$000's)	Price Cap Index 0.66% (\$000's)	Price Cap Index (%)
			(1)	(2)	(3)	2016 DSM (4)	2016 Capital Pass-Throughs (5)	2016 Parkway Delivery Obligation (6)	Upstream Transportation (7)			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
M4 Firm Commercial/Industrial Contract Rate												
Monthly Demand Charge												
1	First 8,450 m³	10³m³/d	12,905	6,830	52.9231	(1,263)	13	(142)	-	5,438	36	
2	Next 19,700 m³	10³m³/d	7,864	1,866	23.7294	(345)	4	(39)	-	1,486	10	
3	All over 28,150 m³	10³m³/d	4,507	899	19.9360	(166)	2	(19)	-	715	5	
Monthly Delivery Commodity Charge												
4	First Block	10³m³	354,638	4,417	1.2454	(1,172)	12	(132)	-	3,125	21	
5	All remaining use	10³m³	7,632	40	0.5301	(11)	0	(1)	-	29	0	
7	Total Rate M4		<u>362,270</u>	<u>14,052</u>	<u>3.8788</u>	<u>(2,958)</u>	<u>30</u>	<u>(332)</u>	<u>-</u>	<u>10,792</u>	<u>71</u>	<u>0.66%</u>
M5A Interruptible Commercial/Industrial Contract Rate												
Firm contracts												
8	Monthly Demand Charge	10³m³/d	626	192	30.7027	(45)	5	(3)	-	149	1	
9	Monthly Delivery Commodity Charge	10³m³	15,668	359	2.2944	(84)	2	(1)	-	277	2	
10	Total Delivery - Firm M5A		<u>15,668</u>	<u>552</u>	<u>3.5202</u>	<u>(128)</u>	<u>7</u>	<u>(4)</u>	<u>-</u>	<u>426</u>	<u>3</u>	<u>0.66%</u>
Interruptible contracts												
11	Monthly Charge	bills	1,692	1,133	\$669.55	-	45	-	-	1,178	8	
12	Delivery Commodity Charge (Avg Price)	10³m³	466,611	12,600	2.7004	(3,809)	286	(35)	-	9,042	60	
13	Total Delivery - Interruptible M5A		<u>466,611</u>	<u>13,733</u>	<u>2.9432</u>	<u>(3,809)</u>	<u>331</u>	<u>(35)</u>	<u>-</u>	<u>10,221</u>	<u>67</u>	<u>0.66%</u>
14	Total Rate M5A		<u>482,279</u>	<u>14,285</u>	<u>2.9619</u>	<u>(3,937)</u>	<u>338</u>	<u>(39)</u>	<u>-</u>	<u>10,646</u>	<u>70</u>	<u>0.66%</u>

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (f).
- (2) Rate Order, Working Papers, Schedule 7, column (f).
- (3) EB-2016-0247, Appendix A, rates effective October 1, 2016 (excludes Price Adjustments).
- (4) EB-2015-0029, Rate Order, Working Papers, Schedule 2, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

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													Proposed Rates					
			Adjustments to 2017 Rates									Excluding Customer-Related GHG Obligation		Customer-Related GHG	Including Customer-Related GHG Obligation			
Line		Billing	Union North	2017	2017 Capital	2017 Delivery	2017 Facility-	Add Back	Customer		NAC / LRAM	Proposed		Rates	Rate	Unit Rate	Rates	Rate
No.	Particulars	Units	Redesign Revenue (8)	DSM (9)	Pass-Throughs (10)	Obligation (11)	Related GHG Obligation (\$000's)	Upstream Transportation (\$000's)	Charge Adjustment (\$000's)	Proposed Revenue (\$000's)	Usage Adjustment (12) (10³m³)	Forecast Usage (t)		(cents / m³)	Change (%)	(cents / m³)	(cents / m³)	Change (%)
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(10³m³)	(t)		(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)	(r)= sum(h,q)	(s)	(t) = (a + s)		(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
M4 Firm Commercial/Industrial Contract Rate																		
Monthly Demand Charge																		
1	First 8,450 m³	10³m³/d	-	1,151	179	527	-	-	-	7,331	-	12,905		56.8027				
2	Next 19,700 m³	10³m³/d	-	315	49	144	-	-	-	2,003	-	7,864		25.4689				
3	All over 28,150 m³	10³m³/d	-	151	24	69	-	-	-	964	-	4,507		21.3974				
Monthly Delivery Commodity Charge																		
4	First Block	10³m³	-	1,068	166	489	-	-	-	4,869	(12,733)	341,905		1.4240				
5	All remaining use	10³m³	-	10	2	4	-	-	-	45	(274)	7,358		0.6061				
7	Total Rate M4		-	2,696	419	1,233	-	-	-	15,211	(13,007)	349,263		4.3552	12.3%			
M5A Interruptible Commercial/Industrial Contract Rate																		
Firm contracts																		
8	Monthly Demand Charge	10³m³/d	-	41	(1)	9	-	-	-	199	-	626		31.7959				
9	Monthly Delivery Commodity Charge	10³m³	-	76	(3)	7	-	-	-	359	(547)	15,121		2.3718				
10	Total Delivery - Firm M5A		-	117	(4)	16	-	-	-	558	(547)	15,121		3.6872	4.7%			
Interruptible contracts																		
11	Monthly Charge	bills	-	-	(79)	-	-	-	-	1,107	-	1,692		\$654.15				
12	Delivery Commodity Charge (Avg Price)	10³m³	-	3,472	(493)	196	-	-	-	12,277	(16,282)	450,329		2.7261				
13	Total Delivery -Interruptible M5A		-	3,472	(573)	196	-	-	-	13,383	(16,282)	450,329		2.9719	1.0%			
14	Total Rate M5A		-	3,589	(577)	212	-	-	-	13,941	(16,829)	465,451		2.9952	1.1%			

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
- (9) Rate Order, Working Papers, Schedule 11, column (b).
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- (12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2016 Base Rates				Adjusted Revenue (\$'000's)	Price Cap Index 0.66% (\$'000's)	Price Cap Index (%)
			(1)	(2)	(3)	2016 DSM (4)	2016 Capital Pass-Throughs (5)	2016 Parkway Delivery Obligation (6)	Upstream Transportation (7)			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
M7 Special Large Volume Contract Rate Firm Contracts												
1	Monthly Demand Charge	10³m³/d	14,220	3,936	27.6801	(895)	(28)	(130)	-	2,883	19	
2	Monthly Delivery Commodity Charge	10³m³	122,354	457	0.3734	(104)	0	(20)	-	333	2	
3	Total Delivery - Firm M7		122,354	4,393	3.5904	(999)	(28)	(150)	-	3,216	21	0.66%
Interruptible / Seasonal Contracts												
4	Monthly Delivery Commodity Charge	10³m³	3,997	58	1.4412	(33)	4	-	-	29	0	
5	Total Rate M7		126,351	4,451	3.5224	(1,032)	(24)	(150)	-	3,245	21	0.66%
M9 Large Wholesale Service												
6	Monthly Demand Charge	10³m³/d	3,993	696	17.4339	-	(30)	(47)	-	619	4	
7	Monthly Delivery Commodity Charge	10³m³	60,750	116	0.1902	-	0	(10)	-	105	1	
8	Total Rate M9		60,750	812	1.3360	-	(30)	(57)	-	725	5	0.66%
M10 Small Wholesale Service												
9	Monthly Delivery Commodity Charge	10³m³	189	11	5.9327	-	(0)	(1)	-	9	0	
10	Total Rate M10		189	11	5.9327	-	(0)	(1)	-	9	0	0.66%

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (f).
- (2) Rate Order, Working Papers, Schedule 7, column (f).
- (3) EB-2016-0247, Appendix A, rates effective October 1, 2016 (excludes Price Adjustments).
- (4) EB-2015-0029, Rate Order, Working Papers, Schedule 2, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units	Adjustments to 2017 Rates							Proposed Revenue (\$000's)	NAC / LRAM Usage Adjustment (12) (10³m³)	Proposed Forecast Usage	Proposed Rates				
			Union North	2017	2017 Capital	2017 Parkway	2017 Facility-	Add Back	Customer				Excluding	Customer-	Including	Unit Rate	Rate Change
			Redesign	DSM	Pass-Throughs	Delivery	Related GHG	Upstream	Charge				Customer-Related	Related	Customer-Related		
			(8)	(9)	(10)	(11)	Obligation	Transportation	Adjustment				GHG Obligation	GHG	GHG Obligation		
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(r) = sum(h,q)	(s)	(t) = (a + s)	Rates	Rate	Rates	Rate	
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)				(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
M7 Special Large Volume Contract Rate Firm Contracts																	
1	Monthly Demand Charge	10³m³/d	-	816	227	438		-		4,383	-	14,220	30.8246				
2	Monthly Delivery Commodity Charge	10³m³	-	95	(0)	114		-		543	(1,475)	120,879	0.4496				
3	Total Delivery - Firm M7		-	910	227	552		-	-	4,927	(1,475)	120,879	4.0757	13.5%			
Interruptible / Seasonal Contracts																	
4	Monthly Delivery Commodity Charge	10³m³	-	30	(7)	-		-		52	(48)	3,949	1.3162	-8.7%			
5	Total Rate M7		-	940	220	552		-	-	4,979	(1,523)	124,828	3.9884	13.2%			
M9 Large Wholesale Service																	
6	Monthly Demand Charge	10³m³/d	-	-	111	157		-		891	-	3,993	22.3154				
7	Monthly Delivery Commodity Charge	10³m³	-	-	(0)	58		-		164	-	60,750	0.2703				
8	Total Rate M9		-	-	111	215		-	-	1,055	-	60,750	1.7370	30.0%			
M10 Small Wholesale Service																	
9	Monthly Delivery Commodity Charge	10³m³	-	-	2	5		-		17	-	189	6.8119				
10	Total Rate M10		-	-	2	5		-	-	17	-	189	6.8119	14.8%			

Notes:

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(9) Rate Order, Working Papers, Schedule 11, column (b).
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(11) Rate Order, Working Papers, Schedule 20.
(12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Current Approved Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2016 Base Rates				Adjusted Revenue (\$000's)	Price Cap Index	Price Cap Index
			(1)	(2)	(3)	2016 DSM	2016 Capital Pass-Throughs	2016 Parkway Delivery Obligation	Upstream Transportation		(i)	(j)
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)		
T1 Storage and Transportation												
Storage (\$/GJ's)												
Demand:												
Firm injection / withdrawal												
1	Union provides deliverability inventory	GJ/d/mo.	492,360	773	1.570	-	23	-	-	796	5	
2	Customer provides deliverability inventory	GJ/d/mo.	166,800	200	1.195	-	6	-	-	206	1	
3	Incremental firm injection right	GJ/d/mo.	-	-	1.195	-	-	-	-	-	-	
4	Interruptible	GJ/d/mo.	62,244	77	1.195	-	-	-	-	77	1	
5	Space	GJ/d/mo.	22,396,680	250	0.011	-	9	-	-	259	2	
6	Commodity (Customer Provides)	GJ	2,750,300	21	0.008	-	0	-	-	21	0	
7	Commodity (Union Provides)	GJ	-	-	0.028	-	-	-	-	-	-	
8	Customer supplied fuel	GJ	16,442	54	-	-	-	-	-	54	0	
Transportation (cents/ m3)												
Demand												
9	First 28,150 m³	10³m³/d/mo	12,448	4,053	32.5602	(927)	(10)	(81)	-	3,035	20	
10	Next 112,720 m³	10³m³/d/mo	13,002	2,925	22.4954	(669)	(7)	(58)	-	2,190	14	
Commodity												
Firm												
11	All Volumes	10³m³	457,370	348	0.0760	-	2	-	-	350	2	
12	Interruptible	10³m³	59,595	773	1.2973	(68)	16	-	-	721	5	
13	Monthly Charges	Meter/mo.	528	1,016	\$1,924.04	-	22	-	-	1,038	7	
14	Customer supplied fuel	10³m³	2,979	302	-	-	-	(53)	-	249	2	
15	Total Rate T1		516,965	10,791	2.0873	(1,664)	61	(192)	-	8,996	59	0.66%
T2 Storage and Transportation												
Storage (\$/GJ's)												
Demand:												
Firm injection / withdrawal												
16	Union provides deliverability inventory	GJ/d/mo.	1,516,920	2,382	1.570	-	73	-	-	2,455	16	
17	Customer provides deliverability inventory	GJ/d/mo.	1,336,556	1,598	1.195	-	49	-	-	1,647	11	
18	Incremental firm injection right	GJ/d/mo.	-	-	1.195	-	-	-	-	-	-	
19	Interruptible	GJ/d/mo.	415,704	508	1.195	-	-	-	-	508	3	
20	Space	GJ/d/mo.	106,645,056	1,191	0.011	-	42	-	-	1,234	8	
21	Commodity (Customer Provides)	GJ	7,869,782	60	0.008	-	1	-	-	60	0	
22	Commodity (Union Provides)	GJ	-	-	0.028	-	-	-	-	-	-	
23	Customer supplied fuel	GJ	47,061	153	-	-	-	-	-	153	1	
Transportation (cents/ m3)												
Demand												
24	First 140,870 m³	10³m³/d/mo	49,971	11,364	22.7402	(1,385)	(258)	(327)	-	9,394	62	
25	All Over 140,870 m³	10³m³/d/mo	167,088	20,098	12.0285	(2,450)	(455)	(578)	-	16,615	110	
Commodity												
Firm												
26	All Volumes	10³m³	4,295,031	354	0.0082	-	3	-	-	357	2	
27	Interruptible	10³m³	340,506	3,419	1.0042	(159)	89	-	-	3,349	22	
28	Monthly Charges	Meter/mo.	444	2,553	\$5,751.12	-	170	-	-	2,723	18	
29	Customer supplied fuel	10³m³	23,922	2,147	-	-	-	(253)	-	1,894	13	
30	Total Rate T2		4,635,537	45,827	0.9886	(3,994)	(286)	(1,158)	-	40,389	267	0.66%

Notes:

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- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

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											Proposed Rates						
			Adjustments to 2017 Rates									Excluding Customer-Related GHG Obligation		Customer-Related GHG	Including Customer-Related GHG Obligation		
Line No.	Particulars	Billing Units	Union North Redesign Revenue (8) (\$000's)	2017 DSM (9) (\$000's)	2017 Capital Pass-Throughs (10) (\$000's)	2017 Parkway Delivery Obligation (11) (\$000's)	2017 Facility-Related GHG Obligation (\$000's)	Add Back Upstream Transportation (\$000's)	Customer Charge Adjustment (\$000's)	Proposed Revenue (\$000's)	NAC / LRAM Usage Adjustment (12) (10³m³)	Proposed Forecast Usage	Rates (cents / m³)	Rate Change (%)	Unit Rate	Rates (cents / m³)	Rate Change (%)
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)	(r)= sum(h:q)	(s)	(t) = (a + s)	(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
T1 Storage and Transportation																	
Storage (\$/GJ's)																	
Demand:																	
Firm injection / withdrawal																	
1	Union provides deliverability inventory	GJ/d.mo.	-	-	(32)	-		-		769	-	492,360	1.561				
2	Customer provides deliverability inventory	GJ/d.mo.	-	-	(8)	-		-		199	-	166,800	1.186				
3	Incremental firm injection right	GJ/d.mo.	-	-	-	-		-		-	-	-	1.186				
4	Interruptible	GJ/d.mo.	-	-	-	-		-		77	-	62,244	1.186				
5	Space	GJ/d.mo.	-	-	(16)	-		-		245	-	22,396,680	0.011				
6	Commodity (Customer Provides)	GJ	-	-	(0)	-		-		21	-	2,750,300	0.008				
7	Commodity (Union Provides)	GJ	-	-	-	-		-		-	-	-	0.028				
8	Customer supplied fuel	GJ	-	-	-	-		-		54	-	16,442	-				
Transportation (cents/ m3)																	
Demand																	
9	First 28,150 m³	10³m³/d/mo	-	854	230	273		-		4,411	-	12,448	35.4376				
10	Next 112,720 m³	10³m³/d/mo	-	616	166	197		-		3,183	-	13,002	24.4833				
Commodity																	
Firm																	
11	All Volumes	10³m³	-	-	(4)	215		-		563	(5,070)	452,300	0.1245				
12	Interruptible	10³m³	-	62	(27)	23		-		784	(661)	58,934	1.3298				
13	Monthly Charges	Meter/mo.	-	-	(38)	-		-		1,006	-	528	\$1,905.94				
14	Customer supplied fuel	10³m³	-	-	-	48		-		299	-	2,979	-				
15	Total Rate T1		-	1,532	269	755		-	-	11,611	(5,730)	511,234	2.2711	8.8%			
T2 Storage and Transportation																	
Storage (\$/GJ's)																	
Demand:																	
Firm injection / withdrawal																	
16	Union provides deliverability inventory	GJ/d.mo.	-	-	(104)	-		-		2,367	-	1,516,920	1.561				
17	Customer provides deliverability inventory	GJ/d.mo.	-	-	(70)	-		-		1,588	-	1,336,556	1.186				
18	Incremental firm injection right	GJ/d.mo.	-	-	-	-		-		-	-	-	1.186				
19	Interruptible	GJ/d.mo.	-	-	-	-		-		512	-	415,704	1.186				
20	Space	GJ/d.mo.	-	-	(75)	-		-		1,167	-	106,645,056	0.011				
21	Commodity (Customer Provides)	GJ	-	-	(1)	-		-		60	-	7,869,782	0.008				
22	Commodity (Union Provides)	GJ	-	-	-	-		-		-	-	-	0.028				
23	Customer supplied fuel	GJ	-	-	-	-		-		154	-	47,061	-				
Transportation (cents/ m3)																	
Demand																	
24	First 140,870 m³	10³m³/d/mo	-	1,250	1,409	1,100		-		13,215	-	49,971	26.4455				
25	All Over 140,870 m³	10³m³/d/mo	-	2,211	2,492	1,945		-		23,373	-	167,088	13.9884				
Commodity																	
Firm																	
26	All Volumes	10³m³	-	-	(4)	1,105		-		1,460	(35,458)	4,259,573	0.0343				
27	Interruptible	10³m³	-	143	(154)	26		-		3,387	(2,811)	337,695	1.0028				
28	Monthly Charges	Meter/mo.	-	-	(293)	-		-		2,448	-	444	\$5,513.81				
29	Customer supplied fuel	10³m³	-	-	-	228		-		2,134	-	23,922	-				
30	Total Rate T2		-	3,605	3,199	4,404		-	-	51,863	(38,269)	4,597,268	1.1281	14.1%			

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
(9) Rate Order, Working Papers, Schedule 11, column (b).
(10) Rate Order, Working Papers, Schedule 10, column (d).
(11) Rate Order, Working Papers, Schedule 20.
(12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

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Union South
In-Franchise Customers
Effective January 1, 2017

Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2016 Base Rates				Adjusted Revenue (\$000's)	Price Cap Index 0.66% (\$000's)	Price Cap Index (%)
			(1)	(2)	(3)	2016 DSM (4)	2016 Capital Pass-Throughs (5)	2016 Parkway Delivery Obligation (6)	Upstream Transportation (7)			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
T3												
Storage (\$/GJ's)												
Demand:												
Firm injection / withdrawal												
1	Union provides deliverability inventory	GJ/d/mo.	-	-	1,570	-	-	-	-	-	-	-
2	Customer provides deliverability inventory	GJ/d/mo.	679,320	808	1,195	-	29	-	-	838	6	-
3	Incremental firm injection right	GJ/d/mo.	-	-	1,195	-	-	-	-	-	-	-
4	Interruptible	GJ/d/mo.	-	-	1,195	-	-	-	-	-	-	-
5	Space	GJ/d/mo.	36,614,256	409	0,011	-	15	-	-	424	3	-
6	Commodity (Customer Provides)	GJ	4,459,672	34	0,008	-	0	-	-	34	0	-
7	Commodity (Union Provides)	GJ	-	-	0,028	-	-	-	-	-	-	-
8	Customer supplied fuel	GJ	26,668	87	-	-	-	-	-	87	1	-
Transportation (cents/ m3)												
9	Demand	10 ³ m ³ /d/mo	28,200	3,281	11,6340	-	(284)	(296)	-	2,700	18	-
10	Commodity	10 ³ m ³	272,712	29	0,0108	-	0	-	-	30	0	-
11	Monthly Charges	Meter/mo.	12	242	\$20,208.17	-	6	-	-	249	2	-
12	Customer supplied fuel	10 ³ m ³	1,972	193	-	-	-	(49)	-	144	1	-
13	Total Rate T3		<u>272,712</u>	<u>5,084</u>	<u>1.8643</u>	<u>-</u>	<u>(234)</u>	<u>(345)</u>	<u>-</u>	<u>4,505</u>	<u>30</u>	<u>0.66%</u>
14	Total In-franchise (excluding Gas Supply Admin Charge)			<u>914,616</u>		<u>(56,821)</u>	<u>8,718</u>	<u>(6,564)</u>	<u>(120,789)</u>	<u>739,160</u>	<u>4,878</u>	

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (i).
- (2) Rate Order, Working Papers, Schedule 7, column (f).
- (3) EB-2016-0247, Appendix A, rates effective October 1, 2016 (excludes Price Adjustments).
- (4) EB-2015-0029, Rate Order, Working Papers, Schedule 2, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

UNION GAS LIMITED
Union South
In-Franchise Customers
Effective January 1, 2017

Line No.	Particulars	Billing Units	Adjustments to 2017 Rates							Proposed Revenue (\$000's)	NAC / LRAM Usage Adjustment (12) (10³m³)	Proposed Forecast Usage (t) = (a + s)	Proposed Rates				
			Union North Redesign Revenue (8) (\$000's)	2017 DSM (9) (\$000's)	2017 Capital Pass-Throughs (10) (\$000's)	2017 Parkway Delivery Obligation (11) (\$000's)	2017 Facility-Related GHG Obligation (\$000's)	Add Back Upstream Transportation (\$000's)	Customer Charge Adjustment (\$000's)				Excluding Customer-Related GHG Obligation Rates (cents / m³)	Rate Change (%)	Customer-Related GHG Unit Rate (cents / m³)	Including Customer-Related GHG Obligation Rates (cents / m³)	Rate Change (%)
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)	(r) = sum(h,q)	(s)	(t)	(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
T3	Storage (\$/GJ's)																
	Demand:																
	Firm injection / withdrawal																
1	Union provides deliverability inventory	GJ/d.mo.	-	-	-	-	-	-	-	-	-	-	1.561				
2	Customer provides deliverability inventory	GJ/d.mo.	-	-	(42)	-	-	-	-	802	-	679,320	1.186				
3	Incremental firm injection right	GJ/d.mo.	-	-	-	-	-	-	-	-	-	-	1.186				
4	Interruptible	GJ/d.mo.	-	-	-	-	-	-	-	-	-	-	1.186				
5	Space	GJ/d.mo.	-	-	(26)	-	-	-	-	400	-	36,614,256	0.011				
6	Commodity (Customer Provides)	GJ	-	-	(1)	-	-	-	-	34	-	4,459,672	0.008				
7	Commodity (Union Provides)	GJ	-	-	-	-	-	-	-	-	-	-	0.028				
8	Customer supplied fuel	GJ	-	-	-	-	-	-	-	87	-	26,668	-				
	Transportation (cents/ m3)																
9	Demand	10³m³/d/mo	-	-	894	1,103	-	-	-	4,715	-	28,200	16.7213				
10	Commodity	10³m³	-	-	(0)	218	-	-	-	248	-	272,712	0.0909				
11	Monthly Charges	Meter/mo.	-	-	(11)	-	-	-	-	240	-	12	\$19,968.19				
12	Customer supplied fuel	10³m³	-	-	-	44	-	-	-	189	-	1,972	0				
13	Total Rate T3		-	-	815	1,365	-	-	-	6,715	-	272,712	2.4625	32.1%			
14	Total In-franchise (excluding Gas Supply Admin Charge)		113,637	58,570	(6,471)	24,117	-	2,461	0	915,280							

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
(9) Rate Order, Working Papers, Schedule 11, column (b).
(10) Rate Order, Working Papers, Schedule 10, column (d).
(11) Rate Order, Working Papers, Schedule 20.
(12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

UNION GAS LIMITED
Union South
Ex-Franchise Customers
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Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2016 Base Rates					Adjusted Revenue (\$000's)	Price Cap Index 0.66% (\$000's)	Price Cap Index (%)
			(1)	(2)	(3)	2016 DSM (\$000's)	2016 Capital Pass-Throughs (\$000's)	2016 Parkway Delivery Obligation (\$000's)	Upstream Transportation (\$000's)	(h) = (b+d+e+f+g)			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)		(i)		(j)
M12 Transportation Service													
<u>Demand:</u>													
Dawn to Kirkwall													
1	- 12 months	GJ/d/mo	419,318	13,621	2.421	-	(1,981)	-	-	11,640	77		
2	- 10 months	GJ/d/mo	304,563	7,374	2.421	-	(1,073)	-	-	6,301	42		
3	- 2 months	GJ/d/mo	18,365	89	2.421	-	(13)	-	-	76	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	3,634,172	136,340	2.883	-	(32,396)	-	-	103,944	686		
6	- 10 months	GJ/d/mo	65,000	1,874	2.883	-	(280)	-	-	1,594	11		
7	- 3 months	GJ/d/mo	2,000	17	2.883	-	(2)	-	-	15	0		
8	- F24-T - 12 months	GJ/d/mo	307,000	326	0.069	-	0	-	-	326	2		
M12-X Easterly (between Dawn, Kirkwall and Parkway)													
9	- 12 months	GJ/d/mo	391,011	13,527	2.883	-	(2,023)	-	-	11,503	76		
M12-X Westerly (between Dawn, Kirkwall and Parkway)													
10	- 12 months	GJ/d/mo	391,011	3,374	0.719	-	(577)	-	-	2,797	18		
Kirkwall to Parkway													
11	- 12 months	GJ/d/mo	94,547	524	0.462	-	(117)	-	-	406	3		
12	- 2 months	GJ/d/mo	174,752	161	0.462	-	(28)	-	-	134	1		
<u>Fuel and Commodity Charges:</u>													
Fuel													
13	Easterly - Providing Own Fuel	GJ	705,499,899	23,783		-	-	(673)	-	23,110	153		
14	Westerly - Providing Own Fuel	GJ	5,936,749	50		-	-	-	-	50	0		
Commodity Charges													
15	Dawn to Kirkwall / Parkway (Cons) / Lisgar	GJ	246,989,954	-	0.000	-	-	-	-	-	-		
16	Kirkwall to Parkway	GJ	47,726,097	-	0.000	-	-	-	-	-	-		
17	Dawn to Parkway (TCPL / EGT)	GJ	410,783,848	-	0.000	-	-	-	-	-	-		
18	Parkway to Dawn / Kirkwall	GJ	905,475	-	0.000	-	-	-	-	-	-		
19	Kirkwall to Dawn	GJ	5,031,274	-	0.000	-	-	-	-	-	-		
20	Total Rate M12		<u>711,436,648</u>	<u>201,100</u>		<u>-</u>	<u>(38,490)</u>	<u>(673)</u>	<u>-</u>	<u>161,937</u>	<u>1,069</u>	<u>0.66%</u>	

Notes:
(1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (r).
(2) Rate Order, Working Papers, Schedule 7, p. 2, column (f).
(3) EB-2016-0247 Appendix A, rates effective October 1, 2016.
(4) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
(5) EB-2015-0116, Rate Order, Working Papers, Schedule 20.

UNION GAS LIMITED
Union South
Ex-Franchise Customers
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Line No.	Particulars	Billing Units	Adjustment to 2017 Rates							Proposed Rates				
			Union North Redesign Revenue (\$000's)	2017 DSM (\$000's)	2017 Capital Pass-Throughs (6) (\$000's)	2017 Parkway Delivery Obligation (7) (\$000's)	2017 Facility-Related GHG Obligation (\$000's)	Add Back Upstream Transportation (\$000's)	Proposed Revenue (\$000's)	Proposed Rates (\$/ GJ)	Demand Adjustment (GJ/d/mo)	Usage including Adjustment (t) = (a + s)	Rates (\$/ GJ) (u) = (q / t)	Rate Change (%) (v)
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q) = sum(h:p)	(r) = (q / a)	(s)	(t) = (a + s)	(u) = (q / t)	(v)
<u>M12 Transportation Service</u>														
<u>Demand:</u>														
1	Dawn to Kirkwall													
	- 12 months	GJ/d/mo	-	-	4,402	-	-	-	16,118		-	419,318	2.865	
2	- 10 months	GJ/d/mo	-	-	2,383	-	-	-	8,726		-	304,563	2.865	
3	- 2 months	GJ/d/mo	-	-	29	-	-	-	105		-	18,365	2.865	
4	- F24-T - 12 months	GJ/d/mo	-	-	(0)	-	-	-	41		-	49,500	0.070	
Dawn to Parkway														
5	- 12 months	GJ/d/mo	-	-	67,947	-	-	-	172,578		285,958	3,920,130	3.402	
6	- 10 months	GJ/d/mo	-	-	607	-	-	-	2,211		-	65,000	3.402	
7	- 3 months	GJ/d/mo	-	-	5	-	-	-	20		-	2,000	3.402	
8	- F24-T - 12 months	GJ/d/mo	-	-	(0)	-	-	-	328		-	307,000	0.070	
M12-X Easterly (between Dawn, Kirkwall and Parkway)														
9	- 12 months	GJ/d/mo	-	-	4,384	-	-	-	15,963		-	391,011	3.402	
M12-X Westerly (between Dawn, Kirkwall and Parkway)														
10	- 12 months	GJ/d/mo	-	-	1,110	-	-	-	3,926		-	391,011	0.837	
Kirkwall to Parkway														
11	- 12 months	GJ/d/mo	-	-	486	-	-	-	896		44,393	138,940	0.537	
12	- 2 months	GJ/d/mo	-	-	53	-	-	-	188		-	174,752	0.537	
<u>Fuel and Commodity Charges:</u>														
Fuel														
13	Easterly - Providing Own Fuel	GJ	-	-	-	652	-	-	23,914		-	705,499,899		
14	Westerly - Providing Own Fuel	GJ	-	-	-	-	-	-	50		-	5,936,749		
Commodity Charges														
15	Dawn to Kirkwall / Parkway (Cons) / Lisgar	GJ	-	-	-	-	-	-	-		-	246,989,954	0.000	
16	Kirkwall to Parkway	GJ	-	-	-	-	-	-	-		-	47,726,097	0.000	
17	Dawn to Parkway (TCPL / EGT)	GJ	-	-	-	-	-	-	-		-	410,783,848	0.000	
18	Parkway to Dawn / Kirkwall	GJ	-	-	-	-	-	-	-		-	905,475	0.000	
19	Kirkwall to Dawn	GJ	-	-	-	-	-	-	-		-	5,031,274	0.000	
20	Total Rate M12		-	-	81,408	652	-	-	245,065	-	330,351	711,436,648		21.9%

Notes:

- (6) Rate Order, Working Papers, Schedule 10, column (d).
(7) Rate Order, Working Papers, Schedule 20, column (c).

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Ex-Franchise Customers
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Line No.	Particulars	Billing Units	Current	Current	Current	Adjustments to 2016 Base Rates						
			Approved Forecast Usage	Approved Revenue	Approved Rates	2016	2016 Capital	2016 Parkway	Upstream	Adjusted	Price Cap	Price Cap
			(1)	(2)	(3)	DSM	Pass-Throughs	Delivery	Transportation	Revenue	Index	Index
			(a)	(b)	(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	170	\$946.47	-	-	-	-	170	1	
2	Transmission Commodity Charge	GJ	5,934,507	205	0.035	-	1	-	-	206	1	
3	Commodity - Providing Own Fuel	GJ	5,934,507	45	0.008	-	-	-	-	45	0	
4	Commodity - Shipper Providing Own Fuel	GJ	5,934,507	-	0.000	-	-	-	-	-	-	
5	Total Rate M13		<u>5,934,507</u>	<u>421</u>		<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>422</u>	<u>3</u>	<u>0.66%</u>
	M16 Transportation Service											
5	Monthly Fixed Charge	monthly	4	72	\$1,505.73	-	-	-	-	72	0	
6	Transmission Commodity Charge	GJ	6,236,394	216	0.035	-	0	-	-	216	1	
	Charges West of Dawn:											
7	Firm Demand Charge	GJ/d	17,846	226	1.055	-	6	-	-	232	2	
8	Fuel & UFG to Dawn	GJ	4,098,775	31	0.008	-	-	-	-	31	0	
9	Fuel & UFG to Pool	GJ	4,098,775	89	0.022	-	-	-	-	89	1	
10	Commodity Charge - To Dawn	GJ	4,098,775	-	0.000	-	-	-	-	-	-	
11	Commodity Charge - To Pool	GJ	4,098,775	-	0.000	-	-	-	-	-	-	
	Charges East of Dawn:											
12	Firm Demand Charge	GJ/d	9,067	83	0.765	-	-	-	-	83	1	
13	Fuel & UFG to Dawn	GJ	2,137,619	16	0.008	-	-	-	-	16	0	
14	Fuel & UFG to Pool	GJ	2,137,619	20	0.009	-	-	(3)	-	17	0	
15	Commodity Charge - To Dawn	GJ	2,137,619	-	0.000	-	-	-	-	-	-	
16	Commodity Charge - To Pool	GJ	2,137,619	-	0.000	-	-	-	-	-	-	
17	Total Rate M16		<u>12,472,788</u>	<u>754</u>		<u>-</u>	<u>6</u>	<u>(3)</u>	<u>-</u>	<u>757</u>	<u>5</u>	<u>0.66%</u>

Notes:
(1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (r).
(2) Rate Order, Working Papers, Schedule 7, p. 2, column (f).
(3) EB-2016-0247 Appendix A, rates effective October 1, 2016.
(4) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
(5) EB-2015-0116, Rate Order, Working Papers, Schedule 20.

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Union South
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Line No.	Particulars	Billing Units	Adjustment to 2017 Rates							Proposed Rates				
			Union North	2017 DSM Revenue (\$000's)	2017 Capital	2017 Parkway	2017 Facility-	Add Back	Proposed Revenue (\$000's)	Proposed Rates (\$/ GJ)	Demand Adjustment (GJ/d/mo)	Usage including Adjustment (t) = (a + s)	Rates (\$/ GJ) (u) = (q / t)	Rate Change (%) (v)
			Redesign Revenue (\$000's)		Pass-Throughs (6) (\$000's)	Delivery Obligation (7) (\$000's)	Related GHG Obligation (\$000's)	Upstream Transportation (\$000's)						
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q) = sum(h:p)	(r) = (q / a)	(s)	(t) = (a + s)	(u) = (q / t)	(v)
M13 Transportation of Locally Produced Gas														
1	Monthly Fixed Charge	monthly	-	-	-	-	-	-	171	-	-	15	\$952.72	
2	Transmission Commodity Charge	GJ	-	-	(5)	-	-	-	203	-	-	5,934,507	0.035	
3	Commodity - Providing Own Fuel	GJ	-	-	-	-	-	-	46	-	-	5,934,507	0.008	
4	Commodity - Shipper Providing Own Fuel	GJ	-	-	-	-	0	-	-	-	-	5,934,507	0.000	
5	Total Rate M13		-	-	(5)	-	-	-	420	-	-	5,934,507		-0.3%
M16 Transportation Service														
5	Monthly Fixed Charge	monthly	-	-	-	-	-	-	73	-	-	4	\$1,515.67	
6	Transmission Commodity Charge	GJ	-	-	(0)	-	-	-	217	-	-	6,236,394	0.035	
Charges West of Dawn:														
7	Firm Demand Charge	GJ/d	-	-	(9)	-	-	-	224	-	-	17,846	\$1.045	
8	Fuel & UFG to Dawn	GJ	-	-	-	-	-	-	31	-	-	4,098,775	0.008	
9	Fuel & UFG to Pool	GJ	-	-	-	-	-	-	89	-	-	4,098,775	0.022	
10	Commodity Charge - To Dawn	GJ	-	-	-	-	0	-	-	-	-	4,098,775	0.000	
11	Commodity Charge - To Pool	GJ	-	-	-	-	0	-	-	-	-	4,098,775	0.000	
Charges East of Dawn:														
12	Firm Demand Charge	GJ/d	-	-	-	-	-	-	84	-	-	9,067	\$0.770	
13	Fuel & UFG to Dawn	GJ	-	-	-	-	-	-	16	-	-	2,137,619	0.008	
14	Fuel & UFG to Pool	GJ	-	-	-	3	-	-	20	-	-	2,137,619	0.009	
15	Commodity Charge - To Dawn	GJ	-	-	-	-	0	-	-	-	-	2,137,619	0.000	
16	Commodity Charge - To Pool	GJ	-	-	-	-	0	-	-	-	-	2,137,619	0.000	
17	Total Rate M16		-	-	(10)	3	-	-	755	-	-	12,472,788		0.2%

Notes:
(6) Rate Order, Working Papers, Schedule 10, column (d).
(7) Rate Order, Working Papers, Schedule 20, column (c).

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Line No.	Particulars	Billing Units	Adjustments to 2016 Base Rates									
			Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	2016 Parkway				Adjusted Revenue	Price Cap Index	Price Cap Index
			(1)	(2)	(3)	2016 DSM	2016 Capital Pass-Throughs	Delivery Obligation	Upstream Transportation			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
C1 Cross Franchise Transportation Service												
Storage Service:												
1	Peak Storage (Short-term)	GJ	22,489,337	7,754		-	150	-	-	7,904	n/a	
Commodity												
2	Off Peak Storage/ Balancing / Loans	GJ	-	2,500		-	-	-	-	2,500	n/a	
Transportation Service:												
Demand:												
3	St.Clair & Dawn / Ojibway & Dawn - 12 months	GJ/mo	85,460	3,243	1.055	-	27	-	-	3,269	22	
Parkway to Dawn/Kirkwall												
4	- 12 months	GJ/mo	347,371	2,997	0.719	-	(513)	-	-	2,485	16	
5	- 3 months	GJ/mo	54,357	117	0.719	-	(20)	-	-	97	1	
6	Kirkwall to Dawn	GJ/mo	-	-	1.268	-	-	-	-	-	-	
Dawn to Parkway												
7	- 12 months	GJ/mo	7,065	421	2.883	-	-	-	-	421	3	
8	- 12 months North T-Service	GJ/mo	4,853	168	2.883	-	(168)	-	-	-	-	
9	Kirkwall to Parkway	GJ/mo	-	-	0.462	-	-	-	-	-	-	
Dawn to Dawn-Vector												
10	- 12 months	GJ/mo	92,845	33	0.029	-	-	-	-	33	0	
Dawn to Dawn-TCPL												
11	- 12 months	GJ/mo	500,000	822	0.137	-	-	-	-	822	5	
Firm Commodity												
Easterly												
Union Providing Fuel												
12	Dawn to Parkway (TCPL / EGT)	GJ	2,423,295	93		-	-	(8)	-	86	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	249		-	-	-	-	249	2	
15	Ojibway to Dawn	GJ	9,968,577	168		-	-	-	-	168	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	11,245		-	29	(212)	-	11,061	n/a	
19	Exchanges			14,918		-	-	-	-	14,918	n/a	
20	Other Transactional			1,067		-	-	-	-	1,067	n/a	
Commodity Charges:												
21	Dawn to Parkway (TCPL / EGT)		2,423,295			-	-	-	-	-	-	
22	Dawn to Dawn-TCPL		5,000,000			-	-	-	-	-	-	
23	Dawn to Dawn-Vector		18,280,703			-	-	-	-	-	-	
24	St. Clair / Ojibway / Bluewater & Dawn		9,968,577			-	-	-	-	-	-	
25	Parkway to Dawn / Kirkwall		3,990,264			-	-	-	-	-	-	
26	Short-term Transportation		177,529,686			-	-	-	-	-	-	
27	Total Rate C1		<u>217,192,525</u>	<u>45,932</u>		<u>-</u>	<u>(496)</u>	<u>(220)</u>	<u>-</u>	<u>45,217</u>	<u>51</u>	
28	Total Ex-Franchise			<u>248,207</u>		<u>-</u>	<u>(38,979)</u>	<u>(896)</u>	<u>-</u>	<u>208,332</u>	<u>1,128</u>	<u>0.54%</u>

Notes:
(1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (r).
(2) Rate Order, Working Papers, Schedule 7, p. 2, column (f).
(3) EB-2016-0247 Appendix A, rates effective October 1, 2016.
(4) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
(5) EB-2015-0116, Rate Order, Working Papers, Schedule 20.

UNION GAS LIMITED
Union South
Ex-Franchise Customers
Effective January 1, 2017

Line No.	Particulars	Billing Units	Adjustment to 2017 Rates									Proposed Rates			
			Union North Redesign Revenue	2017 DSM	2017 Capital Pass-Throughs	2017 Parkway Delivery Obligation	2017 Facility-Related GHG Obligation	Add Back Upstream Transportation	Proposed Revenue	Proposed Rates	Demand Adjustment	Usage including	Rates	Rate Change	
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$/ GJ)	(GJ/d/mo)	Adjustment	(\$/ GJ)	Change	
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q) = sum(h:p)	(r) = (q / a)	(s)	(t) = (a + s)	(u) = (q / t)	(v)	
	C1 Cross Franchise Transportation Service														
	Storage Service:														
1	Peak Storage (Short-term) Commodity	GJ	-	-	(239)	-	-	-	7,665		-	22,489,337			
2	Off Peak Storage/ Balancing / Loans	GJ	-	-	-	-	-	-	2,500		-	-			
	Transportation Service:														
	Demand:														
3	St.Clair & Dawn / Ojibway & Dawn - 12 months	GJ/mo	-	-	(45)	-	-	-	3,246		-	85,460	1.045		
	Parkway to Dawn/Kirkwall														
4	- 12 months	GJ/mo	-	-	986	-	-	-	3,488		-	347,371	0.837		
5	- 3 months	GJ/mo	-	-	39	-	-	-	136		-	54,357	0.837		
6	Kirkwall to Dawn	GJ/mo	-	-	-	-	-	-	-		-	-	1.475		
	Dawn to Parkway														
7	- 12 months	GJ/mo	-	-	-	-	-	-	424		0	7,065	3.402		
8	- 12 months North T-Service	GJ/mo	-	-	1,229	-	-	-	1,229		25,258	30,111	3.402		
9	Kirkwall to Parkway	GJ/mo	-	-	-	-	-	-	-		-	0	0.537		
	Dawn to Dawn-Vector														
10	- 12 months	GJ/mo	-	-	-	-	-	-	33		-	92,845	0.029		
	Dawn to Dawn-TCPL														
11	- 12 months	GJ/mo	-	-	-	-	-	-	828		-	500,000	0.138		
	Firm Commodity														
	Easterly														
12	Union Providing Fuel Dawn to Parkway (TCPL / EGT)	GJ	-	-	-	7	-	-	94		-	2,423,295			
	Providing Own Fuel														
13	Dawn to Dawn-TCPL	GJ	-	-	-	-	-	-	85		-	5,000,000			
14	Dawn to Dawn-Vector	GJ	-	-	-	-	-	-	251		-	18,280,703			
15	Ojibway to Dawn	GJ	-	-	-	-	-	-	169		-	9,968,577			
	Westerly - Providing Own Fuel														
16	Parkway to Kirkwall	GJ	-	-	-	-	-	-	-		-	-			
17	Parkway to Dawn	GJ	-	-	-	-	-	-	53		-	3,990,264			
18	Short-term Transportation	GJ	-	-	(48)	206	-	-	11,218		-	177,529,686			
19	Exchanges		-	-	-	-	-	-	14,918		-	-			
20	Other Transactional		-	-	-	-	-	-	1,067		-	-			
	Commodity Charges:														
21	Dawn to Parkway (TCPL / EGT)		-	-	-	-	0	-	-		-	2,423,295	0.000		
22	Dawn to Dawn-TCPL		-	-	-	-	0	-	-		-	5,000,000	0.000		
23	Dawn to Dawn-Vector		-	-	-	-	0	-	-		-	18,280,703	0.000		
24	St. Clair / Ojibway / Bluewater & Dawn		-	-	-	-	0	-	-		-	9,968,577	0.000		
25	Parkway to Dawn / Kirkwall		-	-	-	-	0	-	-		-	3,990,264	0.000		
26	Short-term Transportation		-	-	-	-	0	-	-		-	177,529,686			
27	Total Rate C1		-	-	1,922	213	-	-	47,403	-	25,258	217,192,525		3.2%	
28	Total Ex-Franchise		-	-	83,315	868	-	-	293,643	-	355,609				

Notes:
(6) Rate Order, Working Papers, Schedule 10, column (d).
(7) Rate Order, Working Papers, Schedule 20, column (c).

UNION GAS LIMITED
Rate Impact Continuity
Effective January 1, 2017

Line No.	Particulars	2016 Current Approved Revenue (2) (\$000s) (a)	Price Cap Index (2) (\$000s) (b)	Union North Redesign Revenue (3) (\$000's) (c)	DSM (2) (\$000s) (d)	Capital Pass-Throughs (2) (\$000s) (e)	Parkway Delivery Obligation (2) (\$000s) (f)	Facility-Related GHG Obligation (2) (\$000's) (g)	Upstream Transportation (\$000's) (h)	Total Excluding Volume Adjustments (i)	Volume Adjustments (j)	Total Including Volume Adjustments (k)	Customer-Related GHG Obligation (l)	Total Including Customer-Related GHG Obligation (m)
<u>North Delivery</u>														
1	R01 Revenue (\$000s)	162,721	1,040	-	524	(3,175)	-	-	-	161,111		161,111		
2	Volumes (10³m³)	964,386	964,386	964,386	964,386	964,386	964,386	964,386	964,386	964,386	(54,697)	909,690		
3	Average rate (cents / m³)	16.8730	0.1079	-	0.0544	(0.3292)	-	-	-	16.7060	1.0045	17.7105		
4	Average rate change (1)		0.6%	0.0%	0.3%	-2.0%	0.0%	0.0%	0.0%	-1.0%	6.0%	5.0%		
5	R10 Revenue (\$000s)	21,090	122	-	276	(397)	-	-	-	21,091		21,091		
6	Volumes (10³m³)	363,545	363,545	363,545	363,545	363,545	363,545	363,545	363,545	363,545	(26,433)	337,112		
7	Average rate (cents / m³)	5.8013	0.0335	-	0.0758	(0.1092)	-	-	-	5.8015	0.4549	6.2564		
8	Average rate change (1)		0.6%	0.0%	1.3%	-1.9%	0.0%	0.0%	0.0%	0.0%	7.8%	7.8%		
9	R20 Revenue (\$000s)	14,135	83	-	(160)	(335)	-	-	-	13,723		13,723		
10	Volumes (10³m³)	609,046	609,046	609,046	609,046	609,046	609,046	609,046	609,046	609,046	(2,870)	606,176		
11	Average rate (cents / m³)	2.3209	0.0136	-	(0.0263)	(0.0550)	-	-	-	2.2532	0.0107	2.2638		
12	Average rate change (1)		0.6%	0.0%	-1.1%	-2.4%	0.0%	0.0%	0.0%	-2.9%	0.5%	-2.5%		
13	R25 Revenue (\$000s)	4,414	30	-	-	(104)	-	-	-	4,340		4,340		
14	Volumes (10³m³)	159,555	159,555	159,555	159,555	159,555	159,555	159,555	159,555	159,555	-	159,555		
15	Average rate (cents / m³)	2.7662	0.0188	-	-	(0.0650)	-	-	-	2.7201	-	2.7201		
16	Average rate change (1)		0.7%	0.0%	0.0%	-2.3%	0.0%	0.0%	0.0%	-1.7%	0.0%	-1.7%		
17	R100 Revenue (\$000s)	15,643	92	-	(214)	(284)	-	-	-	15,237		15,237		
18	Volumes (10³m³)	1,819,999	1,819,999	1,819,999	1,819,999	1,819,999	1,819,999	1,819,999	1,819,999	1,819,999	(5,132)	1,814,867		
19	Average rate (cents / m³)	0.8595	0.0050	-	(0.0118)	(0.0156)	-	-	-	0.8372	0.0024	0.8396		
20	Average rate change (1)		0.6%	0.0%	-1.4%	-1.8%	0.0%	0.0%	0.0%	-2.6%	0.3%	-2.3%		

Notes:

(1) Average rate change is compared to column (a).

(2) Rate Order, Working Paper, Schedule 3.

(3) Union North redesign revenue change is based on the approved changes to the Union North storage and transportation costs per Union EB-2015-0181, updated for October 2016 QRAM (EB-2016-0247).

UNION GAS LIMITED
Rate Impact Continuity
Effective January 1, 2017

Line No.	Particulars	2016 Current Approved Revenue (2) (\$000s)	Price Cap Index (2) (\$000s)	Union North Redesign Revenue (3) (\$000's)	DSM (2) (\$000s)	Capital Pass-Throughs (2) (\$000s)	Parkway Delivery Obligation (2) (\$000s)	Facility-Related GHG Obligation (2) (\$000's)	Upstream Transportation (\$000's)	Total Excluding Volume Adjustments (i)	Volume Adjustments (j)	Total Including Volume Adjustments (k)	Customer-Related GHG Obligation (l)	Total Including Customer-Related GHG Obligation (m)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
<u>South Delivery & Storage</u>														
1	M1 - Delivery	Revenue (\$000s)	379,556	2,393	-	1,571	(243)	8,280	-	-	391,556			391,556
2		Volumes (10³m³)	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	(120,628)	2,897,179		2,897,179
3		Average rate (cents / m³)	12.5772	0.0793	-	0.0520	(0.0081)	0.2744	-	-	12.9748	0.5402		13.5151
4	M1 - Storage	Revenue (\$000s)	21,206	147	-	-	(630)	-	-	-	20,723			20,723
5		Volumes (10³m³)	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	(120,628)	2,897,179		2,897,179
6		Average rate (cents / m³)	0.7027	0.0049	-	-	(0.0209)	-	-	-	0.6867	0.0286		0.7153
7	M1	Revenue (\$000s)	400,762	2,540	-	1,571	(873)	8,280	-	-	412,278	-		412,278
8		Total Average rate (cents / m³)	13.2799	0.0842	-	0.0520	(0.0289)	0.2744	-	-	13.6615	0.5688		14.2303
9		Average rate change (1)		0.6%	0.0%	0.4%	-0.2%	2.1%	0.0%	0.0%	2.9%	4.3%		7.2%
10	M2 - Delivery	Revenue (\$000s)	49,560	260	-	975	1,487	2,807	-	-	55,090			55,090
11		Volumes (10³m³)	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	(43,354)	1,127,028		1,127,028
12		Average rate (cents / m³)	4.2345	0.0222	-	0.0833	0.1270	0.2399	-	-	4.7070	0.1811		4.8880
13	M2 - Storage	Revenue (\$000s)	7,211	50	-	-	(215)	-	-	-	7,046			7,046
14		Volumes (10³m³)	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	(43,354)	1,127,028		1,127,028
15		Average rate (cents / m³)	0.6161	0.0043	-	-	(0.0184)	-	-	-	0.6020	0.0232		0.6252
16	M2	Revenue (\$000s)	56,771	310	-	975	1,272	2,807	-	-	62,135	-		62,135
17		Total Average rate (cents / m³)	4.8506	0.0265	-	0.0833	0.1087	0.2399	-	-	5.3090	0.2042		5.5132
18		Average rate change (1)		0.5%	0.0%	1.7%	2.2%	4.9%	0.0%	0.0%	9.4%	4.2%		13.7%
19	M4	Revenue (\$000s)	14,052	71	-	(262)	449	901	-	-	15,211			15,211
20		Volumes (10³m³)	362,270	362,270	362,270	362,270	362,270	362,270	362,270	362,270	(13,007)	349,263		349,263
21		Average rate (cents / m³)	3.8788	0.0197	-	(0.0723)	0.1241	0.2486	-	-	4.1988	0.1564		4.3552
22		Average rate change (1)		0.5%	0.0%	-1.9%	3.2%	6.4%	0.0%	0.0%	8.3%	4.0%		12.3%
23	M5	Revenue (\$000s)	14,285	70	-	(349)	(239)	174	-	-	13,941			13,941
24		Volumes (10³m³)	482,279	482,279	482,279	482,279	482,279	482,279	482,279	482,279	(16,829)	465,451		465,451
25		Average rate (cents / m³)	2.9619	0.0146	-	(0.0723)	(0.0496)	0.0360	-	-	2.8906	0.1045		2.9952
26		Average rate change (1)		0.5%	0.0%	-2.4%	-1.7%	1.2%	0.0%	0.0%	-2.4%	3.5%		1.1%

Notes:

(1) Average rate change is compared to column (a).

(2) Rate Order, Working Paper, Schedule 3.

(3) Union North redesign revenue change is based on the approved changes to the Union North storage and transportation costs per Union EB-2015-0181, updated for October 2016 QRAM (EB-2016-0247).

UNION GAS LIMITED
Rate Impact Continuity
Effective January 1, 2017

Line No.	Particulars	2016 Current Approved Revenue (2) (\$000s) (a)	Price Cap Index (2) (\$000s) (b)	Union North Redesign Revenue (3) (\$000's) (c)	DSM (2) (\$000s) (d)	Capital Pass-Throughs (2) (\$000s) (e)	Parkway Delivery Obligation (2) (\$000s) (f)	Facility-Related GHG Obligation (2) (\$000's) (g)	Upstream Transportation (\$000's) (h)	Total Excluding Volume Adjustments (i)	Volume Adjustments (j)	Total Including Volume Adjustments (k)	Customer-Related GHG Obligation (l)	Total Including Customer-Related GHG Obligation (m)
<u>South Delivery & Storage (cont.)</u>														
1	M7	Revenue (\$000s)	4,451	21	-	(91)	196	402	-	-	4,979	4,979		
2		Volumes (10³m³)	126,351	126,351	126,351	126,351	126,351	126,351	126,351	126,351	(1,523)	124,828		
3		Average rate (cents / m³)	3.5224	0.0170	-	(0.0723)	0.1555	0.3178	-	-	3.9404	0.0481	3.9884	
4		Average rate change (1)		0.5%	0.0%	-2.1%	4.4%	9.0%	0.0%	0.0%	11.9%	1.4%	13.2%	
5	M9	Revenue (\$000s)	812	5	-	-	81	158	-	-	1,055	1,055		
6		Volumes (10³m³)	60,750	60,750	60,750	60,750	60,750	60,750	60,750	60,750	-	60,750		
7		Average rate (cents / m³)	1.3360	0.0079	-	-	0.1326	0.2604	-	-	1.7370	-	1.7370	
8		Average rate change (1)		0.6%	0.0%	0.0%	9.9%	19.5%	0.0%	0.0%	30.0%	0.0%	30.0%	
9	M10	Revenue (\$000s)	11	0	-	-	2	4	-	-	17	17		
10		Volumes (10³m³)	189	189	189	189	189	189	189	189	-	189		
11		Average rate (cents / m³)	5.9327	0.0328	-	-	1.0861	1.8767	-	-	8.9283	(2.1164)	6.8119	
12		Average rate change (1)		0.6%	0.0%	0.0%	18.3%	31.6%	0.0%	0.0%	50.5%	-35.7%	14.8%	
13	T1	Revenue (\$000s)	10,791	59	-	(132)	330	562	-	-	11,611	11,611		
14		Volumes (10³m³)	516,965	516,965	516,965	516,965	516,965	516,965	516,965	516,965	(5,730)	511,234		
15		Average rate (cents / m³)	2.0873	0.0115	-	(0.0255)	0.0639	0.1088	-	-	2.2459	0.0252	2.2711	
16		Average rate change (1)		0.6%	0.0%	-1.2%	3.1%	5.2%	0.0%	0.0%	7.6%	1.2%	8.8%	
17	T2	Revenue (\$000s)	45,827	267	-	(389)	2,913	3,246	-	-	51,863	51,863		
18		Volumes (10³m³)	4,635,537	4,635,537	4,635,537	4,635,537	4,635,537	4,635,537	4,635,537	4,635,537	(38,269)	4,597,268		
19		Average rate (cents / m³)	0.9886	0.0058	-	(0.0084)	0.0628	0.0700	-	-	1.1188	0.0093	1.1281	
20		Average rate change (1)		0.6%	0.0%	-0.8%	6.4%	7.1%	0.0%	0.0%	13.2%	0.9%	14.1%	
21	T3	Revenue (\$000s)	5,084	30	-	-	581	1,020	-	-	6,715	6,715		
22		Volumes (10³m³)	272,712	272,712	272,712	272,712	272,712	272,712	272,712	272,712	-	272,712		
23		Average rate (cents / m³)	1.8643	0.0109	-	-	0.2131	0.3742	-	-	2.4625	-	2.4625	
24		Average rate change (1)		0.6%	0.0%	0.0%	11.4%	20.1%	0.0%	0.0%	32.1%	0.0%	32.1%	

Notes:

- (1) Average rate change is compared to column (a).
- (2) Rate Order, Working Paper, Schedule 3.
- (3) Union North redesign revenue change is based on the approved changes to the Union North storage and transportation costs per Union EB-2015-0181, updated for October 2016 QRAM (EB-2016-0247).

UNION GAS LIMITED
Rate Impact Continuity
Effective January 1, 2017

Line No.	Particulars	2016 Current Approved Revenue (2) (\$000s) (a)	Price Cap Index (2) (\$000s) (b)	Union North Redesign Revenue (3) (\$000's) (c)	DSM (2) (\$000s) (d)	Capital Pass-Throughs (2) (\$000s) (e)	Parkway Delivery Obligation (2) (\$000s) (f)	Facility-Related GHG Obligation (2) (\$000's) (g)	Upstream Transportation (\$000's) (h)	Total Excluding Volume Adjustments (i)	Volume Adjustments (j)	Total Including Volume Adjustments (k)	Customer-Related GHG Obligation (l)	Total Including Customer-Related GHG Obligation (m)
<u>North Transportation & Storage</u>														
1	R01 Revenue (\$000s)	100,252	102	(15,922)	-	1,383	(0)	-	-	85,815		85,815		
2	Volumes (10³m³)	964,386	964,386	964,386	964,386	964,386	964,386	964,386	964,386	964,386	(54,697)	909,690		
3	Average rate (cents / m³)	10.3954	0.0106	(1.6510)	-	0.1435	(0.0000)	-	-	8.8984	0.5350	9.4334		
4	Average rate change (1)		0.1%	-15.9%	0.0%	1.4%	0.0%	0.0%	0.0%	-14.4%	5.1%	-9.3%		
5	R10 Revenue (\$000s)	31,364	27	(6,521)	-	351	(0)	-	-	25,221		25,221		
6	Volumes (10³m³)	363,545	363,545	363,545	363,545	363,545	363,545	363,545	363,545	363,545	(26,433)	337,112		
7	Average rate (cents / m³)	8.6273	0.0075	(1.7937)	-	0.0965	(0.0000)	-	-	6.9375	0.5440	7.4815		
8	Average rate change (1)		0.1%	-20.8%	0.0%	1.1%	0.0%	0.0%	0.0%	-19.6%	6.3%	-13.3%		
9	R20 Revenue (\$000s)	10,127	8	(2,312)	-	91	(0)	-	-	7,914		7,914		
10	Volumes (10³m³)	121,935	121,935	121,935	121,935	121,935	121,935	121,935	121,935	121,935	-	121,935		
11	Average rate (cents / m³)	8.3057	0.0064	(1.8960)	-	0.0743	(0.0000)	-	-	6.4904	-	6.4904		
12	Average rate change (1)		0.1%	-22.8%	0.0%	0.9%	0.0%	0.0%	0.0%	-21.9%	0.0%	-21.9%		
13	R25 Revenue (\$000s)	1,809	0	(1,119)	-	(2)	-	-	-	688		688		
14	Volumes (10³m³)	42,913	42,913	42,913	42,913	42,913	42,913	42,913	42,913	42,913	-	42,913		
15	Average rate (cents / m³)	3.9483	0.0003	(2.6085)	-	(0.0035)	-	-	-	1.6030	-	1.6030		
16	Average rate change (1)		0.0%	-66.1%	0.0%	-0.1%	0.0%	0.0%	0.0%	-59.4%	0.0%	-59.4%		
17	R100 Revenue (\$000s)	217	1	111	-	6	(0)	-	-	334		334		
18	Change (1)		0.3%	50.8%	0.0%	2.6%	0.0%	0.0%	0.0%	53.7%	0.0%	53.7%		
<u>Ex-Franchise</u>														
19	M12 Revenue (\$000s)	201,100	1,069	-	-	42,917	(21)	-	-	245,065	-	245,065		
20	Change (1)		0.5%	0.0%	0.0%	21.3%	0.0%	0.0%	0.0%	21.9%	0.0%	21.9%		
21	M13 Revenue (\$000s)	421	3	-	-	(4)	-	-	-	420	-	420		
22	Change (1)		0.7%	0.0%	0.0%	-1.0%	0.0%	0.0%	0.0%	-0.3%	0.0%	-0.3%		
23	M16 Revenue (\$000s)	754	5	-	-	(4)	(0)	-	-	755	-	755		
24	Change (1)		0.7%	0.0%	0.0%	-0.5%	0.0%	0.0%	0.0%	0.2%	0.0%	0.2%		
25	C1 Revenue (\$000s)	45,932	51	-	-	1,426	(7)	-	-	47,403	-	47,403		
26	Change (1)		0.1%	0.0%	0.0%	3.1%	0.0%	0.0%	0.0%	3.2%	0.0%	3.2%		
27	Gas Supply Admin	6,749	-	-	-	(26)	-	-	-	6,723	-	6,723		
28	Totals	1,169,572	6,006	(25,764)	1,749	46,557	17,525	-	-	1,215,646	-	1,215,646		

Notes:

(1) Average rate change is compared to column (a).

(2) Rate Order, Working Paper, Schedule 3.

(3) Union North redesign revenue change is based on the approved changes to the Union North storage and transportation costs per Union EB-2015-0181, updated for October 2016 QRAM (EB-2016-0247).

UNION GAS LIMITED
Union North
Percentage Change in Average Unit Price
Effective January 1, 2017

Line No.	Particulars (cents/m³)	Rate Class	Current Approved Rates (1) (cents / m³) (a)	Excluding Customer-Related GHG Obligation		Including Customer-Related GHG Obligation		Percent Change (3) (%) (g) = (f/a)
				Proposed Rates (2) (cents / m³) (b)	Rate Change (c) = (b-a)	Percent Change (3) (%) (d) = (c/a)	Proposed Rates (4) (cents / m³) (e)	Rate Change (f) = (e-a)
	Small Volume General Service	01						
1	Delivery		16.8730	17.7105	0.8375	5.0%		
2	Gas Supply Transportation		6.6445	4.0529	(2.5916)	-39.0%		
3	Storage		4.0087	5.3035	1.2948	32.3%		
4	Total		<u>27.5262</u>	<u>27.0669</u>	<u>(0.4593)</u>	<u>-1.7%</u>		
	Large Volume General Service	10						
5	Delivery		5.8013	6.2564	0.4551	7.8%		
6	Gas Supply Transportation		6.1566	3.4866	(2.6700)	-43.4%		
7	Storage		2.8096	3.9285	1.1189	39.8%		
8	Total		<u>14.7675</u>	<u>13.6715</u>	<u>(1.0960)</u>	<u>-7.4%</u>		
	Medium Volume Firm Service	20						
9	Delivery		2.3209	2.2638	(0.0571)	-2.5%		
10	Gas Supply Transportation		8.3057	6.4904	(1.8153)	-21.9%		
11	Total		<u>10.6266</u>	<u>8.7542</u>	<u>(1.8724)</u>	<u>-17.6%</u>		
	Large Volume High Load Factor	100						
12	Delivery		<u>0.8595</u>	<u>0.8396</u>	<u>(0.0199)</u>	<u>-2.3%</u>		
	Large Volume Interruptible	25						
13	Delivery		<u>2.7662</u>	<u>2.7201</u>	<u>(0.0461)</u>	<u>-1.7%</u>		

Notes:

- (1) Rate Order, Working Papers, Schedule 4, column (c).
- (2) Rate Order, Working Papers, Schedule 4, column (u).
- (3) Excludes Gas Supply Commodity related costs.
- (4) Rate Order, Working Papers, Schedule 4, column (x).

UNION GAS LIMITED
Union South
Percentage Change in Average Unit Price
Effective January 1, 2017

Line No.	Particulars (cents/m ³)	Rate Class	Current	Excluding Customer-Related GHG Obligation		Including Customer-Related GHG Obligation		Percent Change (3) (%)	Percent Change (3) (%)
			Approved Rates (1) (cents / m ³) (a)	Proposed Rates (2) (cents / m ³) (b)	Rate Change (c) = (b-a) (c) = (b-a)	Proposed Rates (4) (cents / m ³) (e)	Rate Change (f) = (e-a) (f) = (e-a)		
	General Service	M1							
1	Delivery		12.5772	13.5151	0.9379			7.5%	
2	Storage		0.7027	0.7153	0.0126			1.8%	
3	Total		<u>13.2799</u>	<u>14.2304</u>	<u>0.9505</u>			<u>7.2%</u>	
	General Service	M2							
4	Delivery		4.2345	4.8880	0.6535			15.4%	
5	Storage		0.6161	0.6252	0.0091			1.5%	
6	Total		<u>4.8506</u>	<u>5.5132</u>	<u>0.6626</u>			<u>13.7%</u>	
7	Firm Contract Commercial / Industrial Delivery	M4	<u>3.8788</u>	<u>4.3552</u>	<u>0.4764</u>			<u>12.3%</u>	
8	Firm Contract Commercial / Industrial Delivery	M5 (F)	<u>3.5202</u>	<u>3.6872</u>	<u>0.1670</u>			<u>4.7%</u>	
9	Interruptible Contract Commercial / Industrial Delivery	M5 (I)	<u>2.9432</u>	<u>2.9719</u>	<u>0.0287</u>			<u>1.0%</u>	
10	Firm Special Large Volume Contract Delivery	M7 (F)	<u>3.5904</u>	<u>4.0757</u>	<u>0.4853</u>			<u>13.5%</u>	
11	Interruptible Special Large Volume Contract Delivery	M7 (I)	<u>1.4412</u>	<u>1.3162</u>	<u>(0.1250)</u>			<u>-8.7%</u>	
12	Large Wholesale Service Delivery	M9	<u>1.3360</u>	<u>1.7370</u>	<u>0.4010</u>			<u>30.0%</u>	
13	Small Wholesale Service Delivery	M10	<u>5.9327</u>	<u>6.8119</u>	<u>0.8792</u>			<u>14.8%</u>	
14	Storage and Transportation Delivery	T1 (F/I)	<u>2.0873</u>	<u>2.2711</u>	<u>0.1838</u>			<u>8.8%</u>	
15	Delivery excluding fuel		<u>2.0185</u>	<u>2.2021</u>	<u>0.1836</u>			<u>9.1%</u>	
16	Storage and Transportation Delivery	T2 (F/I)	<u>0.9886</u>	<u>1.1281</u>	<u>0.1395</u>			<u>14.1%</u>	
17	Delivery excluding fuel		<u>0.9390</u>	<u>1.0784</u>	<u>0.1394</u>			<u>14.8%</u>	
18	Storage and Transportation Distributor	T3	<u>1.8643</u>	<u>2.4625</u>	<u>0.5982</u>			<u>32.1%</u>	

Notes:

- (1) Rate Order, Working Papers, Schedule 4, column (c).
- (2) Rate Order, Working Papers, Schedule 4, column (u).
- (3) Excludes Gas Supply Commodity related costs.
- (4) Rate Order, Working Papers, Schedule 4, column (x).

UNION GAS LIMITED
Summary of Approved 2016 Revenue Changes

Line No.	Particulars (\$000's)	2016 Revenue EB-2015-0029 2016 Rates (1)	2016 Revenue Changes				Updated 2016 Revenue EB-2016-0245 2017 Rates (6)
		(a)	EB-2015-0340 Jan 2016 QRAM (2)	EB-2016-0040 Apr 2016 QRAM (3)	EB-2016-0181 Jul 2016 QRAM (4)	EB-2016-0247 Oct 2016 QRAM (5)	(f) = (a+b+c+d+e)
	<u>North Delivery</u>		(b)	(c)	(d)	(e)	
1	Rate 01	162,954	(475)	(293)	149	387	162,721
2	Rate 10	21,160	(144)	(88)	45	117	21,090
3	Rate 20	14,158	(48)	(30)	15	40	14,135
4	Rate 25	4,414	-	-	-	-	4,414
5	Rate 100	15,645	(2)	(2)	-	2	15,643
6	Total In-Franchise North Delivery	<u>218,332</u>	<u>(669)</u>	<u>(413)</u>	<u>209</u>	<u>545</u>	<u>218,003</u>
	<u>South Delivery & Storage</u>						
7	Rate M1	401,194	(873)	(537)	272	706	400,762
8	Rate M2	56,916	(294)	(180)	91	238	56,771
9	Rate M4	14,097	(92)	(57)	29	75	14,051
10	Rate M5A	14,342	(117)	(72)	37	95	14,285
11	Rate M7	4,467	(34)	(21)	11	28	4,451
12	Rate M9	819	(15)	(9)	5	12	812
13	Rate M10	11	(0)	(0)	0	0	11
14	Rate T1	10,799	(15)	(12)	5	14	10,791
15	Rate T2	45,851	(47)	(36)	17	42	45,827
16	Rate T3	5,084	-	-	-	-	5,084
17	Total In-Franchise South Delivery and Storage	<u>553,582</u>	<u>(1,487)</u>	<u>(925)</u>	<u>466</u>	<u>1,210</u>	<u>552,843</u>
18	Total In-franchise Delivery	<u>771,913</u>	<u>(2,156)</u>	<u>(1,338)</u>	<u>675</u>	<u>1,755</u>	<u>770,847</u>

Notes:

- (1) EB-2015-0116, Working Papers, Schedule 3, updated per EB-2015-0029, Rate Order, Appendix D, column (c).
- (2) EB-2015-0340, Tab 2, Schedule 4, column (g).
- (3) EB-2016-0040, Tab 2, Schedule 4, column (g) & EB-2016-0040, Working Papers, Schedule 4, p.2.
- (4) EB-2016-0181, Tab 2, Schedule 4, column (g).
- (5) EB-2016-0247, Tab 2, Schedule 4, column (g).
- (6) Rate Order, Working Papers, Schedule 3, column (a).

UNION GAS LIMITED
Summary of Approved 2016 Revenue Changes

Line No.	Particulars (\$000's)	2016 Revenue EB-2015-0029 2016 Rates (1)	2016 Revenue Changes				Updated 2016 Revenue EB-2016-0245 2017 Rates (6)
		(a)	EB-2015-0340 Jan 2016 QRAM (2)	EB-2016-0040 Apr 2016 QRAM (3)	EB-2016-0181 Jul 2016 QRAM (4)	EB-2016-0247 Oct 2016 QRAM (5)	(f) = (a+b+c+d+e)
	<u>North Transportation & Storage</u>						
1	Rate 01	99,837	-	414	-	-	100,252
2	Rate 10	31,227	-	137	-	-	31,364
3	Rate 20	10,082	-	46	-	-	10,127
4	Rate 25	1,799	-	10	-	-	1,809
5	Rate 100	217	-	0	-	-	217
6	Total Northern Transportation and Storage	<u>143,161</u>	<u>-</u>	<u>608</u>	<u>-</u>	<u>-</u>	<u>143,769</u>
7	Gas Supply Admin Charge	<u>6,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,749</u>
8	Total In-Franchise	<u>921,824</u>	<u>(2,156)</u>	<u>(730)</u>	<u>675</u>	<u>1,755</u>	<u>921,365</u>
	<u>Ex-Franchise</u>						
9	Rate M12	201,100	-	-	-	-	201,100
10	Rate M13	423	(4)	(3)	1	3	421
11	Rate M16	763	(15)	(10)	4	11	754
12	Rate C1	45,932	-	-	-	-	45,932
13	Total Ex-Franchise	<u>248,218</u>	<u>(19)</u>	<u>(13)</u>	<u>6</u>	<u>15</u>	<u>248,207</u>
14	Total Union Gas	<u>1,170,042</u>	<u>(2,175)</u>	<u>(742)</u>	<u>680</u>	<u>1,770</u>	<u>1,169,572</u>

Notes:

- (1) EB-2015-0116, Working Papers, Schedule 3, updated per EB-2015-0029, Rate Order, Appendix D, column (c).
- (2) EB-2015-0340, Tab 2, Schedule 4, column (g).
- (3) EB-2016-0040, Tab 2, Schedule 4, column (g) & EB-2016-0040, Working Papers, Schedule 4, p.2.
- (4) EB-2016-0181, Tab 2, Schedule 4, column (g).
- (5) EB-2016-0247, Tab 2, Schedule 4, column (g).

UNION GAS LIMITED
Union South
General Service Customer Bill Impacts

		Rate M1 - Residential (Annual Consumption of 2,200 m³)				Rate M2 - Commercial (Annual Consumption of 73,000 m³)			
Line No.	Particulars	EB-2016-0247	EB-2016-0245	Impact (\$) (c) = (b) - (a)		EB-2016-0247	EB-2016-0245	Impact (\$) (f) = (e) - (d)	
		Approved 01-Oct-16	Proposed 01-Jan-17			Approved 01-Oct-16	Proposed 01-Jan-17		
		Total Bill (1)	Total Bill (1)			Total Bill (1)	Total Bill (1)		
		(\$) (a)	(\$) (b)			(\$) (d)	(\$) (e)		
	<u>Delivery Charges</u>								
1	Monthly Charge	252.00	252.00	-		840.00	840.00	-	
	Delivery Commodity Charge								
2	Customer-Related GHG Obligation								
3	Other Delivery Commodity	85.77	98.84	13.07		2,877.35	3,354.03	476.68	
4	Storage Services	15.45	15.75	0.30		449.77	456.38	6.61	
5	Total Delivery Charge	353.22	366.59	13.37	3.8%	4,167.12	4,650.41	483.29	11.6%
	<u>Supply Charges</u>								
6	Transportation to Union	92.45	92.45	-		3,068.27	3,068.27	-	
7	Commodity & Fuel (2)	254.56	254.54	(0.02)		8,446.54	8,445.98	(0.56)	
8	Total Gas Supply Charge	347.01	346.99	(0.02)	0.0%	11,514.81	11,514.25	(0.56)	0.0%
	<u>Total Bill</u>								
9	Including Customer-Related GHG Obligation								
10	Excluding Customer-Related GHG Obligation	700.23	713.58	13.35	1.9%	15,681.93	16,164.66	482.73	3.1%
	<u>Impacts</u>								
	Sales Service								
11	Including Customer-Related GHG Obligation (line 9)								
12	Excluding Customer-Related GHG Obligation (line 10)			13.35				482.73	
	Direct Purchase								
13	Including Customer-Related GHG Obligation (line 5)								
14	Excluding Customer-Related GHG Obligation (line 5 - line 2)			13.37				483.29	

Notes:

- (1) Excludes temporary charges/(credits) and prospective recovery.
(2) The commodity and fuel rates are based on October 2016 QRAM (EB-2016-0247) and have not been updated to reflect the approved changes to the Union North zones.
Union will implement the Union North commodity and fuel changes with the January 2017 QRAM.

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	Union North West Zone Rate 01 - Residential (Annual Consumption of 2,200 m³)				Union North West Zone Rate 01 - Residential (Annual Consumption of 2,200 m³)			
		Fort Frances EB-2016-0247 Approved 01-Oct-16 Total Bill (1) (\$) (a)	Union North West Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1) (\$) (b)	Impact (\$) (c) = (b) - (a)		Western Zone EB-2016-0247 Approved 01-Oct-16 Total Bill (1) (\$) (d)	Union North West Zone EB-2016-0245 Proposed 01-Jan-17 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								
3	Customer-Related GHG Obligation								
4	Other Delivery Commodity	192.77	200.33	7.56		192.77	200.33	7.56	
4	Total Delivery Charge	444.77	452.33	7.56	1.7%	444.77	452.33	7.56	1.7%
	<u>Supply Charges</u>								
5	Transportation to Union	128.01	148.04	20.03		109.71	148.04	38.33	
6	Storage Services	80.92	45.29	(35.63)		73.61	45.29	(28.32)	
7	Subtotal	208.93	193.33	(15.60)		183.32	193.33	10.01	
8	Commodity (2)	247.99	247.98	(0.01)		249.80	249.78	(0.02)	
9	Total Gas Supply Charge	456.92	441.31	(15.61)	-3.4%	433.12	443.11	9.99	2.3%
10	<u>Total Bill</u> Including Customer-Related GHG Obligation								
11	Excluding Customer-Related GHG Obligation	901.69	893.64	(8.05)	-0.9%	877.89	895.44	17.55	2.0%
	<u>Impacts</u>								
	<u>Sales Service</u>								
12	Including Customer-Related GHG Obligation (line 10)								
13	Excluding Customer-Related GHG Obligation (line 11)			(8.05)				17.55	
	<u>Direct Purchase</u>								
14	Including Customer-Related GHG Obligation (line 4+ line 7)								
15	Excluding Customer-Related GHG Obligation (line 4+ line 7 - line 2)			(8.04)				17.57	

Notes:

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

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	Union North West Zone Rate 01 - Residential (Annual Consumption of 2,200 m³)				Union North East Zone Rate 01 - Residential (Annual Consumption of 2,200 m³)			
		Northern Zone (Union SSMDA) EB-2016-0247 Approved 01-Oct-16 Total Bill (1)	Union North West Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1)	Impact (\$)		Northern Zone (Union NDA) EB-2016-0247 Approved 01-Oct-16 Total Bill (1)	Union North East Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1)	Impact (\$)	
		(\$)	(\$)	(\$)		(\$)	(\$)	(\$)	
		(a)	(b)	(c) = (b) - (a)		(d)	(e)	(f) = (e) - (d)	
	<u>Delivery Charges</u>								
1	Monthly Charge	252.00	252.00	-		252.00	252.00	-	
2	Delivery Commodity Charge								
3	Customer-Related GHG Obligation								
4	Other Delivery Commodity	192.77	200.33	7.56		192.77	200.33	7.56	
4	Total Delivery Charge	444.77	452.33	7.56	1.7%	444.77	452.33	7.56	1.7%
	<u>Supply Charges</u>								
5	Transportation to Union	142.79	148.04	5.25		142.79	65.24	(77.55)	
6	Storage Services	86.83	45.29	(41.54)		86.83	145.67	58.84	
7	Subtotal	229.62	193.33	(36.29)		229.62	210.91	(18.71)	
8	Commodity (2)	252.56	252.54	(0.02)		252.56	252.54	(0.02)	
9	Total Gas Supply Charge	482.18	445.87	(36.31)	-7.5%	482.18	463.45	(18.73)	-3.9%
10	<u>Total Bill</u> Including Customer-Related GHG Obligation								
11	Excluding Customer-Related GHG Obligation	926.95	898.20	(28.75)	-3.1%	926.95	915.78	(11.17)	-1.2%
	<u>Impacts</u>								
	Sales Service								
12	Including Customer-Related GHG Obligation (line 10)								
13	Excluding Customer-Related GHG Obligation (line 11)			(28.75)				(11.17)	
	Direct Purchase								
14	Including Customer-Related GHG Obligation (line 4+ line 7)								
15	Excluding Customer-Related GHG Obligation (line 4+ line 7 - line 2)			(28.73)				(11.15)	

Notes:

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

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

		Union North East Zone Rate 01 - Residential (Annual Consumption of 2,200 m³)			
		Eastern Zone EB-2016-0247 Approved 01-Oct-16 Total Bill (1)	Union North East Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1)	Impact (\$) (c) = (b) - (a)	
Line No.	Particulars	(\$) (a)	(\$) (b)		
	<u>Delivery Charges</u>				
1	Monthly Charge	252.00	252.00	-	
	Delivery Commodity Charge				
2	Customer-Related GHG Obligation				
3	Other Delivery Commodity	192.77	200.33	7.56	
4	Total Delivery Charge	444.77	452.33	7.56	1.7%
	<u>Supply Charges</u>				
5	Transportation to Union	170.77	65.24	(105.53)	
6	Storage Services	98.00	145.67	47.67	
7	Subtotal	268.77	210.91	(57.86)	
8	Commodity (2)	254.80	254.77	(0.03)	
9	Total Gas Supply Charge	523.57	465.68	(57.89)	-11.1%
	<u>Total Bill</u>				
10	Including Customer-Related GHG Obligation				
11	Excluding Customer-Related GHG Obligation	968.34	918.01	(50.33)	-5.2%
	<u>Impacts</u>				
	<u>Sales Service</u>				
12	Including Customer-Related GHG Obligation (line 10)				
13	Excluding Customer-Related GHG Obligation (line 11)			(50.33)	
	<u>Direct Purchase</u>				
14	Including Customer-Related GHG Obligation (line 4+ line 7)				
15	Excluding Customer-Related GHG Obligation (line 4+ line 7 - line 2)			(50.30)	

Notes:

- (1) Excludes temporary charges/(credits) and prospective recovery.
(2) The commodity and fuel rates are based on October 2016 QRAM (EB-2016-0247) and have not been updated to reflect the approved changes to the Union North zones.
Union will implement the Union North commodity and fuel changes with the January 2017 QRAM.

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	Union North West Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)				Union North West Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)			
		Fort Frances EB-2016-0247 Approved 01-Oct-16 Total Bill (1) (\$) (a)	Union North West Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1) (\$) (b)	Impact (\$) (c) = (b) - (a)		Western Zone EB-2016-0247 Approved 01-Oct-16 Total Bill (1) (\$) (d)	Union North West Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1) (\$) (e)	Impact (\$) (f) = (e) - (d)	
	<u>Delivery Charges</u>								
1	Monthly Charge	840.00	840.00	-		840.00	840.00	-	
	Delivery Commodity Charge								
2	Customer-Related GHG Obligation								
3	Other Delivery Commodity	5,562.02	5,974.97	412.95		5,562.02	5,974.97	412.95	
4	Total Delivery Charge	6,402.02	6,814.97	412.95	6.5%	6,402.02	6,814.97	412.95	6.5%
	<u>Supply Charges</u>								
5	Transportation to Union	4,773.96	5,480.39	706.43		4,000.50	5,480.39	1,479.89	
6	Storage Services	2,232.65	1,441.05	(791.60)		1,923.61	1,441.05	(482.56)	
7	Subtotal	7,006.61	6,921.44	(85.17)	-1.2%	5,924.11	6,921.44	997.33	16.8%
8	Commodity (2)	10,483.53	10,482.78	(0.75)		10,559.40	10,558.66	(0.74)	
9	Total Gas Supply Charge	17,490.14	17,404.22	(85.92)		16,483.51	17,480.10	996.59	
	<u>Total Bill</u>								
10	Including Customer-Related GHG Obligation								
11	Excluding Customer-Related GHG Obligation	23,892.16	24,219.19	327.03	1.4%	22,885.53	24,295.07	1,409.54	6.2%
	<u>Impacts</u>								
	Sales Service								
12	Including Customer-Related GHG Obligation (line 10)								
13	Excluding Customer-Related GHG Obligation (line 11)			327.03				1,409.54	
	Direct Purchase								
14	Including Customer-Related GHG Obligation (line 4+ line 7)								
15	Excluding Customer-Related GHG Obligation (line 4+ line 7 - line 2)			327.78				1,410.28	

Notes:

- (1) Excludes temporary charges/(credits) and prospective recovery.
- (2) The commodity and fuel rates are based on October 2016 QRAM (EB-2016-0247) and have not been updated to reflect the approved changes to the Union North zones. Union will implement the Union North commodity and fuel changes with the January 2017 QRAM.

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	Union North West Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)				Union North East Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)			
		Northern Zone (Union SSMDA) EB-2016-0247 Approved 01-Oct-16 Total Bill (1) (\$) (a)	Union North West Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1) (\$) (b)	Impact (\$) (c) = (b) - (a)		Northern Zone (Union NDA) EB-2016-0247 Approved 01-Oct-16 Total Bill (1) (\$) (d)	Union North East Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1) (\$) (e)	Impact (\$) (f) = (e) - (d)	
	<u>Delivery Charges</u>								
1	Monthly Charge	840.00	840.00	-		840.00	840.00	-	
	Delivery Commodity Charge								
2	Customer-Related GHG Obligation								
3	Other Delivery Commodity	5,562.02	5,974.97	412.95		5,562.02	5,974.97	412.95	
4	Total Delivery Charge	6,402.02	6,814.97	412.95	6.5%	6,402.02	6,814.97	412.95	6.5%
	<u>Supply Charges</u>								
5	Transportation to Union	5,399.87	5,480.39	80.52		5,399.87	2,539.16	(2,860.71)	
6	Storage Services	2,482.83	1,441.05	(1,041.78)		2,482.83	4,348.88	1,866.05	
7	Subtotal	7,882.70	6,921.44	(961.26)	-12.2%	7,882.70	6,888.04	(994.66)	-12.6%
8	Commodity (2)	10,676.87	10,676.11	(0.76)		10,676.87	10,676.11	(0.76)	
9	Total Gas Supply Charge	18,559.57	17,597.55	(962.02)		18,559.57	17,564.15	(995.42)	
	<u>Total Bill</u>								
10	Including Customer-Related GHG Obligation								
11	Excluding Customer-Related GHG Obligation	24,961.59	24,412.52	(549.07)	-2.2%	24,961.59	24,379.12	(582.47)	-2.3%
	<u>Impacts</u>								
	Sales Service								
12	Including Customer-Related GHG Obligation (line 10)								
13	Excluding Customer-Related GHG Obligation (line 11)			(549.07)				(582.47)	
	Direct Purchase								
14	Including Customer-Related GHG Obligation (line 4+ line 7)								
15	Excluding Customer-Related GHG Obligation (line 4+ line 7 - line 2)			(548.31)				(581.71)	

Notes:

- (1) Excludes temporary charges/credits and prospective recovery.
- (2) The commodity and fuel rates are based on October 2016 QRAM (EB-2016-0247) and have not been updated to reflect the approved changes to the Union North zones.
Union will implement the Union North commodity and fuel changes with the January 2017 QRAM.

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

		Union North East Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)		
		Eastern Zone EB-2016-0247 Approved 01-Oct-16 Total Bill (1) (\$) (a)	East Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1) (\$) (b)	Impact (\$) (c) = (b) - (a)
Line No.	Particulars			
	<u>Delivery Charges</u>			
1	Monthly Charge	840.00	840.00	-
	Delivery Commodity Charge			
2	Customer-Related GHG Obligation			
3	Other Delivery Commodity	5,562.02	5,974.97	412.95
4	Total Delivery Charge	6,402.02	6,814.97	412.95
				6.5%
	<u>Supply Charges</u>			
5	Transportation to Union	6,581.30	2,539.16	(4,042.14)
6	Storage Services	2,954.89	4,348.88	1,393.99
7	Subtotal	9,536.19	6,888.04	(2,648.15)
				-27.8%
8	Commodity (2)	10,770.15	10,769.41	(0.74)
9	Total Gas Supply Charge	20,306.34	17,657.45	(2,648.89)
	<u>Total Bill</u>			
10	Including Customer-Related GHG Obligation			
11	Excluding Customer-Related GHG Obligation	26,708.36	24,472.42	(2,235.94)
				-8.4%
	<u>Impacts</u>			
	Sales Service			
12	Including Customer-Related GHG Obligation (line 10)			
13	Excluding Customer-Related GHG Obligation (line 11)			(2,235.94)
	Direct Purchase			
14	Including Customer-Related GHG Obligation (line 4+ line 7)			
15	Excluding Customer-Related GHG Obligation (line 4+ line 7 - line 2)			(2,235.20)

Notes:

- (1) Excludes temporary charges/(credits) and prospective recovery.
(2) The commodity and fuel rates are based on October 2016 QRAM (EB-2016-0247) and have not been updated to reflect the approved changes to the Union North zones.
Union will implement the Union North commodity and fuel changes with the January 2017 QRAM.

UNION GAS LIMITED
Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Union North

Line No.	Particulars	EB-2016-0247 (1) Current-Approved		Proposed - EB-2016-0245 Excluding Customer-Related GHG Obligation				Proposed - EB-2016-0245 Including Customer-Related GHG Obligation			
		Total Bill	Unit Rate	Total Bill	Unit Rate	Total Bill Change	Bill Impact	Total Bill	Unit Rate	Total Bill Change	Bill Impact
		(\$)	(cents/m ³)	(\$)	(cents/m ³)	(\$)	(%)	(\$)	(cents/m ³)	(\$)	(%)
		(a)	(b)	(c)	(d)	(e) = (c-a)	(f) = (e/a)	(g)	(h)	(i) = (g-a)	(j) = (i/a)
	<u>Small Rate 01</u>										
1	Delivery Charges	445	20.2168	452	20.5605	7.56	1.7%				
2	Gas Supply Charges	524	23.7986	466	21.1673	(57.89)	-11.1%				
3	Total Bill	968	44.0155	918	41.7277	(50.33)	-5.2%				
4	Sales Service Impact					(50.33)	-5.2%				
5	Bundled-T (Direct Purchase) Impact					(50.30)	-7.0%				
	<u>Small Rate 10</u>										
6	Delivery Charges	4,537	7.5617	4,807	8.0111	270	5.9%				
7	Gas Supply Charges	13,101	21.8348	11,392	18.9865	(1,709)	-13.0%				
8	Total Bill	17,638	29.3965	16,199	26.9976	(1,439)	-8.2%				
9	Sales Service Impact					(1,439)	-8.2%				
10	Bundled-T (Direct Purchase) Impact					(1,439)	-13.5%				
	<u>Large Rate 10</u>										
11	Delivery Charges	14,732	5.8929	15,828	6.3313	1,096	7.4%				
12	Gas Supply Charges	54,587	21.8348	47,466	18.9865	(7,121)	-13.0%				
13	Total Bill	69,319	27.7276	63,295	25.3178	(6,025)	-8.7%				
14	Sales Service Impact					(6,025)	-8.7%				
15	Bundled-T (Direct Purchase) Impact					(6,023)	-14.9%				
	<u>Small Rate 20</u>										
16	Delivery Charges	78,098	2.6033	75,663	2.5221	(2,435)	-3.1%				
17	Gas Supply Charges	630,531	21.0177	476,292	15.8764	(154,239)	-24.5%				
18	Total Bill	708,630	23.6210	551,956	18.3985	(156,674)	-22.1%				
19	Sales Service Impact					(156,674)	-22.1%				
20	Bundled-T (Direct Purchase) Impact					(156,650)	-42.4%				
	<u>Large Rate 20</u>										
21	Delivery Charges	302,868	2.0191	294,134	1.9609	(8,734)	-2.9%				
22	Gas Supply Charges	2,944,651	19.6310	2,283,610	15.2241	(661,041)	-22.4%				
23	Total Bill	3,247,519	21.6501	2,577,744	17.1850	(669,775)	-20.6%				
24	Sales Service Impact					(669,775)	-20.6%				
25	Bundled-T (Direct Purchase) Impact					(669,655)	-43.2%				
	<u>Average Rate 25</u>										
26	Delivery Charges	62,814	2.7611	61,764	2.7149	(1,050)	-1.7%				
27	Gas Supply Charges	347,144	15.2591	293,771	12.9130	(53,373)	-15.4%				
28	Total Bill	409,958	18.0201	355,535	15.6279	(54,423)	-13.3%				
29	Sales Service Impact					(54,423)	-13.3%				
30	T-Service (Direct Purchase) Impact					(1,050)	-1.7%				
	<u>Small Rate 100</u>										
31	Delivery Charges	264,153	0.9783	257,308	0.9530	(6,845)	-2.6%				
32	Gas Supply Charges	5,866,965	21.7295	5,949,939	22.0368	82,974	1.4%				
33	Total Bill	6,131,117	22.7078	6,207,246	22.9898	76,129	1.2%				
34	Sales Service Impact					76,129	1.2%				
35	T-Service (Direct Purchase) Impact					(6,845)	-2.6%				
	<u>Large Rate 100</u>										
36	Delivery Charges	2,140,809	0.8920	2,086,720	0.8695	(54,089)	-2.5%				
37	Gas Supply Charges	51,056,834	21.2737	51,762,030	21.5675	705,196	1.4%				
38	Total Bill	53,197,643	22.1657	53,848,750	22.4370	651,107	1.2%				
39	Sales Service Impact					651,107	1.2%				
40	T-Service (Direct Purchase) Impact					(54,089)	-2.5%				

Notes:

(1) Reflects Board-approved rates per October 2016 QRAM filing (EB-2016-0247), Appendix A.

UNION GAS LIMITED
Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Union South

Line No.	Particulars	EB-2016-0247 (1) Current-Approved		Proposed - EB-2016-0245 Excluding Customer-Related GHG Obligation				Proposed - EB-2016-0245 Including Customer-Related GHG Obligation			
		Total Bill	Unit Rate	Total Bill	Unit Rate	Total Bill Change	Bill Impact	Total Bill	Unit Rate	Total Bill Change	Bill Impact
		(\$)	(cents/m ³)	(\$)	(cents/m ³)	(\$)	(%)	(\$)	(cents/m ³)	(\$)	(%)
		(a)	(b)	(c)	(d)	(e) = (c-a)	(f) = (e/a)	(g)	(h)	(i) = (g-a)	(j) = (i/a)
	<u>Small Rate M1</u>										
1	Delivery Charges	353	16.0555	367	16.6632	13.37	3.8%				
2	Gas Supply Charges	347	15.7732	347	15.7723	(0.02)	0.0%				
3	Total Bill	700	31.8286	714	32.4355	13.35	1.9%				
4	Sales Service Impact					13.35	1.9%				
5	Direct Purchase Impact					13.37	3.8%				
	<u>Small Rate M2</u>										
6	Delivery Charges	3,586	5.9760	3,983	6.6384	397	11.1%				
7	Gas Supply Charges	9,464	15.7737	9,464	15.7729	(0)	0.0%				
8	Total Bill	13,050	21.7497	13,447	22.4113	397	3.0%				
9	Sales Service Impact					397	3.0%				
10	Direct Purchase Impact					397	11.1%				
	<u>Large Rate M2</u>										
11	Delivery Charges	11,785	4.7140	13,401	5.3606	1,617	13.7%				
12	Gas Supply Charges	39,434	15.7737	39,432	15.7729	(2)	0.0%				
13	Total Bill	51,219	20.4877	52,834	21.1335	1,615	3.2%				
14	Sales Service Impact					1,615	3.2%				
15	Direct Purchase Impact					1,617	13.7%				
	<u>Small Rate M4</u>										
16	Delivery Charges	41,381	4.7293	45,178	5.1632	3,797	9.2%				
17	Gas Supply Charges	138,020	15.7737	138,013	15.7729	(7)	0.0%				
18	Total Bill	179,401	20.5030	183,191	20.9361	3,790	2.1%				
19	Sales Service Impact					3,790	2.1%				
20	Direct Purchase Impact					3,797	9.2%				
	<u>Large Rate M4</u>										
21	Delivery Charges	311,481	2.5957	344,790	2.8733	33,310	10.7%				
22	Gas Supply Charges	1,892,844	15.7737	1,892,748	15.7729	(96)	0.0%				
23	Total Bill	2,204,325	18.3694	2,237,538	18.6462	33,214	1.5%				
24	Sales Service Impact					33,214	1.5%				
25	Direct Purchase Impact					33,310	10.7%				
	<u>Small Rate M5</u>										
26	Delivery Charges	32,831	3.9795	32,858	3.9828	27	0.1%				
27	Gas Supply Charges	130,133	15.7737	130,126	15.7729	(7)	0.0%				
28	Total Bill	162,964	19.7532	162,984	19.7557	21	0.0%				
29	Sales Service Impact					21	0.0%				
30	Direct Purchase Impact					27	0.1%				
	<u>Large Rate M5</u>										
31	Delivery Charges	187,402	2.8831	188,888	2.9060	1,486	0.8%				
32	Gas Supply Charges	1,025,291	15.7737	1,025,239	15.7729	(52)	0.0%				
33	Total Bill	1,212,693	18.6568	1,214,126	18.6789	1,434	0.1%				
34	Sales Service Impact					1,434	0.1%				
35	Direct Purchase Impact					1,486	0.8%				
	<u>Small Rate M7</u>										
36	Delivery Charges	682,490	1.8958	772,183	2.1450	89,693	13.1%				
37	Gas Supply Charges	5,678,532	15.7737	5,678,244	15.7729	(288)	0.0%				
38	Total Bill	6,361,022	17.6695	6,450,427	17.9179	89,405	1.4%				
39	Sales Service Impact					89,405	1.4%				
40	Direct Purchase Impact					89,693	13.1%				
	<u>Large Rate M7</u>										
41	Delivery Charges	2,585,729	4.9726	2,897,037	5.5712	311,309	12.0%				
42	Gas Supply Charges	8,202,324	15.7737	8,201,908	15.7729	(416)	0.0%				
43	Total Bill	10,788,053	20.7463	11,098,945	21.3441	310,893	2.9%				
44	Sales Service Impact					310,893	2.9%				
45	Direct Purchase Impact					311,309	12.0%				

Notes:

(1) Reflects Board-approved rates per October 2016 QRAM filing (EB-2016-0247), Appendix A.

UNION GAS LIMITED
Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Union South

Line No.	Particulars	EB-2016-0247 (1) Current-Approved		Proposed - EB-2016-0245 Excluding Customer-Related GHG Obligation				Proposed - EB-2016-0245 Including Customer-Related GHG Obligation			
		Total Bill	Unit Rate	Total Bill	Unit Rate	Total Bill Change	Bill Impact	Total Bill	Unit Rate	Total Bill Change	Bill Impact
		(\$)	(cents/m ³)	(\$)	(cents/m ³)	(\$)	(%)	(\$)	(cents/m ³)	(\$)	(%)
		(a)	(b)	(c)	(d)	(e) = (c-a)	(f) = (e/a)	(g)	(h)	(i) = (g-a)	(j) = (i/a)
<u>Small Rate M9</u>											
1	Delivery Charges	131,293	1.8891	169,921	2.4449	38,628	29.4%				
2	Gas Supply Charges	1,096,272	15.7737	1,096,217	15.7729	(56)	0.0%				
3	Total Bill	1,227,565	17.6628	1,266,137	18.2178	38,572	3.1%				
4	Sales Service Impact					38,572	3.1%				
5	Direct Purchase Impact					38,628	29.4%				
<u>Large Rate M9</u>											
6	Delivery Charges	390,055	1.9331	504,687	2.5012	114,632	29.4%				
7	Gas Supply Charges	3,182,817	15.7737	3,182,656	15.7729	(161)	0.0%				
8	Total Bill	3,572,872	17.7068	3,687,343	18.2741	114,471	3.2%				
9	Sales Service Impact					114,471	3.2%				
10	Direct Purchase Impact					114,632	29.4%				
<u>Average Rate M10</u>											
11	Delivery Charges	5,606	5.9327	6,437	6.8119	831	14.8%				
12	Gas Supply Charges	14,906	15.7737	14,905	15.7729	(1)	0.0%				
13	Total Bill	20,513	21.7064	21,343	22.5848	830	4.0%				
14	Sales Service Impact					830	4.0%				
15	Direct Purchase Impact					831	14.8%				
<u>Small Rate T1</u>											
16	Delivery Charges	129,428	1.7172	141,757	1.8808	12,329	9.5%				
17	Gas Supply Charges	1,188,864	15.7737	1,188,803	15.7729	(60)	0.0%				
18	Total Bill	1,318,291	17.4909	1,330,561	17.6537	12,269	0.9%				
19	Sales Service Impact					12,269	0.9%				
20	Direct Purchase Impact					12,329	9.5%				
<u>Average Rate T1</u>											
21	Delivery Charges	197,476	1.7074	217,502	1.8805	20,026	10.1%				
22	Gas Supply Charges	1,824,376	15.7737	1,824,284	15.7729	(93)	0.0%				
23	Total Bill	2,021,852	17.4811	2,041,786	17.6534	19,934	1.0%				
24	Sales Service Impact					19,934	1.0%				
25	Direct Purchase Impact					20,026	10.1%				
<u>Large Rate T1</u>											
26	Delivery Charges	435,588	1.6999	482,530	1.8831	46,942	10.8%				
27	Gas Supply Charges	4,041,866	15.7737	4,041,661	15.7729	(205)	0.0%				
28	Total Bill	4,477,454	17.4736	4,524,191	17.6560	46,737	1.0%				
29	Sales Service Impact					46,737	1.0%				
30	Direct Purchase Impact					46,942	10.8%				
<u>Small Rate T2</u>											
31	Delivery Charges	529,197	0.8931	616,006	1.0396	86,809	16.4%				
32	Gas Supply Charges	9,346,864	15.7737	9,346,390	15.7729	(474)	0.0%				
33	Total Bill	9,876,061	16.6668	9,962,395	16.8125	86,335	0.9%				
34	Sales Service Impact					86,335	0.9%				
35	Direct Purchase Impact					86,809	16.4%				
<u>Average Rate T2</u>											
36	Delivery Charges	1,231,955	0.6229	1,467,576	0.7420	235,621	19.1%				
37	Gas Supply Charges	31,198,778	15.7737	31,197,195	15.7729	(1,582)	0.0%				
38	Total Bill	32,430,733	16.3966	32,664,771	16.5149	234,039	0.7%				
39	Sales Service Impact					234,039	0.7%				
40	Direct Purchase Impact					235,621	19.1%				
<u>Large Rate T2</u>											
41	Delivery Charges	2,012,540	0.5438	2,418,016	0.6534	405,476	20.1%				
42	Gas Supply Charges	58,376,729	15.7737	58,373,768	15.7729	(2,961)	0.0%				
43	Total Bill	60,389,268	16.3175	60,791,784	16.4263	402,515	0.7%				
44	Sales Service Impact					402,515	0.7%				
45	Direct Purchase Impact					405,476	20.1%				
<u>Large Rate T3</u>											
46	Delivery Charges	3,552,739	1.3027	5,202,920	1.9078	1,650,181	46.4%				
47	Gas Supply Charges	43,016,773	15.7737	43,014,591	15.7729	(2,182)	0.0%				
48	Total Bill	46,569,512	17.0764	48,217,511	17.6807	1,647,999	3.5%				
49	Sales Service Impact					1,647,999	3.5%				
50	Direct Purchase Impact					1,650,181	46.4%				

Notes:

(1) Reflects Board-approved rates per October 2016 GRAM filing (EB-2016-0247), Appendix A.

UNION GAS LIMITED
Summary of 2017 Capital Pass-Through Adjustments
Related to Parkway Projects, Burlington - Oakville Pipeline, 2016 Dawn to Parkway, and 2017 Dawn to Parkway

Line No.	Particulars (\$000's)	Delivery (a)	Transportation (b)	Storage (c)	Total (d) = (a + b + c)
<u>Union North In-franchise</u>					
1	Rate 01	(7,509)	101	4,668	(2,740)
2	Rate 10	(941)	(2)	1,222	280
3	Rate 20	(783)	(8)	326	(465)
4	Rate 25	(242)	(4)	-	(246)
5	Rate 100	(665)	(2)	23	(644)
6	Total Union North In-Franchise	<u>(10,140)</u>	<u>85</u>	<u>6,239</u>	<u>(3,815)</u>
<u>Union South In-franchise</u>					
7	Rate M1	(6,428)	-	(1,650)	(8,077)
8	Rate M2	1,525	-	(563)	963
9	Rate M4	520	-	(101)	419
10	Rate M5A	(489)	-	(88)	(577)
11	Rate M7	257	-	(37)	220
12	Rate M9	124	-	(13)	111
13	Rate M10	3	-	(0)	2
14	Rate T1	325	-	(57)	269
15	Rate T2	3,449	-	(250)	3,199
16	Rate T3	883	-	(68)	815
17	Total Union South In-franchise	<u>171</u>	<u>-</u>	<u>(2,827)</u>	<u>(2,656)</u>
<u>Ex-franchise</u>					
18	Excess Utility Space	-	(38)	(201)	(239)
19	Rate M12	-	83,569	-	83,569
20	Rate M13	-	(5)	-	(5)
21	Rate M16	-	(10)	-	(10)
22	Rate C1	-	(0)	-	(0)
23	Total Ex-franchise	<u>-</u>	<u>83,516</u>	<u>(201)</u>	<u>83,316</u>
24	Total (line 6 + line 17 + line 23)	<u>(9,969)</u>	<u>83,602</u>	<u>3,211</u>	<u>76,844</u>
25	Gas Supply Admin				(66)
26	Total In-franchise and Ex-franchise (1)				<u>76,778</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, and EB-2015-0200 2017 Dawn to Parkway Project.

UNION GAS LIMITED
Summary of 2017 Capital Pass-Through Adjustments
Related to Parkway Projects, Burlington - Oakville Pipeline, 2016 Dawn to Parkway, and 2017 Dawn to Parkway

Line No.	Particulars (\$000's)	Parkway Projects (1) (a)	BOP (2) (b)	2016 D-P Expansion (3) (c)	2017 D-P Expansion (4) (d)	Total (e) = (a + b + c + d)
<u>Union North In-franchise</u>						
1	Rate 01	956	(757)	(270)	(2,669)	(2,740)
2	Rate 10	507	(110)	232	(349)	280
3	Rate 20	15	(78)	(102)	(299)	(465)
4	Rate 25	(57)	(22)	(75)	(92)	(246)
5	Rate 100	(136)	(61)	(193)	(254)	(644)
6	Total Union North In-Franchise	<u>1,285</u>	<u>(1,029)</u>	<u>(408)</u>	<u>(3,663)</u>	<u>(3,815)</u>
<u>Union South In-franchise</u>						
7	Rate M1	(3,046)	3,436	(2,625)	(5,843)	(8,077)
8	Rate M2	(91)	1,481	236	(663)	963
9	Rate M4	(15)	495	96	(156)	419
10	Rate M5A	(139)	(44)	(175)	(219)	(577)
11	Rate M7	14	181	69	(43)	220
12	Rate M9	14	61	37	(1)	111
13	Rate M10	0	2	1	(0)	2
14	Rate T1	(45)	431	5	(122)	269
15	Rate T2	(29)	3,306	352	(430)	3,199
16	Rate T3	109	425	268	13	815
17	Total Union South In-franchise	<u>(3,228)</u>	<u>9,773</u>	<u>(1,736)</u>	<u>(7,465)</u>	<u>(2,656)</u>
<u>Ex-franchise</u>						
18	Excess Utility Space	(60)	(24)	(81)	(73)	(239)
19	Rate M12	34,682	(429)	31,400	18,009	83,662
20	Rate M13	(1)	(1)	(1)	(2)	(5)
21	Rate M16	(2)	(0)	(3)	(4)	(10)
22	Rate C1	(32)	(3)	(31)	(28)	(94)
23	Total Ex-franchise	<u>34,587</u>	<u>(457)</u>	<u>31,283</u>	<u>17,902</u>	<u>83,316</u>
24	Total (line 6 + line 17 + line 23)	<u><u>32,645</u></u>	<u><u>8,287</u></u>	<u><u>29,139</u></u>	<u><u>6,774</u></u>	<u><u>76,844</u></u>
25	Gas Supply Admin	(29)	(2)	(18)	(16)	(66)
26	Total In-franchise and Ex-franchise	<u><u>32,615</u></u>	<u><u>8,284</u></u>	<u><u>29,121</u></u>	<u><u>6,758</u></u>	<u><u>76,778</u></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
DSM Budget Allocation by Rate Class

Line No.	Particulars (\$000's)	Approved 2016 DSM Budget (1) (a)	Approved 2017 DSM Budget (b)
	<u>Union North</u>		
1	Rate 01	7,576	8,100
2	Rate 10	2,675	2,951
3	Rate 20	1,895	1,734
4	Rate 100	2,096	1,882
5	Total Union North	<u>14,241</u>	<u>14,667</u>
	<u>Union South</u>		
6	Rate M1	19,979	21,550
7	Rate M2	9,017	9,992
8	Rate M4	2,958	2,696
9	Rate M5A	3,937	3,589
10	Rate M7	1,032	940
11	Rate T1	1,664	1,532
12	Rate T2	3,994	3,605
13	Total Union South	<u>42,580</u>	<u>43,903</u>
14	Total Union (line 5 + line 13) (2)	<u>56,821</u>	<u>58,570</u>

Notes:

- (1) EB-2015-0029, Rate Order, Appendix D, column (b).
(2) EB-2015-0029, Decision and Order, p.56.

UNION GAS LIMITED
Calculation of 2017 NAC Target Percentage Change
to General Service Rate Classes

Line No.	Particulars (m ³)	2014 Actual NAC (1)(2) (a)	2015 Actual NAC (1)(3) (b)	NAC Variance (c) = (b - a)	2017 NAC Target % Change (d) = (c / a)
1	Rate 01	3,015	2,844	(171)	-5.7%
2	Rate 10	177,214	164,329	(12,885)	-7.3%
3	Rate M1	2,852	2,738	(114)	-4.0%
4	Rate M2	172,694	166,297	(6,397)	-3.7%

Notes:

- (1) NAC based on 2013 Board-approved 50:50 weather normal methodology.
- (2) 2014 actual NAC calculated using 2016 weather normal and
2014 actual NAC is adjusted for February 29th day.
- (3) 2015 actual NAC calculated using 2017 weather normal.

UNION GAS LIMITED
Calculation of 2017 NAC Target Percentage Change
Volumetric Adjustments to Union North General Service Rate Classes

Line No.	Particulars (10 ³ m ³)	Approved 2016 Billing Units (1) (a)	2017 NAC Target % Change (2) (b)	Change in Billing Units (c) = (a x b)	Proposed 2017 Billing Units (d) = (a + c)
<u>Rate 01 Delivery</u>					
1	First 100 m ³	284,370	-5.7%	(16,128)	268,242
2	Next 200 m ³	322,895	-5.7%	(18,313)	304,582
3	Next 200 m ³	140,860	-5.7%	(7,989)	132,871
4	Next 500 m ³	96,209	-5.7%	(5,457)	90,752
5	All Over 100 m ³	120,052	-5.7%	(6,809)	113,243
6	Total Rate 01 Delivery	<u>964,386</u>		<u>(54,697)</u>	<u>909,690</u>
<u>Rate 01 Storage</u>					
7	Union North West	278,642	-5.7%	(15,804)	262,839
8	Union North East	685,744	-5.7%	(38,893)	646,851
9	Total Rate 01 Storage	<u>964,386</u>		<u>(54,697)</u>	<u>909,690</u>
<u>Rate 10 Delivery</u>					
10	First 1,000 m ³	26,664	-7.3%	(1,939)	24,725
11	Next 9,000 m ³	143,953	-7.3%	(10,467)	133,487
12	Next 20,000 m ³	91,566	-7.3%	(6,658)	84,909
13	Next 70,000 m ³	69,428	-7.3%	(5,048)	64,380
14	All Over 100,000 m ³	31,934	-7.3%	(2,322)	29,612
15	Total Rate 10	<u>363,545</u>		<u>(26,433)</u>	<u>337,112</u>
<u>Rate 10 Storage</u>					
16	Union North West	86,936	-7.3%	(6,321)	80,615
17	Union North East	276,608	-7.3%	(20,112)	256,497
18	Total Rate 10 Storage	<u>363,545</u>		<u>(26,433)</u>	<u>337,112</u>

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (t).
- (2) Rate Order, Working Papers, Schedule 12, p.1, column (d).

UNION GAS LIMITED
Calculation of 2017 NAC Target Percentage Change
Volumetric Adjustments to Union South General Service Rate Classes

Line No.	Particulars (10 ³ m ³)	Approved 2016 Billing Units (1) (a)	2017 NAC Target % Change (2) (b)	Change in Billing Units (c) = (a x b)	Proposed 2017 Billing Units (d) = (a + c)
<u>Rate M1 Delivery</u>					
1	First 100 m ³	908,925	-4.0%	(36,331)	872,593
2	Next 150 m ³	807,099	-4.0%	(32,261)	774,838
3	All Over 250 m ³	1,301,783	-4.0%	(52,035)	1,249,748
4	Total Rate M1 Delivery	<u>3,017,807</u>		<u>(120,628)</u>	<u>2,897,179</u>
5	Rate M1 Storage	<u>3,017,807</u>	-4.0%	<u>(120,628)</u>	<u>2,897,179</u>
<u>Rate M2 Delivery</u>					
6	First 1,000 m ³	63,640	-3.7%	(2,357)	61,283
7	Next 6,000 m ³	309,707	-3.7%	(11,472)	298,234
8	Next 13,000 m ³	349,953	-3.7%	(12,963)	336,990
9	All Over 20,000 m ³	447,082	-3.7%	(16,561)	430,521
10	Total Rate M2 Delivery	<u>1,170,382</u>		<u>(43,354)</u>	<u>1,127,028</u>
11	Rate M2 Storage	<u>1,170,382</u>	-3.7%	<u>(43,354)</u>	<u>1,127,028</u>

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (t).
- (2) Rate Order, Working Papers, Schedule 12, p.1, column (d).

UNION GAS LIMITED
Summary of S&T Transactional Margin Included In 2017 In-Franchise Rates

Line No.	Particulars (\$000's)	Total Revenue (1) (a)	Allocated Cost (2) (b)	Total Margin (c) = (a - b)	Shareholder Portion of Margin (d) = (c) * 10%	Margin Included in 2013 In-Franchise Rates (e) = (c - d)	Margin Included in 2017 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, pp. 9 - 11, column (g).
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 14, pp. 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

Line No.	Particulars (\$000's)	Total Revenue (1) (a)	Allocated Cost (b)	Total Margin (c) = (a - b)	Portion of Margin (d) = (c) * 10%	Margin in 2013 Gas Supply Rates (e) = (c - d)	Margin in 2017 Gas Supply 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, p.11, line 18, column (g).

(2) EB-2011-0210, Board Decision, p.40.

UNION GAS LIMITED
2017 Gas Supply Optimization Margin - Allocation of Ratepayer Portion and Calculation of Unit Rates

Line No.	Rate Class	Union North FT Demand Allocation Units TRANSALLO (\$000's) (a)	Union North Margin (\$000's) (b)	Union South Landed Supply Allocation Units S_SUPPLYVOL (10 ³ m ³) (c)	Union South Margin (\$000's) (d)	Total Margin (\$000's) (1) (e) = (b + d)	Billing Units (10 ³ m ³) (2) (f)	2017 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 transportation billing units per 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 with be refunded 60% in the Gas Supply Demand Charge and 40% in the Commodity Transportation 1 Charge.
The Rate 20 unit rates are calculated below:

Margin Allocated to Gas Supply Demand Charge (\$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 (\$000's)	Design Day Demand (10 ³ m ³ /d) (1) (a)	Easterly Flow Volume (10 ³ m ³ /d) (2) (b)	Available Capacity (10 ³ m ³ /d) (c) = (a - b)	Distance (km) (d)	Available Capacity - Distance (10 ³ m ³ /d x km) (e) = (c x d)	Allocated Proportion (%) (f)	Allocated Proportion (\$000's) (g)
	<u>Union North</u>							
1	North In-fran	6,956	938	6,018	228.94	1,377,858	37%	3,513
	<u>Union South</u>							
2	South: In-fran	43,674	21,874	21,800	82.15	1,790,897	48%	4,566
3	St. Clair	2,833	1,419	1,414	29.40	41,571	1%	106
4	Ojibway	9,619	4,818	4,801	116.05	557,186	15%	1,420
5	Total Union South	56,126	28,111	28,015		2,389,654	63%	6,092
6	Total Union North and Union South	63,082	29,048	34,034		3,767,512	100%	9,605 (3)

Notes:

- (1) EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p.8, line 5, Union North, updated for EB-2011-0210 Board Decision.
EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p.8, line 2, South In-fran, updated for EB-2011-0210 Board Decision.
EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p.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, 2017

Line No.	Particulars (\$000's)	Upstream Transportation Costs per EB-2015-0116 (1) (a)	Change in Upstream Transportation Costs in 2016 (2) (b)	Upstream Transportation Costs per EB-2016-0247 (3) (c) = (a + b)
1	Rate 01	82,790	414	83,205
2	Rate 10	26,707	137	26,844
3	Rate 20	8,796	46	8,842
4	Rate 25	1,781	10	1,791
5	Rate 100	107	0	107
6	Total Union North	<u>120,181</u>	<u>608</u>	<u>120,789</u>

Notes:

- (1) EB-2015-0116, Working Papers, Schedule 15, column (c).
Excludes FT Transportation fuel of \$1.463 million and Black Creek Storage of \$0.042 million.
- (2) Change in upstream transportation costs per EB-2016-0040, Working Papers, Schedule 4, p.2.
- (3) Rate Order, Working Papers, Schedule 3, column (f).

UNION GAS LIMITED
Calculation of 2017 Gas Supply Administration Charge

Line No.	Particulars	2016 Approved EB-2016-0247 (a)	2017 Capital Pass- Throughs (3) (b)	2017 Proposed EB-2016-0245 (c) = (a + b)
1	Costs (\$000's)	6,749 (1)	(26)	6,723
2	2013 Approved Sales Volumes (10 ³ m ³) (2)	3,533,863		3,533,863
3	Gas Supply Admin Charge Unit Rate (cents/m ³) (4)	<u>0.1910</u>		<u>0.1902</u>

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 16, column (c), line 1.
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (a).
- (3) Rate Order, Working Papers, Schedule 3, p.2, line 7, column (d) + column (k).
- (4) line 1 / line 2 x 100.

UNION GAS LIMITED
Lost Revenue Adjustment Mechanism ("LRAM")
Volume Adjustment for 2017 Rate Calculations

Line No.	Particulars (10 ³ m ³)	2015 - Pre-Audit Post RR Full Year Impact DSM Volumes by Rate Class	Customer Rate Class Adjustment (1)	Total Volume Adjustment by Rate Class
		(a)	(b)	(c) = (a + b)
	<u>Union South</u>			
1	Rate M4	(12,021)	(986)	(13,007)
2	Rate M5A	(3,889)	(12,939)	(16,829)
3	Rate M7	(15,449)	13,926	(1,523)
4	Rate T1	(5,730)	-	(5,730)
5	Rate T2	(38,269)	-	(38,269)
6	Total Union South	<u>(75,358)</u>	<u>-</u>	<u>(75,358)</u>
	<u>Union North</u>			
7	Rate 20	(2,870)	-	(2,870)
8	Rate 100	(5,132)	-	(5,132)
9	Total Union North	<u>(8,002)</u>	<u>-</u>	<u>(8,002)</u>
10	Total (line 6 + line 9)	<u>(83,360)</u>	<u>-</u>	<u>(83,360)</u>

Notes:

- (1) To attribute the Rate M7 LRAM volumes adjustments to Rate M4 and Rate M5 based on the rate class of the customer in 2013 Board-approved volumes.

UNION GAS LIMITED
Union North
Calculation of Supplemental Service Charges
Commissioning and Decommissioning Rates
Effective January 1, 2017

Line No.	Particulars	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
		Union North West (a)	Union North East (b)	Union North West (c)	Union North East (d)
	<u>Rate 20 - At 50% Load Factor</u>				
	<u>Delivery (cents / m³)</u>				
1	Monthly Demand (1)			28.6326	28.6326
2	Line 1 x 12 months			343.5912	343.5912
3	Line 2 / 365 days			0.9413	0.9413
4	Line 3 @ 50% Load Factor			1.8827	1.8827
5	Delivery Commodity Charge (1)			0.5649	0.5649
6	Total Delivery Commissioning and Decommissioning			2.4476	2.4476
	<u>Gas Supply (cents / m³)</u>				
7	Monthly Demand (1)			55.8485	49.7267
8	Gas Supply Demand - Price Adjustment (1)			-	-
9	(Line 7 + Line 8) x 12 months			670.1820	596.7204
10	Line 9 / 365 days			1.8361	1.6349
11	Line 10 @ 50% Load Factor			3.6722	3.2697
12	Commodity Transportation 1 (1)			3.5625	2.6079
13	Commodity Transportation 1 - Price Adjustment			-	-
14	(Line 12 + Line 13) x (4/5)			2.8500	2.0863
15	Commodity Transportation 2 (1)			-	-
16	Line 15 * (1/5)			-	-
17	Total Commodity Transportation Charge for Commissioning and Decommissioning Rate			6.5222	5.3560
	<u>Rate 100 - At 70% Load Factor</u>				
	<u>Delivery (cents / m³)</u>				
18	Monthly Demand (2)			15.1083	15.1083
19	Line 18 x 12 months			181.2996	181.2996
20	Line 19 / 365 days			0.4967	0.4967
21	Line 20 @ 70% Load Factor			0.7096	0.7096
22	Commodity Charge (2)			0.2205	0.2205
23	Total Delivery Commissioning and Decommissioning			0.9301	0.9301
	<u>Gas Supply (cents / m³)</u>				
24	Monthly Demand (2)			112.0994	158.4424
25	Line 24 x 12 months			1,345.1927	1,901.3082
26	Line 25 / 365 days			3.6855	5.2091
27	Line 26 @ 70% Load Factor			5.2649	7.4415
28	Commodity Transportation 1 (2)			6.2885	9.0613
29	Line 28 * (3/7)			2.6951	3.8834
30	Commodity Transportation 2 (2)			-	-
31	Line 30 * (4/7)			-	-
32	Total Commodity Transportation Charge for Commissioning and Decommissioning Rate			7.9600	11.3249

Notes:

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

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Effective January 1, 2017

Line No.	Particulars		cents / m ³ (a)	\$ / GJ (b)
	<u>Minimum annual gas supply commodity charge - Rate M4, Rate M5A</u>			
1	Compressor Fuel		0.4662	
2	Transportation Tolls		4.2031	
3	Administration Charge		0.1902	
4	Minimum annual gas supply commodity charge		<u>4.8595</u>	<u>1.252</u>
	<u>Gas Supply Commodity Charges</u>			
5	Commodity Cost of Gas		10.9134	
6	FT Transportation Commodity		-	
7	FT Fuel		<u>0.4662</u>	
8	Total Gas Supply Commodity Charge		<u>11.3796</u>	<u>2.932</u>
	<u>Firm Gas Supply Service Monthly Demand Charge</u>			
9	FT Demand Charge		<u>230.0635</u>	<u>59.279</u>
	<u>Firm Backstop Gas:</u>			
	Demand:			
10	Monthly space charge	0.0427		
11	Units required (1)	43		
12	Number of months	<u>12</u>	22.0286 (a)	
	Inventory carrying costs:			
13	Sales WACOG	15.7729		
14	Overrun storage withdrawal	<u>0.3920</u>		
15		<u>16.1649</u>		
16	Units required (m ³)	43		
17	Pre-tax return (%)	8.170%	56.7888 (b)	
18	Annual demand charge		<u>78.8174 (a) + (b)</u>	
19	Number of months		<u>12</u>	
20	Monthly demand charge		<u>6.5681</u>	<u>1.692</u>
	Commodity:			
21	Sales WACOG		15.7729	
22	Overrun storage withdrawal		0.3920	
23	Overrun transportation		<u>1.3474</u>	
24	Commodity charge		<u>17.5123</u>	<u>4.512</u>

Notes:

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

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Effective January 1, 2017

Line No.	Particulars	cents / m ³ (a)	\$ / GJ (b)
	<u>Reasonable Efforts Backstop Gas:</u>		
1	Rate M1 Block 1 delivery rate plus Rate M1 storage rate	5.4559	
2	Sales WACOG	15.7729	
3		<u>21.2288</u>	<u>5.470</u>
	<u>Supplemental Inventory:</u>		
4	Sales WACOG	15.7729	
5	Injection commodity	0.1941	
6	Space charge (p.2, line 10 x 12)	0.5123	
7		<u>16.4793</u>	<u>4.246</u>
8	Carrying costs (1/2 year) (line 7 x p.2, line 17) / 2	0.6732	
9	Total (line 7 + line 8)	<u>17.1525</u>	<u>4.420</u>
	<u>Supplemental Gas Sales:</u>		
10	Supplemental inventory	17.1525	
11	Overrun storage withdrawal	0.3920	
12	Overrun transportation	1.3474	
13	Total	<u>18.8919</u>	
	<u>Failure to Deliver:</u>		
14	Rate M1 Block 1 delivery rate plus Rate M1 storage rate	5.4559	1.406
15	Failure to Deliver Adjustment	5.1708	1.332
16	Failure to Deliver Charge	<u>10.6267</u>	<u>2.738</u>
	<u>Parkway Delivery Commitment Incentive ("PDCI")</u>		
17	Rate M12 Dawn to Parkway demand rate (1)		3.4020
18	Line 17 x 12 months		40.8240
19	Line 18 / 365 days		0.1118
20	Rate M12 average Dawn to Parkway (TCPL, EGT) fuel and commodity rate (2)		<u>0.0371</u>
21	Total (line 19 + line 20)		<u>0.149</u>

Notes:

- (1) Appendix A, p.14, line 2, column (c).
- (2) Rate M12 Rate Schedule, Appendix C, p.1, average of Dawn to Parkway (TCPL, EGT) monthly fuel rates.

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Calculation of Minimum & Maximum Charges
Effective January 1, 2017

Line No.	Particulars	Including Customer-Related GHG Obligation cents / m ³ (b)	Excluding Customer-Related GHG Obligation cents / m ³ (a)
<u>Minimum Charges</u>			
1	Rate M4 (F) Minimum annual delivery commodity charge:		
2	Monthly delivery commodity charge (Rate M4 1st Block)		1.4240
3	Gas Supply Admin Charge		0.1902
	Minimum annual delivery commodity charge		1.6142
4	Rate M4 (I) / M5 Minimum annual delivery commodity charge:		
5	Monthly delivery commodity charge (Rate M5 1st Block)		3.0313
6	Gas Supply Admin Charge		0.1902
	Minimum annual delivery commodity charge		3.2215
<u>Maximum Charges</u>			
7	Rate 25 Interruptible Average Rate 10 Firm Delivery Charge		5.745
8	Percent of Average Firm Delivery Price		90%
9	Rate 25 Maximum interruptible delivery commodity charge (Excluding Customer-related GHG Obligation)		5.1705
10	Customer-related GHG Unit Rate		
11	Rate 25 Maximum interruptible delivery commodity charge (Including Customer-related GHG Obligation)		
12	Rate M7 Interruptible Maximum interruptible delivery commodity charge:		
13	Rate M7 firm commodity charge		0.4496
14	Rate M7 firm demand charge commoditized at a Load Factor of 19.56%		5.1802
	Rate M7 maximum interruptible charge		5.6298
15	Rate T1 Interruptible Maximum interruptible delivery commodity charge		5.6298
16	Rate T2 Interruptible Maximum interruptible delivery commodity charge		5.6298
<u>Rate M7 - Commissioning and Decommissioning Rate</u>			
17	Delivery (cents / m ³) Monthly Demand (1)		30.8246
18	Annual Demand (line 17 x 12 months)		369.8952
19	Daily Demand (line 18 / 365 days)		1.0134
20	@ Class Average Firm Load Factor of 27.95%		3.6262
21	Delivery Commodity Charge (1)		0.4496
22	Delivery - Price Adjustment		-
23	Total Delivery Commissioning and Decommissioning (line 20 + line 21 + line 22)		4.0758

Notes:

(1) Appendix A, p.9.

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Effective January 1, 2017

Line No.	Particulars	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
		Union Supplies Fuel	Customer Supplies Fuel	Union Supplies Fuel	Customer Supplies Fuel
		(a)	(b)	(c)	(d)
	<u>Rate T1 / Rate T2 / Rate T3 - At 100% Load Factor</u>				
	Authorized Storage Overrun (\$ / GJ)				
1	Monthly Demand (1)			1.561	1.561
2	Annual Demand (line 1 x 12 months)			18.732	18.732
3	Daily Demand (line 2 / 365 days)			0.051	0.051
4	@ 100% Load Factor			0.051	0.051
5	Commodity Charge (2)			0.050	0.008
6	Total Storage Overrun (line 4 + line 5)			0.101	0.059
	<u>Rate T1 - At 100% Load Factor</u>				
	Authorized Transportation Overrun (cents / m³)				
7	Monthly Demand (3)			35.4376	35.4376
8	Annual Demand (line 7 x 12 months)			425.2512	425.2512
9	Daily Demand (line 8 / 365 days)			1.1651	1.1651
10	@ 100% Load Factor			1.1651	1.1651
11	Commodity Charge (4)			0.1823	0.1245
12	Total Transportation Overrun (line 10 + line 11)			1.3474	1.2896
	<u>Rate T2 - At 100% Load Factor</u>				
	Authorized Transportation Overrun (cents / m³)				
13	Monthly Demand (5)			26.4455	26.4455
14	Annual Demand (line 13 x 12 months)			317.3460	317.3460
15	Daily Demand (line 14 / 365 days)			0.8694	0.8694
16	@ 100% Load Factor			0.8694	0.8694
17	Commodity Charge (6)			0.0880	0.0343
18	Total Transportation Overrun (line 16 + line 17)			0.9574	0.9037
	<u>Rate T3 - At 100% Load Factor</u>				
	Authorized Transportation Overrun (cents / m³)				
19	Monthly Demand (7)			16.7213	16.7213
20	Annual Demand (line 19 x 12 months)			200.6556	200.6556
21	Daily Demand (line 20 / 365 days)			0.5497	0.5497
22	@ 100% Load Factor			0.5497	0.5497
23	Commodity Charge (8)			0.1629	0.0909
24	Total Transportation Overrun (line 22+ line 23)			0.7126	0.6406

Notes:

- (1) Appendix A, p. 10.
- (2) Column (c) calculated as WACOG / Heat Value * Overrun Fuel Ratio + Injection Commodity = \$189.432 / 10³m³ / 38.81 GJ/10³m³ * 0.861% + \$0.008/GJ.
- (3) Appendix A, p. 10.
- (4) Column (c) calculated as WACOG / 10 * Transportation Fuel Ratio + Firm Commodity Transport = \$189.432 / 10³m³ / 10 * 0.305% + 0.1245 cents/m³.
- (5) Appendix A, p. 11.
- (6) Column (c) calculated as WACOG / 10 * Transportation Fuel Ratio + Firm Commodity Transport = \$189.432 / 10³m³ / 10 * 0.283% + 0.0343 cents/m³.
- (7) Appendix A, p. 12.
- (8) Column (c) calculated as WACOG / 10 * Transportation Fuel Ratio + Firm Commodity Transport = \$189.432 / 10³m³ / 10 * 0.380% + 0.0909 cents/m³.

UNION GAS LIMITED
Union South
Calculation of Union Supplied Fuel Rates for
In-Franchise Semi-Unbundled Rate T1, Rate T2 and Rate T3
Effective January 1, 2017

Line No.	Particulars	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
		Union	Customer	Union	Customer
		Supplies Fuel	Supplies Fuel	Supplies Fuel	Supplies Fuel
		(a)	(b)	(c)	(d)
<u>Rate T1 Transportation Service (cents/m³)</u>					
1	Ontario Landed Reference Price as per EB-2016-0247			18.9432	
2	2017 Fuel Ratio as per EB-2016-0245			0.305%	
3	Fuel Rate (line 1 x line 2)			0.0578	
4	Firm Transportation Commodity Charge			0.1245	0.1245
5	All Volumes			0.1823	0.1245
6	Interruptible Transportation Commodity Charge - Maximum			5.6298	5.5720
<u>Rate T2 Transportation Service (cents/m³)</u>					
7	Ontario Landed Reference Price as per EB-2016-0247			18.9432	
8	2017 Fuel Ratio as per EB-2016-0245			0.283%	
9	Fuel Rate (line 7 x line 8)			0.0537	
10	Firm Transportation Commodity Charge			0.0343	0.0343
11	All Volumes			0.0880	0.0343
12	Interruptible Transportation Commodity Charge - Maximum			5.6298	5.5761
<u>Rate T3 Transportation Service (cents/m³)</u>					
13	Ontario Landed Reference Price as per EB-2016-0247			18.9432	
14	2017 Fuel Ratio as per EB-2016-0245			0.380%	
15	Fuel Rate (line 13 x line 14)			0.0720	
16	Firm Transportation Commodity Charge			0.0909	0.0909
17	All Volumes			0.1629	0.0909
<u>Rate T1, Rate T2 & Rate T3 Storage Service (\$/GJ)</u>					
18	Ontario Landed Reference Price as per EB-2016-0247			4.881	
19	2017 Fuel Ratio as per EB-2016-0245			0.406%	
20	Fuel Rate (line 18 x line 19)			0.020	
21	Storage Commodity Charge			0.0080	0.0080
22	All Volumes			0.0280	0.0080
<u>Rate T1, Rate T2 & Rate T3 Annual Firm Injection/Withdrawal Right</u>				<u>\$ / GJ</u>	
				(c)	
23	Customer provides deliverability Inventory Rate			1.186 (1)	
Inventory Carrying Costs					
24	Space			75,177,124 (2)	
25	Inventory Percentage			20%	
26	Inventory (line 24 x line 25)			15,035,425	
27	Ontario Landed Reference Price as per EB-2016-0247			4.881	
28	ICC %			8.2%	
29	Inventory Carrying Costs (line 26 * line 27 * line 28)			5,996	
30	Deliverability Demand Allocation Units			1,332,764 (3)	
31	Line 29 / line 30 x 1000 / 12			0.375	
32	Union provides deliverability Inventory as per EB-2016-0247 (line 23 + line 31)			1.561	

Notes:

- (1) Rate Order, Working Papers, Schedule 4, p.16, line 2, column (u).
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 19, p.2, line 8, column (b).
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 19, p.1, line 5, column (e).

UNION GAS LIMITED
Southern Operations Area
Unbundled Delivery Rate Detail
Effective January 1, 2017

									Unbundled Delivery Rates	
Line No.	Particulars	Billing Units	2017 Forecast (1) Usage	SSS & SPS (\$000's)	Gas Supply Balancing Costs (\$000's)	Gas in Storage Inventory Carrying Costs (\$000's)	Unbundled Storage Revenue (\$000's)	Unbundled Storage Rates (cents/m³)	Excluding Customer-Related GHG Obligation (6) (cents/m³)	Including Customer-Related GHG Obligation (cents/m³)
			(a)	(b)	(c)	(d)	(e) = (b+c+d)	(f) = (e / a)	(g)	(h)
Rate M1										
Monthly delivery commodity charge:										
1	First 100 m³	10³m³	872,593	4,046	-	2,196	6,242	0.7153	4.7406	
2	Next 150 m³	10³m³	774,838	3,592	-	1,950	5,543	0.7153	4.5002	
3	All over 250 m³	10³m³	1,249,748	5,794	-	3,145	8,940	0.7153	3.8790	
4	Total		2,897,179	13,432 (2)	-	7,291 (3)	20,724			
Rate M2										
Monthly delivery commodity charge:										
5	First 1,000 m³	10³m³	61,283	248	-	135	383	0.6252	4.7134	
6	Next 6,000 m³	10³m³	298,234	1,206	-	659	1,865	0.6252	4.6259	
7	Next 13,000 m³	10³m³	336,990	1,362	-	745	2,107	0.6252	4.4396	
8	All over 20,000 m³	10³m³	430,521	1,740	-	951	2,692	0.6252	4.1211	
9	Total		1,127,028	4,556 (4)	-	2,490 (5)	7,046			

Notes:

- (1) Rate Order, Working Papers, Schedule 4, p. 10, column (t).
(2) Rate Order, Working Papers, Schedule 19, p. 2, line 6, column (a).
(3) Rate Order, Working Papers, Schedule 19, p. 2, line 10, column (a).
(4) Rate Order, Working Papers, Schedule 19, p. 2, line 6, column (b).
(5) Rate Order, Working Papers, Schedule 19, p. 2, line 10, column (b).
(6) Rate Order, Working Papers, Schedule 4, p. 10, column (u).

UNION GAS LIMITED
Southern Operations Area
Unbundled Delivery Cost Detail
Effective January 1, 2017

Line No.	Particulars (\$000's)	Rate M1 (a)	Rate M2 (b)
	<u>SSS/SPS</u>		
1	Storage Dehydrator (1)	169	57
2	Storage Ex. Dehydrator (2)	9,580	3,241
3	Storage Space (3)	10,975	3,748
4	Storage	20,724	7,046
5	Less: ICC on Gas in Storage (4)	7,291	2,490
6	Total SSS/SPS	13,432	4,556
	<u>Gas Supply Balancing</u>		
7	Total Gas Supply Balancing	-	-
	<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	7,291	2,490

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 18, p. 2, line 1, updated for PCI and Capital Pass-Throughs per EB-2016-0245
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 18, p. 2, line 2, updated for PCI and Capital Pass-Throughs per EB-2016-0245
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 18, p. 2, line 3, updated for PCI and Capital Pass-Throughs per EB-2016-0245
- (4) Per line 10.
- (5) EB-2011-0210, Exhibit G3, Tab 5, Schedule 9, p. 16 of 40, updated for EB-2011-0210 Board Decision.

UNION GAS LIMITED
2017 Rate Adjustment Summary based on
Parkway Delivery Obligation (PDO) Reduction Costs and Parkway Delivery Commitment Incentive (PDCI) Costs

Line No.	Particulars (\$000's)	PDO Costs			PDCI Costs			Total Costs		
		Dawn-Parkway Demand Costs (1)	Compressor Fuel Costs (2)	Total PDO Costs	Dawn-Parkway Demand Costs (3)	Compressor Fuel Costs (4)	Total PDCI Costs	Dawn-Parkway Demand Costs	Compressor Fuel Costs	Total Costs
		(a)	(b)	(c) = (a + b)	(d)	(e)	(f) = (d + e)	(g) = (a + d)	(h) = (b + e)	(i) = (g + h)
1	Rate M1	3,409	294	3,703	6,315	1,460	7,775	9,724	1,754	11,478
2	Rate M2	1,145	104	1,249	2,122	517	2,638	3,267	621	3,887
3	Rate M4	333	47	380	617	235	852	950	283	1,233
4	Rate M5 - Firm	3	1	4	6	6	12	9	7	16
5	Rate M5 - Interruptible	-	33	33	-	163	163	-	196	196
6	Rate M7 - Firm	154	19	173	284	95	379	438	114	552
7	Rate M7 - Interruptible	-	-	-	-	-	-	-	-	-
8	Rate M9	55	10	65	102	49	150	157	58	215
9	Rate M10	2	0	2	3	0	3	5	0	5
10	Rate T1 - Firm	165	43	208	305	215	519	469	258	727
11	Rate T1 - Interruptible	-	5	5	-	23	23	-	27	27
12	Rate T2 - Firm	1,068	222	1,290	1,977	1,105	3,083	3,045	1,327	4,372
13	Rate T2 - Interruptible	-	5	5	-	26	26	-	31	31
14	Rate T3	387	44	431	716	218	935	1,103	262	1,365
15	Total South In-franchise	6,720	827	7,547	12,447	4,112	16,559	19,167	4,939	24,106
16	Excess Utility Storage Space	-	-	-	-	-	-	-	-	-
17	Rate C1 - Firm	-	7	7	-	-	-	-	7	7
18	Rate C1 - Interruptible	-	206	206	-	-	-	-	206	206
19	Rate M12	-	652	652	-	-	-	-	652	652
20	Rate M13	-	-	-	-	-	-	-	-	-
21	Rate M16	-	3	3	-	-	-	-	3	3
22	Total Ex-franchise	-	868	868	-	-	-	-	868	868
23	Rate 01	-	8	8	-	-	-	-	8	8
24	Rate 10	-	2	2	-	-	-	-	2	2
25	Rate 20	-	1	1	-	-	-	-	1	1
26	Rate 100	-	0	0	-	-	-	-	0	0
27	Rate 25	-	-	-	-	-	-	-	-	-
28	Total North In-franchise	-	11	11	-	-	-	-	11	11
29	Total Costs (line 15+line 22+line 28)	6,720	1,707	8,426	12,447	4,112	16,559	19,167	5,819	24,985

Notes:

- (1) Rate Order, Working Papers, Schedule 20, p.2, column (g).
- (2) Rate Order, Working Papers, Schedule 20, p.3, column (j).
- (3) Rate Order, Working Papers, Schedule 20, p.5, column (b) + Rate Order, Working Papers, Schedule 20, p.6, column (b).
- (4) Rate Order, Working Papers, Schedule 20, p.5, column (d) + Rate Order, Working Papers, Schedule 20, p.6, column (d).

UNION GAS LIMITED

2017 Delivery Impacts to Union South In-Franchise customers of M12 Demand Costs
Based on 212 TJ per day of M12 Dawn to Parkway capacity and 48 TJ per day of T2 Billing Contract Demand Revenue Credit

Line No.	Particulars	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	3,024	385	987	4,396	(987)	3,409
2	Rate M2	7,435	1,016	129	332	1,477	(332)	1,145
3	Rate M4	2,162	295	38	96	429	(96)	333
4	Rate M5 Firm	20	3	0	1	4	(1)	3
5	Rate M5 Interruptible	-	-	-	-	-	-	-
6	Rate M7 Firm	997	136	17	44	198	(44)	154
7	Rate M7 Interruptible	-	-	-	-	-	-	-
8	Rate M9	356	49	6	16	71	(16)	55
9	Rate M10	11	2	0	0	2	(0)	2
10	Rate T1 Firm	1,068	146	19	48	212	(48)	165
11	Rate T1 Interruptible	-	-	-	-	-	-	-
12	Rate T2 Firm	6,931	947	120	309	1,377	(309)	1,068
13	Rate T2 Interruptible	-	-	-	-	-	-	-
14	Rate T3	2,511	343	44	112	499	(112)	387
15	Total	<u>43,624</u>	<u>5,961</u> (3)	<u>758</u> (4)	<u>1,945</u> (5)	<u>8,665</u>	<u>(1,945)</u> (5)	<u>6,720</u>

Notes:

- (1) Union South In-franchise Design Day Demand allocation factor per EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p. 7, line 2, Updated for Board Decision.
- (2) Allocated in proportion to column (a).
- (3) Calculated as 146 TJ x \$0.112/GJ/d x 365 = \$5.961 million. Rate represents the M12 Dawn to Parkway demand rate per EB-2016-0245.
- (4) Calculated as 19 TJ x \$0.112/GJ/d x 365 = \$0.758 million. Rate represents the M12 Dawn to Parkway demand rate per (e).
- (5) Calculated as 48 TJ x \$0.112/GJ/d x 365 = \$1.945 million. Rate represents the M12 Dawn to Parkway demand rate per EB-2016-0245.

UNION GAS LIMITED
2017 Commodity Cost Adjustments based on
Parkway Delivery Obligation Reduction of 165 TJ/d and 66 TJ/d of M12 Turnback

Line No.	Particulars	2013 Board-Approved Compressor Fuel Allocation				Adjusted Compressor Fuel Allocation				Difference (GJ) (i) = (h - d)	Total Compressor Fuel Cost (1) (\$000's) (j)=(i x 4.881/1000)
		Dawn Station Compressor Fuel (GJ) (a)	D-P Easterly Compressor Fuel (GJ) (b)	D-P Westerly Compressor Fuel (GJ) (c)	Total Compressor Fuel (GJ) (d) = (a + b + c)	Dawn Station Compressor Fuel (GJ) (e)	D-P Easterly Compressor Fuel (GJ) (f)	D-P Westerly Compressor Fuel (GJ) (g)	Total Compressor Fuel (GJ) (h) = (e + f + g)		
1	Rate M1	37,867	37,469	-	75,337	65,720	69,812	-	135,532	60,196	294
2	Rate M2	13,397	13,256	-	26,653	23,251	24,699	-	47,950	21,297	104
3	Rate M4	6,107	6,042	-	12,149	10,598	11,258	-	21,857	9,708	47
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	33
6	Rate M7 - Firm	2,457	2,431	-	4,888	4,264	4,529	-	8,793	3,905	19
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	43
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	222
13	Rate T2 - Interruptible	673	666	-	1,340	1,169	1,241	-	2,410	1,070	5
14	Rate T3	5,662	5,603	-	11,265	9,827	10,439	-	20,265	9,001	44
15	Total South In-franchise	106,631	105,510	-	212,141	185,061	196,585	-	381,646	169,505	827
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	7
18	Rate C1 - Interruptible	226,118	520,843	-	746,960	226,877	562,223	-	789,100	42,140	206
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	652
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	868
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	2
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	11
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	1,707

Notes:

(1) Compressor fuel cost based on October 2016 QRAM Ontario Landed Reference Price of \$4.881/GJ per EB-2016-0247.

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

Line No.	Particulars (GJ)	Allocation of Fuel (Updated for PDO)					Allocation of Fuel (as filed in EB-2011-0210)					Difference
		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)	(k) = (e - j)
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
Derivation of the 2017 Sales Service PDCI Costs

Line No.	Particulars	Demand Costs		Commodity Costs		Total Sales Service PDCI Costs (\$000's) (e) = (b + d)
		2013 Approved Design Day Demands (1) (10 ³ m ³ /d) (a)	19 TJ Sales Service Demand Costs (2) (\$000's) (b)	2013 Approved Delivery Volumes East of Dawn (4) (10 ³ m ³) (c)	19 TJ Sales Service Fuel and UFG Costs (5) (\$000's) (d)	
1	Rate M1	22,132	394	1,823,853	91	485
2	Rate M2	7,435	132	645,259	32	165
3	Rate M4	2,162	38	294,126	15	53
4	Rate M5 Firm	20	0	7,501	0	1
5	Rate M5 Interruptible	-	-	203,891	10	10
6	Rate M7 Firm	997	18	118,324	6	24
7	Rate M7 Interruptible	-	-	-	-	-
8	Rate M9	356	6	60,750	3	9
9	Rate M10	11	0	189	0	0
10	Rate T1 Firm	1,068	19	267,950	13	32
11	Rate T1 Interruptible	-	-	28,552	1	1
12	Rate T2 Firm	6,931	123	1,380,265	69	192
13	Rate T2 Interruptible	-	-	32,431	2	2
14	Rate T3	2,511	45	272,712	14	58
15	Total	43,624	777 (3)	5,135,803	257 (6)	1,033

Notes:

- (1) Union South In-franchise Design Day Demand allocation factor per EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p. 7, line 2, Updated for Board Decision.
- (2) Allocated in proportion to column (a).
- (3) Calculated as 19 TJ x \$0.112/GJ/d x 365 = \$0.777 million. Rate represents the M12 Dawn to Parkway demand rate per EB-2016-0245.
- (4) Union South in-franchise volumes east of Dawn per EB-2011-0210, Exhibit G3, Tab 5, Schedule 21, pp. 13 & 14, Updated for Board Decision.
- (5) Allocated in proportion to column (c).
- (6) Calculated as 19 TJ x \$0.037/GJ/d x 365 = \$0.257 million. Rate represents the average Dawn to Parkway (TCPL / EGT) fuel and commodity rate per EB-2016-0245 Rate M12 Schedule 'C'.

UNION GAS LIMITED
Derivation of the 2017 Direct Purchase (DP) PDCI Costs

Line No.	Particulars	Demand Costs		Commodity Costs		Total DP PDCI Costs (\$000's) (e) = (b+d)
		2013 Approved Design Day Demands (1) (10 ³ m ³ /d) (a)	285 TJ DP Demand Costs (2) (\$000's) (b)	2013 Approved Delivery Volumes East of Dawn (4) (10 ³ m ³) (c)	285 TJ DP Fuel and UFG Costs (5) (\$000's) (d)	
1	Rate M1	22,132	5,921	1,823,853	1,369	7,290
2	Rate M2	7,435	1,989	645,259	484	2,474
3	Rate M4	2,162	578	294,126	221	799
4	Rate M5 Firm	20	5	7,501	6	11
5	Rate M5 Interruptible	-	-	203,891	153	153
6	Rate M7 Firm	997	267	118,324	89	355
7	Rate M7 Interruptible	-	-	-	-	-
8	Rate M9	356	95	60,750	46	141
9	Rate M10	11	3	189	0	3
10	Rate T1 Firm	1,068	286	267,950	201	487
11	Rate T1 Interruptible	-	-	28,552	21	21
12	Rate T2 Firm	6,931	1,854	1,380,265	1,036	2,890
13	Rate T2 Interruptible	-	-	32,431	24	24
14	Rate T3	2,511	672	272,712	205	876
15	Total	<u>43,624</u>	<u>11,670 (3)</u>	<u>5,135,803</u>	<u>3,855 (6)</u>	<u>15,526</u>

Notes:

- (1) Union South In-franchise Design Day Demand Allocation Factor per EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p. 7, line 2, Updated for Board Decision.
- (2) Allocated in proportion to column (a).
- (3) Calculated as 285 TJ x \$0.112/GJ/d x 365 = \$11.670 million. Rate represents the M12 Dawn to Parkway demand rate per EB-2016-0245.
- (4) Union South in-franchise volumes east of Dawn per EB-2011-0210, Exhibit G3, Tab 5, Schedule 21, pp. 13 & 14, Updated for Board Decision.
- (5) Allocated in proportion to column (c).
- (6) Calculated as 285 TJ x \$0.037/GJ/d x 365 = \$3.855 million. Rate represents the average Dawn to Parkway (TCPL / EGT) fuel and commodity rate per EB-2016-0245 Rate M12 Schedule 'C'.

UNION GAS LIMITED
Continuity of M12 Monthly Transportation Fuel Ratios and Fuel and Commodity Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2017

Line No.	Particulars	VT1 Easterly Dawn to Parkway (TCPL / EGT) With Dawn Compression						VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression						VT3 Westerly Parkway to Kirkwall, Dawn					
		2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity
		(%)	(%)	(%)	(%)	(%)	(\$/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	0.819	0.005	0.825	0.037	0.862	0.042	0.544	0.004	0.548	(0.003)	0.545	0.027	0.156	0.001	0.157	-	0.157	0.008
2	May	0.579	0.004	0.583	0.029	0.612	0.030	0.366	0.002	0.369	0.001	0.370	0.018	0.156	0.001	0.157	-	0.157	0.008
3	June	0.473	0.003	0.476	0.032	0.508	0.025	0.265	0.002	0.267	0.004	0.271	0.013	0.364	0.002	0.367	0.031	0.398	0.019
4	July	0.461	0.003	0.464	0.030	0.494	0.024	0.253	0.002	0.255	0.004	0.259	0.013	0.364	0.002	0.366	0.030	0.396	0.019
5	August	0.363	0.002	0.365	0.028	0.393	0.019	0.157	0.001	0.158	(0.000)	0.158	0.008	0.362	0.002	0.364	0.032	0.396	0.019
6	September	0.359	0.002	0.362	0.027	0.389	0.019	0.157	0.001	0.158	(0.000)	0.158	0.008	0.358	0.002	0.361	0.031	0.392	0.019
7	October	0.712	0.005	0.716	0.023	0.739	0.036	0.473	0.003	0.476	(0.012)	0.464	0.023	0.156	0.001	0.157	-	0.157	0.008
8	November	0.858	0.006	0.863	0.019	0.882	0.043	0.616	0.004	0.621	0.001	0.622	0.030	0.156	0.001	0.157	-	0.157	0.008
9	December	0.965	0.006	0.971	0.024	0.995	0.049	0.717	0.005	0.722	0.011	0.733	0.036	0.156	0.001	0.157	-	0.157	0.008
10	January	1.109	0.007	1.116	0.030	1.147	0.056	0.848	0.006	0.854	0.015	0.870	0.042	0.156	0.001	0.157	-	0.157	0.008
11	February	1.055	0.007	1.062	0.027	1.089	0.053	0.803	0.005	0.808	0.012	0.820	0.040	0.156	0.001	0.157	-	0.157	0.008
12	March	0.993	0.007	1.000	0.018	1.018	0.050	0.734	0.005	0.739	(0.003)	0.736	0.036	0.156	0.001	0.157	-	0.157	0.008
		M12-X Easterly Kirkwall to Parkway (TCPL / EGT)						M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)						M12-X Westerly Parkway to Kirkwall, Dawn					
		2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity
		(%)	(%)	(%)	(%)	(%)	(\$/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)
13	April	0.431	0.003	0.434	0.040	0.474	0.023	0.156	0.001	0.157	-	0.157	0.008	0.274	0.002	0.276	0.018	0.293	0.014
14	May	0.369	0.002	0.371	0.028	0.399	0.019	0.156	0.001	0.157	-	0.157	0.008	0.274	0.002	0.276	0.018	0.293	0.014
15	June	0.364	0.002	0.367	0.027	0.394	0.019	0.156	0.001	0.157	-	0.157	0.008	0.274	0.002	0.276	0.018	0.293	0.014
16	July	0.364	0.002	0.366	0.026	0.392	0.019	0.156	0.001	0.157	-	0.157	0.008	0.274	0.002	0.276	0.018	0.293	0.014
17	August	0.362	0.002	0.364	0.028	0.392	0.019	0.156	0.001	0.157	-	0.157	0.008	0.274	0.002	0.276	0.018	0.293	0.014
18	September	0.358	0.002	0.361	0.027	0.388	0.019	0.156	0.001	0.157	-	0.157	0.008	0.274	0.002	0.276	0.018	0.293	0.014
19	October	0.395	0.003	0.398	0.035	0.432	0.021	0.156	0.001	0.157	-	0.157	0.008	0.274	0.002	0.276	0.018	0.293	0.014
20	November	0.397	0.003	0.400	0.018	0.418	0.020	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.008
21	December	0.404	0.003	0.407	0.013	0.420	0.020	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.008
22	January	0.417	0.003	0.420	0.015	0.434	0.021	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.008
23	February	0.408	0.003	0.411	0.015	0.426	0.021	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.008
24	March	0.415	0.003	0.418	0.021	0.439	0.021	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.008

UNION GAS LIMITED

Continuity of M12 Monthly Transportation Authorized Overrun Fuel Ratios and Fuel and Commodity Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2017

Line No.	Particulars	VT1 Easterly Dawn to Parkway (TCPL / EGT) With Dawn Compression						VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression						VT3 Westerly Parkway to Kirkwall, Dawn					
		2016	PCI Adj	2017	PDO Adj	2017	Fuel and	2016	PCI Adj	2017	PDO Adj	2017	Fuel and	2016	PCI Adj	2017	PDO Adj	2017	Fuel and
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	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	1.432	0.009	1.442	0.037	1.479	0.184	1.157	0.008	1.165	(0.003)	1.162	0.151	0.769	0.005	0.774	-	0.774	0.150
2	May	1.192	0.008	1.200	0.029	1.228	0.172	0.979	0.006	0.986	0.001	0.987	0.142	0.769	0.005	0.774	-	0.774	0.150
3	June	1.086	0.007	1.093	0.032	1.125	0.167	0.878	0.006	0.884	0.004	0.888	0.138	0.977	0.006	0.984	0.031	1.015	0.161
4	July	1.073	0.007	1.080	0.030	1.111	0.166	0.866	0.006	0.871	0.004	0.876	0.137	0.977	0.006	0.983	0.030	1.013	0.161
5	August	0.976	0.006	0.982	0.028	1.010	0.161	0.770	0.005	0.775	(0.000)	0.775	0.132	0.975	0.006	0.981	0.032	1.013	0.161
6	September	0.972	0.006	0.978	0.027	1.005	0.161	0.770	0.005	0.775	(0.000)	0.775	0.132	0.971	0.006	0.978	0.031	1.009	0.161
7	October	1.325	0.009	1.333	0.023	1.356	0.178	1.086	0.007	1.093	(0.012)	1.081	0.147	0.769	0.005	0.774	-	0.774	0.150
8	November	1.470	0.010	1.480	0.019	1.499	0.185	1.229	0.008	1.237	0.001	1.239	0.155	0.769	0.005	0.774	-	0.774	0.150
9	December	1.578	0.010	1.588	0.024	1.612	0.191	1.330	0.009	1.339	0.011	1.350	0.160	0.769	0.005	0.774	-	0.774	0.150
10	January	1.722	0.011	1.733	0.030	1.764	0.198	1.461	0.010	1.471	0.015	1.486	0.167	0.769	0.005	0.774	-	0.774	0.150
11	February	1.668	0.011	1.679	0.027	1.706	0.195	1.416	0.009	1.425	0.012	1.437	0.164	0.769	0.005	0.774	-	0.774	0.150
12	March	1.606	0.011	1.617	0.018	1.635	0.192	1.347	0.009	1.356	(0.003)	1.353	0.160	0.769	0.005	0.774	-	0.774	0.150
		M12-X Easterly Kirkwall to Parkway (TCPL / EGT)						M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)						M12-X Westerly Parkway to Kirkwall, Dawn					
		2016	PCI Adj	2017	PDO Adj	2017	Fuel and	2016	PCI Adj	2017	PDO Adj	2017	Fuel and	2016	PCI Adj	2017	PDO Adj	2017	Fuel and
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	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)
13	April	1.044	0.007	1.051	0.040	1.091	0.193	0.769	0.005	0.774	-	0.774	0.177	0.887	0.006	0.893	0.018	0.910	0.184
14	May	0.981	0.006	0.988	0.028	1.016	0.189	0.769	0.005	0.774	-	0.774	0.177	0.887	0.006	0.893	0.018	0.910	0.184
15	June	0.977	0.006	0.984	0.027	1.011	0.189	0.769	0.005	0.774	-	0.774	0.177	0.887	0.006	0.893	0.018	0.910	0.184
16	July	0.977	0.006	0.983	0.026	1.009	0.189	0.769	0.005	0.774	-	0.774	0.177	0.887	0.006	0.893	0.018	0.910	0.184
17	August	0.975	0.006	0.981	0.028	1.009	0.189	0.769	0.005	0.774	-	0.774	0.177	0.887	0.006	0.893	0.018	0.910	0.184
18	September	0.971	0.006	0.978	0.027	1.005	0.188	0.769	0.005	0.774	-	0.774	0.177	0.887	0.006	0.893	0.018	0.910	0.184
19	October	1.008	0.007	1.014	0.035	1.049	0.191	0.769	0.005	0.774	-	0.774	0.177	0.887	0.006	0.893	0.018	0.910	0.184
20	November	1.010	0.007	1.017	0.018	1.035	0.190	0.769	0.005	0.774	-	0.774	0.177	0.769	0.005	0.774	-	0.774	0.177
21	December	1.017	0.007	1.024	0.013	1.037	0.190	0.769	0.005	0.774	-	0.774	0.177	0.769	0.005	0.774	-	0.774	0.177
22	January	1.030	0.007	1.036	0.015	1.051	0.191	0.769	0.005	0.774	-	0.774	0.177	0.769	0.005	0.774	-	0.774	0.177
23	February	1.021	0.007	1.028	0.015	1.043	0.190	0.769	0.005	0.774	-	0.774	0.177	0.769	0.005	0.774	-	0.774	0.177
24	March	1.028	0.007	1.035	0.021	1.056	0.191	0.769	0.005	0.774	-	0.774	0.177	0.769	0.005	0.774	-	0.774	0.177

UNION GAS LIMITED

Continuity of M12 Monthly Transportation Fuel Ratios and Fuel and Commodity Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2017

Line No.	Particulars	M13 Delivery Commodity Charge						M13 Authorized overrun - Delivery Commodity Charge					
		2016	PCI Adj	2017	PDO Adj	2017	Fuel and	2016	PCI Adj	2017	PDO Adj	2017	Fuel and
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
1		0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.077
		M16 Fuel Charges to Dawn						M16 Fuel Charges to Pool					
		2016	PCI Adj	2017	PDO Adj	2017	Fuel and	2016	PCI Adj	2017	PDO Adj	2017	Fuel and
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
2	East	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	0.029	0.186	0.009
3	West	0.156	0.001	0.157	-	0.157	0.008	0.444	0.003	0.447	-	0.447	0.022
		M16 Authorized overrun - Fuel Charges to Dawn						M16 Authorized Overrun - Fuel Charges to Pool					
		2016	PCI Adj	2017	PDO Adj	2017	Fuel and	2016	PCI Adj	2017	PDO Adj	2017	Fuel and
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
4	East	0.156	0.001	0.157	-	0.157	0.067	0.156	0.001	0.157	0.029	0.186	0.034
5	West	0.156	0.001	0.157	-	0.157	0.077	0.444	0.003	0.447	-	0.447	0.056

UNION GAS LIMITED

Continuity of C1 Monthly Transportation Fuel Ratios and Fuel and Commodity Rates including Parkway Delivery Obligation (PDO) Pass-through

Firm or Interruptible Transportation Commodity

Effective January 1, 2017

Line No.	Particulars	C1 St. Clair / Dawn						C1 Ojibway / Dawn						C1 Bluewater / Dawn					
		2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity
		(%)	(%)	(%)	(%)	(%)	(\$/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	Summer	0.205	0.001	0.207	-	0.207	0.010	0.444	0.003	0.447	-	0.447	0.022	0.205	0.001	0.207	-	0.207	0.010
2	Winter	0.264	0.002	0.266	-	0.266	0.013	0.301	0.002	0.303	-	0.303	0.015	0.264	0.002	0.266	-	0.266	0.013
C1 Dawn to Dawn-TCPL							C1 Dawn to Dawn-Vector												
2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj
Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel
(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio
(%)	(%)	(%)	(%)	(%)	(\$/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)	(s)	(t)
3	Summer	0.156	0.001	0.157	-	0.157	0.008	0.337	0.002	0.339	-	0.339	0.017	0.156	0.001	0.157	-	0.157	0.008
4	Winter	0.349	0.002	0.351	-	0.351	0.017	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.008
C1 Parkway to Kirkwall							C1 Parkway to Dawn							C1 Kirkwall to Dawn					
2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj
Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel
(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio
(%)	(%)	(%)	(%)	(%)	(\$/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)	(s)	(t)
5	Summer	0.274	0.002	0.276	0.018	0.293	0.014	0.274	0.002	0.276	0.018	0.293	0.014	0.156	0.001	0.157	-	0.157	0.008
6	Winter	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.008
C1 Dawn to Kirkwall							C1 Dawn to Parkway (TCPL)							C1 Kirkwall to Parkway					
2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj
Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel
(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio
(%)	(%)	(%)	(%)	(%)	(\$/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)	(s)	(t)
7	Summer	0.317	0.002	0.319	(0.001)	0.318	0.016	0.538	0.004	0.541	0.029	0.571	0.028	0.378	0.002	0.380	0.030	0.410	0.020
8	Winter	0.744	0.005	0.749	0.007	0.756	0.037	0.996	0.007	1.002	0.024	1.026	0.050	0.408	0.003	0.411	0.016	0.427	0.021

UNION GAS LIMITED

Continuity of C1 Monthly Transportation Authorized Overrun Fuel Ratios and Fuel and Commodity Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2017

Line No.	Particulars	C1 Authorized Overrun - St. Clair / Dawn						C1 Authorized Overrun - Ojibway / Dawn						C1 Authorized Overrun - Bluewater / Dawn					
		2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate	2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate	2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity 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	Summer	0.205	0.001	0.207	-	0.207	0.044	0.444	0.003	0.447	-	0.447	0.056	0.205	0.001	0.207	-	0.207	0.044
2	Winter	0.264	0.002	0.266	-	0.266	0.047	0.301	0.002	0.303	-	0.303	0.049	0.264	0.002	0.266	-	0.266	0.047
3	Summer	C1 Authorized Overrun - Dawn to Dawn-TCPL						C1 Authorized Overrun - Dawn to Dawn-Vector											
		2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate	2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate						
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)						
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)						
4	Winter	0.156	0.001	0.157	-	0.157	0.008	0.337	0.002	0.339	-	0.339	0.017						
		0.349	0.002	0.351	-	0.351	0.017	0.156	0.001	0.157	-	0.157	0.008						
5	Summer	C1 Authorized Overrun - Parkway to Kirkwall						C1 Authorized Overrun - Parkway to Dawn						C1 Authorized Overrun - Kirkwall to Dawn					
		2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate	2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate	2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity 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)
6	Winter	0.887	0.006	0.893	0.018	0.910	0.156	0.887	0.006	0.893	0.018	0.910	0.156	0.156	0.001	0.157	-	0.157	0.056
		0.769	0.005	0.774	-	0.774	0.150	0.769	0.005	0.774	-	0.774	0.150	0.156	0.001	0.157	-	0.157	0.056
7	Summer	C1 Authorized Overrun - Dawn to Kirkwall						C1 Authorized Overrun - Dawn to Parkway (TCPL)						C1 Authorized Overrun - Kirkwall to Parkway					
		2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate	2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate	2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity 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)
8	Winter	0.929	0.006	0.936	(0.001)	0.935	0.140	1.151	0.008	1.158	0.029	1.188	0.170	0.990	0.007	0.997	0.030	1.027	0.068
		1.357	0.009	1.366	0.007	1.373	0.161	1.609	0.011	1.619	0.024	1.643	0.192	1.021	0.007	1.028	0.016	1.044	0.069

UNION GAS LIMITED
Continuity of Rate T1, Rate T2, Rate T3 Firm and Interruptible Transportation Fuel Ratios
Including the Parkway Delivery Obligation (PDO) Compressor Fuel Volumes
Effective January 1, 2017

Line No.	Particulars	PCI Adjustment to 2016 Approved Fuel Ratios					Incremental 2017 PDO Fuel Adjustment				Total 2017 Transportation Fuel Ratio (%) (j) = (e + i)
		2016 Fuel Ratio (incl. PDO) (%) (1)	Remove PDO Adj Fuel Ratio (%) (2)	2016 Fuel Ratio (excl. PDO) (%) (3)	PCI Adj Fuel Ratio (%) (4)	2017 Fuel Ratio (excl. PDO) (%) (5)	Incremental PDO Fuel Volumes (GJ) (6)	Incremental Fuel (10 ³ m ³) (7)	Annual Delivery Volume (10 ³ m ³) (8)	Incremental PDO Fuel Ratio (%) (9)	
		(a)	(b) = (-i)	(c) = (a + b)	(d)	(e) = (c + d)	(f)	(g) = (f) / HV	(h)	(i) = (g / h)	
		(a)	(b) = (-i)	(c) = (a + b)	(d)	(e) = (c + d)	(f)	(g) = (f) / HV	(h)	(i) = (g / h)	
1	Rate T1	0.303%	-0.048%	0.255%	0.002%	0.257%	9,786	259	536,730	0.048%	0.305%
2	Rate T2	0.282%	-0.030%	0.252%	0.002%	0.254%	46,626	1,235	4,129,518	0.030%	0.283%
3	Rate T3	0.378%	-0.087%	0.291%	0.002%	0.293%	9,001	238	272,712	0.087%	0.380%

Notes:

- (1) EB-2015-0116, Working Papers, Schedule 22, column (j).
- (2) EB-2015-0116, Working Papers, Schedule 22, column (i).
- (3) PCI of 0.66% shown at Working Papers, Schedule 1, column (c) applied to column (c) above.
- (4) Rate Order, Working Papers, Schedule 20, p. 3, column (i).
- (5) Conversion to 10³m³ based on a heating value (HV) of 37.75 GJ/10³m³.

UNION GAS LIMITED
Union North Transportation and Storage Cost Allocation to the Union North West Zone and Union North East Zone by Rate Class
Based on the 2017 Gas Supply Plan per EB-2015-0181 at October 2016 QRAM

Line No.	Particulars	Approved 2017 - EB-2015-0181			October 2016 QRAM Update (2)			Recovery of Common Costs (3)	Gas Supply Optimization (4)	IRM Adjustments (5)		Total Included in 2017 Rates		
		Transportation	Storage	Total (1)	Transportation	Storage	Total	Transportation	Transportation	Transportation	Storage	Transportation	Storage	Total
		(a)	(b)	(c) = (a+b)	(d)	(e)	(f) = (d+e)	(g)	(h)	(i)	(j)	(k) = (a+d+g+h+i)	(l) = (b+e+j)	(m) = (k+l)
<u>Union North West</u>														
1	Rate 01	19,276	3,895	23,171	(429)	37	(392)	283	(1,133)	(4)	128	17,993	4,061	22,054
2	Rate 10	5,206	919	6,125	(116)	9	(107)	73	(321)	(1)	28	4,841	956	5,798
3	Rate 20	2,474	331	2,805	(56)	4	(52)	61	(197)	(1)	12	2,281	347	2,628
4	Rate 100	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Rate 25	136	-	136	(3)	-	(3)	3	(16)	(0)	-	120	-	120
6	Total Union North West	27,091	5,145	32,236	(603)	50	(554)	420	(1,667)	(6)	169	25,235	5,364	30,599
<u>Union North East</u>														
7	Rate 01	21,427	38,536	59,962	148	658	807	697	(2,787)	(11)	316	19,474	39,510	58,984
8	Rate 10	7,873	10,789	18,662	54	183	237	233	(1,021)	(2)	90	7,138	11,063	18,201
9	Rate 20	2,269	2,814	5,083	16	47	62	86	(280)	(1)	18	2,089	2,879	4,967
10	Rate 100	-	272	272	-	5	5	14	-	-	23	14	300	314
11	Rate 25	651	-	651	5	-	5	19	(101)	(2)	-	572	-	572
12	Total Union North East	32,219	52,411	84,630	224	893	1,116	1,049	(4,189)	(16)	447	29,287	53,751	83,038
<u>Common Costs</u>														
13	Rate 01	981	-	981	-	-	-	(981)	-	-	-	-	-	-
14	Rate 10	306	-	306	-	-	-	(306)	-	-	-	-	-	-
15	Rate 20	147	-	147	-	-	-	(147)	-	-	-	-	-	-
16	Rate 100	14	-	14	-	-	-	(14)	-	-	-	-	-	-
17	Rate 25	22	-	22	-	-	-	(22)	-	-	-	-	-	-
18	Total Union North East	1,470	-	1,470	-	-	-	(1,470)	-	-	-	-	-	-
<u>Total</u>														
19	Rate 01	41,683	42,431	84,114	(280)	695	415	-	(3,920)	(15)	444	37,468	43,570	81,038
20	Rate 10	13,385	11,708	25,093	(62)	192	130	-	(1,342)	(2)	119	11,979	12,019	23,998
21	Rate 20	4,889	3,145	8,034	(40)	51	11	-	(477)	(2)	30	4,369	3,226	7,595
22	Rate 100	14	272	286	-	5	5	-	-	-	23	14	300	314
23	Rate 25	809	-	809	2	-	2	-	(117)	(2)	-	692	-	692
24	Total	60,780	57,556	118,336	(380)	942	563	-	(5,856)	(22)	616	54,522	59,115	113,637

- Notes:
- (1) EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 7, column (c).
 - (2) Rate Order, Working Papers, Schedule 23, pp. 2-4.
 - (3) EB-2015-0181, Exhibit A, Tab 3, Appendix A, Schedule 6, p.1, column (c). Common costs recovered by zones based on 2017 billing units.
 - (4) 2017 Gas Supply Optimization Margin per Working Paper 14, column (e) recovered by Union North West and Union North East Zones by rate class in proportion to 2017 billing units.
 - (5) IRM adjustments included in Union North storage and transportation rates for the period of 2013-2016, including the 2017 PCI.

UNION GAS LIMITED
Union North 2017 Gas Supply Plan updated for October 2016 QRAM

Line No.	Particulars	Annual	April 2015 QRAM		October 2016 QRAM		Cost Variance (f) = (e - c)
		Volume (1)	Rates (2)	Costs (3)	Rates (4)	Costs	
		(TJ)	(\$ / GJ)	(\$000's)	(\$ / GJ)	(\$000's)	
		(a)	(b)	(c)	(d)	(e)	
<u>Transportation Costs</u>							
<u>Union North West Zone Demand Costs</u>							
1	TCPL MDA	2,031	21.914	1,463	21.409	1,430	(34)
2	TCPL SSMDA	2,972	43.994	4,299	43.002	4,202	(97)
3	TCPL WDA	18,764	31.471	19,414	30.756	18,973	(441)
4	CTHI/CPMI	2,066	18.805	1,277	18.785	1,276	(1)
5	Subtotal			26,453		25,880	(573)
<u>Union North East Zone Demand Costs</u>							
6	TCPL NCDA	3,211	58.024	6,125	57.533	6,073	(52)
7	TCPL EDA	365	64.066	769	63.526	762	(6)
8	TCPL NDA	2,915	48.527	4,651	47.436	4,546	(105)
9	TCPL PKWY EDA	21,108	12.138	8,423	12.406	8,610	186
10	TCPL PKWY NDA	15,695	17.445	9,001	17.836	9,204	202
11	TCPL PKWY NCDA	122	8.642	35	8.830	35	1
12	Subtotal			29,004		29,230	226
<u>Common Costs</u>							
13	LBA			1,200		1,200	-
14	TCPL Minimum Flow Charge			71		71	-
15	Subtotal			1,271		1,271	-
16	Demand Costs in Rates (line 5 + line 12 + line 15)			56,728		56,381	(347)
<u>Commodity Costs</u>							
17	Union North West Zone Commodity Costs			-		-	-
18	Union North East Zone Commodity Costs			-		-	-
19	Commodity Costs in Rates			-		-	-
20	Total Transportation Demand (line 16 + line 19)			56,728		56,381	(347)
<u>Union North West Zone Fuel Costs</u>							
21	TCPL MDA	6	2.951	19	2.812	18	(1)
22	TCPL SSMDA	54	2.951	159	2.812	151	(7)
23	TCPL WDA	155	2.951	457	2.812	435	(22)
24	CTHI/CPMI	1	2.951	3	2.812	3	(0)
25	Subtotal			638		608	(30)
<u>Union North East Zone Fuel Costs</u>							
26	TCPL NCDA	87	2.951	256	2.812	244	(12)
27	TCPL EDA	11	2.951	33	2.812	31	(2)
28	TCPL NDA	70	2.951	205	2.812	196	(10)
29	TCPL PKWY EDA	52	3.742	196	3.935	206	10
30	TCPL PKWY NDA	55	3.742	206	3.935	217	11
31	TCPL PKWY NCDA	-	3.742	-	3.935	-	-
32	Subtotal			896		893	(3)
33	Fuel Costs in Rates (line 25 + line 32)			1,534		1,501	(33)
34	Total Transportation Costs (line 20 + line 33)			58,261		57,882	(380)

Notes:

- (1) EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 1, Page 1, column (g).
- (2) Reference prices and approved tolls based on April 2015 QRAM (EB-2015-0035).
- (3) EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 1, Page 1, column (h).
- (4) Reference prices and approved tolls based on October 2016 QRAM (EB-2016-0247).

UNION GAS LIMITED
Union North 2017 Gas Supply Plan updated for October 2016 QRAM

Line No.	Particulars	Annual	April 2015 QRAM		October 2016 QRAM		Cost Variance (f) = (e - c)
		Volume (1) (TJ) (a)	Rates (2) (\$ / GJ) (b)	Costs (3) (\$000's) (c)	Rates (4) (\$ / GJ) (d)	Costs (\$000's) (e)	
<u>Storage Costs</u>							
<u>Union North West Zone Demand Costs</u>							
1	TCPL WDA STS Injection	1,150	41.230	1,558	42.172	1,594	36
2	Subtotal			1,558		1,594	36
<u>Union North East Zone Demand Costs</u>							
3	TCPL NDA STS Injection	17,921	17.445	10,278	17.836	10,509	231
4	TCPL EDA STS Withdrawal	9,845	12.138	3,929	12.406	4,016	87
5	TCPL Pkwy to EDA	19,042	12.138	7,599	12.406	7,767	168
6	TCPL Pkwy to EDA EMB	9,125	13.352	4,005	13.591	4,077	72
7	TCPL Pkwy to NDA	24,455	17.445	14,026	17.836	14,340	315
8	Subtotal			39,837		40,709	872
9	Demand Costs in Rates (line 36 + line 42)			41,395		42,303	908
<u>Union North West Zone Fuel Costs</u>							
10	TCPL WDA STS Injection	14	3.742	53	3.935	56	3
11	TCPL SSMDA STS Withdrawal	28	3.742	104	3.935	109	5
12	TCPL WDA STS Withdrawal	31	3.742	117	3.935	123	6
13	Subtotal			274		288	14
<u>Union North East Zone Fuel Costs</u>							
14	TCPL NDA STS Injection	-	3.742	-	3.935	-	-
15	TCPL EDA STS Withdrawal	-	3.742	-	3.935	-	-
16	TCPL NCDA STS Injection	2	3.742	6	3.935	7	0
17	TCPL NCDA STS Withdrawal	8	3.742	31	3.935	33	2
18	TCPL NDA STS Withdrawal	-	3.742	-	3.935	-	-
19	TCPL Pkwy to EDA	8	3.742	29	3.935	30	1
20	TCPL Pkwy to EDA EMB	17	3.742	64	3.935	67	3
21	TCPL Pkwy to NDA	69	3.742	258	3.935	271	13
22	Subtotal			388		408	20
23	Fuel Costs in Rates (line 47 + line 56)			662		696	34
24	Total Storage Costs (line 43 + line 57)			42,057		42,999	942
25	Total Storage and Transportation Costs (line 34 + line 58)			100,318		100,881	563

Notes:

- (1) EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 1, Page 1, column (g).
(2) Reference prices and approved tolls based on April 2015 QRAM (EB-2015-0035).
(3) EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 1, Page 1, column (h).
(4) Reference prices and approved tolls based on October 2016 QRAM (EB-2016-0247).

UNION GAS LIMITED
Allocation of Union North Transportation and Storage Related Costs by Zone
Based on October 2016 QRAM

Line No.	Particulars (\$000's)	Total (a)	Rate 01 (b)	Rate 10 (c)	Rate 20 (d)	Rate 100 (e)	Rate 25 (f)
Union North West Zone							
Transportation Demand Costs							
1	EB-2015-0181 Dawn Reference Price and North-T Service	26,453	18,848	5,076	2,399	-	130
2	EB-2016-0245 2017 Rates	25,880	18,439	4,966	2,347	-	127
3	Change in Costs (line 2 - line 1)	(573)	(408)	(110)	(52)	-	(3)
Transportation Fuel Costs							
4	EB-2015-0181 Dawn Reference Price and North-T Service	638	428	129	75	-	6
5	EB-2016-0245 2017 Rates	608	408	123	71	-	6
6	Change in Costs (line 5 - line 4)	(30)	(20)	(6)	(4)	-	(0)
7	Total Change in Transportation Costs (line 3 + line 6)	(603)	(429)	(116)	(56)	-	(3)
Storage Demand Costs							
8	EB-2015-0181 Dawn Reference Price and North-T Service	1,558	1,200	272	86	-	-
9	EB-2016-0245 2017 Rates	1,594	1,227	279	88	-	-
10	Change in Costs (line 9 - line 8)	36	27	6	2	-	-
Storage Fuel Costs							
11	EB-2015-0181 Dawn Reference Price and North-T Service	274	185	56	33	-	-
12	EB-2016-0245 2017 Rates	288	194	59	35	-	-
13	Change in Costs (line 12 - line 11)	14	10	3	2	-	-
14	Total Change in Storage Costs (line 10 + line 13)	50	37	9	4	-	-
16	Total Change in North West Zone Costs (line 7 + line 14)	(554)	(392)	(107)	(52)	-	(3)
Union North East Zone							
Transportation Demand Costs							
17	EB-2015-0181 Dawn Reference Price and North-T Service	29,004	19,281	7,071	2,030	-	622
18	EB-2016-0245 2017 Rates	29,230	19,431	7,126	2,045	-	628
19	Change in Costs (line 18 - line 17)	226	150	55	16	-	5
Transportation Fuel Costs							
20	EB-2015-0181 Dawn Reference Price and North-T Service	896	573	223	72	-	28
21	EB-2016-0245 2017 Rates	893	571	222	72	-	28
22	Change in Costs (line 21 - line 20)	(3)	(2)	(1)	(0)	-	0
23	Total Change in Transportation Costs (line 19 + line 22)	224	148	54	16	-	5
Storage Demand Costs							
24	EB-2015-0181 Dawn Reference Price and North-T Service	39,837	29,466	8,130	2,037	204	-
25	EB-2016-0245 2017 Rates	40,709	30,111	8,308	2,082	208	-
26	Change in Costs (line 25 - line 24)	872	645	178	45	4	-
Storage Fuel Costs							
27	EB-2015-0181 Dawn Reference Price and North-T Service	388	246	96	44	2	-
28	EB-2016-0245 2017 Rates	408	259	101	46	2	-
29	Change in Costs (line 28 - line 27)	20	13	5	2	0	-
30	Total Change in Storage Costs (line 26 + line 29)	893	658	183	47	5	-
31	Total Change in North West Zone Costs (line 23 + line 30)	1,116	807	237	62	5	5
Common Costs							
32	EB-2015-0181 Dawn Reference Price and North-T Service	1,271	-	-	-	-	-
33	EB-2016-0245 2017 Rates	1,271	-	-	-	-	-
34	Change in Costs (line 33 - line 32)	-	-	-	-	-	-
35	Total Change in Storage and Transportation Costs (line 16 + line 31) (1)	563	415	130	11	5	2

TAB 2

PARKWAY DELIVERY OBLIGATION REPORTING

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

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

a) Capacity Available for PDO Shift

In April 2014, Union offered DP customers 146 TJ/day of temporarily available excess Dawn to Parkway capacity to shift a portion of their PDO to Dawn. This temporary capacity was no longer available as of October 31, 2015. Union agreed to manage the Parkway shortfall to maintain the 146 TJ/day of PDO shift beyond October 31, 2015 until sufficient Dawn to Kirkwall capacity was turned back by other M12 customers.

1 For November 2017, Union forecasts it will have sufficient Dawn to Kirkwall M12 turnback to
2 replace the temporary capacity and to provide additional PDO reductions of 73 TJ/d at
3 November 1, 2017, of which 54 TJ/d is for customers without M12 service and 19 TJ/d is for
4 customers with M12 service (including TCE Halton Hills Generation Station (“HHGS”)). Union
5 forecasts that no additional PDO shift will be available to Union South DP customers in 2018.

6
7 Please see Exhibit A, Tab 2, Attachment 1, for an updated table illustrating the capacity available
8 for PDO shift, and the current and forecasted PDO reductions.

9
10 Exhibit A, Tab 2, Attachment 1, line 1 provides an updated forecast of the Dawn to Parkway
11 equivalent of the M12 Dawn to Kirkwall turnback used to facilitate PDO shift for customers that
12 do not use M12 service to meet their PDO. The quantities shown are the Dawn to Parkway
13 equivalent of Dawn to Kirkwall turnback at an equivalency factor of approximately 73%¹.

14
15 A comparison of the forecast provided in the 2016 Rates proceeding (EB-2015-0116) and the
16 current forecast is provided in Table 1 below.

¹ Please see EB-2013-0365, Exhibit A, Tab 4, p. 24 for the explanation of the equivalency factor.

Table 1

M12 Dawn to Kirkwall Turnback Forecast (Dawn to Parkway Equivalent)

Particulars (TJ/d)	Nov 2016	Nov 2017	Nov 2018
2016 Rates IR ² EB-2015-0116	10	67	n/a
2017 Rates EB-2016-0245	10	67	0

Union is forecasting 67 TJ/day of turnback for November 1, 2017 and no turnback for November 1, 2018. The forecast for November 1, 2018 is Union's current expectation, and will be confirmed by customers through contract elections by October 31, 2016 (2 years before expiry).

The allocation of the updated capacity available through forecasted turnback is reflected in Exhibit A, Tab 2, Attachment 1, lines 2 to 6. The quantities turned back are first allocated to replace the Parkway shortfall of 146 TJ/day that is associated with the PDO (Exhibit A, Tab 2, Attachment 1, line 4). Once the temporary shortfall capacity has been replaced, any remaining quantity will be used to facilitate further PDO relief. Based on Union's current forecast, there will be no shortfall remaining past November 1, 2017.

b) Forecast PDO Quantities

Please see Exhibit A, Tab 2, Attachment 1, lines 7 to 9 for a summary of the total PDO for all Union South DP customers and Exhibit A, Tab 2, Attachment 1, lines 10 to 23 for details on each DP customer grouping.

² Please see EB-2015-0116, Exhibit B.APPrO.4, Attachment 1.

1 When implementing the first PDO shift of 146 TJ/day in 2014, customers' contracts with a PDO
2 less than 100 GJ/day were allowed to shift 100% of their PDO to Dawn; all other customers were
3 allowed to shift the greatest of 99 GJ/day or 36% of their PDO. This simplified the contract
4 administration for small contracts while not significantly reducing the percentage available for
5 all other contracts.

6
7 Union proposes to apply a similar approach when implementing the shift effective November 1,
8 2017. Since the capacity available for PDO shift is approximately 60% less (54 TJ/day versus
9 146 TJ/day) than what had been available for the previous shift, Union proposes to reduce the
10 threshold to 40 GJ/day. Application of this threshold will utilize approximately 12 TJ/day
11 (Exhibit A, Tab 2, Attachment 1, line 14, Column k) and the quantity remaining for all other
12 contracts will be reduced to 17% of the PDO (42 TJ/day divided by 249 TJ/day). Customers
13 with M12 capacity can shift an equal pro-rata share of 17% or 19 TJ/day (Exhibit A, Tab 2,
14 Attachment 1, lines 17 and 21) of the PDO to Dawn for a total shift of 73 TJ/day.

15
16 Union expects to conduct a customer election process during the second quarter of 2017 where
17 customers will determine their level of participation in the PDO shift effective November 1,
18 2017. As the total contracted PDO may change prior to the election process, the threshold for
19 small contracts and the remaining percentage for all other contracts will be reevaluated and
20 adjusted as necessary at that time.

1 The forecast of M12 Dawn to Kirkwall turnback will result in no incremental reduction for the
2 PDO for DP customers in 2018. However, as part of the 2014 Rates Settlement Agreement (EB-
3 2013-0365), HHGS has the option to turn back all or any portion of its remaining M12 capacity
4 and convert an equal amount of the PDO to non-obligated deliveries at Dawn as of November 1,
5 2018. As such, HHGS has a PDO reduction of 70 TJ/d forecasted in 2018.

6
7 The PDO for sales service customers is shown at Exhibit A, Tab 2, Attachment 1, line 24.

8
9 c) Management of Shortfall

10 Union projects a shortfall at Parkway of 13 TJ/d between November 1, 2016 and October 31,
11 2017 until sufficient M12 Dawn to Kirkwall capacity has been turned back. No shortfall at
12 Parkway exists beyond November 1, 2017.

13
14 d) Dawn to Parkway Transmission Compressor Fuel

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

17
18 Please see Exhibit A, Working Papers, Schedule 20 for details of PDO included in 2017 rates by
19 rate class.

Parkway Delivery Obligation (PDO) for 2014 - 2018
(TJ/day)

Line No.		Particulars		2014 Rates				2015 Rates			2016 Rates			2016 Rates IR			2017 Rates		
				As Filed (EB-2013-0365)				As Filed (EB-2014-0271) (2)			As Filed (EB-2015-0116)			As Filed (EB-2015-0116)			As Filed (EB-2016-0245)		
				Apr-14	Nov-14 (1)	Nov-15	Nov-16	Nov-14	Nov-15	Nov-16	Nov-15	Nov-16	Nov-17	Nov-15	Nov-16	Nov-17	Nov-16	Nov-17	Nov-18
		(a)	(b)	(c)	(d)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)		
CAPACITY AVAILABLE FOR PDO SHIFT																			
1	Ex-Franchise M12 Dawn to Kirkwall Turnback (3)	0	0	0	-28	0	-123	-11	-123	-10	-29	-123	-10	-67	-10	-67	0		
Allocation of Capacity Available (turnback):																			
2	Opening Balance	0	-146	-146	-146	-146	-146	-23	-146	-23	-13	-146	-23	-13	-23	-13	0		
3	Temporary Capacity Provided	-146	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
4	Replacement of Temporary Capacity	0	0	0	28	0	123	11	123	10	13	123	10	13	10	13	0		
5	Closing Balance	-146	-146	-146	-118	-146	-23	-12	-23	-13	0	-23	-13	0	-13	0	0		
6	Available for PDO Shift	-146	0	0	0	0	0	0	0	0	-16	0	0	-54	0	-54	0		
TOTAL DIRECT PURCHASE PDO																			
7	Beginning PDO (4)	564	352	352	352	345	345	345	369	369	369	369	369	369	376	376	303		
8	Annual PDO Shift line 11 + line 17 + line 21	-212	0	0	0	0	0	0	0	0	-23	0	0	-79	0	-73	-70		
9	Remaining PDO	352	352	352	352	345	345	345	369	369	346	369	369	290	376	303	233		
DIRECT PURCHASE PDO DETAIL BY CUSTOMER GROUP																			
PDO for Customers without M12 Service:																			
10	Beginning PDO	380	234	234	234	228	228	228	254	254	254	254	254	254	261	261	207		
11	PDO Shift	-146	0	0	0	0	0	0	0	0	-16	0	0	-54	0	-54	0		
12	Surplus Required	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
12	Remaining PDO	234	234	234	234	228	228	228	254	254	238	254	254	200	261	207	207		
13	Annual PDO Shift	146	0	0	0	0	0	0	0	0	16	0	0	54	0	54	0		
14	Allocation to those with PO < 100 GJ/day (6)	14	0	0	0	0	0	0	0	0	0	0	0	0	0	12	0		
15	Percentage Reduction for those with PO > 99 GJ/day (6)	36%	0%	0%	0%	0%	0%	0%	0%	0%	6%	0%	0%	21%	0%	17%	0%		
PDO for Customers with M12 Service (except TCE):																			
16	Beginning PDO	52	33	33	33	33	33	33	31	31	31	31	31	31	31	31	26		
17	In-Franchise M12 Dawn to Parkway Turnback line 15 * line 16	-19	0	0	0	0	0	0	0	0	-2	0	0	-7	0	-5	0		
18	Remaining PDO	33	33	33	33	33	33	33	31	31	29	31	31	24	31	26	26		
19	Annual PDO Shift	19	0	0	0	0	0	0	0	0	2	0	0	7	0	5	0		
PDO for TCE Halton Hills:																			
20	Beginning PDO	132	85	85	85	84	84	84	84	84	84	84	84	84	84	84	70		
21	In-Franchise M12 Dawn to Parkway turnback line 15 * line 20	-47	0	0	0	0	0	0	0	0	-5	0	0	-18	0	-14	-70		
22	Remaining PDO	85	85	85	85	84	84	84	84	84	79	84	84	66	84	70	0		
23	Annual PDO Shift	47	0	0	0	0	0	0	0	0	5	0	0	18	0	14	70		
24	PDO for Sales Service (5)	98	103	103	11	103	103	11	103	11	11	103	11	11	19	11	11		

Notes:

(1) This November 2014 column has been included in the "As Filed" section to provided comparability to the updated forecast.

(2) EB-2014-0271, Exhibit B.BOMA.1.

(3) Dawn to Parkway equivalent capacity.

The difference between column (c) and column (e) reflects changes in the Dawn to Parkway equivalency factor.

(4) The difference between column (b) and column (d) reflects actual contract changes.

(5) The actual contract amount for November 1, 2016 is higher, but Union has turnback rights which are effective January, 2017.

(6) For November, 2017 customers with PO < 40GJs/day will be allocated to shift 100% of their obligation to Dawn.



2016/17 Gas Supply Plan Memorandum

September 2016

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1. INTRODUCTION

This document provides an overview of the 2016/17 Gas Supply Plan (“GSP” or the “Plan”) of Union Gas Limited (“Union”) and includes the underpinning assumptions and the market context from which it was formed. This includes future trends that may impact the GSP going forward.

1.1 Overview of the Gas Supply Planning Process

The objective of Union’s GSP is to identify the efficient combination of upstream transportation, supply purchases, and storage assets required to serve sales service and bundled direct purchase (“DP”) customers’ annual, seasonal and design day gas delivery requirements under a set of gas supply planning principles. The gas supply planning principles are outlined in detail in Section 3.

Union’s GSP provides the strategic direction guiding the Company’s long-term supply acquisition process. The GSP does not commit Union to the acquisition of a specific supply type or facility, nor does it preclude Union from pursuing a particular supply. Rather, the GSP identifies the transportation and supply volume requirements. Union recognizes that the gas supply planning process is dynamic, reflecting changing market forces.

1.2 Summary of Union North and Union South

In Ontario, natural gas is a significant and critical energy source relied on for providing heat and hot water to homes and institutions, fuelling manufacturing plants and generating electricity. These applications operate on demand, meaning that consumers expect the energy to be readily available to be used when needed.

Home owners in Ontario depend on a reliable supply of natural gas. The natural gas infrastructure needs to be robust reflecting the critical role natural gas delivery plays in Ontario, and flexible to allow Ontario to position itself to secure long-term access to economic supply in light of changing North American supply dynamics.

Union serves approximately 1.4 million customers in northern, eastern and southern Ontario through an integrated network of over 70,000 kilometres of natural gas transmission and distribution pipelines. Total consumption in Union’s franchise areas during 2015 was approximately 539 PJ.

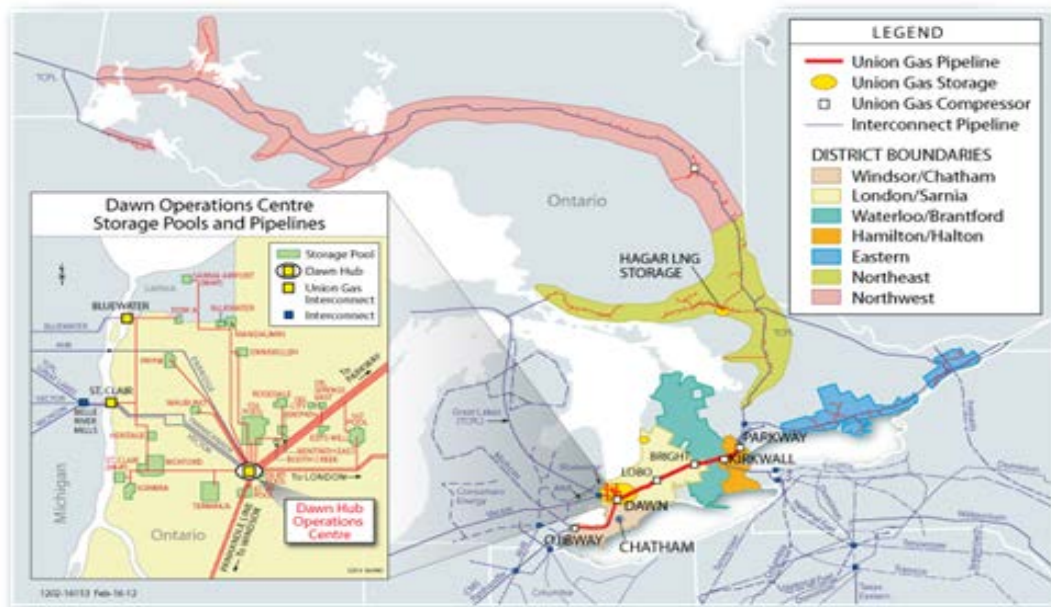
Union operates storage and transmission assets that include 175 PJ of underground natural gas storage at the Dawn Hub and a 7.3 PJ/d Dawn Parkway transmission system. Union’s Dawn Parkway System is an integral part of the natural gas delivery system for Ontario, Québec and U.S. Northeast residents, businesses, power plants and industries. The Dawn Parkway System connects these consuming markets to most of North America’s major supply basins, the largest area of underground natural gas storage in North America, and the liquid Dawn Hub.

Union’s Dawn Hub has been recognized as a key market hub for the Province of Ontario and the entire Great Lakes region. The growth of Dawn as an energy hub and the availability of competitively and transparently priced natural gas supplies and services that come with an effective and efficient trading hub have benefitted all Ontarians. Dawn is one of the most physically traded, liquid hubs in North America. The liquidity of Dawn is the result of the combination of access to underground storage, interconnections with upstream pipelines, take away capacity to growth markets, a large number of buyers and sellers of natural gas, and price transparency.

Of the 1.4 million customers that Union serves, approximately 1.3 million are system sales customers that rely on Union to provide their gas supply. These customers are primarily residential and small commercial customers. The remaining customers rely on DP arrangements with marketers and alternate suppliers to meet their gas supply needs. From a volume perspective, sales service customers consumed 174 PJ in 2015, while DP customers consumed 365 PJ.

Union is divided into two separate operating areas: Union South and Union North. As shown in Figure 1, Union South includes four Districts; Windsor/Chatham, London/Sarnia, Waterloo/Brantford and Hamilton/Halton. Union North includes the Eastern, Northeast and Northwest Districts.

Figure 1



Union North is served exclusively through deliveries off of the TransCanada Mainline. Five of the six Northern delivery areas align with delivery areas on the TransCanada Pipeline Limited (“TransCanada”) Mainline. The delivery area that does not align is Union’s Manitoba Delivery Area, which is connected to the TransCanada Mainline at the Spruce interconnect in the Centrat MDA by two additional pipelines (Centra Transmission Holdings and Centra Pipeline Minnesota).

For gas supply planning purposes, Union North is divided into two zones comprised of three delivery areas in each zone. These delivery areas are:

North West Zone:

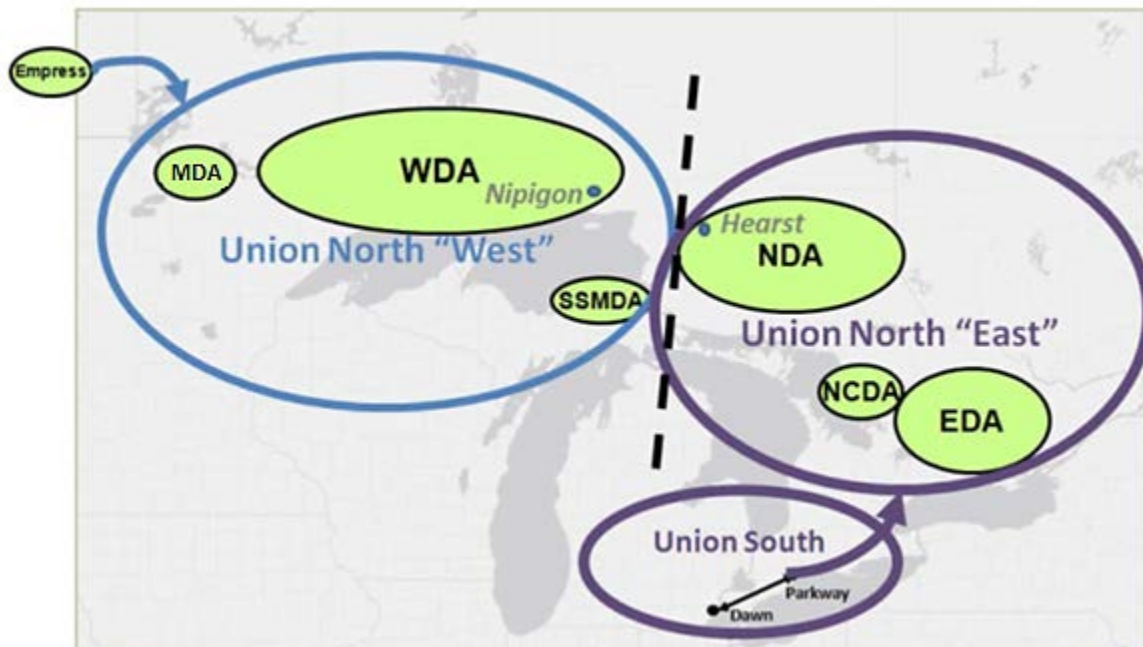
- Manitoba Delivery Area (“MDA”)
- Western Delivery Area (“WDA”)
- Sault Ste. Marie Delivery Area (“SSMDA”)

North East Zone:

- North Delivery Area (“NDA”)
- North Central Delivery Area (“NCDA”)
- East Delivery Area (“EDA”)

A map of the Union delivery areas is provided in Figure 2.

Figure 2



Union provides distribution services to all customers, however customers continue to have the option to either purchase their supply from the utility or arrange supply through a DP arrangement. Union in-franchise customers fall into four distinct categories:

- **Sales Service:** Union acquires supply and transportation capacity for these customers in Union South and Union North. These customers are included in the GSP;
- **Bundled DP:** These customers acquire their own supply. In Union North, Union holds transportation capacity on behalf of bundled DP customers. In Union South, subsequent to the suspension of the vertical slice, bundled DP customers acquire their own transportation. These customers are included in the GSP;
- **Unbundled DP:** These customers acquire their own supply and transportation from an energy marketer and are not considered within the GSP. This service is available to small residential, commercial and industrial customers in Union South; and,
- **Transportation service ("T-Service") DP:** These customers acquire their own supply and transportation and are not considered within the GSP. This service is available to large contract commercial and industrial customers.

Union performs the role of system operator and supplier of last resort. As system operator, Union manages many operational factors. These include:

- Seasonal balancing requirements for sales service customers;
- Weather variances outside of checkpoint balancing for bundled DP customers;
- Changes in supply and balancing requirements as customers move between sales service and DP;
- Differences between daily receipts from TransCanada and the demands of all end users including transportation service customers in the Union North; and,
- Unaccounted for gas and compressor fuel variances.

As supplier of last resort, Union is the default supplier to its in-franchise customers. As supplier of last resort must ensure it has the assets or can acquire the assets to serve customers that others choose not to serve or fail to serve (e.g. for reason of financial failure), or any customer who chooses to be a sales service customer and have Union provide gas supply services. DP customers can revert back to sales service on short notice.

2. MARKET CONTEXT

2.1 Emerging Supply Sources

North American natural gas markets have and are expected to continue to experience dramatic change. Production from mature North American natural gas basins is in decline while production from shale gas formations continues to exceed expectations. While natural gas reserves still exist in mature natural gas basins, the economics of natural gas production and transportation generally favour shale gas and tight gas formations which are closer to the consuming markets. As a result, the flow of natural gas on the Canadian and U.S. pipeline grid is changing as shippers shift from long haul to short haul transportation.

The Appalachian region of the U.S. Northeast, as shown in Figure 3, is home to the Utica and Marcellus shale formations in Ohio, Pennsylvania, and West Virginia which have emerged as the single largest and fastest growing producing region of natural gas in North America. Since January 2012, natural gas production in the Appalachian region has accounted for 85% of the increase in natural gas production as reported in the United States Energy Information Administration, Drilling Productivity Report, July 2015, and has driven recent growth in total U.S. natural gas production. This region is expected to continue to grow and could produce nearly 40 PJ/d by 2035.

Figure 3



The development of abundant and competitively priced natural gas in the Appalachian region offers gas supply in relatively close proximity to Ontario. At the same time, the maturation of traditional supply sources from western Canada as well as the competing demands for the emerging unconventional natural gas resources in Alberta and British Columbia is creating

supply risk for eastern Canadian consumers that currently rely on TransCanada Mainline pipeline capacity from Empress. These changes are shifting the economics of natural gas supply for Ontario consumers, and for consumers that rely on Ontario pipeline capacity. Natural gas prices at Appalachian supply centres are expected to continue to decline relative to prices in the Gulf Coast and other North American supply centres, creating economic incentives to develop the infrastructure needed to access this source of supply.

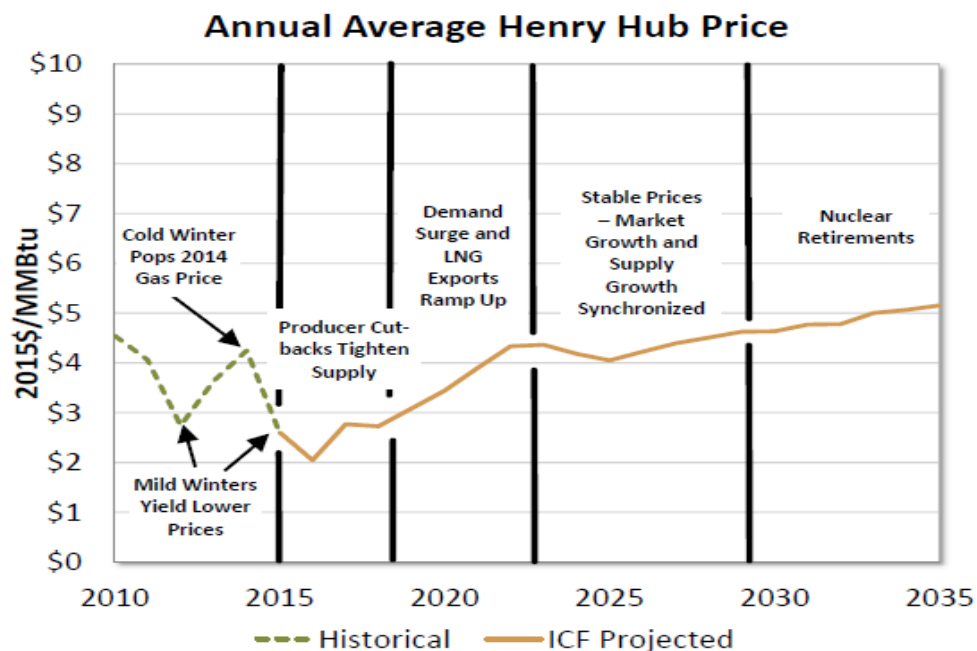
Natural gas utilities frequently look to diversify their natural gas supply portfolio and seek secure, reliable and reasonably priced natural gas. The shift in portfolios by eastern Local Distribution Companies (“LDCs”) reflects the changes in the North American natural gas supply and transportation markets. Market participants (including the Eastern LDCs) are re-balancing their portfolio with new supply sources and replacing long-haul transportation contracts from Empress with short-haul transportation contracts from Dawn. For eastern customers that have a choice, these fundamental changes in supply economics will mean that natural gas supply will increasingly be sourced from cost competitive shale gas in closer proximity to the market and less from traditional sources.

Appalachian shale gas presents Ontario consumers, including power, industrial, commercial and residential, with an opportunity to diversify their natural gas supply portfolio. Accessing this new supply will be essential to providing diversity of supply and affordable energy prices to fuel Ontario’s economic competitiveness. With new infrastructure, access to these new, proximate and abundant sources of supply can increase reliability and security for the Ontario natural gas supply portfolio.

2.2 Natural Gas Price Signals

As the emergence of shale production has increased dramatically since 2007, the increase in available supply has put downward pressure on natural gas prices. As shown in Figure 4, the price of natural gas dropped from a high of nearly \$10 USD/mmbtu in 2005 to current levels under \$4 USD/mmbtu.

Figure 4



In the near term through to 2020, prices of natural gas at Henry Hub are expected to stay below \$4 USD/mmbtu. In the long term, between 2020 and 2030, gas prices at Henry Hub are expected to range between \$4 - \$5 USD/mmbtu. The prices are high enough to foster sufficient supply development, but not so high to reduce demand growth. Long-term demand growth will be shaped by future environmental policies and their impact on power sector demand growth. The projections in Figure 4 were provided by ICF International in July 2016.

Natural gas supply costs are an important consideration in the GSP and when Union considers new supply basins. However, Union must balance the benefits of all the attributes of the guiding principles and the requirement to ensure customers receive secure, reliable, diverse supplies of natural gas at a prudently incurred cost.

To ensure that gas supplies are acquired at a prudently incurred and reasonable cost, Union follows specific gas procurement policies and procedures, as accepted by the Ontario Energy Board (the “Board”)¹, to govern commodity purchases including a Request for Proposal (“RFP”) process. Union’s gas commodity purchases are influenced by the characteristics and traits of the specific supply points or basins where Union purchases supplies. Each of these points has different liquidity and supply characteristics. Certain points have a large number of active parties and volume trading activity and others do not. Having many suppliers at a specific point, along with other buyers, creates an environment of higher liquidity, reliability and more efficient gas purchases.

Transportation/Pipeline Changes

As supply and transportation market options change, so does Union’s gas supply mix and how gas is transported to Ontario. Unchanged, however, is Union’s application of the gas supply planning principles and the requirement to ensure customers receive secure, reliable, diverse supplies of natural gas at a prudently incurred cost. When Union considers a new supply basin, new upstream transportation capacity or existing transportation capacity up for renewal, alternatives are considered. A landed-cost analysis is completed and filed when a new transportation path is contracted for, in accordance with the Board-approved 2007 Cost of Service (EB-2005-0520) Settlement Agreement. The analysis for new transportation paths included in Union’s 2016/17 GSP will be filed as part of Union’s 2016 Disposition of Non-Commodity Deferral Account Balances and Earnings Sharing Amount evidence in the spring of 2017.

Natural gas utilities, through their planning process, look to diversify their natural gas supply portfolio and seek secure, reliable and reasonably priced natural gas. As outlined in Section 2.1, North American natural gas markets are undergoing a dramatic change in supply dynamics resulting in Eastern LDCs shifting their supply portfolios to reflect the changes in the North American natural gas supply and transportation markets. Market participants are re-balancing with new supply sources and replacing long-haul transportation contracts with short-haul transportation contracts.

Union has made considerable changes in its transportation portfolio since 2010 to react to these changing supply dynamics. For example:

¹ EB-2011-0210, Exhibit D1, Tab 1, Appendix A.

- 1) Union committed to a long term short-haul transportation contract from Niagara to Kirkwall for 21,101 GJ/d to gain access to new emerging Marcellus supplies starting November 1, 2012;
- 2) In Late 2010, Union provided notice to Alliance Pipelines to terminate the transportation agreement that supplied Western Canadian Sedimentary Basin (“WCSB”) supplies to Union South, to reduce reliance on declining WCSB supplies effective November 30, 2015;
- 3) Since 2012, Union made numerous elections on TransCanada to convert long-haul contracts from Empress to short-haul contracts from Parkway to enhance diversity and security of supply through access to Dawn for Union North East. These contract changes will become effective starting in 2016;
- 4) Union will increase supply diversity and security of supply through a transportation contract with the NEXUS pipeline effective November 1, 2017. The NEXUS Transmission Project is designed to transport supplies of Appalachian shale gas production to the Dawn Hub. This will create a direct connection from the single largest and fastest growing natural gas supply basin in North America to Ontario; and,
- 5) In anticipation of sourcing supply from the Appalachian shale through the NEXUS contract, Union contracted for a market based transportation service between Dominion South Point (Marcellus) and Dawn for 20,000 Dth/d for one year effective November 1, 2015. This contract will allow Union to develop relationships with potential NEXUS suppliers and gain experience purchasing Appalachian supply.

3. GAS SUPPLY PLANNING OBJECTIVES AND PRINCIPLES

The GSP defines the gas supply requirements and the necessary upstream transportation capacity and assets to meet customers’ annual, seasonal and design day gas delivery. Union’s gas supply portfolio is guided by a set of principles that are designed to ensure customers receive secure, diverse gas supply at a prudently incurred cost.

The principles are as follows:

- Ensure secure and reliable gas supply to Union’s service territory;
- Minimize risk by diversifying contract terms, supply basins and upstream pipelines;
- Encourage new sources of supply as well as new infrastructure to Union’s service territory;
- Meet planned peak day and seasonal gas delivery requirements; and,
- Deliver gas to various receipt points on Union’s system to maintain system integrity.

These principles have been presented to and accepted by the Board² on a number of occasions. Most recently these principles were presented to the Board as part of the Gas Supply Planning Consultation³.

A description of each guiding principle is provided below.

² 2012 Deferrals Disposition (EB-2013-0109), Decision and Order, p. 8

³ Distributor Gas Supply Consultation (EB-2015-0238)

3.1 Ensure secure and reliable gas supply to Union's service territory

Union has an obligation to ensure its firm sales service and bundled DP customers have access to secure and reliable gas supply sources. Union's obligation is to provide gas supply and transportation capacity for sales service customers and transportation capacity for bundled DP customers. Union also provides a load balancing function for all sales service and bundled DP customers to manage the seasonal differences between supply and demand. To meet this obligation Union uses a combination of firm upstream transportation contracts, Dawn sourced supply and storage capacity. Union ensures adequate firm capacity is available on a sustained basis to meet firm design day and annual demands through transportation capacity contractual rights. This includes a combination of long-term transportation contracts with third parties, transportation contracts with guaranteed renewal rights, as well as dedicated Union storage, transmission and distribution assets.

3.2 Minimize risk by diversifying contract terms, supply basins and upstream pipelines

Union's current upstream transportation portfolio and related supply are diversified with respect to supply basin access, gas supply producers and marketers, contract term and transportation service provider. Union's approach to diversifying the portfolio of firm assets is analogous to a prudent investment portfolio where diversity of funds, risk and term are critical to a successful portfolio.

In Union South and Union North East, Union utilizes capacity on multiple upstream pipelines to access several supply basins or market hubs. These pipelines provide access to supplies in Western Canada, Gulf of Mexico, Chicago, the U.S. mid-continent and Appalachia through Niagara. The GSP also includes Dawn purchases as part of the supply portfolio. Union purchases gas from suppliers under a North American Energy Standards Board ("NAESB") contract. Union has NAESB contracts with approximately 105 suppliers. The portfolio of suppliers and upstream transportation contracts provides diversity and reduces the exposure to price volatility for Union South and Union North East customers. It also provides Union the flexibility to manage to its seasonal inventory targets.

Union also manages risk to customers by diversifying the length of the contract terms to provide flexibility in managing the upstream transportation portfolio with existing contract terms ranging from 1 to 16 years. For details on Union's contracts see Appendix C and D.

For gas supply purchases, the sales service supply portfolio consists of multi-year, annual, seasonal, monthly, and in rare cases, daily purchases.

3.3 Encourage new sources of supply as well as new infrastructure to Union's service territory

Union continues to seek new sources of cost-effective supplies to serve its customer base either through accessing new supply sources with existing infrastructure or participating in longer-term projects to encourage the development of new infrastructure to and through Ontario. The development of new supply sources and the related infrastructure often require long-term commitments. In the Board's Union and Enbridge Long-Term Contracts proceeding (EB-2010-0300 / EB-2010-0333) Decision, the Board recognized the role that regulated utilities play in supporting new infrastructure development:

“The Board recognized that the enrolment of regulated utilities for such long term arrangements would be a necessary and desirable element in new infrastructure development...”(p.7)

In addition, Union supports the infrastructure required to allow new supply sources to flow to Union North West and Union North East. In order for Ontario natural gas customers to access new emerging supply, new infrastructure at Parkway and between Parkway and Maple on the TransCanada Mainline is required. The required infrastructure on Union and Enbridge systems has been approved by the Board⁴. In its Decision, the Board stated:

“The project is part of a group of projects, including Enbridge’s GTA Segment A pipeline and TransCanada’s proposed King’s North pipeline that will facilitate greater flows of mid-continent natural gas into Dawn for transportation to downstream markets. The projected benefits of these projects stem from an enhanced diversity of supply, gas costs savings, and enhanced liquidity at Dawn.”(p.22)

This infrastructure will provide additional diversity to Union North starting in 2016 based on the best available expectation of when the TransCanada facilities will go into service. In addition, Union has committed to the NEXUS Transmission Project to provide support for significant infrastructure to bring new supplies and suppliers to Dawn to enhance the liquidity of the Dawn Hub.

3.4 Meet planned peak day and seasonal gas delivery requirements

Inherent in the obligation to meet sales service and bundled DP customers’ gas supply needs is the requirement to construct a gas supply portfolio that will meet:

- Design day requirements – to provide service to sales service and bundled DP customers on the day of highest anticipated design day demand in each delivery area; and,
- Seasonal/annual requirements – to be able to meet the annual requirements of the markets while balancing the summer / winter load changes.

A further description of how Union meets these requirements is provided in Section 5.

3.5 Deliver gas to various receipt points on Union’s system to maintain system integrity

The Union South transportation portfolio has delivery points at Dawn, Parkway, Kirkwall, St. Clair and Ojibway. In addition to the physical connections Union has with adjoining pipelines, abundant storage, and robust Dawn Parkway System design, it is also Union’s practice to contractually receive gas at multiple delivery points. This practice provides two benefits.

First, it maintains system integrity as Union is not reliant on one receipt point for all of its gas supplies. A system interruption or upset at one receipt point would not cause a complete supply failure to Union’s system.

Second, delivery to multiple receipt points allows Union to minimize its pipeline facilities in the area. For example, the delivery of gas at Ojibway enables the Panhandle transmission system to be smaller than would otherwise be necessary to meet design day requirements. In this case, if Union receives gas at Ojibway, Union does not have to ship the equivalent volume

⁴ Parkway West Project (EB-2012-0433 / EB-2013-0074 / EB-2012-0451)

from Dawn to Ojibway. The effectiveness of delivered supply to minimize pipeline facilities will depend on system hydraulics.

Union needs to balance the value of contracting and relying on third party providers and the continued cost and reasonableness of doing so when compared to physical alternatives. For example, Union has reduced the reliance it had on upstream supplies serving the Sarnia area and replaced that reliance with the Sarnia Expansion Project in early 2015⁵.

In response to customers' requests, Union is in the process of moving the Parkway Obligation for DP customers to Dawn⁶. Union is also reducing the reliance on deliveries at the east end of its system on behalf of sales service customers due to the higher relative cost of TransCanada long-haul deliveries into the Union Central Delivery Area ("CDA").

This trend is supported by the increased security and reliability resulting from the expansion of the Dawn Parkway System, including Loss of Critical Unit protection across the entire Dawn Parkway System.

4. GAS SUPPLY PLANNING PROCESS

Union's GSP is a five-year rolling plan that is prepared annually, with the primary focus being the first two years. The annual gas supply planning process is summarized in Appendix A. The GSP is finalized and receives executive approval in the third quarter each year.

The GSP identifies the efficient combination of upstream transportation, supply purchases, and storage assets required to serve sales service and bundled DP customers' annual, seasonal and design day gas delivery requirements, while adhering to the planning principles described earlier. The upstream transportation contracts in the GSP, along with storage assets, are managed by Union to provide an integrated service to all sales service and bundled DP customers. The costs for both the supply and the transportation services identified in the GSP are recovered through commodity, transportation and storage charges.

Union's gas supply planning is a complex process that incorporates demand related items such as customer growth, normalized weather, design day requirements, customer consumption patterns and economic outlooks. Demands are analyzed relative to Union's existing system design and gas supply portfolio (supply and transportation). The firm needs of these customers are analyzed to ensure the appropriate level of firm transportation and storage assets are held to meet annual, seasonal and design day demand. The GSP is appropriately sized and there are no assets in the GSP in excess of those necessary to meet firm customer requirements.

To complete the Plan, Union uses gas supply planning software known as SENDOUT. SENDOUT, is a widely recognized gas supply planning tool and is used by a number of LDCs in North America. Union has used this software for 29 years and the results have been presented in a number of rate applications since 1987.

Union uses SENDOUT to ensure that the assets incorporated in the GSP meet annual, seasonal, and design day demands. SENDOUT determines the amount of capacity, supply and associated costs required to meet customer demands. Union's five-year GSP includes the following key inputs and assumptions:

- The design day demand forecast for each Union North delivery area;

⁵ Sarnia Expansion Pipeline Project (EB-2014-0333)

⁶ 2014 Rates (EB-2013-0365)

- Union's in-franchise monthly demand forecast based upon customer location, supply arrangement, storage requirement and service type (excludes Transportation Service and Unbundled service);
- A monthly commodity price forecast using the same pricing methodology as the Quarterly Rate Adjustment Mechanism ("QRAM") process;
- Upstream transportation tolls in effect at the time the forecast was prepared;
- All upstream transportation contracts held by Union plus existing obligated Ontario deliveries for the bundled DP market;
- Sales service and bundled DP storage requirements that are cycled completely each year in the GSP with storage full on November 1 and empty by March 31 assuming normal weather;
- Applicable heating value;
- Sufficient inventory at February 28 to meet the design day requirements for sales service and bundled DP customers;
- No migration between sales service and bundled DP customers for the term of the GSP. Any migration is therefore a risk that needs to be managed by Union; and,
- 9.5 PJ of system integrity space. This storage space is used in a number of ways to maintain the operational integrity of Union's integrated storage, transmission and distribution systems. The GSP has 6.0 PJ of this space filled with system integrity supply while the remaining 3.5 PJ is left empty as contingency space.

The outcome of the annual planning process is a five-year plan that provides a monthly volumetric forecast of supplies (by transportation path) and demands and a forecast of Union's costs to serve its sales service and bundled DP customers.

5. UNION'S 2016/17 GAS SUPPLY PLAN

The GSP defines the gas supply requirements and the necessary upstream transportation capacity and assets needed to meet customers' annual, seasonal and design day demands. The key inputs and outputs, as well as the changes, are described in more detail below.

5.1 Design Day Demand

Union ensures assets are available to provide firm service to customers on an extreme cold weather day called a design day. A design day is measured in heating degree days ("HDD"). A HDD is a measure of temperature that identifies the need for heating and occurs when the average daily temperature falls below 18 degrees Celsius. An average daily temperature of zero degrees Celsius equals 18 HDD. The main information required to develop the GSP to serve design day demand includes weather, firm customer demand, forecast demand growth and required assets.

Weather

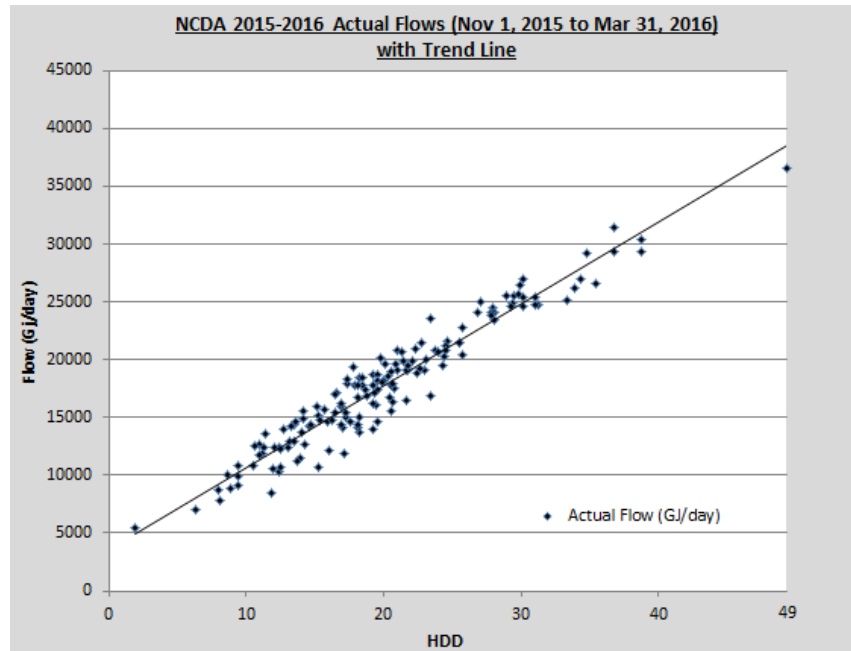
Union uses the coldest historically observed degree day for Union South and each of the six delivery areas in Union North.

Firm Customer Demand

The firm customer design day demand is forecast by multiplying the firm use per degree day factor with the coldest observed degree day.

Union develops a trend line using the daily firm customer consumption from the prior winter and the associated daily degree day data. Union extrapolates the calculated trend line to the coldest observed degree day resulting in the estimated design day demand for each delivery area. An illustrative example of the degree day data and the trend line calculation for the NCDA is provided in Figure 5.

Figure 5



Forecast Demand Growth

The design day demand described above is adjusted by the winter season growth factor reflected in the demand forecast. This forward looking forecast growth factor is added to the firm customer demand noted above, to provide a total forecasted design day demand for each delivery area. The forecast growth factor includes customer growth and changes in average consumption. For winter 2016/2017, the growth factor for Union North is a decrease of 0.27%.

Required Assets

The design day requirements are met by holding storage and transportation capacity. Design day weather does not occur every year, however, the assets must be available should that design day occur given Union's role as the system operator and supplier of last resort for sales service and bundled DP customers.

In order to meet these design day requirements for Union South and Union North, Union uses a combination of contracted upstream transportation capacity, and Union's storage, transmission, and distribution assets. The use of storage assets is more cost effective than contracting for, full all year, firm upstream transportation capacity. Since Union's storage and transmission assets reside within the Union South franchise area, the role of the gas supply portfolio is different on a design day in Union South than in Union North.

The differing methodologies are described below. These methodologies are consistent with what was reviewed in Union's Gas Supply Planning Review prepared by Sussex Economic Advisors (the "Sussex report")⁷.

For March 31, Union assumes that the storage levels will be 0 plus 6 PJ of integrity gas remaining for Union North and Union South combined. Average winter demands are met through a combination of gas flowing on upstream transportation and storage withdrawals.

5.1.1 Union South Design Day

Union South design day demand is the total firm requirement of the in-franchise sales service, bundled, unbundled and transportation service customers.

The design day weather condition for Union South is based on the coldest observed degree day experienced which is 43.1 measured at the London, Ontario airport.

For Union South, the GSP is focused on purchasing upstream supply and transportation to meet Union's annual demand requirements. The annual volume requirement is divided by 365 days such that the upstream pipe flows at 100% utilization each day of the year. During times when usage is less than the upstream supply, the excess supply is injected into storage at Dawn. When demands are greater than the upstream supply, gas is withdrawn from storage and transported to Union South in-franchise customers.

The role of meeting the entire design day needs for Union South resides within the Storage and Transmission System Plans. The GSP is only a component of this broader exercise and only manages the average day supply needs for Union South sales customers. To meet the design day requirements of the Union South in-franchise customers, Union must have a sufficient volume of gas in storage for the seasonal and design day demand requirements (Storage Plan) and sufficient transportation assets to move the upstream supply and gas out of storage into the transmission pipeline systems and to markets (Transmission System Plan). The Transmission System Plan requires Union to have enough transmission assets to move the design day demand from the systems supply points to its customers on design day. If the transmission or storage assets are not sufficient to meet design day and seasonal requirements, Union will build additional assets or purchase services to meet this shortfall. Union's distribution systems are also designed to meet design day requirements.

Although the design degree day of 43.1 has not changed in Union South, the customers' demands on a design day have increased. The design day requirements in Union South have increased from 2,900 TJ/d to 2,921 TJ/d. The resources available to meet Union's design day in Union South are shown in Figure 6.

⁷ EB-2013-0109, Exhibit C, Tab 2 and Tab 3

Figure 6

Union South Design Day Demand (TJ/Day)

Demand	
Union South*	2,921
Supply	
Storage at Dawn	1,539
Non-obligated (e.g. Power Plants)	212
TCPL Empress to Union CDA	11
Trunkline	21
Panhandle	39
Ojibway	21
TCPL Niagara	21
Ontario Parkway	286
Vector	170
MichCon	63
Ontario Dawn	482
Customer Supplied Fuel	56
Total Supply	2,921

* includes Sales Service, Bundled Direct Purchase, T-service, Unbundled

5.1.2 Union North Design Day

Union North design day demand is the total firm requirement of the in-franchise sales service and bundled DP customers in each of Union's six Northern delivery areas. Union does not include demand for customers with transportation service contracts as these customers are required to provide their own transportation services on TransCanada to meet their design day requirements.

The design day weather condition is based on the coldest observed degree day experienced in each of the six delivery areas. The design degree day for each Union North area is as follows:

WDA	56.1	Thunder Bay
MDA	54.7	Fort Frances
SSMDA	48.2	Sault Ste Marie
NCDA	49.3	Muskoka / Gravenhurst
NDA	51.9	Sudbury
EDA	47.1	Kingston

For Union North, the firm design day demand is a direct input into the GSP. Union is required to purchase transportation services to move the firm design day demand from either Parkway, Dawn or Empress to the delivery areas where the gas is consumed.

Union's Northern delivery areas are connected to TransCanada's Mainline and are physically separated from Union's Dawn storage and transmission pipeline assets. Therefore, Union requires firm transportation services to connect each of the six Northern delivery areas to a supply source. From Dawn Storage, additional firm transportation services are required to move gas from Parkway to the Northern delivery areas.

Gas supply flows via TransCanada long-haul and short-haul firm transportation to meet Union North seasonal and annual average weather normalized demand requirements. As in

Union South, the target is to fill Union North in-franchise storage at November 14 and provide sufficient inventory at February 28 to meet the design day withdrawal requirement.

The Union North gas supply portfolio also ensures there is sufficient, but not excess, firm transportation services available to meet the firm design day demand requirements in each delivery area. The full suite of assets is only used in each delivery area when a design day occurs. Since Union is required to contract for transportation services to meet design day demand, there are days when the pipe is not fully utilized. Union uses a portfolio of firm services and assets including TransCanada Firm Transportation (“FT”), TransCanada firm Storage Transportation Service (“STS”) and other firm TransCanada services to meet its design day demand requirement.

Figure 7 illustrates what services and assets are relied on in the GSP to meet design day demand.

Figure 7

Union North Design Day Demand (TJ/Day)

	<u>MDA</u>	<u>WDA</u>	<u>SSMDA</u>	<u>NDA</u>	<u>NCDA</u>	<u>EDA</u>	<u>Total</u>
Demand							
Bundled Firm Contract and General Service	6	82	40	147	39	165	478
T-Service Storage Redelivery	-	-	0	13	-	-	13
North Dawn T-Service	-	-	-	17	1	9	27
Peak Day Demand for the Region	6	82	40	176	40	174	518
Supply							
Long-haul from Empress							
Union	5	45	18	6	6	1	81
Direct Purchase	0	6	3	1	3	-	14
Short-haul from Parkway							
Union	-	-	-	35	-	42	76
Direct Purchase	-	-	-	8	-	16	24
North T-Service	-	-	-	17	1	9	27
Redelivery from Storage							
<i>From Parkway</i>							
STS Withdrawals	-	-	-	-	-	-	-
STS Pooled Withdrawals	-	31	-	42	14	26	113
Enhanced Market Balancing	-	-	-	-	16	-	16
Shorthaul	-	-	-	-	-	25	25
<i>From Dawn</i>							
STS Withdrawals	-	-	19	-	-	-	19
Peak Day Supply to the Region	6	82	40	176	40	172	515
Excess(Shortfall) by delivery area	(0)	-	-	-	-	(2)	(3)

The GSP has identified an additional 3 TJ/d requirement in Union North to meet design day requirements. The shortfall identified is largely due to forecasted growth in the EDA.

Union is currently securing transportation capacity to meet this additional requirement.

5.2 Demand Forecast

The GSP for 2016/17 is based upon the 2017-19 weather normalized demand forecast for general service customers and contract rate classes as prepared by Union’s demand forecasting team.

A comparison of the annual demand forecast included in the 2016/17 GSP relative to the 2015/16 GSP is provided in Figure 8.

Figure 8

<u>Union Demand Forecast</u>					
Line No.	Particulars (TJ)	2015/16 Gas Supply Plan (a)	2016/17 Gas Supply Plan (b)	Variance (c) = (b-a)	% change (d) = (c/a)
<u>UNION SOUTH</u>					
1	General Service - Sales Service	128,466	130,396	1,931	
2	General Service - BT	10,644	11,540	896	
3	General Service - Unbundled	1,741	934	(807)	
4	General Service - ABC	23,226	22,027	(1,199)	
5	Sub-Total	164,076	164,897	821	0.5%
6	Contract - Sales Service	2,614	2,371	(242)	
7	Contract - BT & ABC	47,163	43,054	(4,108)	
8	Sub-Total	49,777	45,426	(4,351)	-8.7%
9	Total Union South (line 5 + line 8)	213,853	210,323	(3,530)	-1.7%
<u>UNION NORTH</u>					
10	General Service - Sales Service	40,907	40,597	(310)	
11	General Service - BT	3,851	3,906	55	
12	General Service - ABC	6,986	6,423	(563)	
13	Sub-Total	51,744	50,926	(818)	-1.6%
14	Contract - Sales Service	3,506	3,672	166	
15	Contract - BT	3,318	3,526	208	
16	Sub-Total	6,824	7,199	374	5.5%
17	Total Union North (line 13 + line 16)	58,568	58,125	(444)	-0.8%
18	Total Union Forecast Demand (line 9 + line 17)	272,421	268,448	(3,974)	-1.5%

The annual general service forecast has increased by 821 TJ in Union South due to customer growth which has been partially offset by consumption savings.

The annual general service forecast has decreased by 818 TJ in Union North due to consumption savings more than offsetting customer growth.

The total annual contract market has decreased by 4,351 TJ in Union South and increased by 375 TJ in Union North. The decrease in Union South is primarily a result of a reduction in forecasted growth.

As shown on line 1 in Figure 8, annual sales service demands for the general service market have increased by 1,931 TJ in Union South. This is driven by customer growth of 14,000 and

an additional 17,000 bundled DP customers that returned to sales service. A comparison of the number of sales service and DP customers in the 2016/17 GSP relative to the 2015/16 GSP is provided in Figure 9.

Figure 9

Number of Customers by Service classification - Union South

	2015/16 Forecast	2016/17 Forecast	Variance
Sales Service	993,495	1,023,721	30,226
Bundled DP	87,160	78,453	(8,707)
Unbundled DP	16,615	8,577	(8,038)
Total	1,097,270	1,110,751	13,481

For Union South, the increase in demand due to return to sales service, requires Union to purchase additional supply and transportation capacity to meet the increased demand for sales service supply.

For Union North, Union is required to purchase the additional supply for the increased demand due to return to sales service. However, since Union plans for upstream pipeline transportation capacity for both sales service and bundled DP customers there is no impact to Union's contracted transportation capacity in Union North.

The incremental supply requirement is reflected in Union's 2016/17 GSP.

The gas supply/demand balance for sales service customers for the 2016/17 GSP is provided at Appendix B.

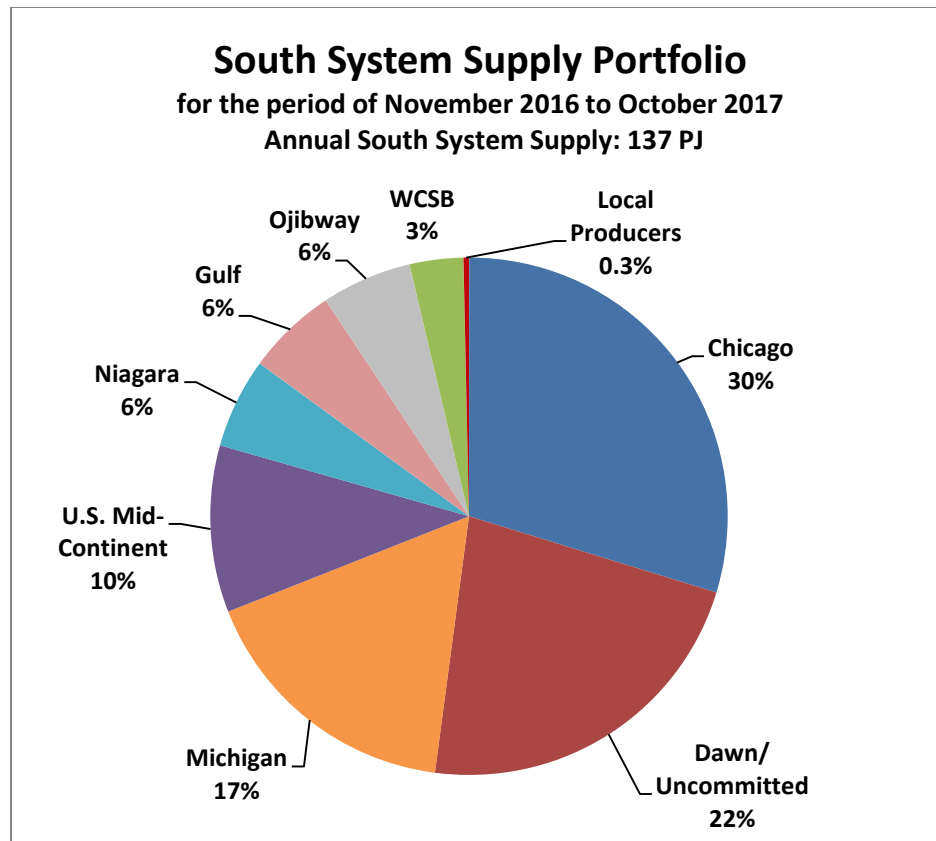
5.3 Transportation Portfolio

Union holds a combination of firm transportation contracts, Dawn sourced supply and storage capacity to meet the forecasted annual demand. Firm transportation services provide direct and secure access to a diverse group of supply basins and market hubs in North America.

Union South

For Union South, Union holds firm transportation contracts and sources supply at Dawn to meet average annual demand requirements. Union utilizes capacity on multiple upstream pipelines to access several supply basins or market hubs. These pipelines provide access to supplies in Western Canada, Gulf of Mexico, Chicago, the U.S. mid-continent and Appalachia. The GSP also includes Dawn purchases as part of the Union South supply portfolio. Figure 10 demonstrates the sources of supply underpinned by Union's transportation portfolio for Union South sales service customers.

Figure 10



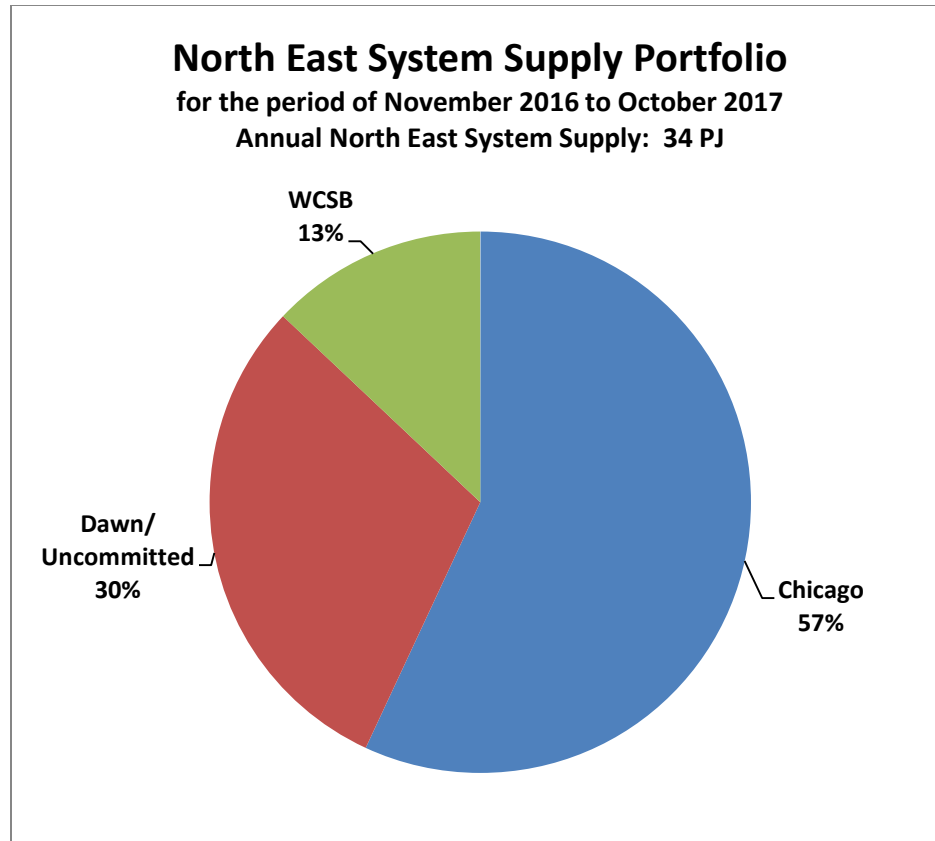
Union North

In Union North, Union's plan uses various transportation services to meet sales service and bundled DP customer annual and design day demands. The transportation capacity necessary to meet design day demands on a firm basis exceeds that required to meet the annual demand requirements.

In order to meet the average annual demand requirements for Union North East sales service customers, Union utilizes capacity on multiple upstream pipelines to access several supply basins or market hubs. These pipelines provide access to supplies in Western Canada and Chicago. The GSP also includes Dawn purchases as part of the Union North East supply portfolio.

Figure 11 demonstrates the sources of supply underpinned by Union's transportation portfolio for Union North East sales service customers.

Figure 11



In order to meet the average annual demand requirements for Union North West sales service customers, Union utilizes capacity on the TCPL Mainline only, providing access to supplies in Western Canada.

The GSP reflects the effective management of TransCanada capacity by:

- Using TransCanada STS injections, which allow Union to transport excess supply away from Union North to Parkway to be injected into Dawn storage in the summer;
- Using TransCanada STS withdrawals in the winter months to serve weather-driven demands. Gas is withdrawn from Dawn storage throughout the winter and is transported back to Union North via STS withdrawals without the need for contracting additional TransCanada FT capacity to that delivery area; and,
- Using contractual STS pooling rights to group all of Union's STS rights serving the various Union North delivery areas. This provides Union with the flexibility to serve certain delivery areas in Union North with gas service in excess of that delivery area's specific STS rights.

5.4 Unabsorbed Demand Charges ("UDC")

In Union North, the upstream transportation capacity (long-haul, short-haul and STS) is first sized to meet the design day demand requirement. The long-haul capacity is also used to deliver, on each day, the average annual volume to each delivery area. The amount of supply transported on the upstream long-haul capacity needed to meet average annual demand

requirements is less than the capacity to meet design day requirements, and therefore, a portion of Union's contract capacity is planned to be unutilized during the year. The difference between total contracted capacity and total demand for both Union North sales service and bundled DP customers results in unutilized capacity. Subject to finalizing and contracting the transportation capacity required to meet the design day shortfall, the total forecast UDC is 15.6 PJ in the 2016/2017 GSP. If weather is colder than normal and annual consumption is greater, and if it is economical to do so, Union will use this capacity to meet incremental supply requirements subject to TransCanada's authorization of downstream diversions. Figure 12 shows the total UDC by delivery area.

Figure 12

Unabsorbed Demand Charge (UDC) (PJ)

Delivery Area	Long-haul	Short-haul	Total
North West			
MDA	1.4	-	1.4
WDA	9.3	-	9.3
SSMDA	3.7	-	3.7
North East			
NDA	0.2	0.3	0.5
NCDA	0.2	-	0.2
EDA	0.0	0.4	0.5
	14.9	0.8	15.6

In Union South and Union North East, capacity on multiple different upstream pipelines landing at Dawn is utilized to provide service to meet sales service average and seasonal demands.

The GSP reflects the effective management of these capacities as there is no unutilized transportation capacity forecast for the 2016/2017 gas year as the GSP forecasts a 100% load factor on all upstream transportation landing at Dawn.

5.5 Changes in Upstream Transportation Portfolio

Panhandle Eastern Pipeline

Union recently invoked its renewal rights to extend a 10,000 Dth/d Panhandle Eastern contract for one year as it was due to expire October 31, 2016.

Vector Pipeline

Union extended an 80,000 Dth/d Vector contract to October 31, 2022, and purchased incremental capacity of 20,000 Dth/d for November 1, 2016 through October 31, 2017.

Union secured an additional 26,030 Dth/d of capacity starting November 1, 2016, and 86,030 Dth /d of capacity starting December 1, 2016 through March 31, 2017.

Gas Supply Plan Pipeline Renewal Assumptions

The GSP assumes that all pipeline capacity contracted with renewal rights will continue to be available in the future, unless Union has turn-back or automatic conversion rights (i.e. TransCanada long-haul to short-haul pipeline conversions).

The GSP assumes all capacity Union was awarded in the TransCanada 2015 and 2016 New Capacity Open Seasons (“NCOS”) is in service as of November 1, 2016, including associated turn-back of TransCanada transportation contracts.

The GSP assumes all capacity Union was awarded in TransCanada’s 2017 NCOS and 2018 NCOS is in service as of November 1, 2017 and November 1, 2018, respectively. In order to effect changes for the November 1, 2018 short-haul contracts awarded, the GSP assumes 6,607 GJ/d of Empress to Union NDA capacity is turned back to TransCanada effective October 31, 2018.

Gas Supply Plan Uncommitted Supply Requirements

The GSP identified supply requirements in addition to those currently backstopped by an upstream pipeline contract. This is termed uncommitted supply and it represents an average day supply requirement not otherwise met with upstream transportation capacity. The GSP assumes Dawn delivered supplies to meet any uncommitted supply requirement.

The GSP has identified approximately 38,700 GJ/d of winter 2016/17 uncommitted supply requirements for Union South and 19,100 GJ/d of uncommitted supply requirements for Union North East.

A complete listing of the transportation capacity currently contracted for Union South and Union North for the 2016/17 gas year is provided at Appendix C and D.

5.6 Cost of Gas

The GSP for gas year 2016/2017 received executive approval in the third quarter of 2016. The transportation tolls and gas prices utilized in the development of the GSP are consistent with those used to set the April 2016 QRAM commodity price. Union then established specific prices for each supply location taking into account the various basis differentials and the foreign exchange rate.

As part of Union’s Incentive Rate Mechanism Settlement Agreement⁸, Union stated in Section 4.7.1, that the cost of gas supply, upstream transportation and gas supply balancing would continue to be passed through to customers through the QRAM. Union reflects updated transportation tolls and forecast gas commodity in rates through the QRAM process. Variances in actual gas supply costs and transportation tolls relative to forecasted gas supply costs and transportation tolls reflected in rates are captured in Union’s gas supply deferral accounts. Union includes the prospective disposition of gas supply related deferral accounts in the QRAM process.

5.7 Bundled DP Customer Assumptions

The GSP includes all bundled DP customer demand and the corresponding supply based on their Daily Contract Quantities (“DCQ”). Union is unable to predict customer migration between sales service and bundled DP. Therefore, for the term of the GSP, customers are assumed to remain with the service they elected effective January 2016.

On an ongoing basis throughout the year, Union continues to monitor the migration between bundled DP and sales service supply. As customers return to sales service supply, Union

⁸ 2014-2018 Incentive Regulation (EB-2013-0202)

proactively manages the expected supply requirements by filling any pipe that is returned to Union when the customer returns to sales service supply. In addition, each month, Union purchases incremental supply for demand that is returned without underlying pipe based on forecast activity for the balance of the gas year.

5.8 Storage

Union operates 175 PJ of underground natural gas storage. Consistent with the Natural Gas Electricity Interface Review Decision⁹, the allotment of storage space to in-franchise customers is 100 PJ. For the 2016/17 GSP, the in-franchise space requirement is 93.6 PJ. This leaves 6.4 PJ of excess in-franchise space which is available for S&T short term sales. This is a decrease of 1.4 PJ in the space required for in-franchise needs when compared to the 95 PJ in the 2015/16 GSP. The decrease in in-franchise storage is due primarily to decreased demand for Union's bundled customers.

The in-franchise space of 93.6 PJ is provided to in-franchise customers to meet the storage requirements of sales service, bundled DP, unbundled and T-service customers. The amount available to in-franchise customers is based on the storage allocation methodologies approved by the Board as part of the Natural Gas Storage Allocation Policies Decision¹⁰.

The storage space available to sales service and bundled DP customers in Union South and Union North is determined using the Board-approved aggregate excess methodology.

This methodology calculates the difference between the forecasted winter demand (November 1 through March 31) and the annual average daily demand for a 151 day period. The result is the required storage space allocation.

$$\text{Aggregate Excess} = \text{Forecasted Winter Consumption} - [(151/365) * (\text{Total Annual Consumption})]$$

Union South T-service customers determine which methodology is used to calculate their contracted storage space parameter. The two methodologies available to a Union South T-service customer are: aggregate excess or 15 x obligated DCQ.

5.9 Conclusion

Adhering to the gas supply guiding principles, Union continues to establish a GSP that is right sized to meet firm sales service and bundled customer demands with a diverse, flexible, secure, reliable and cost effective portfolio of firm services and assets. Union's gas supply planning process incorporates demand related items such as customer growth, normalized weather, design day requirements, customer consumption patterns and economic outlooks. Union plans and contracts for services and assets to provide an efficient combination of upstream transportation, supply purchases, and storage assets to serve sales service and bundled DP customers' annual, seasonal and design day gas delivery requirements.

As supply and transportation market options change, so does Union's supply mix and how it is transported to Ontario. Union continues to proactively evaluate new supply and transportation

⁹ Natural Gas Electricity Interface Review ("NGEIR") (EB-2005-0551)

¹⁰ NGEIR Integration (EB-2007-0724/0725)

options for Union North and Union South customers. Unchanged, however, is Union's application of the gas supply planning principles and the requirement to ensure secure, reliable supplies to serve its customers at prudently incurred costs.

6. FUTURE TRENDS THAT MAY IMPACT THE GAS SUPPLY PLAN

Union monitors the North American natural gas industry and identifies how trends may impact Union's future gas supply portfolio. The market context which Union operates is described above and includes the emergence of shale gas, the reduction in available WCSB supplies flowing eastward, and the trend to move from long-haul transportation to short-haul. In addition to these trends, Union also considers recent industry experience particularly that of the extraordinary winter of 2013/14.

6.1 Dawn Parkway System Expansion

Union's Dawn Parkway System is an integral part of the natural gas delivery system for Ontario, Québec and U.S. Northeast residents, businesses and industry. The Dawn Parkway System connects these consuming markets to most of North America's major supply basins, to the largest region of underground natural gas storage in North America and to the liquid Dawn Hub. Demand for transportation on the Dawn Parkway System continues to grow. Customer interest in contracting Dawn Parkway System capacity is driven by:

- the desire to increase access to the liquid market, diverse natural gas supplies and strategic storage facilities at the Dawn Hub;
- the desire to increase access to Appalachian supply through Dawn, Niagara and Chippawa;
- the continuing trend of converting long haul transportation to short haul transportation on TransCanada to supply eastern markets; and,
- the growing demand in Ontario, Québec, the Maritimes and the U.S. Northeast.

Union's Dawn Parkway System has expanded over the years in response to increases in demand for transportation services from Union's in-franchise customers and ex-franchise customers. The expansion of the Dawn Parkway System commencing November 2015, was approved by the Board in January 2014, as part of EB-2012-0433 and EB-2013-0074. Further expansion commencing November 2016, was approved by the Board in April 2015, under docket EB-2014-0261 and the 2017 Dawn-Parkway Expansion Project, under docket EB-2015-0200, was approved by the Board in December 2015.

On behalf of the Union sales service, bundled DP and T-service customers, Union has reserved incremental Dawn Parkway System capacity in the 2015, 2016 and 2017 open seasons; the amount of capacity reserved was approximately 70 TJ/d, 169 TJ/d and 6 TJ/d respectively. These transportation capacities, in combination with the incremental TransCanada capacity from Parkway to Union EDA, Union NDA, and Union NCDA will allow Union North customers to shift supplies previously sourced from the WCSB to Dawn. A summary of the transportation portfolio for Union North for 2014-2017, as contemplated in the current GSP, was filed in the Reference Price Application¹¹.

¹¹ Dawn Reference Price and North T-Service (EB-2015-0181), Tab 1, Section 3

6.2 Dawn Based Reference Price

In the Reference Price application¹², Union proposed changes to rates for Union's sales service and bundled DP customers to better reflect changes in Union's gas supply transportation portfolio. Subject to the completion of TransCanada facilities at November 1, 2016, Union will convert long-haul transportation contracts on TransCanada to short-haul transportation contracts on TransCanada. Union will reduce reliance on supply from the WCSB and increase reliance on supply sourced at Dawn or upstream of Dawn.

In January 2016, the Board approved Union's proposal to change the reference price used to set rates as determined in Union's quarterly rate filing to better reflect where Union will be purchasing gas supply in the future. Customers in Union North West will continue to be served using Empress-sourced supply and the Alberta Border Reference Price will continue to be used to set gas commodity rates. As Union reduces reliance on supply from the WCSB and increases reliance on supply sourced at Dawn or upstream of Dawn, the Dawn Reference Price has become a more appropriate market price indicator of the cost of gas supply for customers in Union South and Union North East. Union is proposing to change the reference price used in the QRAM process to set rates for Union South and Union North East to be based on the Dawn price of gas rather than the current Empress price of gas. The changes to the reference price used to set rates will better reflect the cost of the gas supply purchased to serve Union South and Union North customers and will minimize variances that would otherwise accumulate in gas cost deferral accounts.

Of the 1.3 million Union South sales service customers and Union North sales service and bundled DP customers, approximately 93% of the customers will be served predominately from Dawn in the future.

In addition, the Board approved:

- Changes to Union North transportation, storage and commodity rates to reflect supply portfolio changes and modifications to the applicable rate schedules;
- Changes to the recovery of upstream transportation compressor fuel costs in rates for Union North sales service and bundled DP customers;
- Cost allocation methodology and rate design changes for Union North gas storage and transportation rates; and,
- The establishment of new deferral accounts and closing certain existing ones.

6.3 Access to Dawn for Union North

Union contracts and manages upstream transportation to provide capacity to all Union North sales service and bundled DP customers. The Settlement Agreement between TransCanada and Enbridge Gas Distribution ("Enbridge"), Gaz Métro, and Union results in access to Dawn for shippers downstream of Union's system. Currently, Union North bundled DP customers deliver their supply to Union at Empress and Union uses TransCanada services to deliver the supply to the respective delivery area. As Union converts long-haul transportation contracts from Empress on TransCanada to short-haul transportation contracts from Parkway on TransCanada, Union North bundled DP customers in Union North East will also gain increased access to Dawn.

¹² EB-2015-0181

Union will change the obligated DCQ allocation methodology for Union North bundled DP customers to reflect Union's transportation portfolio for each respective zone. As indicated in EB-2015-0181, Exhibit A, Tab 1, Section 2.4, the three delivery areas in Union North East will be served from both Empress and Dawn. Consequently, Union North bundled DP customers in Union North East will have a portion of their obligated DCQ at the Western receipt point (Empress) and a portion of their obligated DCQ at Dawn. The percentage of the obligated DCQ to be delivered at each receipt point will reflect the percentage of Union's underpinning firm transportation portfolio at Empress and Dawn used to serve Union North East as of each November 1. By November 1, 2017, 85% of the supply for the Union North East will be sourced from Dawn.

The three delivery areas in the Union North West will continue to be served 100% from Empress for the foreseeable future. Consequently, Union North bundled DP customers in the Union North West will have their obligated DCQ remain at the Western receipt point (Empress).

A summary of the DCQ allocation based on Union's transportation portfolio is provided at EB-2015-0181, Exhibit A, Tab 1, p. 21, Table 1.

6.4 2015 Natural Gas Market Review

The 2015 Natural Gas Market Review¹³ was conducted by the Board during the last quarter of 2015 and early 2016. The review provided a broad perspective of the North America natural gas markets and the impacts to Ontario gas markets.

6.5 Distributor Gas Supply Planning Consultation

In October 2015, the Board initiated a consultation on distributor gas supply planning¹⁴. Specifically, the consultation focused on gas supply and transportation planning strategies and the risk/cost trade-offs considered in the GSP. Union and Enbridge each presented an overview of their Gas Supply Planning Process and subsequently, provided a side-by-side comparison document of their gas supply and transportation planning processes. Board staff facilitated a discussion on the comparison document with interested parties in March 2016.

As indicated in the Board's letter dated October 20, 2015, Board Staff prepared a report to the Board on specific matters raised in the consultation, providing recommendations the Board may wish to consider in determining whether any changes to the Board's regulatory framework/policies may be warranted. This report was provided to the Board on August 12, 2016.

Board Staff recommendations for the Board to consider are:

- Increased Accountability: Gas distributors should apply for pre-approval of their gas supply planning framework on a stand-alone basis, separate from other applications.
- Increased Transparency: Distributors should supply a gas supply memoranda annually on a stand-alone basis.

¹³ Natural Gas Market Review (EB-2015-0237)

¹⁴ EB-2015-0238

- Performance Measurement: The new memoranda should include a report card on the performance of the GSP over the previous three years along with a forecast of the forward looking three years.

6.6 Burlington Oakville Pipeline Project and TransCanada Kirkwall to Amended Union CDA Contract

Settlement Agreement

In October 2013, Union along with TransCanada, Enbridge, and Gaz Métro Limited Partnership entered into a Settlement Agreement (the “Settlement Agreement”) that laid the groundwork for Union and TransCanada to address facility, scheduling and operational risks in the area currently defined as the Union CDA. The Union CDA is a TransCanada domestic delivery area located at the eastern end of Union’s Dawn Parkway System. The Union CDA is located entirely within Union South and is comprised of four city gate stations: Bronte, Burlington, Hamilton Gate, and Nanticoke. The Settlement Agreement was a critical step in ensuring Union’s ability to continue to meet the short and long term gas distribution needs of its customers.

In the Settlement Agreement, TransCanada committed to amend its Union CDA Domestic Delivery Area into three distinct delivery areas to allow for better scheduling on the TransCanada System and a reduction in operational risks:

1. Amended Union CDA – Union’s Hamilton Gate #3 Station and Union’s Kirkwall/Dominion Gate Station;
2. Union ECDA – Union’s Burlington Gate Station and Union’s Bronte Gate Station; and,
3. Union Parkway Belt - designating the Parkway-Union meter as a stand-alone delivery point.

Also in the Agreement, Union’s commitments in relation to the Union CDA were twofold:

1. Construct the Burlington Oakville Pipeline to meet the needs of customers in the newly defined Union ECDA:
 - Union received the Board’s approval for construction of the Burlington Oakville Pipeline¹⁵
2. Contract for 135 TJ/d firm transportation capacity from TransCanada from Kirkwall to the Amended Union CDA.

Union bid into TransCanada’s 2016 open season and was awarded 135 TJ/d of renewable firm transport from Kirkwall to the Amended Union CDA.

Burlington Oakville Pipeline Project

Union proposed to meet the growth and address the security of supply needs of the Burlington Oakville System by constructing new pipeline facilities from the Dawn Parkway System to the existing NPS 20 Burlington to Oakville Pipeline at the Bronte Gate Station for November 1, 2016 in-service. The estimated cost of capital is approximately \$119.5 million. The facilities

¹⁵ Burlington Oakville Project (EB-2014-0182)

application for Burlington Oakville Pipeline Project was filed with the Board on December 12, 2014 and approved December 17, 2015.

Kirkwall to Amended Union CDA

Coincident with the in-service date of the Burlington Oakville Pipeline Project, Union will contract with TransCanada to provide service from Kirkwall to Hamilton #3 Gate Station and to the Kirkwall /Dominion Gate Station. Union was awarded this capacity (135 TJ/d) in TransCanada's 2016 open season.

The Kirkwall to Amended Union CDA capacity (135 TJ/d) is required to meet the needs of all customers located in the Amended Union CDA delivery area. This capacity will allow Union to manage its Union South delivery area on an integrated basis. This capacity enables Union to meet the distribution needs of all customers in the area, utilizing Union's Dawn Parkway System.

6.7 Panhandle Reinforcement Project

In the Panhandle Reinforcement Project¹⁶, Union is proposing to increase capacity of Union's Panhandle natural gas transmission system which serves residential and business customers in Windsor-Essex, Chatham-Kent and surrounding areas, including the burgeoning greenhouse market in the Leamington/Kingsville area.

The Panhandle System consists of an existing NPS 16 and NPS 20 pipeline. To construct the Project, Union will remove the existing NPS 16 pipeline and replace it with a new NPS 36 pipeline. This "lift and lay" construction process allows the new pipeline to be installed in the same easement, thus minimizing land and environmental impacts.

The Panhandle System represents the primary pipeline asset to transport natural gas from Dawn, and the Ojibway Valve Site in Windsor, to high pressure distribution pipelines serving residential, commercial and industrial in-franchise markets in Chatham-Kent, Windsor, Lakeshore, Leamington, Kingsville, Essex, Amherstburg, LaSalle, and Tecumseh (the "Market"). Union has served this market for decades using the existing NPS 16 and NPS 20 pipelines with limited pipeline reinforcement.

This project is targeted to be constructed in 2017. The work will bolster an already robust pipeline system that is bringing affordable and abundant natural gas to Ontario consumers — gas which helps businesses cut energy costs and compete with other jurisdictions.

The Panhandle Reinforcement Project ("the Project") involves the construction of approximately 40 km of NPS 36 pipeline extending from Union's Dawn Compressor Station to the Dover Transmission Station. The Project also requires related modifications at other transmission stations.

The Panhandle System is nearing its Design Day capacity. Based on the limited capacity available, the Project is critical to ensuring the continued reliable and secure delivery of natural gas to the market. Union has recognized the urgent need for natural gas infrastructure reinforcement in Southwestern Ontario. In short, if the Project is not constructed, firm demand growth in the market cannot be served.

¹⁶ Panhandle Reinforcement Project (EB-2016-0186)

Union is requesting Section 90 leave to construct approval for the new NPS 36 pipeline as well as Section 36 approvals related to the recovery of the cost consequences of the Project in accordance with the Board-approved Capital Pass-through Mechanism.

6.8 NEXUS Long-Term Contract

Union has entered into an agreement to contract, subject to certain conditions precedent, for long-term transportation capacity for 15 years with the NEXUS Gas Transmission (“NEXUS”) Pipeline commencing November 1, 2017. The total volume of the contract is 150,000 Dth/d (158,258 GJ/d), which qualifies Union as an anchor shipper. Union has received pre-approval of the cost consequences of the NEXUS contract¹⁷.

The NEXUS Pipeline is designed to transport supplies of Appalachian shale gas production, from the single largest and fastest growing supply basin in North America to customers in Ohio, Michigan, and ultimately the Dawn Hub; creating a direct connection from the largest source of natural gas on the continent to Ontario.

To facilitate and take advantage of Union North having access to Dawn, Union recognized the importance of supporting the NEXUS Pipeline to introduce growing Appalachian supplies into Dawn and ultimately into the northern portfolio. Approximately 50,000 Dth/d of supply transported on NEXUS Pipeline will be used to serve a portion of the Union North East sales service customers’ requirements from Dawn.

The balance of the supply transported on the NEXUS Pipeline (100,000 Dth/d) will allow the Union South portfolio to further diversify and introduce additional security and exposure to more stable pricing in the Appalachian shale region. In addition to 100,000 Dth/d of transportation on the NEXUS Pipeline for Union South, Union anticipates in excess of 100,000 GJ/d of uncommitted pipe in 2017. Union will evaluate and analyze potential pipeline paths and supply sources in the context of its Gas Supply Planning Principles. These principles ensure customers consistently receive secure, diverse natural gas supply at a prudently incurred cost and minimal risk.

As a major natural gas utility in Ontario, Union must encourage and support new infrastructure projects such as the NEXUS Pipeline to connect and bring new supplies to Ontario. The Board has recognized the role that an LDC plays in encouraging these new, large-scale infrastructure projects. The NEXUS Pipeline, and Union’s commitment as an anchor shipper, will increase security of supply through diversification, enhance liquidity at Dawn, ensure competitive energy prices for customers and create supply competition and opportunities that benefit all Ontario consumers.

Attracting more supplies to Dawn is critical to maintain and grow Dawn’s liquidity and overall competitiveness in the surrounding market. Given declining Vector volumes and the decrease in natural gas flowing from the WCSB to the Ontario market as well as the increasing take away capacity from Dawn, Ontario needs supply projects from the growing Appalachian Basin, such as, the NEXUS Pipeline, to maintain and increase supply and liquidity.

Starting November 1, 2015, Union entered into a contract for firm transportation capacity of 20,000 Dth/d (21,101 GJ/d) from Dominion South Point to Dawn for a one-year term. By contracting for this transportation service originating at Dominion South Point, Union was able to purchase gas supply at Dominion South Point, a very liquid and active location for most

¹⁷ Pre-Approval of NEXUS Long-Term Contract (EB-2015-0166), Decision and Order

Appalachian producers and marketers. This allowed Union to gain experience purchasing from a variety of suppliers in the Appalachian region in order to gain additional experience and form relationships prior to the in-service date of the NEXUS Pipeline.

Union will purchase supply to fill the NEXUS Pipeline on annual and multi-year terms, as well as on a seasonal and monthly basis.

6.9 TransCanada Energy East Project

As part of the Energy East Project, TransCanada has proposed to convert an existing natural gas pipeline to oil service between Alberta and Ottawa. Union supports the project in principle, but was initially concerned that there may be negative impacts on natural gas consumers in Ontario and Québec, based on the conversion of an existing natural gas pipeline between North Bay and Ottawa. This converted natural gas capacity is proposed to be partially replaced with a new pipeline between Toronto and Ottawa (the “Eastern Mainline Project”).

In August 2015, TransCanada, Union, Enbridge, and Gaz Métro announced that an agreement in principle was reached that resolved the concerns regarding the potential negative impacts the proposed Energy East Project may have on natural gas consumers in Ontario and Québec.

The agreement included commitments that:

- there will be sufficient capacity to meet the firm natural gas transportation requirements of Ontario and Québec (including all firm demands out to 2017), plus additional capacity for future growth;
- natural gas shippers are not required to financially backstop the development of the Eastern Mainline Project in the event it is terminated by TransCanada;
- gas consumers will not assume the risk of capital cost overruns for the Eastern Mainline Project; and,
- natural gas consumers will have a net benefit of \$100 million over the project life to 2050.

TransCanada filed the executed agreement with the National Energy Board (“NEB”) in November 2015, and its consolidated Energy East Project application, which encompassed the terms of the agreement, in May 2016.

In June 2016, the NEB announced that TransCanada’s applications for the Energy East and Eastern Mainline Projects were deemed complete and that, due to their interrelated nature, both projects would be reviewed in a single hearing. A 21-month NEB review period has now started, with a NEB recommendation on the projects due to the Minister of Natural Resources by March 2018. A final Decision on the projects is expected by September 2018.

6.10 TransCanada STS Changes

TransCanada STS is a companion service to long-haul FT that is currently held entirely by LDC shippers and is not available as a stand-alone service. As described by TransCanada, the purpose of STS is for “load balancing purposes allowing the injection and withdrawals at storage locations” and STS “allows a long-haul FT contract holder, in combination with their

STS contract, to meet seasonal market and storage requirements and still keep a high load factor.”¹⁸

STS injection rights allow for excess long-haul gas that is not required to meet demands to be delivered at a specified point on TransCanada’s Mainline, at which time STS shippers can then transport that gas to storage. STS injections also allow a shipper to maintain a high load factor on their long-haul FT contracts and avoid UDC by injecting long-haul volumes into storage, rather than leaving the pipeline capacity empty.

STS withdrawal rights allow for gas to be withdrawn from storage and transported to a specified point on TransCanada’s Mainline, to then be “re-delivered” to a Domestic Delivery Area. An LDC can combine these withdrawals with other firm transportation services to meet the peak day requirements of their customers.

STS has been an integral component of the gas transportation portfolio, and Union has held STS contracts since the service inception in 1975.

TransCanada Application

TransCanada filed its “Storage Transportation Service Modernization and Standardization Application” with the NEB on February 18, 2016. The NEB issued its first Hearing Order on April 6, 2016, and assigned the Application docket number RH-001-2016. Union is registered as an intervenor in the proceeding, and is actively participating in order to protect the interests of its customers.

The written portion of the proceeding occurred from April 22 to August 29, 2016. During that time, TransCanada and intervenors had the opportunity to file evidence, information requests, and letters of comment according to the detailed timetable provided in the NEB’s Hearing Order.

The oral portion of the proceeding is currently scheduled to occur from September 19 to September 27, 2016.

TransCanada is proposing to alter how STS is tolled, which results in a significant increase to Union’s costs to serve its customers in Union North. The Application seeks to apply tolls to withdrawal quantities for STS paths where tolls were previously applied to injection quantities, and to create a new toll that would be applied to pooling rights that are not currently tolled.

Union Gas Impacts

Union currently pays TransCanada approximately \$16 million annually for STS. If the Application was to be approved as filed, and no corresponding adjustments were made to Union’s portfolio, the impact would be to raise Union’s annual STS costs by between \$40 million and \$52.6 million, which represents an increase of between 250 percent and 330 percent respectively. The proposed annual cost increase to \$40 million is due to the new methodology of applying STS and FT tolls to withdrawal volumes that have traditionally had STS tolls applied to injection quantities. The proposed annual cost increase to \$52.6 million

¹⁸ <http://www.transcanada.com/customerexpress/2840.html>

assumes Union elects to retain full pooling rights and pay the newly created pooling surcharges.

Union's forecasted annual TransCanada transportation costs as of November 1, 2016, which includes FT, STS, and EMB, is currently forecasted to be approximately \$123 million. The proposed tolling methodologies, if approved as filed and with no changes to Union's portfolio as a result, would increase Union's total TransCanada transportation costs by 30% percent. Cumulatively, this represents a total incremental cost of \$90 million to \$137 million between April 1, 2017 and December 31, 2020.

Depending on the outcome of the TransCanada application, Union will evaluate options available to mitigate cost increases while continuing to follow the Gas Supply Guiding Principles.

6.11 Long Term Contracting Trends

There are several areas of constraint in the North American pipeline system requiring new builds and/or longer term (and/or max rate) contracts to secure capacity. Such examples include, NEXUS Pipeline (new), PEPL (existing but becoming constrained), TransCanada Eastern Triangle, Niagara/Chippawa, and Vector into Dawn.

In order to meet the security of supply requirements of customers, LDCs have to make large commitments.

Areas of constraint are expected to continue into the future as building new infrastructure is becoming more difficult, have longer lead times, and is increasingly risky for the pipeline operators.

6.12 Climate Change and Low-Carbon Economy Act

On May 18, 2016, the Climate Change and Low-Carbon Economy Act, 2016 ("Climate Change Act") received Royal Assent. On May 19, 2016, Ontario Regulation 144/16, The Cap and Trade Program ("Cap and Trade Regulation"), was issued, which provides details about the Cap and Trade program. The Climate Change Act and the Cap and Trade Regulation establish the details of a Cap and Trade program for the purposes of reducing greenhouse gas ("GHG") emissions in Ontario.

Under the Climate Change Act, the Board rate-regulated natural gas utilities will have the following compliance obligations:

- Facility-related obligations for their owned or operated facilities; and,
- Customer-related obligations for natural gas-fired generators and residential, commercial and industrial customers in our franchise area who are not Large Final Emitters or voluntary participants

As a result, the natural gas utilities will need to develop Compliance Plans to describe how they will meet their customer-related and facility-related compliance obligations. In accordance with the Climate Change Act, the Cap and Trade program will begin on January 1, 2017. The first compliance period will run from January 1, 2017 until December 31, 2020, with subsequent three-year compliance periods.

Union is committed to implementing the Cap and Trade program and to supporting its success. As the province strives to meet its 2020, 2030 and 2050 GHG emission reduction targets, Union believes that natural gas can play, and indeed Ontarians need it to play, an even greater

role in partnership with the government to achieve emission reductions while balancing energy affordability for consumers. In this vein, Union is working towards compliance with program regulations and is taking all actions required to meet its obligations.

On June 22, 2016, Union submitted a response to the Ontario Energy Board Staff Discussion Paper on a Cap-and-Trade Regulatory Framework for Natural Gas Utilities dated May 25, 2016. Union is expecting the Board's draft framework by mid-September, and the final framework by the end of October.

In order to prepare customer communications and billing system changes for implementation by January 1, 2017, Union submitted an interim rate order request to the Board on April 15, 2016 to obtain approval for a rate and corresponding separate line item bill presentment. The Board issued its decision on this request on July 29, 2016. In its decision, the Board provided direction on customer communications and also required the natural gas distributors to include the cost of cap and trade in delivery rates. Union is in the process of complying with this decision. In addition, Union will be requesting approval for rate changes to recover the cost of cap and trade costs (related to customer and facility obligations) in our 2017 Rates Application.

At this time, Union does not know what impact the Climate Change Act will have on the GSP. Initiatives being considered to reduce emissions could have varying impacts on the GSP including:

- Displacement of fossil-based natural gas with Renewable Natural Gas ("RNG");
- Compressed Natural Gas/Liquefied Natural Gas ("CNG"/"LNG") for Transportation;
- Energy Efficiency initiatives (such as DSM programs) to reduce the carbon footprint of natural gas consumers throughout Ontario;
- The wider use of natural gas Combined Heat & Power ("CHP") systems; and,
- Natural Gas-related Innovation.

Union continues to work closely with the Board and government to understand the Climate Change Act requirements and implement accordingly.

6.13 North Transportation Service to Dawn

As part of Union's Dawn Reference Price Evidence¹⁹, Union requested approval of a Union North T-service Transportation service from Dawn. The Union North T-Service Transportation from Dawn service provides Union North T-Service customers access to Dawn supply and the ability to transport Dawn supply on a firm basis to Union North East to meet their supply needs. To provide the service, Union reserved incremental firm transportation capacity on the Dawn Parkway System in the 2016 and 2017 expansions. Union also entered TransCanada open seasons for long-term, firm transportation with TransCanada for transportation capacity starting in 2016 and 2017 from Parkway to the appropriate delivery areas to complete the Dawn to delivery area(s) transportation path to mirror the required customer quantities.

The start date for the North T-Service Transportation from Dawn service is targeted for November 1, 2016. However, service implementation is dependent on all facility expansions being in-service which provide the underpinning transportation assets.

¹⁹ EB-2015-0181, Exhibit A, Tab 3

7 APPENDICES

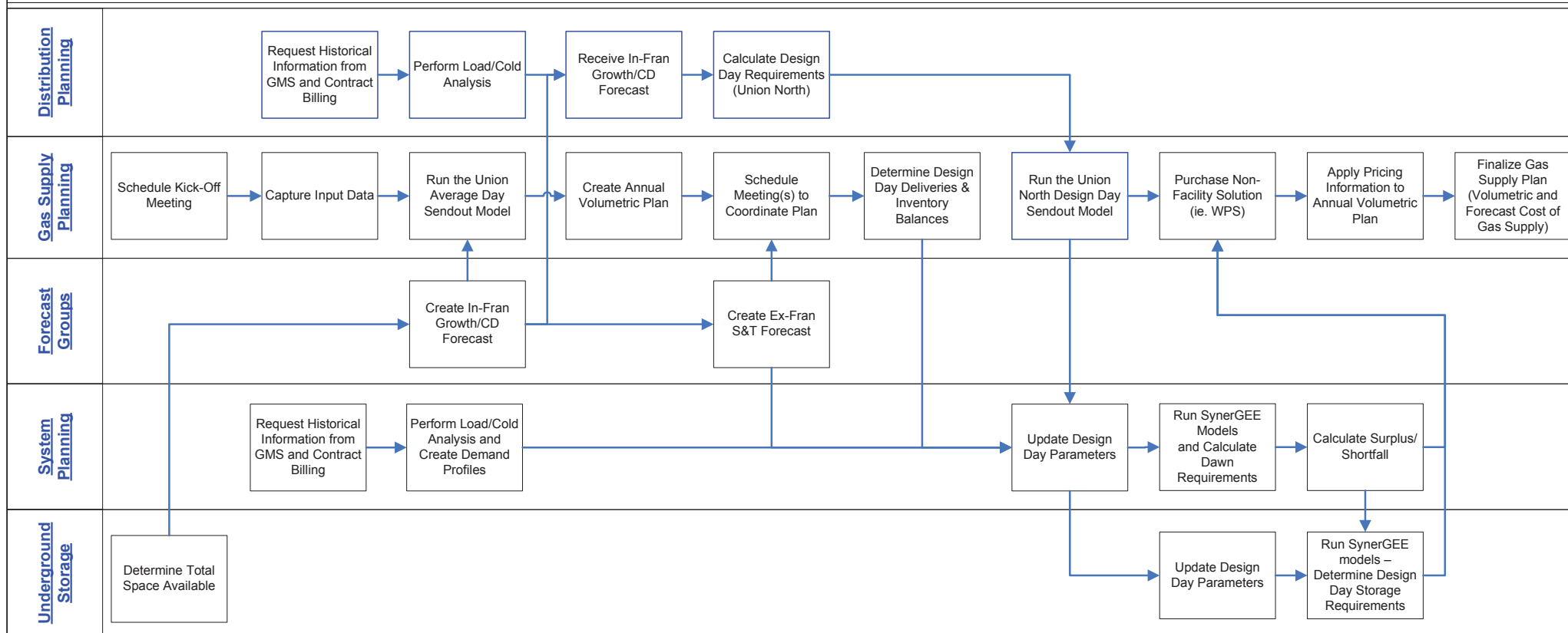
Appendix A - Gas Supply Planning Process

Appendix B - Sales Service Gas Supply Demand Balance

Appendix C - Union South Detailed List of Transportation Contracts

Appendix D - Union North Detailed List of Transportation Contracts

Annual Gas Supply Planning Process



Appendix B
Union Gas Limited - System Sales Supply Demand Balance - November 2016 to October 2017

Particulars (TJ)	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Total
South													
Demands													
System Sales	13,355	19,882	22,659	20,228	17,438	10,894	6,066	3,604	3,489	3,550	3,842	7,760	132,768
South Co. Use, UFG, Comp. Fuel	848	1,033	1,692	1,934	1,597	809	464	447	512	545	676	725	11,281
Less: Customer Supplied Fuel	(788)	(1,006)	(1,224)	(1,057)	(947)	(755)	(401)	(386)	(429)	(343)	(367)	(537)	(8,239)
Total Demands	13,416	19,909	23,127	21,105	18,088	10,947	6,129	3,665	3,572	3,752	4,150	7,948	135,810
Supplies													
TCPL Empress-Union CDA	618	638	339	307	339	328	339	328	339	339	328	339	4,585
Alliance/Vector	-	-	-	-	-	-	-	-	-	-	-	-	-
Vector	3,198	5,267	5,267	4,757	5,267	2,374	2,453	2,374	2,453	2,453	2,374	2,453	40,689
TCPL Niagara-Kirkwall	633	654	654	591	654	633	654	633	654	654	633	654	7,702
Trunkline	633	654	654	591	654	633	654	633	654	654	633	654	7,702
Panhandle	1,171	1,210	1,210	1,093	1,210	1,171	1,210	1,171	1,210	1,210	1,171	1,210	14,249
Local Production	38	40	40	36	40	38	40	38	40	40	38	40	465
DTE	1,899	1,962	1,962	1,772	1,962	1,899	1,962	1,899	1,962	1,962	1,899	1,962	23,105
Market Based Transport	-	-	-	-	-	-	-	-	-	-	-	-	-
South Ojibway	633	654	654	591	654	633	654	633	654	654	633	654	7,702
Dawn	1,161	1,200	1,200	1,084	1,200	3,466	3,582	3,466	3,582	3,582	3,466	3,582	30,570
Total Supplies	9,984	12,279	11,980	10,821	11,980	11,176	11,549	11,176	11,549	11,549	11,176	11,549	136,769
Change in Inventory - wd/(inj)	3,432	7,630	11,146	10,284	6,108	(229)	(5,419)	(7,511)	(7,977)	(7,796)	(7,026)	(3,600)	(959)
Total Supplies + Inventory Change	13,416	19,909	23,127	21,105	18,088	10,947	6,129	3,665	3,572	3,752	4,150	7,948	135,810
North													
Demands													
System Sales													
Union NCDA	320	468	592	493	403	254	140	88	82	77	95	198	3,212
Union EDA	1,250	1,776	2,316	1,985	1,644	1,053	586	371	314	300	381	762	12,739
Union MDA	50	72	91	77	64	40	21	12	11	10	13	28	489
Union NDA	1,464	2,130	2,670	2,237	1,858	1,208	687	394	361	340	402	884	14,636
Union SSMDA	380	540	675	583	530	326	839	582	206	109	113	218	5,101
Union WDA	805	1,144	1,407	1,211	989	659	433	285	243	242	229	446	8,094
North Comp Fuel	10	3	10	5	3	15	32	31	32	32	31	32	234
	4,279	6,134	7,761	6,591	5,491	3,554	2,739	1,762	1,248	1,111	1,263	2,569	44,503
Supplies													
TCPL Empress-Union NCDA	179	185	185	168	-	180	186	180	186	186	180	186	2,002
TCPL Empress-Union EDA	30	31	31	28	-	30	31	30	31	31	30	31	334
TCPL Empress-Union MDA	53	78	99	84	69	39	17	7	5	4	8	26	489
TCPL Empress-Union NDA	183	189	190	172	-	184	190	184	190	190	184	190	2,047
TCPL Empress-Union SSMDA	415	554	-	-	-	330	554	524	134	37	63	209	2,821
TCPL Empress-Union WDA	949	1,246	1,403	777	74	763	476	291	238	239	238	515	7,208
TCPL Parkway-Union EDA	554	576	529	432	-	551	527	623	551	503	504	600	5,949
TCPL Parkway-Union NDA	169	168	216	240	-	168	215	96	192	240	216	144	2,063
North Vector Sale	1,583	1,635	1,635	1,477	1,635	1,583	1,635	1,583	1,635	1,635	1,583	1,635	19,255
Dawn North	-	-	-	-	-	303	313	303	313	313	303	313	2,159
Total Supplies	4,115	4,662	4,289	3,378	1,778	4,131	4,145	3,820	3,475	3,379	3,308	3,849	44,329
Change in Inventory - wd/(inj)	164	1,472	3,472	3,213	3,713	(576)	(1,406)	(2,058)	(2,227)	(2,268)	(2,045)	(1,280)	174
Total Supplies + Inventory Change	4,279	6,134	7,761	6,591	5,491	3,554	2,739	1,762	1,248	1,111	1,263	2,569	44,503
Total Demands													
South	13,416	19,909	23,127	21,105	18,088	10,947	6,129	3,665	3,572	3,752	4,150	7,948	135,810
North	4,279	6,134	7,761	6,591	5,491	3,554	2,739	1,762	1,248	1,111	1,263	2,569	44,503
	17,695	26,044	30,888	27,696	23,580	14,501	8,868	5,427	4,820	4,863	5,414	10,517	180,312
Total Supplies													
South	9,984	12,279	11,980	10,821	11,980	11,176	11,549	11,176	11,549	11,549	11,176	11,549	136,769
North	4,115	4,662	4,289	3,378	1,778	4,131	4,145	3,820	3,475	3,379	3,308	3,849	44,329
	14,099	16,942	16,269	14,199	13,759	15,307	15,694	14,996	15,024	14,927	14,485	15,398	181,097
Change in Inventory - wd/(inj)													
South	3,432	7,630	11,146	10,284	6,108	(229)	(5,419)	(7,511)	(7,977)	(7,796)	(7,026)	(3,600)	(959)
North	164	1,472	3,472	3,213	3,713	(576)	(1,406)	(2,058)	(2,227)	(2,268)	(2,045)	(1,280)	174
	3,596	9,102	14,619	13,497	9,821	(805)	(6,825)	(9,569)	(10,203)	(10,064)	(9,071)	(4,881)	(785)
Total Supplies + Inventory Change	17,695	26,044	30,888	27,696	23,580	14,501	8,868	5,427	4,820	4,863	5,414	10,517	180,312

UNION GAS LIMITED

Summary of November 1, 2016 Upstream Transportation Contracts⁽¹⁾
as at August 2016

Southern Operations Areas

Line No.	Upstream Pipeline	Primary Receipt Point	Primary Delivery Point	Contract Quantity	Contract Units	Contract Termination Date	Unitized Demand Charge (\$Cdn/GJ)	Commodity Charge (\$Cdn/GJ)	100% LF Toll (\$Cdn/GJ)	Rate Type
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h=f+g)	
TransCanada Pipeline										
1	Empress to Union CDA FT	Empress	Union ECDA	11,000	GJ	31-Oct-2018	1.953		1.953	Tariff
2	Empress to Union CDA FT ⁽²⁾	Empress	Union ECDA	9,645	GJ	31-Dec-2018	1.953		1.953	Tariff
3	Dawn to Union CDA FT	Dawn	Union ECDA	8,000	GJ	31-Oct-2018	0.336		0.336	Tariff
4	Niagara to Kirkwall FT	Niagara	Kirkwall	21,101	GJ	31-Oct-2022	0.229		0.229	Tariff
5	Kirkwall to Union CDA FT	Kirkwall	Union CDA (Amended)	135,000	GJ	31-Oct-2032	0.162		0.162	Tariff
6	TCPL FT - Total			184,746	GJ					
Panhandle Eastern Pipe Line Field Zone										
7	PEPL FT	Panhandle Field Zone	Ojibway (Union)	25,000	DTH	31-Oct-2017	0.425	0.044	0.469	Tariff
8	PEPL EFT	Panhandle Field Zone	Ojibway (Union)	2,000	DTH	31-Oct-2017	0.320	0.044	0.364	Fixed
9	PEPL FT	Panhandle Field Zone	Ojibway (Union)	10,000	DTH	31-Oct-2017	0.425	0.044	0.469	Tariff
10	PEPL - Total			39,037	GJ					
Trunkline Gas Company/Panhandle Eastern Pipe Line										
11	Trunkline FT	East Louisiana	Bourbon	20,467	DTH	31-Oct-2017	0.115	0.014	0.130	Fixed
12	PEPL EFT	Bourbon	Ojibway (Union)	20,000	DTH	31-Oct-2017	0.075	0.012	0.087	Fixed
13	TGC/PEPL FT - Total			21,101	GJ		0.190	0.026	0.216	
Vector Pipelines⁽³⁾										
14	Vector US FT1 ⁽⁴⁾	Chicago	Cdn/US Interconnect	80,000	DTH	31-Oct-2022	0.290	0.002	0.292	Fixed
15	Vector Canada FT1	Cdn/US Interconnect	Dawn (Union)	84,404	GJ	31-Oct-2022	0.019	0.0004	0.019	Fixed
16	Vector - Total			84,404	GJ		0.309	0.002	0.311	
17	Vector US FT1	Chicago	Cdn/US Interconnect	25,000	DTH	31-Oct-2017	0.223	0.002	0.225	Fixed
18	Vector Canada FT1	Cdn/US Interconnect	Dawn (Union)	26,376	GJ	31-Oct-2017	0.010	0.0004	0.010	Fixed
19	Vector - Total			26,376	GJ		0.233	0.002	0.235	
20	Vector US FT1	Chicago	Cdn/US Interconnect	20,000	DTH	31-May-2017	0.211	0.002	0.213	Fixed
21	Vector Canada FT1	Cdn/US Interconnect	Dawn (Union)	21,101	GJ	31-May-2017	0.011	0.0004	0.012	Fixed
22	Vector - Total			21,101	GJ		0.223	0.002	0.225	
23	Vector US FT1 ⁽⁵⁾	Chicago	Cdn/US Interconnect	20,000	DTH	31-Oct-2017	0.177	0.002	0.179	Fixed
24	Vector Canada FT1 ⁽⁵⁾	Cdn/US Interconnect	Dawn (Union)	21,101	GJ	31-Oct-2017	0.009	0.0004	0.009	Fixed
25	Vector - Total			21,101	GJ		0.186	0.002	0.188	
26	Vector US FT1 ⁽⁶⁾	Chicago	Cdn/US Interconnect	26,030	DTH	31-Mar-2017	0.210	0.002	0.211	Fixed
27	Vector Canada FT1 ⁽⁷⁾	Cdn/US Interconnect	Dawn (Union)	27,463	GJ	31-Mar-2017	0.011	0.0004	0.011	Fixed
28	Vector - Total			27,463	GJ		0.220	0.002	0.222	
Michigan Consolidated Gas Company (MichCon)										
29	MichCon	MichCon Generic	St. Clair (Union)	60,000	DTH	31-Oct-2018	0.062		0.062	Fixed
30	MichCon - Total			63,303	GJ					
Other:										
31	St.Clair Pipelines L.P. (St.Clair Pipeline)	St. Clair/Intl Border	St. Clair/Intl Border	214,000	GJ	31-Oct-2023	0.004		0.004	Tariff
32	St.Clair Pipelines L.P. (Bluewater Pipeline)	Bluewater/Intl Border	Bluewater/Intl Border	127,000	GJ	31-Oct-2023	0.022		0.022	Tariff

Exchange Rate 1 US =	1.303	CAD	As of July 31, 2016
Conversion Factor	1.055056		
Heat Content (as of April 1/16)	38.81		

Note:

- (1) Assumes all 2015/2016 TCPL NCOS as awarded, and existing contracts reduced as bic
- (2) Contracts terminate on the later of Dec 31, 2016 or the commencement of Union's Parkway to Union NDA service
- (3) A portion of the Vector portfolio is anticipated to be allocated to serve the North portfolio
- (4) Demand charge drops to 0.204 \$Cdn/GJ on Dec 1, 2017
- (5) Contract begins June 1, 2017
- (6) Contract capacity increases to 86,030 Dth Dec 1, 2016
- (7) Contract capacity increases to 90,766 GJ Dec 1, 2016

UNION GAS LIMITED

Summary of November 1, 2016 Upstream Transportation Contracts⁽¹⁾
as at August 2016

Northern and Eastern Operations Areas

Line No.	Upstream Pipeline	Primary Receipt Point	Primary Delivery Point	Contract Quantity	Contract Units	Contract Termination Date	Unitized Demand Charge (\$Cdn/GJ)	Commodity Charge (\$Cdn/GJ)	100% LF Toll (\$Cdn/GJ)	Rate Type
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h=f+g)	
TransCanada Pipeline										
1	Empress to Union NCDA FT	Empress	Union NCDA	10,095	GJ	31-Oct-2018	1.892		1.892	Tariff
2	Empress to Union EDA FT	Empress	Union EDA	1,089	GJ	31-Oct-2022	2.089		2.089	Tariff
3	Empress to Union NDA FT	Empress	Union NDA	10,044	GJ	31-Oct-2018	1.560		1.560	Tariff
4	Empress to Union WDA FT	Empress	Union WDA	51,407	GJ	31-Oct-2018	1.011		1.011	Tariff
5	Empress to Union SSMDA FT	Empress	Union SSMDA	8,843	GJ	31-Oct-2018	1.414		1.414	Tariff
6	Empress to Union SSMDA FT	Empress	Union SSMDA	12,800	GJ	31-Oct-2020	1.414		1.414	Tariff
7	Empress to Union MDA FT	Empress	Union MDA	5,565	GJ	31-Oct-2018	0.704		0.704	Tariff
8	Parkway to Union EDA FT	Parkway	Union EDA	35,000	GJ	31-Oct-2022	0.408		0.408	Tariff
9	Parkway to Union EDA FT	Parkway	Union EDA	75,000	GJ	31-Oct-2030	0.408		0.408	Tariff
10	Parkway to Union EDA FT (EMB)	Parkway	Union EDA	25,000	GJ	31-Oct-2030	0.447		0.447	Tariff
11	Parkway to Union EDA FT	Parkway	Union EDA	9,286	GJ	31-Oct-2031	0.408		0.408	Tariff
12	Parkway to Union NCDA FT	Parkway	Union NCDA	1,100	GJ	31-Oct-2031	0.290		0.290	Tariff
13	Parkway to Union NDA FT	Parkway	Union NDA	10,000	GJ	31-Oct-2030	0.586		0.586	Tariff
14	Parkway to Union NDA FT	Parkway	Union NDA	116,629	GJ	31-Oct-2031	0.586		0.586	Tariff
15	TCPL FT - Total			371,858	GJ					
TransCanada Storage Transportation Service Firm Withdrawal										
16	NCDA	Parkway	Union NCDA	13,704	GJ	31-Oct-2022				
17	WDA	Parkway	Union WDA	31,420	GJ	31-Oct-2022				
18	SSMDA	Dawn	Union SSMDA	35,022	GJ	31-Oct-2022				
19	NDA	Parkway	Union NDA	48,375	GJ	31-Oct-2022				
20	EDA	Parkway	Union EDA	26,351	GJ	31-Oct-2022	0.408		0.408	Tariff
21	TCPL Firm STS Withdrawal - Total			154,872	GJ					
TransCanada Storage Transportation Service Firm Injection										
22	WDA	Union WDA	Parkway	3,150	GJ	31-Oct-2022	1.386		1.386	Tariff
23	EDA	Union EDA	Parkway	1,000	GJ	31-Oct-2022				
24	NDA	Union NDA	Parkway	49,100	GJ	31-Oct-2022	0.586		0.586	Tariff
25	TCPL Firm STS Injection - Total			53,250	GJ					
Centra Transmission Holdings Inc.										
26	Centra Transmission Holdings Inc.	Spruce	Union MDA	149.6	10 ³ m ³	31-Oct-2017	0.506		0.506	Tariff
27	Centra Pipelines Minnesota Inc.	Sprague	Baudette	5,281	MCF	31-Oct-2017	0.130		0.130	Tariff
28	CTHI FT - Total			5,724	GJ				0.000	

Exchange Rate 1 US = 1.303 CAD As of July 31, 2016
Conversion Factor 1.055056
Heat Content (as of April 1/16) 38.26

Note:

(1) Assumes all 2015/2016 TCPL NCOS as awarded, and existing contracts reduced as bid

CUSTOMER MANAGED SERVICE

The purpose of this evidence is to propose a new Customer Managed Service (“CMS”) for new and existing Union South Rate T2 customers. The CMS permits non-obligated Dawn deliveries for applicable Rate T2 customers to actively manage their gas supply on a daily basis consistent with their end-use consumption.

Union’s CMS proposal includes:

- i) Non-obligated gas deliveries at Dawn;
- ii) A new storage allocation methodology that provides the Rate T2 customer with Firm Storage and a Daily Variance Account (“DVA”) using the customer’s Firm Contract Demand (“CD”);
- iii) A requirement to nominate their storage injections and withdrawals on a daily basis;
- iv) The ability to transfer gas between the Firm Storage account and the DVA during an interruption;
- v) A Monthly Billing Adjustment to maintain financial neutrality for the customer and Union; and,
- vi) A requirement that the Customer’s Parkway Delivery Obligation (“PDO”) be maintained and managed according the Board-approved EB-2013-0365 Settlement Agreement.

Union is seeking Ontario Energy Board (“Board”) approval of:

- i) A new storage allocation methodology to determine cost-based storage space and new storage injection/withdrawal rights for CMS (Section 2.2);
- ii) Use of cost-based storage rates for the proposed DVA (Section 2.3); and,
- iii) Modifications to the Rate T2 rate schedule, effective November 1, 2017 (Section 4).

Union is proposing CMS in response to customer requests for non-obligated Dawn deliveries and is intended to serve as an alternative to Union’s current requirement for Rate T2 customers to deliver a consistent quantity of gas daily independent of their daily consumption. The proposed CMS is supported by the Rate T2 customers that participated in Union’s Customer Focus Group consultations as provided in Appendix B.

This evidence is organized as follows:

1. Current Rate T2 Service and Drivers for the CMS
2. Proposed CMS Design
3. In-Service Date
4. Proposed Rates and Rate T2 Rate Schedule Changes
5. Monthly Billing Adjustment
6. Summary

1 **1. Current Rate T2 Service and Drivers for the Proposed CMS**

2 Union is proposing the CMS option for Rate T2 customers to address customer requests for a
3 “*non-obligated Daily Contract Quantity (“DCQ”)*” as part of their Rate T2 service, as described
4 below. The proposed CMS was developed through extensive discussions with a cross-section of
5 existing Rate T2 customers and is responsive to the customer requests. The proposed CMS is
6 designed to avoid impacts to other non-participating customers and to minimize impacts to
7 Union.

8
9 ***1.1 Existing Rate T2 Service Overview***

10 Currently, Union’s Rate T2 service (for those customers that are not ‘new, large gas-fired power
11 generation’) requires customers to deliver a consistent quantity of gas daily to Union regardless
12 of their daily consumption. This requirement is referred to as an obligated DCQ¹. Rate T2
13 customers are assigned an obligated DCQ that is intended to match their annual forecasted
14 consumption. Customers supply their obligated DCQ to Union each day and any difference
15 between the daily supply and a customer’s daily consumption is injected or withdrawn from the
16 customer’s Storage Account by Union. Union’s Rate T2 customers find the existing gas delivery
17 requirement convenient as it can be managed without daily monitoring. The obligated DCQ
18 requirements are a cornerstone of most cost-based services.

¹ Obligated Daily Contract Quantity is based on most recent 12 months of actual firm consumption divided by 365 days multiplied by the Average Heat Value.

1 Rate T2 annual Firm Storage space allocation methodologies are designed for customers that
2 deliver a consistent quantity of gas to Union daily (obligated DCQ) but actual daily consumption
3 (end use consumption) varies. The annual firm storage space enables Rate T2 customers to
4 balance daily delivery obligations and daily consumptions. There are two existing annual firm
5 storage space allocation methodologies available to Rate T2 customers: 1) Aggregate Excess or
6 2) Obligated DCQ multiple of 15. Both annual firm storage space allocation methodologies
7 incorporate an obligated DCQ and enable a “no-notice” service, meaning a customer can
8 consume as necessary and any variance between what the customer delivered and consumed for
9 the day is allocated by Union to the customer’s Storage Account (net quantity injected into or
10 withdrawn from storage).

11
12 Currently, customers may request a reduction to their obligated DCQ to match consumption by
13 nominating a suspension of their obligated DCQ. A DCQ suspension is considered interruptible
14 and may be interrupted by Union. Prior to establishing the Customer Focus Group, some Rate
15 T2 customers expressed concern that Union may require a delivery of their obligated DCQ
16 during peak periods, particularly in peak periods where gas supply costs may be high, even if
17 customers’ consumption is minimal.

18 19 ***1.2 Customer Requests For Obligated DCQ Alternatives***

20 Some Rate T2 customers have expressed a desire to manage their supply requirements on a non-
21 obligated basis to enable a delivery of supply consistent with their end-use consumption.

1 ***1.3 Customer Consultation***

2 The proposed CMS was developed through discussions with a cross-section of existing Rate T2
3 customers and is responsive to customer requests. Union established a Customer Focus Group to
4 assist in designing an alternative service to meet Rate T2 customers' needs. The Customer Focus
5 Group included five existing Rate T2 customers representing different market segments,
6 including gas-fired power generators, industrial and manufacturing customers. The Customer
7 Focus Group first met on September 30, 2014 and continued to meet periodically until the
8 proposed service design was completed in March 2016.

9
10 During the Customer Focus Group discussions, customers confirmed that most components of
11 the existing Rate T2 service met their needs. In discussing alternatives or modifications to the
12 existing Rate T2 service, participants identified three main service design parameters for Union
13 to address. Specifically, customers requested Union to:

- 14 1. Introduce a service option that allows for non-obligated Dawn deliveries ("non-obligated
15 DCQ") for customers with demands less than 1,200,000 m³/day;
- 16 2. Allow customers the ability to nominate withdrawals from its Storage Account as an
17 option to meet consumption requirements; and,
- 18 3. Retain the "no notice" service component as customers do not wish to nominate their
19 daily consumption, only the supply into Union's system (including storage injections and
20 withdrawals).

1 Additionally, to guide any proposed changes during Customer Focus Group discussions Union
2 identified the following service design criteria:

- 3 1. No impact to the amount of physical assets used by the Rate T2 rate class during the
4 period of the current Incentive Regulation Mechanism (“IRM”);
- 5 2. Union remains financially neutral regardless of which customers elect the new service.
- 6 3. No financial impact to other rate classes during the period of the current IRM; and,
- 7 4. The PDO reductions are maintained as per the EB-2013-0365 Settlement Agreement.

8
9 The proposed CMS design meets the criteria outlined above and all of the customers that
10 participated in the Customer Focus Group support the proposed CMS as presented in this
11 submission. Please see Appendix A for a Summary of Stakeholder Consultations and Appendix
12 B for Customer Support Letters.

13 14 **2. Proposed CMS Design**

15 ***2.1 Overview***

16 The proposed CMS is available to customers that meet the Rate T2 applicability requirements, as
17 outlined in Union’s Rate T2 rate schedule, excluding customers that already meet Union’s
18 eligibility for new, large gas-fired power generation customers that currently have non-obligated
19 deliveries and daily firm transportation demand requirements in excess of 1,200,000 m³/day.

20 The proposed CMS offers Rate T2 customers the ability to replace their current obligated Dawn
21 DCQ with non-obligated deliveries at Dawn while managing the Firm Storage account and a
22 DVA. Specifically, the CMS design includes:

- i) Non-obligated gas deliveries at Dawn;
- ii) A new storage allocation methodology that provides the T2 customer with Firm Storage and a DVA using the customer's Firm Contract Demand ("CD");
- iii) A requirement to nominate their storage injections and withdrawals on a daily basis;
- iv) The ability to transfer gas between the Firm Storage account and the DVA during an interruption;
- v) A Monthly Billing Adjustment to maintain financial neutrality for the customer and Union; and,
- vi) A requirement that the Customer's PDO be maintained and managed according to the Board-approved EB-2013-0365 Settlement Agreement.

2.2 Storage Allocation Methodology - Annual Firm Storage Entitlements

As discussed in Section 1.1, there are currently two Board-approved cost-based storage space allocation methodologies and injection/withdrawal rights methodologies for Rate T2 customers with obligated daily supply requirements. The approved storage space allocation methodologies and their respective injection/withdrawal entitlements rely on an obligated DCQ to determine the level of cost-based storage space entitlement and injection/withdrawal entitlement that customers are eligible to contract. Without an obligated DCQ, the customers' cost-based storage space entitlement, and the corresponding injection/withdrawal rights, would calculate to be an unreasonable value (i.e. zero). For this reason, Union is proposing a new annual firm storage

space allocation methodology and a new annual firm storage injection/withdrawal right

allocation methodology for those Rate T2 customers that elect the CMS option.

To determine the storage allocation methodology for the proposed CMS, Union considered two factors:

1) Total existing assets (Planned Storage Withdrawal on Peak Day and Storage Space) used by current eligible Rate T2 customers; and,

2) Firm Injection/Withdrawal Rights and Storage Space that an eligible Rate T2 customer electing the proposed CMS will reasonably require to manage its business.

1) Existing Assets

The existing assets used are the maximum quantity of assets available for the service design of the proposed CMS.

a) Planned Storage Withdrawal on a Peak Day

The existing Planned Storage Withdrawal on a Peak Day for the relevant group of Rate T2 customers is 89,487 GJ/d.

b) Storage Space

The existing annual Storage Space for the relevant group of Rate T2 customers is 9,018,600 GJ.

1 **2) *Firm Injection/Withdrawal Rights and Storage Space for the CMS***

2 a) Firm Storage Injection/Withdrawal Rights under CMS

3 Union is proposing firm storage injection/withdrawal rights of 1.2% of firm storage space
4 for CMS. This fixed level of firm injection/withdrawal rights is consistent with other
5 cost-based storage services, including “new, large gas-fired power generation customers”
6 Rate T2 customers that already meet Union’s eligibility for non-obligated deliveries daily
7 firm transportation demand requirements in excess of 1,200,000 m³/day. The Customer
8 Focus Group indicated that the 1.2% firm storage injection/withdrawal rights would
9 sufficiently meet their requirements. This proposed Firm Storage Injection/Withdrawal
10 Right, combined with the proposed annual Storage Space (Please see b) Storage Space
11 under CMS, is within the existing assets for Planned Storage Withdrawal on a Peak Day
12 as described in 1) Existing Assets above).

13
14 For customers that elect the proposed CMS, the maximum entitlement of firm storage
15 injection/withdrawal rights is calculated at 1.2% of contracted annual firm storage space.
16 Customers that elect the proposed CMS will nominate daily storage injections and
17 withdrawals, including fuel if applicable. Consistent with the current storage allocation
18 methodology, customers may contract for less than the maximum entitlement of cost-
19 based firm storage injection/withdrawal rights. Customers may also contract up to the
20 maximum entitlement with a combination of firm and interruptible injection/withdrawal
21 rights at the same Rate T2 cost-based rates as customers pay today.

1 b) Firm Storage Space under CMS

2 Union proposes to use a multiple of the CMS customer's Firm CD to calculate the annual
3 Firm Storage Space. The multiple was established by analyzing possible combinations of
4 eligible Rate T2 customers moving to the proposed CMS service or remaining on their
5 existing service. Combination analysis included:

- 6 • Rate T2 customers staying with their existing service;
- 7 • Rate T2 customers moving to the proposed CMS;
- 8 • Rate T2 customers, only greater than average Firm CD customers moving to the
9 proposed CMS (with less than average Firm CD customers stay on existing
10 service); and,
- 11 • Rate T2 customers elect the service that maximizes Storage Space.

12 Table 1 summarizes these scenarios.

Table 1

	Eligible Rate T2 Customers	Firm CD (GJ/day)	Firm Storage Space (GJ)	Planned Storage Withdrawal on Peak Day (GJ/day)	Daily Variance Account (GJ)
Existing T2 Service	20	563,838	9,018,600	89,487	n/a
All T2 Customers Switch to CMS	20	563,838	5,074,539	60,894	563,838
Customers Above Average Firm CD Switch to CMS	20	563,838	6,450,948	87,843	563,838
All Customers Elect T2 Service that Maximize Storage Space	20	563,838	9,096,742	82,860	563,838

Union also considered the amount CMS customers would likely require for storage space given no daily requirement to deliver gas to Union.

Union proposed to the Customer Focus Group an annual Storage Space entitlement of Firm CD times 9 (nine) which was considered acceptable by the Customer Focus Group and met the existing asset constraints initially established. Any excess storage space not contracted for by customers electing the proposed CMS becomes Excess Utility Storage Space and is treated accordingly.

The Firm CD to be used in the calculation of cost-based storage space is total amount contracted for the upcoming contract year. At each contract renewal, a Firm CD times 9

(nine) calculation shall be performed to determine the maximum annual cost-based firm storage space. Customers may contract for less than the maximum entitlement of annual Firm Storage space.

Storage Injection/Withdrawal Nominations

The proposed CMS requires customers to nominate storage injections and withdrawals (in addition to gas supply nominations) on a daily basis. Nominating both firm and interruptible storage injections and withdrawals provides Union with the information necessary to plan to meet system wide requirements on a daily basis. Currently, Rate T2 customers do not nominate storage injection or withdrawal activity, rather Union relies on the obligated deliveries and allocated storage assets to meet system planning requirements.

2.3 Daily Variance Account

The purpose of establishing the DVA is to provide customers electing the proposed CMS a means to manage small daily imbalances that may occur between nominated supply, nominated storage injections/withdrawals and consumption at end-use locations. This account allows the “no notice” feature of the Rate T2 service to remain for customers that elect CMS, as Union automatically injects into or withdraws from this account each day as imbalances occur. The “no-notice” aspect was a key principle that the Customer Focus Group participants wanted to preserve in the new service design.

1 ***a) Annual Firm Daily Variance Account Storage Space Allocation Methodology – Firm CD***

2 ***Times 1***

3 The maximum DVA firm storage space is calculated as the customer's Firm CD multiplied by a
4 factor of 1. A factor of 1 times Firm CD allows customers up to one day's grace in the
5 management of their account as it provides the opportunity to rectify up to one day's imbalance
6 without incurring penalties. The Firm CD to be used in the calculation is the amount contracted
7 in the Rate T2 contract for the upcoming contract year. At each contract renewal, the Firm CD
8 times 1 calculation is performed to determine the maximum DVA storage space. Customers may
9 contract for less than the maximum entitlement of the DVA storage space, to a minimum of zero.

11 ***b) Daily Variance Account Injection/Withdrawal Allocation Methodology***

12 For the existing T2 service, all storage injection/withdrawals for Rate T2 customers are
13 calculated after the gas day has ended and is based on the daily difference between the
14 customer's supply and consumption on a no-notice basis. Existing Rate T2 customers deliver
15 their obligated DCQ each day and consume as required at their end use locations. Union injects
16 or withdraws any imbalances using the individual customer's storage entitlements.
17 The proposed CMS requires that customers nominate their own storage activity and gas supply,
18 and the addition of the DVA provides the flexibility required for a small part of the daily activity.
19 The DVA injections/withdrawals are an interruptible service and customers only pay for
20 injections or withdrawals when used. The daily quantity injected or withdrawn from the DVA is
21 determined by Union at the end of the gas day as the sum of:

- 22 • Nominated gas supply delivered to Union;

- 1 • Plus nominated gas supply withdrawn from the customer's Storage Account;
- 2 • Less nominated gas supply injected into the customer's Storage Account; and,
- 3 • Less consumption for the day.

4

5 The maximum amount of DVA injections on any day is equal to the difference between the Firm

6 CD and the quantity in the DVA at the beginning of the gas day. The maximum amount of DVA

7 withdrawal on any day is equal to the quantity of gas in the Daily Variance Account at the

8 beginning of the gas day, to a maximum of the customer's Firm CD. Please see Appendix C for

9 DVA examples.

10

11 ***c) Daily Variance Account Overrun***

12 All quantities outside of the minimum and maximum threshold established for the DVA, as

13 outlined above, are treated as Storage Overrun (overrunning or drafting). These quantities are

14 interruptible and are subject to the same costs as the existing Authorized and Unauthorized

15 overrun storage service on the Rate T2 rate schedule.

16

17 ***d) Daily Variance Account Injection/Withdrawal Interruptions***

18 During periods when Union is curtailing interruptible storage injections or withdrawals, the

19 proposed CMS is designed such that customers manage their gas supply so that any daily

20 imbalances, which are allocated to/from the DVA, are counter to the interruption in effect. For

21 example, during times of storage injection interruptions, CMS customers could manage their

22 DVA balance by nominating gas supply that is less than or equal to the expected consumption, in

1 order to generate withdrawal activity from the DVA to make up for any difference. Conversely,
2 during times of withdrawal interruptions, CMS customers could manage their DVA balance by
3 nominating gas supply equal to or more than their expected consumption, in order to generate
4 injection activity into the DVA. If the allocated activity in the DVA is in violation of the
5 interruption in effect at the time, the activity is deemed Unauthorized Storage Overrun and is
6 subject to the Unauthorized Storage Injection/Withdrawal rate on the Rate T2 rate schedule.

7
8 Notice of a likely interruption of injections and withdrawals is communicated to customers using
9 the existing Authorized Overrun Indicator (“T-Service Authorized Overrun indicator”) on
10 www.uniongas.com. Customers are also encouraged to subscribe to receive e-mail notifications
11 of changes in status of the T-Service Authorized Overrun Indicator. These notification practices
12 are currently in use for all storage customers (utility and non-utility) and will also apply to the
13 DVA customers.

14 15 ***2.4 Transfer During Interruption***

16 In order to facilitate CMS customers accessing their DVA when an interruption is in effect,
17 Union is proposing to introduce a new Transfer During Interruption balancing service consistent
18 with other balancing transactions (i.e. name changes). This proposed new balancing service is a
19 nominated transaction available only during periods when interruptible storage transactions are
20 being curtailed. It allows CMS customers to continue to manage their DVA when an
21 interruption is in effect, so they are able to transfer gas between their Firm Storage Accounts and
22 DVAs.

1 ***a) Storage Injection Interruptions***

2 During periods of storage injection interruptions, transfers from customers' Firm Storage
3 Accounts to their DVAs are allowed. The maximum amount of Transfer During Injection
4 Interruption activity for each customer is limited to the available space in the DVA. This
5 transfer allows CMS customers to maintain gas within their DVAs to be withdrawn to make up
6 for any daily imbalances between nominated supply and consumption. During storage injection
7 interruptions, CMS customers manage their DVA balances by nominating gas supply that is less
8 than or equal to their expected consumption during periods of storage injection interruptions.

9
10 ***b) Storage Withdrawal Interruptions***

11 During periods of withdrawal interruptions, only transfers to the Storage Account from the DVA
12 are allowed. The maximum amount of Transfer During Withdrawal Interruption activity for
13 each customer is limited to the available gas within the DVA to a maximum of Firm CD. This
14 transfer allows CMS customers to maintain space in their DVAs to inject for any imbalance
15 between nominated supply and consumption. During storage withdrawal interruptions, CMS
16 customers manage their DVA balances by nominating gas supply that is more than or equal to
17 their expected consumption during periods of withdrawal interruptions.

18
19 The proposed Transfer During Interruption balancing service ensures that the DVA can be used
20 within the contracted parameters by CMS customers without incurring Unauthorized Storage
21 Injection/Withdrawal charges.

Union is proposing to set the rate for the Transfer During Interruption transaction at \$0.003/GJ. The Transfer During Interruption transaction is deemed to be underground and does not attract injection or withdrawal fees.

2.5 Maximum Quantity of Dawn Non-Obligated Deliveries

The maximum quantity of non-obligated Dawn deliveries that Union will accept from a customer on any day on a non-obligated basis is limited to:

- Firm CD;
- Plus Interruptible CD; and,
- Less Parkway Obligation.

2.6 Related Service Components

Consistent with the existing Rate T2 service, CMS customers continue to have access to the normal North American Energy Standards Board (“NAESB”) nomination windows and to market-priced storage services for any additional services they may require.

3. In-Service Date

Union proposes that the new CMS for Rate T2 customers be available November 1, 2017, following Board approval of the proposed CMS rate schedule.

1 Rate T2 customers can elect to move to CMS once the in-service date is in effect. For customers
2 with an existing contract term of one year, the effective date of the switch to CMS is at contract
3 renewal. For customers with an existing contract term greater than one year, Union will offer a
4 one-time election, with an effective transfer date of November 1, 2017, conditional upon the new
5 Rate T2 CMS distribution contract carrying a term that is equal to or greater than the existing
6 contract term.

7 8 **4. Proposed Rates and Rate T2 Rate Schedule Changes**

9 Union is seeking Board approval to use existing cost-based storage rates for the proposed DVA
10 and for modifications to the Rate T2 rate schedule, effective January 1, 2017. A proposed
11 Blackline version of the Rate T2 rate schedule is provided at Rate Order, Appendix H.

12 13 ***Daily Variance Account Storage Rates***

14 Union is proposing to set the rates for the DVA based on existing cost-based storage rates, in
15 accordance with the Rate T2 rate schedule. The firm storage space is set at Union's existing
16 annual firm storage space demand charge of \$0.011/GJ. The interruptible injection and
17 withdrawal rates are set at the existing authorized overrun rates of \$0.101/GJ for those customers
18 that elect for Union to provide compressor fuel and \$0.059/GJ for those customers that elect to
19 provide their own compressor fuel. The authorized overrun rate is comprised of a commoditized
20 demand charge, commodity charge and fuel-related charges, if applicable. A summary of the
21 proposed DVA injection and withdrawal rates is provided at Table 2.

Table 2
Daily Variance Account - Injection/Withdrawal Rate (\$/GJ)

Line No.	Particulars	Union Supplied Fuel	Customer Supplied Fuel
		(a)	(b)
1	Monthly Demand	1.561	1.561
2	Annual Demand (line 1 x 12 months)	18.732	18.732
3	Daily Demand (line 2 / 365 days)	0.051	0.051
4	Commodity Charge (1)	0.050	0.008
5	Total Storage Overrun (line 3 + line 4)	0.101	0.059

Note:

(1) Calculated as Ontario Landed Reference Price / Heat Value x Overrun Fuel Ratio + Injection Commodity (\$4.881/GJ x 0.861% + \$0.008/GJ), as per October 2016 QRAM (EB-2016-0247).

Consistent with the existing Rate T2 service, the existing Authorized and Unauthorized Overrun rates are also applicable to the storage service and the DVA.

5. Monthly Billing Adjustment

Customers that elect the proposed CMS are subject to a Monthly Billing Adjustment (the “Adjustment”) for the remainder of the current Incentive Regulation Mechanism (“IRM”) period (customers who do not elect CMS are not subject to an Adjustment). The purpose of the Adjustment is to compensate for lost revenue associated with contracted firm, cost-based injection/withdrawal rights at the customer level. While the customer specific contracted quantities of firm, cost-based injection/withdrawal rights decrease with CMS, the underpinning assets Union sets aside to provide the service do not substantially change.

1 The Adjustment is calculated based on the difference in contracted quantities of firm, cost-based,
2 Annual Firm Injection/Withdrawal Rights from the customer's existing Rate T2 service to the
3 CMS (at the time the customer initially moves to CMS), multiplied by the Rate T2 Annual Firm
4 Injection/Withdrawal Demand Charge on the Rate Schedule in effect. An illustration is provided
5 in Appendix D.

6
7 **6. Summary**

8 Union is proposing the CMS to allow Rate T2 customers to manage their gas supply on a daily
9 basis to closely match their expected consumption to nominated, and deliver non-obligated
10 Dawn supplies.

11
12 To offer the proposed CMS to customers, Union requires Board-approval of a new storage space
13 allocation methodology and a new storage injection/withdrawal right allocation methodology. In
14 order to maintain the no-notice feature of the current Rate T2 service, Union is seeking Board-
15 approval of the rates for the cost-based DVA being used by customers to manage imbalances
16 between nominated supply, nominated storage transactions and consumption.

Appendix A – Summary of Customer Focus Group Consultations

Customer Managed Service
Summary of Customer Focus Group Consultations
September 30, 2014 to March 17, 2016

1. **September 30, 2014 – Conference call** – Sought customer feedback in regards to Union Gas's current services in light of the 2013/14 cold winter. Key questions included issues and concerns Rate T2 customers had in regards to their current service, improvements to the current service and ideas or potential solutions to address issues/concerns
2. **December 11, 2014 – Conference call** - Provided customers with a progress report which concluded that assets were not available to remove obligated deliveries under current available services. Union concluded that the concept of non-obligated supply could potentially be provided under a customer managed service where the customer takes accountability for their daily balancing requirements. Customer support was given to continue working on a Customer Managed Service that addressed identified issues
3. **February 4, 2015 – Conference call** – further service design discussions
4. **April 16, 2015 – In person and web-ex** – Union introduced two (2) potential service concepts for discussion
5. **June 1, 2015 – In person and web-ex** – Union presented scenarios for both service concepts and addressed customer questions raised in the April 16th session. Customers were supportive of moving ahead with service concept 2
6. **August 13, 2015 – In person and web-ex** - presented Customer Managed Service (CMS) design and rate information
7. **October 14, 2015 – Email** - to Focus Group advising Union Gas will be moving forward with the Customer Managed Service after receiving the required support from the group
8. **December 7, 2015 – Email** - update to group that Union would be filing with the OEB in Q1, 2016 after final review with group ; feedback received customers did not like the structure of deferral account
9. **March 17, 2016 – Web-ex** – final review of the service with Focus Group to address the replacement of the deferral account with a monthly billing adjustment

Appendix B – Customer Support Letters



CF Industries, Inc.
4 Parkway North, Suite 400
Deerfield, Illinois 60015-2590
847-405-2400
www.cfindustries.com

To Whom It May Concern,

CF Industries' subsidiary, Terra International (Canada) Inc., has been participating in a customer focus group sponsored by Union Gas Ltd. regarding a potential new Service Concept.

Based on the current parameters as discussed within the group, Terra is considering a potential move from the current T2 Service to the new service. We believe that the concept has good merits, and we are evaluating the economics in order to determine whether or not to take this service.

Sincerely,

A handwritten signature in black ink, appearing to read "Marty Melchi".

Marty Melchi
Director, Raw Materials Procurement
CF Industries, Inc.

Union Gas Limited
50 Keil Drive North
Chatham Ontario
N7M 5M1

August 26, 2015

Attention: Vice-President – Industrial Sales

Re: Customer Managed Service Focus Group

Suncor Energy Products Partnership (SEPP) has been an active participant in the Union Gas sponsored Non-Obligated Service Design Focus Group. We are pleased with the progress made to date and the concepts presented by the Union Gas team. We are confident that this service as presented would meet the needs of SEPP and other large industrials. Further evaluation is required at this stage however notionally this is a service SEPP would consider subscribing for.

I would like to thank the Union Gas team for the time and effort put into developing this potential new service. If approved we are hopeful this will eliminate many of the obligation concerns embedded within the existing T2 contract.

If further information or discussion is required I can be reached at (519) 383-3667.

Sincerely,



Dereck Francis,
Manager of Eastern Marketing, Suncor

From:
To:
Subject: FW: Customer Managed Service
Date: September-28-15 11:46:39 AM
Attachments: [image001.jpg](#)

FYI

From: Dave Van Driel [mailto:]
Sent: September 23, 2015 11:44 AM
To:
Cc:
Subject: Customer Managed Service

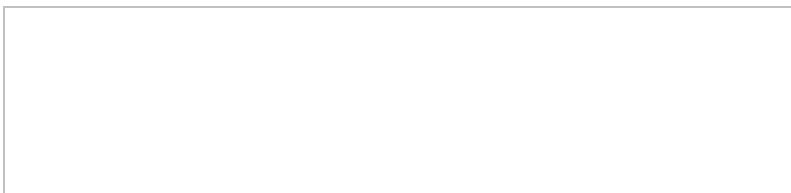
Veresen Inc. (East Windsor Cogeneration and Fort Chicago) requested that Union Gas provide a gas storage and distribution service for our operations similar to T2 service but one that does not obligate delivery of a daily contract quantity.

We participated in the customer focus group that Union Gas led to determine what was possible in that regard.

While we have considerable work to do in order to determine if what Union Gas has recently presented as its best product for meeting these needs will be appropriate for our business, Veresen does support Union Gas moving forward to finalize this offering and seek regulatory approval.

We do this having been assured by Union Gas that our costs will not be negatively affected by those customers switching to these services, during this current IRM period, if we remain on our existing service.

A. Dave Van Driel
Director, Asset Management
P: 403-218-3746 | C: 403-870-2387 | aol IM: ariedave



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From:
To:
Subject: FW: Proposed Customer Managed Service
Date: September-28-15 11:45:55 AM

FYI

From: Pete Serafini [mailto:]
Sent: September 25, 2015 1:47 PM
To:
Cc:
Subject: Proposed Customer Managed Service

Tina and Frank,

TransAlta appreciates Union Gas responding to our concerns with the DCQ obligation in our contract and organizing a customer group to look at alternatives that provide similar services but exclude such an obligation.

We have not reached the conclusion that what Union Gas has presented for meeting these needs will be appropriate for our business. We will need to consider this further.

TransAlta does, however, support Union Gas working to finalize approvals for this alternative.

Union Gas's assurance that our costs will not be negatively affected by parties switching to these services if we remain on T2 service is an important component of our support for Union moving forward.

Regards,

Pete Serafini | Commercial Specialist, Trading & Asset Optimization

TRANSALTA CORPORATION

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1 ***Appendix C - Daily Variance Account Injection/Withdrawal Calculation Examples***

2 **Assumptions (applicable to all examples in this Appendix):**

3 Firm CD = 1,000 GJ

4 Customer chose maximum eligible:

5 Firm Storage Space = 9,000 GJ (Firm CD x 9)

6 Firm Injections/Withdrawals = 108 GJ (1.2% of Storage Space)

7 Daily Variance Account Firm Space = 1,000 GJ (Firm CD x 1)

8 Daily Variance Account beginning of Day = 400 GJ

9 Daily Variance Account Injections = Up to Firm CD less quantity in Daily Variance Account

10 Daily Variance Account Withdrawals = Up to quantity of gas in Daily Variance Account (not
11 including Overrun)

Example 1: Allocated Injection Calculation

Nominated Gas Supply delivered to Union = 1,500 GJ

Nominated Storage Withdrawals = 0 GJ

Nominated Storage Injections = 100 GJ

Consumption at the end of the day = 900 GJ

Daily Variance Account Injection/Withdrawal Calculation	
Nominated Supply to Union	1,500 GJ
plus Nominated Storage Withdrawals	+ 0 GJ
less Nominated Storage Injections	- 100 GJ
less Daily Consumption	- 900 GJ
Daily Variance Account Injection/(Withdrawal)	<u>500 GJ</u>

In this example, the allocated Daily Variance Account interruptible injection for the day is 500 GJ.

Daily Variance Account Balance Calculation	
Daily Variance Account Beginning of Day Balance	400 GJ
Daily Variance Account Injection/(Withdrawal) for the day	+ 500 GJ
Daily Variance Account End of Day Balance	<u>900 GJ</u>

In this example, the Daily Variance account stays within the allowable contract parameters.

Example 2: Allocated Withdrawal Calculation

Nominated Gas Supply delivered to Union = 500 GJ

Nominated Storage Withdrawals = 108 GJ

Nominated Storage Injections = 0 GJ

Consumption at the end of the day = 900 GJ

Daily Variance Account Injection/Withdrawal Calculation	
Nominated Supply to Union	500 GJ
plus Nominated Storage Withdrawals	+ 108 GJ
less Nominated Storage Injections	- 0 GJ
less Daily Consumption	- 900 GJ
Daily Variance Account Injection/(Withdrawal)	<u>(292) GJ</u>

In this example, the allocated Daily Variance Account interruptible withdrawal for the day is 292 GJ.

Daily Variance Account Balance Calculation	
Daily Variance Account Beginning of Day Balance	400 GJ
Daily Variance Account Injection/(Withdrawal) for the day	(292) GJ
Daily Variance Account End of Day Balance	<u>108 GJ</u>

In this example, the Daily Variance account stays within the allowable contract parameters.

Example 3: Allocated Space Overrun& Daily Variance Account Injections Overrun

Nominated Gas Supply delivered to Union = 900 GJ

Nominated Storage Withdrawals = 0 GJ

Nominated Storage Injections = 100 GJ

Consumption at the end of the day = 0 GJ

Daily Variance Account Injection/Withdrawal Calculation	
Nominated Supply to Union	900 GJ
plus Nominated Storage Withdrawals	+ 0 GJ
less Nominated Storage Injections	- 100 GJ
less Daily Consumption	- 0 GJ
Daily Variance Account Injection/(Withdrawal)	<u>800 GJ</u>

In this example, the allocated Daily Variance Account interruptible injection for the day is 800 GJ.

Daily Variance Account Balance Calculation	
Daily Variance Account Beginning of Day Balance	400 GJ
Daily Variance Account Injection/(Withdrawal) for the day	800 GJ
Daily Variance Account End of Day Balance	<u>1,200 GJ</u>

1 In this example,

2 i) the Daily Variance Account has Space Overrun of 200 GJ (1,200 GJ Daily Variance
3 Account End of Day balance less 1,000 GJ Daily Variance Account Firm Space), and
4 The Daily Variance Account Injection Overrun is 200 GJ (allowed injections for the day is 600
5 GJ calculated as 1,000 GJ of Firm CD less 400 GJ quantity in Daily Variance Account at the
6 beginning of the day). 800 GJ were injected into the Daily Variance Account, which is 200 GJ
7 greater than allowed injections.

Appendix D - Example of Monthly Billing Adjustment for Customer Taking CMS

Transportation Service Charges

No Change

Storage Services

Annual Firm Injection/Withdrawal Rights	Monthly Quantity	Rate \$/Unit	Monthly Charge
	3,000	1.561	\$4,683

Daily Variance Account

New

Based on T2
Rate Schedule

Monthly Billing Adjustment

Annual Firm Injection/Withdrawal Rights	7,000	1.561	\$10,927
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Note:

Current Annual Firm Injection/ Withdrawal Rights = 10,000 GJ/day

CMS Annual Firm Injection/ Withdrawal Rights = 3,000 GJ/day