



# Ontario Energy Board Commission de l'énergie de l'Ontario

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## DECISION AND RATE ORDERS

EB-2016-0296 / EB-2016-0300 / EB-2016-0330

**UNION GAS LIMITED**

**ENBRIDGE GAS DISTRIBUTION INC.**

**NATURAL RESOURCE GAS LIMITED**

Applications for approval of 2017 Cap and Trade Compliance Plan cost consequences.

**BEFORE: Ken Quesnelle**  
Presiding Member

**Victoria Christie**  
Member

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November 16, 2017

# 1 INTRODUCTION AND PROCESS

The *Climate Change Mitigation and Low-carbon Economy Act, 2016* (Climate Change Act) was passed by the Ontario Legislature and received Royal Assent on May 18, 2016. On May 19, 2016, Ontario Regulation 144/16, The Cap and Trade Program (Cap and Trade Regulation), was issued. The Climate Change Act and the Cap and Trade Regulation outline the details of a cap and trade program for the purpose of reducing greenhouse gas (GHG) emissions in Ontario. The Climate Change Act established that the first compliance period for the Cap and Trade program will run from January 1, 2017 until December 31, 2020, with subsequent three-year compliance periods.

Enbridge Gas Distribution Inc. (Enbridge), Natural Resource Gas Limited (NRG) and Union Gas Limited (Union), (collectively, the Gas Utilities) are required to develop strategies to meet their Climate Change Act compliance obligations.

The Gas Utilities each filed an application with the OEB on November 15, 2016 seeking approval of the cost consequences arising from each of their Cap and Trade Compliance Plans for the January 1 to December 31, 2017 time period. The Gas Utilities filed their applications in accordance with the OEB's *Report of the Board – Regulatory Framework for Assessment of Costs of Natural Gas Utilities' Cap and Trade Activities* (Cap and Trade Framework)<sup>1</sup>.

On November 26, 2016 the OEB issued a Rate Order approving rates, on an interim basis, that allowed the Gas Utilities to begin to recover the projected costs of each of their Cap and Trade Compliance Plans prior to the issuance of the OEB's final rate decision for 2017.

On April 18, 2017 the OEB commenced its oral hearing related to the Gas Utilities' evidence on the public record. The public portion of the oral hearing concluded on April 21, 2017. The OEB subsequently held in camera sessions with each applicant related to their respective strictly confidential evidence. The oral hearing concluded on April 24, 2017.

On September 21, 2017, the OEB issued a combined Decision and Order for the public portions of the Gas Utilities' Compliance Plans as well as separate Decisions to each of the Gas Utilities on their respective strictly confidential Compliance Plan sections.

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<sup>1</sup> EB-2015-0363

In response to the OEB's Decision and Order, Enbridge and Union filed their respective draft Accounting and Rate Orders with the OEB on October 5, 2017. On October 18, 2017, Enbridge filed updated Rate Schedules and Union filed an updated draft Rate Order. NRG filed its draft Accounting and Rate Orders with the OEB on October 18, 2017, and a revised draft Rate Order on November 10, 2017.

## 2 DRAFT ACCOUNTING ORDER

The September 21, 2017 Decision and Order in this proceeding authorized the establishment of two new variance accounts to separately track variances in customer-related and facility-related obligation costs. The Gas Utilities were to file their respective draft Accounting Orders (DAO) in a manner consistent with the draft Accounting Order proposed by Union in this proceeding.

The Decision and Order also authorized NRG to establish a Greenhouse Gas Emissions Impact Deferral Account (GGEIDA) to capture the difference between forecast and actual administrative costs. The draft Accounting Orders of Enbridge and NRG were to reflect the GGEIDA wording proposed by Union in this proceeding.

In response to the OEB's Decision and Order, each of the Gas Utilities filed a draft Accounting Order.

### Submissions

The Canadian Manufacturers & Exporters (CME) and Building Owners and Managers Association, Greater Toronto (BOMA) submitted that they had no concerns with the DAOs filed by Enbridge and Union. In addition, OEB staff submitted that the DAOs filed by Enbridge, NRG and Union are consistent with the OEB's Decision and Order.

### OEB Findings

The OEB finds that the Draft Accounting Orders filed by Enbridge, NRG and Union are consistent with the Decision and Order in this proceeding.

### 3 DRAFT RATE ORDER

#### Enbridge's Draft Rate Order

On October 5, 2017, Enbridge filed a draft Rate Order (DRO) that reflected the October 1, 2017 QRAM<sup>2</sup> Decision and Order with an effective and implementation date of October 1, 2017. On October 18, 2017, Enbridge filed updated rate handbook rate schedules that included an annotation to indicate the January 1, 2017 effective date for the cap and trade charges. Enbridge noted that there is no change between the previously approved interim and final proposed cap and trade charges.

#### Submissions

CME took no issue with Enbridge's DRO. BOMA agreed with the DRO but suggested that Enbridge include a definition of the cap and trade charges in its glossary of terms and include another clause that the cap and trade charges in Rate 1 (and for most of the other rate classes) are not subject to the Gas Cost Adjustment contained in Rider "C" as per page 1 of 1, Handbook 12. OEB staff submitted that Enbridge's updated DRO is consistent with the OEB's Decision and Order in this proceeding.

In response to BOMA's comments, Enbridge proposed to address the potential wording changes in its 2018 Rate Proceeding<sup>3</sup> with associated rate schedules to be approved by December 15, 2017.

#### OEB Findings on Enbridge's Draft Rate Order

OEB finds that Enbridge's Draft Rate Order is consistent with the OEB's Decision and Order in this proceeding. Enbridge may consider incorporating the proposed wording into its 2018 Rate Proceeding.

#### NRG's Draft Rate Order

NRG filed a draft Rate Order on October 18, 2017. NRG's rate schedules were based on the Decision and Order in the October 1, 2017 QRAM<sup>4</sup> adjusted to reflect the revised

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<sup>2</sup> EB-2017-0218

<sup>3</sup> EB-2017-0086

<sup>4</sup> EB-2017-0293

customer-related and facility-related charges<sup>5</sup>. The rate schedules state that the effective date is January 1, 2017 and the implementation date is January 1, 2018.

### Submissions

OEB staff submitted that NRG's DRO is consistent with the OEB's Decision and Order. OEB staff however requested that NRG comment on whether an annotation that the cap and trade charges are effective January 1, 2017, similar to the approach proposed by Enbridge, would be appropriate. OEB staff also submitted that NRG, pursuant to the Decision and Order, is to record the impact of any difference between the interim approvals and the final approvals in the established variance accounts for the January 1 to December 31, 2017 period.

NRG filed a revised draft Rate Order on November 10, 2017 addressing OEB staff comments.

### OEB Findings on NRG's Draft Rate Order

The OEB finds that Natural Resource Gas' Draft Rate Order is consistent with the Decision and Order in this proceeding. NRG filed a revised DRO on November 10, 2017 that reflects the concerns raised with the original submission.

### Union's Draft Rate Order

Union filed a draft Rate Order on October 5, 2017. The proposed rate schedules are based on the Decision and Order in the October 1, 2017 QRAM<sup>6</sup> adjusted to show the cap and trade interim charges as separate line items pursuant to the Decision and Order in this proceeding. The proposed effective date was October 1, 2017.

On October 18, 2017, Union filed an updated draft Rate Order with an effective date of January 1, 2017. The updated DRO also included a change to allocate the facility-related obligation charges volumetrically to reflect the Decision and Order.

Union proposed to update rates as part of the next available QRAM application (January 1, 2018 QRAM) and to record the impact of any difference between the interim approvals and the final approvals in the established variance accounts for the January 1 to December 31, 2017 period.

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<sup>5</sup> EB-2016-0330, Staff IR-12, Schedule 1: New Rates Table

<sup>6</sup> EB-2017-0278

### Submissions

BOMA and CME submitted that they had no concerns with Union's DRO. London Property Management Association (LPMA) commented that it believes that Union's DRO accurately reflects the Decision and Order with respect to costs and the allocation of those costs to the various classes. LMPA does, however, have some concerns with respect to the accuracy of the draft rate schedules. In particular, LMPA indicated that there is no implementation date on Union's rate schedules and this incorrectly implies that all the rates shown on the rate schedules are effective January 1, 2017. LMPA suggested that Union use Enbridge's proposed approach to address this issue. LMPA also submitted that for "Schedule A" there is no need to change the effective date from October 1, 2017 to January 1, 2017 since it appears that these rates do not include cap and trade charges.

OEB staff submitted that Union's updated DRO (dated October 18, 2017) is consistent with the OEB's Decision and Order. OEB staff also submitted that these updated facility-related charges should be approved by the OEB in this proceeding for implementation in the January 1, 2018 QRAM process as per the Decision and Order. In addition, OEB staff suggested that Union use the approach proposed by Enbridge and clearly indicate that the effective date of January 1, 2017 applies to the cap and trade charges only.

In response to comments from OEB staff and intervenors, Union filed an update to its draft Rate Order submitted on October 18, 2017.

### OEB Findings on Union's Draft Rate Order

The OEB finds that Union's Draft Rate Order is consistent with the Decision and Order in this proceeding.

## 4 ORDER

### THE OEB ORDERS THAT:

1. The approved Accounting Order for Enbridge is attached as Appendix A of this Decision and Rate Order.
2. The approved Accounting Order for NRG is attached as Appendix B of this Decision and Rate Order.
3. The approved Accounting Order for Union is attached as Appendix C of this Decision and Rate Order.
4. Enbridge's 2017 final cap and trade charges shall be the rates set out in the Rate Handbook attached as Appendix D of this Decision and Rate Order.
5. NRG's 2017 final cap and trade charges shall be the rates set out in the Rate Schedules attached as Appendix E of this Decision and Rate Order.
6. Union's 2017 final cap and trade charges shall be the rates set out in the Rate Schedules attached as Appendix F of this Decision and Rate Order.
7. The Gas Utilities shall implement their 2017 cap and trade charges in their January 1, 2018 QRAM.

All filings to the OEB must quote the file number, **EB-2016-0296 / EB-2016-0300 / EB-2016-0330** and be made electronically in searchable / unrestricted PDF format through the OEB's web portal at [www.pes.ontarioenergyboard.ca/eservice/](http://www.pes.ontarioenergyboard.ca/eservice/). Two paper copies must also be filed. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.oeb.ca/Industry](http://www.oeb.ca/Industry). If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file seven (7) paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

**ADDRESS**

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4  
Attention: Board Secretary

E-mail: [boardsec@oeb.ca](mailto:boardsec@oeb.ca)  
Tel: 1-888-632-6273 (Toll free)  
Fax: 416-440-7656

**DATED** at Toronto November 16, 2017

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

**APPENDIX A**  
**DECISION AND RATE ORDER**  
**ENBRIDGE GAS DISTRIBUTION INC.**  
**EB-2016-0300**  
**NOVEMBER 16, 2017**

ACCOUNTING TREATMENT FOR A  
GREENHOUSE GAS EMISSIONS IMPACT DEFERRAL ACCOUNT  
("2017 GGEIDA")

For the 2017 Fiscal Year  
(January 1, 2017 to December 31, 2017)

The purpose of the 2017 GGEIDA is to record the administrative costs associated with the impacts of provincial and federal regulations related to greenhouse gas emission requirements.

Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the Board in a future rate hearing.

Accounting Entries

1. To record the greenhouse gas emission administrative costs:

Debit/Credit:	2017 GGEIDA	(Account 179. 327)
Credit/Debit:	Various accounts	(Account ____ . ____)

To record the administrative costs/credits associated with the impact of provincial and federal regulations related to greenhouse gas emission requirements.

2. Interest accrual:

Debit/Credit:	Interest on 2017 GGEIDA	(Account 179. 337)
Credit/Debit:	Interest expense	(Account 323. 000)

To record simple interest on the opening monthly balance of the 2017 GGEIDA using the Board approved EB-2006-0117 interest rate methodology.

ACCOUNTING TREATMENT FOR A  
GREENHOUSE GAS EMISSIONS COMPLIANCE OBLIGATION – CUSTOMER-  
RELATED VARIANCE ACCOUNT  
("2017 GHG-Customer VA")

For the 2017 Fiscal Year  
(January 1, 2017 to December 31, 2017)

The purpose of the 2017 GHG-Customer VA is to record the variance between actual customer-related obligation costs and actual customer-related obligation costs recovered in rates as approved by the Board.

Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the Board in a future rate hearing.

Accounting Entries

1. To record the variance in customer-related obligation costs:

Debit/Credit:	2017 GHG-Customer VA	(Account 179. 827)
Credit/Debit:	Miscellaneous Operating Revenue	(Account 579. 000)

To record the variance between actual customer-related obligation costs and the actual customer-related obligation costs recovered in rates.

2. Interest accrual:

Debit/Credit:	Interest on 2017 GHG-Customer VA	(Account 179. 837)
Credit/Debit:	Interest expense	(Account 323. 000)

To record simple interest on the opening monthly balance of the 2017 GHG-Customer VA using the Board approved EB-2006-0117 interest rate methodology.

ACCOUNTING TREATMENT FOR A  
GREENHOUSE GAS EMISSIONS COMPLIANCE OBLIGATION – FACILITY-  
RELATED VARIANCE ACCOUNT  
("2017 GHG-Facility VA")

For the 2017 Fiscal Year  
(January 1, 2017 to December 31, 2017)

The purpose of the 2017 GHG-Facility VA is to record the variance between actual facility-related obligation costs and actual facility-related obligation costs recovered in rates as approved by the Board.

Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the Board in a future rate hearing.

Accounting Entries

1. To record the variance in facility-related obligation costs:

Debit/Credit:	2017 GHG-Facility VA	(Account 179. 847)
Credit/Debit:	Miscellaneous Operating Revenue	(Account 579. 000)

To record the variance between actual facility-related obligation costs and the actual facility-related obligation costs recovered in rates.

2. Interest accrual:

Debit/Credit:	Interest on 2017 GHG-Facility VA	(Account 179. 857)
Credit/Debit:	Interest expense	(Account 323. 000)

To record simple interest on the opening monthly balance of the 2017 using the GHG-Facility VA Board approved EB-2006-0117 interest rate methodology.

**APPENDIX B**  
**DECISION AND RATE ORDER**  
**NATURAL RESOURCE GAS LIMITED**  
**EB-2016-0330**  
**NOVEMBER 16, 2017**

**NATURAL RESOURCE GAS LIMITED**

**Accounting Entries for  
Greenhouse Gas Emissions Impact Deferral Account  
Deferral Account No. 179-49**

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

Debit/Credit - Account No.179-49  
Other Deferred Charges - Greenhouse Gas Emissions Impact Deferral Account

Credit/Debit - Account No. 728  
General Expense

To record, as a debit (credit) in Deferral Account No. 179-49, the administrative costs associated with the impacts of provincial and federal regulations related to greenhouse gas emission requirements.

Debit/Credit - Account No.179-49  
Other Deferred Charges - Greenhouse Gas Emissions Impact Deferral Account

Credit/Debit - Account No. 323  
Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-49, 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.

**NATURAL RESOURCE GAS LIMITED**

**Accounting Entries for  
Greenhouse Gas Emissions Compliance Obligation – Customer-Related  
Deferral Account No. 179-50**

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

Debit/Credit - Account No.179-50  
Other Deferred Charges - Greenhouse Gas Emissions Compliance Obligation -  
Customer-Related

Credit/Debit - Account No. 520; Account No. 521; Account No. 522  
Gas Sales Residential; Gas Sales Commercial; Gas Sales Industrial

To record, as a debit (credit) in Deferral Account No. 179-50, the variance between actual customer-related obligation costs and customer-related obligation costs recovered in rates as approved by the Board.

Debit/Credit - Account No.179-50  
Other Deferred Charges - Greenhouse Gas Emissions Compliance Obligation -  
Customer-Related

Credit/Debit - Account No. 323  
Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-50, interest on the balance in Deferral Account No. 179-154. 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.

**NATURAL RESOURCE GAS LIMITED**

**Accounting Entries for  
Greenhouse Gas Emissions Compliance Obligation – Facility-Related  
Deferral Account No. 179-51**

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

Debit/Credit - Account No.179-51  
Other Deferred Charges - Greenhouse Gas Emissions Compliance Obligation - Facility-Related

Credit/Debit - Account No. 520; Account No. 521; Account No. 522  
Gas Sales Residential; Gas Sales Commercial; Gas Sales Industrial

To record, as a debit (credit) in Deferral Account No. 179-51, the variance between actual facility-related obligation costs and facility-related obligation costs recovered in rates as approved by the Board.

Debit/Credit - Account No.179-51  
Other Deferred Charges - Greenhouse Gas Emissions Compliance Obligation - Facility-Related

Credit/Debit - Account No. 323  
Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-51, interest on the balance in Deferral Account No. 179-155. 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 C**  
**DECISION AND RATE ORDER**  
**UNION GAS LIMITED**  
**EB-2016-0296**  
**NOVEMBER 16, 2017**

**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 administrative costs associated with 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  
Greenhouse Gas Emissions Compliance Obligation – Customer-Related  
Deferral Account No. 179-154**

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

Debit	-	Account No.179-154 Other Deferred Charges – Greenhouse Gas Emissions Compliance Obligation – Customer-Related
Credit	-	Account No. 579 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-154, the variance between actual customer-related obligation costs and customer-related obligation costs recovered in rates as approved by the Board.

Debit	-	Account No.179-154 Other Deferred Charges – Greenhouse Gas Emissions Compliance Obligation – Customer-Related
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-154, interest on the balance in Deferral Account No. 179-154. 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 Compliance Obligation – Facility-Related  
Deferral Account No. 179-155**

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

Debit	-	Account No.179-155 Other Deferred Charges – Greenhouse Gas Emissions Compliance Obligation – Facility-Related
Credit	-	Account No. 579 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-155, the variance between actual facility-related obligation costs and facility-related obligation costs recovered in rates as approved by the Board.

Debit	-	Account No.179-155 Other Deferred Charges – Greenhouse Gas Emissions Compliance Obligation – Facility-Related
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-155, interest on the balance in Deferral Account No. 179-155. 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 D**  
**DECISION AND RATE ORDER**  
**ENBRIDGE GAS DISTRIBUTION INC.**  
**EB-2016-0300**  
**NOVEMBER 16, 2017**



**APPLICABILITY:**

To any Applicant needing to use the Company's natural gas distribution network to have transported a supply of natural gas to a single terminal location ("Terminal Location") for non-residential purposes.

**RATE:**

Rates per cubic metre assume an energy content of 37.69 MJ/m<sup>3</sup>.

	<u>Billing Month</u> January to December <u>\$70.00</u>
<b>Monthly Customer Charge</b>	
<b>Delivery Charge per cubic metre</b>	
For the first 500 m <sup>3</sup> per month	9.6172 ¢/m <sup>3</sup>
For the next 1050 m <sup>3</sup> per month	7.6833 ¢/m <sup>3</sup>
For the next 4500 m <sup>3</sup> per month	6.3291 ¢/m <sup>3</sup>
For the next 7000 m <sup>3</sup> per month	5.4590 ¢/m <sup>3</sup>
For the next 15250 m <sup>3</sup> per month	5.0725 ¢/m <sup>3</sup>
For all over 28300 m <sup>3</sup> per month	4.9753 ¢/m <sup>3</sup>
<b>Transportation Charge per cubic metre</b> (If applicable)	5.3414 ¢/m <sup>3</sup>
<b>Transportation Dawn Charge per cubic metre</b> (If applicable)	1.1404 ¢/m <sup>3</sup>
<b>System Sales Gas Supply Charge per cubic metre</b> (If applicable)	9.8473 ¢/m <sup>3</sup>
<b>Cap and Trade Customer Related Charge</b> <i>Note (1) See below</i> (If applicable)	3.3181 ¢/m <sup>3</sup>
<b>Cap and Trade Facility Related Charge</b> <i>Note (1) See below</i>	0.0337 ¢/m <sup>3</sup>

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider "C" and the Revenue Adjustment Rider contained in Rider "E". Also, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F".  
The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

**DIRECT PURCHASE ARRANGEMENTS:**

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

**TERMS AND CONDITIONS OF SERVICE:**

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

**EFFECTIVE DATE:**

To apply to bills rendered for gas consumed by customers on and after October 1, 2017 under Sales Service and Transportation Service. This rate schedule is effective October 1, 2017 and replaces the identically numbered rate schedule that specifies implementation date, July 1, 2017 and that indicates the Board Order, EB-2017-0181, effective July 1, 2017.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

EFFECTIVE DATE: October 1, 2017	IMPLEMENTATION DATE: October 1, 2017	BOARD ORDER: EB-2017-0281	REPLACING RATE EFFECTIVE: July 1, 2017	Page 1 of 1 Handbook 12
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RATE NUMBER **100**

**TERMS AND CONDITIONS OF SERVICE:**

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

**EFFECTIVE DATE:**

To apply to bills rendered for gas consumed by customers on and after October 1, 2017 under Sales Service and Transportation Service. This rate schedule is effective October 1, 2017 and replaces the identically numbered rate schedule that specifies implementation date, July 1, 2017 and that indicates the Board Order, EB-2017-0181, effective July 1, 2017.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

EFFECTIVE DATE:	IMPLEMENTATION DATE:	BOARD ORDER:	REPLACING RATE EFFECTIVE:	Page 2 of 2
October 1, 2017	October 1, 2017	EB-2017-0281	July 1, 2017	Handbook 15



**APPLICABILITY:**

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of an annual supply of natural gas of not less than 146 times a specified maximum daily volume of not less than 1,865 cubic metres.

**CHARACTER OF SERVICE:**

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure.

**RATE:**

Rates per cubic metre assume an energy content of 37.69 MJ/m<sup>3</sup>.

	<u>Billing Month</u> January to December <u>\$587.37</u>
<b>Monthly Customer Charge</b>	
<b>Delivery Charge</b>	
Per cubic metre of Contract Demand	22.9100 ¢/m <sup>3</sup>
Per cubic metre of gas delivered	
For the first 1,000,000 m <sup>3</sup> per month	0.7449 ¢/m <sup>3</sup>
For all over 1,000,000 m <sup>3</sup> per month	0.5949 ¢/m <sup>3</sup>
<b>Gas Supply Load Balancing Charge</b>	0.2974 ¢/m <sup>3</sup>
<b>Transportation Charge per cubic metre</b> (If applicable)	5.3414 ¢/m <sup>3</sup>
<b>Transportation Dawn Charge per cubic metre</b> (If applicable)	1.1404 ¢/m <sup>3</sup>
<b>System Sales Gas Supply Charge per cubic metre</b> (If applicable)	9.7911 ¢/m <sup>3</sup>
<b>Cap and Trade Customer Related Charge</b> Note (1) See below (If applicable)	3.3181 ¢/m <sup>3</sup>
<b>Cap and Trade Facility Related Charge</b> Note (1) See below	0.0337 ¢/m <sup>3</sup>

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider "C" and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

**DIRECT PURCHASE ARRANGEMENTS:**

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

**UNAUTHORIZED OVERRUN GAS RATE:**

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

EFFECTIVE DATE: October 1, 2017	IMPLEMENTATION DATE: October 1, 2017	BOARD ORDER: EB-2017-0281	REPLACING RATE EFFECTIVE: July 1, 2017	Page 1 of 2 Handbook 16
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RATE NUMBER: **110**

**MINIMUM BILL:**

Per cubic metre of Annual Volume Deficiency  
(See Terms and Conditions of Service):

**6.3552 ¢/m<sup>3</sup>**

In determining the Annual Volume Deficiency, the minimum bill multiplier shall not be less than 146.

**TERMS AND CONDITIONS OF SERVICE:**

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

**EFFECTIVE DATE:**

To apply to bills rendered for gas consumed by customers on and after October 1, 2017 under Sales Service and Transportation Service. This rate schedule is effective October 1, 2017 and replaces the identically numbered rate schedule that specifies implementation date, July 1, 2017 and that indicates the Board Order, EB-2017-0181, effective July 1, 2017.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

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**APPLICABILITY:**

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of an annual supply of natural gas of not less than 292 times a specified maximum daily volume of not less than 1,165 cubic metres.

**CHARACTER OF SERVICE:**

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure.

**RATE:**

Rates per cubic metre assume an energy content of 37.69 MJ/m<sup>3</sup>.

	<u>Billing Month</u> <u>January</u> to <u>December</u> <u>\$622.62</u>
<b>Monthly Customer Charge</b>	
<b>Delivery Charge</b>	
Per cubic metre of Contract Demand	24.3600 ¢/m <sup>3</sup>
Per cubic metre of gas delivered	
For the first 1,000,000 m <sup>3</sup> per month	0.3733 ¢/m <sup>3</sup>
For all over 1,000,000 m <sup>3</sup> per month	0.2733 ¢/m <sup>3</sup>
<b>Gas Supply Load Balancing Charge</b>	0.1071 ¢/m <sup>3</sup>
<b>Transportation Charge per cubic metre</b> (If applicable)	5.3414 ¢/m <sup>3</sup>
<b>Transportation Dawn Charge per cubic metre</b> (If applicable)	1.1404 ¢/m <sup>3</sup>
<b>System Sales Gas Supply Charge per cubic metre</b> (If applicable)	9.7911 ¢/m <sup>3</sup>
<b>Cap and Trade Customer Related Charge</b> <i>Note (1) See below</i> (If applicable)	3.3181 ¢/m <sup>3</sup>
<b>Cap and Trade Facility Related Charge</b> <i>Note (1) See below</i>	0.0337 ¢/m <sup>3</sup>

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider "C" and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

**DIRECT PURCHASE ARRANGEMENTS:**

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

**UNAUTHORIZED OVERRUN GAS RATE:**

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

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RATE NUMBER: **115**

**MINIMUM BILL:**

Per cubic metre of Annual Volume Deficiency  
(See Terms and Conditions of Service):

**5.7933 ¢/m<sup>3</sup>**

In determining the Annual Volume Deficiency the minimum bill multiplier shall not be less than 292.

**TERMS AND CONDITIONS OF SERVICE:**

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

**EFFECTIVE DATE:**

To apply to bills rendered for gas consumed by customers on and after October 1, 2017 under Sales Service and Transportation Service. This rate schedule is effective October 1, 2017 and replaces the identically numbered rate schedule that specifies implementation date, July 1, 2017 and that indicates the Board Order, EB-2017-0181, effective July 1, 2017.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

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**APPLICABILITY:**

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of a specified maximum daily volume of natural gas. The maximum daily volume for billing purposes, Contract Demand or Billing Contract Demand, as applicable, shall not be less than 600,000 cubic metres. The Service under this rate requires Automatic Meter Reading (AMR) capability.

**CHARACTER OF SERVICE:**

Service shall be firm except for events specified in the Service Contract including force majeure.

For Non-Dedicated Service the monthly demand charges payable shall be based on the Contract Demand which shall be 24 times the Hourly Demand and the Applicant shall not exceed the Hourly Demand.

For Dedicated Service the monthly demand charges payable shall be based on the Billing Contract Demand or the Contract Demand specified in the Service Contract. The Applicant shall not exceed an hourly flow calculated as 1/24th of the Contract Demand specified in the Service Contract.

**DISTRIBUTION RATES:**

The following rates and charges, as applicable, shall apply for deliveries to the Terminal Location.

<b>Monthly Customer Charge</b>	<b>\$500.00</b>		
<b>Demand Charge</b>			
Per cubic metre of the Contract Demand or the Billing Contract Demand, as applicable, per month	<b>9.7583 ¢/m<sup>3</sup></b>		
		<u><b>Non-Dedicated</b></u>	<u><b>Dedicated</b></u>
<b>Cap and Trade Customer Related Charge</b> <i>Note (1) See below</i>	<b>3.3181 ¢/m<sup>3</sup></b>	<b>3.3181 ¢/m<sup>3</sup></b>	<b>3.3181 ¢/m<sup>3</sup></b>
<b>Cap and Trade Facility Related Charge</b> <i>Note (1) See below</i>	<b>0.0290 ¢/m<sup>3</sup></b>	<b>0.0290 ¢/m<sup>3</sup></b>	<b>0.0018 ¢/m<sup>3</sup></b>
<b>Direct Purchase Administration Charge</b>	<b>\$75.00</b>		
<b>Forecast Unaccounted For Gas Percentage</b>	<b>0.7%</b>		

**Monthly Minimum Bill:** The Monthly Customer Charge plus the Monthly Demand Charge.

**TERMS AND CONDITIONS OF SERVICE:**

1. To the extent that this Rate Schedule does not specifically address matters set out in PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** then the provisions in those Parts shall apply, as contemplated therein, to service under this Rate Schedule.

**2. Unaccounted for Gas (UFG) Adjustment Factor:**

The Applicant is required to deliver to the Company on a daily basis the sum of: (a) the volume of gas to be delivered to the Applicant's Terminal Location; and (b) a volume of gas equal to the forecast unaccounted for gas percentage as stated above multiplied by (a). In the case of a Dedicated Service, the Unaccounted for Gas volume requirement is not applicable.

**3. Nominations:**

Customer shall nominate gas delivery daily based on the gross commodity delivery required to serve the customer's daily load plus the UFG. Customers may change daily nominations based on the nomination windows within a day as defined by the customer contract with TransCanada PipeLines (TCPL) or Union Gas Limited.

Schedule of nominations under Rate 125 has to match upstream nominations. This rate does not allow for any more flexibility than exists upstream of the EGD gas distribution system. Where the customer's nomination does not match the confirmed upstream nomination, the nomination will be confirmed at the upstream value.

Customer may nominate gas to a contractually specified Primary Delivery Area that may be EGD's Central Delivery Area (CDA) or EGD's Eastern Delivery Area (EDA) or other Delivery Area as specified in the applicable Service Contract. The Company may accept deliveries at a Secondary Delivery Area such as Dawn, at its sole discretion. Quantities of gas nominated to the system cannot exceed the Contract Demand, unless Make-up Gas or Authorized Overrun is permitted.

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Customers with multiple Rate 125 contracts within a Primary Delivery Area may combine nominations subject to system operating requirements and subject to the Contract Demand for each Terminal Location. For combined nominations the customer shall specify the quantity of gas to each Terminal Location and the order in which gas is to be delivered to each Terminal Location. The specified order of deliveries shall be used to administer Load Balancing Provisions to each Terminal Location. When system conditions require delivery to a single Terminal Location only, nominations with different Terminal Locations may not be combined.

The Company permits pooling of Rate 125 contracts for legally related customers who meet the Business Corporations Act (Ontario) ("OBCA") definition of "affiliates" to allow for the management of those contracts by a single manager. The single manager is jointly liable with the individual customers for all of their obligations under the contracts, while the individual customers are severally liable for all of their obligations under their own contracts.

**4. Authorized Demand Overrun:**

The Company may, at its sole discretion, authorize consumption of gas in excess of the Contract Demand for limited periods within a month, provided local distribution facilities have sufficient capacity to accommodate higher demand. In such circumstances, customer shall nominate gas delivery based on the gross commodity delivery (the sum of the customer's Contract Demand and the authorized overrun amount) required to serve the customer's daily load, plus the UFG. In the event that gas usage exceeds the gas delivery on a day where demand overrun is authorized, the excess gas consumption shall be deemed Supply Overrun Gas.

Such service shall not exceed 5 days in any contract year. Based on the terms of the Service Contract, requests beyond 5 days will constitute a request for a new Contract Demand level with retroactive charges. The new Contract Demand level may be restricted by the capability of the local distribution facilities to accommodate higher demand.

Automatic authorization of transportation overrun over the Billing Contract Demand will be given in the case of Dedicated Service to the Terminal Location provided that pipeline capacity is available and subject to the Contract Demand as specified in the Service Contract.

Authorized Demand Overrun Rate **0.32 ¢/m<sup>3</sup>**

The Authorized Demand Overrun Rate may be applied to commissioning volumes at the Company's sole discretion, for a contractual period of not more than one year, as specified in the Service Contract.

**5. Unauthorized Demand Overrun:**

Any gas consumed in excess of the Contract Demand and/or maximum hourly flow requirements, if not authorized, will be deemed to be Unauthorized Demand Overrun gas. Unauthorized Demand Overrun gas may establish a new Contract Demand effective immediately and shall be subject to a charge equal to 120 % of the applicable monthly charge for twelve months of the current contract term, including retroactively based on terms of Service Contract. Based on capability of the local distribution facilities to accommodate higher demand, different conditions may apply as specified in the applicable Service Contract. Unauthorized Demand Overrun gas shall also be subject to Unauthorized Supply Overrun provisions.

**6. Unauthorized Supply Overrun:**

Any volume of gas taken by the Applicant on a day at the Terminal Location which exceeds the sum of:

- i. any applicable provisions of Rate 315 and any applicable Load Balancing Provision pursuant to Rate 125, plus
- ii. the volume of gas delivered by the Applicant on that day shall constitute Unauthorized Supply Overrun Gas.

The Company may also deem volumes of gas to be Unauthorized Supply Overrun gas in other circumstances, as set out in the Load Balancing Provisions of Rate 125.

Any gas deemed to be Unauthorized Overrun gas shall be purchased by the customer at a price (Pe), which is equal to 150% of the highest price in effect for that day as defined below\*.

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**7. Unauthorized Supply Underrun:**

Any volume of gas delivered by the Applicant on any day in excess of the sum of:

- i. any applicable provisions of Rate 315 and any applicable Load Balancing Provision pursuant to Rate 125, plus
- ii. the volume of gas taken by the Applicant at the Terminal Location on that day shall be classified as Supply Underrun Gas.

The Company may also deem volumes of gas to be Unauthorized Supply Underrun gas in other circumstances, as set out in the Load Balancing Provisions of Rate 125.

Any gas deemed to be Unauthorized Supply Underrun Gas shall be purchased by the Company at a price ( $P_u$ ) which is equal to fifty percent (50%) of the lowest price in effect for that day as defined below\*\*.

\* where the price  $P_e$  expressed in cents / cubic metre is defined as follows:

$$P_e = (P_m * E_r * 100 * 0.03769 / 1.055056) * 1.5$$

$P_m$  = highest daily price in U.S. \$/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the terminal location is in the CDA delivery area, and the Iroquois export point if the terminal location is in the EDA delivery area.

$E_r$  = Noon day spot exchange rate expressed in Canadian dollars per U.S. dollar for such day quoted by the Bank of Canada in the following day's Globe & Mail Publication.

1.055056 = Conversion factor from mmBtu to GJ.

0.03769 = Conversion factor from GJ to cubic metres.

\*\* where the price  $P_u$  expressed in cents / cubic metre is defined as follows:

$$P_u = (P_l * E_r * 100 * 0.03769 / 1.055056) * 0.5$$

$P_l$  = lowest daily price in U.S. \$/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the terminal location is in the CDA delivery area, and the Iroquois export point if the terminal location is in the EDA delivery area.

**Term of Contract:**

A minimum of one year. A longer-term contract may be required if incremental contracts/assets/facilities have been procured/built for the customer. Migration from an unbundled rate to bundled rate may be restricted subject to availability of adequate transportation and storage assets.

**Right to Terminate Service:**

The Company reserves the right to terminate service to customers served hereunder where the customer's failure to comply with the parameters of this rate schedule, including the load balancing provisions, jeopardizes either the safety or reliability of the gas system. The Company shall provide notice to the customer of such termination; however, no notice is required to alleviate emergency conditions.

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**LOAD BALANCING PROVISIONS:**

Load Balancing Provisions shall apply at the customer's Terminal Location or at the location of the meter installation for a customer served from a dedicated facility. In the event of an imbalance any excess delivery above the customer's actual consumption or delivery less than the actual consumption shall be subject to the Load Balancing Provisions.

**Definitions:**

**Aggregate Delivery:**

The Aggregate Delivery for a customer's account shall equal the sum of the confirmed nominations of the customer for delivery of gas to the applicable delivery area from all pipeline sources including where applicable, the confirmed nominations of the customer for Storage Service under Rate 316 or Rate 315 and any available No-Notice Storage Service under Rate 315 for delivery of gas to the Applicable Delivery Area.

**Applicable Delivery Area:**

The Applicable Delivery Area for each customer shall be specified by contract as a Primary Delivery Area. Where system-operating conditions permit, the Company, in its sole discretion, may accept a Secondary Delivery Area as the Applicable Delivery Area by confirming the customer's nomination of such area. Confirmation of a Secondary Delivery Area for a period of a gas day shall cause such area to become the Applicable Delivery Area for such day. Where delivery occurs at both a Terminal Location and a Secondary Delivery Area on a given day, the sum of the confirmed deliveries may not exceed the Contract Demand, unless Demand Overrun and/or Make-up Gas is authorized.

**Primary Delivery Area:**

The Primary Delivery Area shall be delivery area such as EGD's Central Delivery Area (CDA) or EGD's Eastern Delivery Area (EDA), or other Delivery Area as specified in the applicable Service Contract.

**Secondary Delivery Area:**

A Secondary Delivery Area may be a delivery area such as Dawn where the Company, at its sole discretion, determines that operating conditions permit gas deliveries for a customer.

**Actual Consumption:**

The Actual Consumption of the customer shall be the metered quantity of gas consumed at the customer's Terminal Location or in the event of combined nominations at the Terminal Locations specified.

**Net Available Delivery:**

The Net Available Delivery shall equal the Aggregate Delivery times one minus the annually determined percentage of Unaccounted for Gas (UFG) as reported by the Company.

**Daily Imbalance:**

The Daily Imbalance shall be the absolute value of the difference between Actual Consumption and Net Available Delivery.

**Cumulative Imbalance:**

The Cumulative Imbalance shall be the sum of the difference between Actual Consumption and Net Available Delivery since the date the customer last balanced or was deemed to have balanced its Cumulative Imbalance account.

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**Maximum Contractual Imbalance:**

The Maximum Contractual Imbalance shall be equal to 60% of the customer's Contract Demand for non dedicated service and 60% of the Billing Contract Demand for dedicated service.

**Winter and Summer Seasons:**

The winter season shall commence on the date that the Company provides notice of the start of the winter period and conclude on the date that the Company provides notice of the end of the winter period. The summer season shall constitute all other days. The Company shall provide advance notice to the customer of the start and end of the winter season as soon as reasonably possible, but in no event not less than 2 days prior to the start or end.

**Operational Flow Order:**

An Operational Flow Order (OFO) shall constitute an issuance of instructions to protect the operational capacity and integrity of the Company's system, including distribution and/or storage assets, and/or connected transmission pipelines.

Enbridge Gas Distribution, acting reasonably, may call for an OFO in the following circumstances:

- Capacity constraint on the system, or portions of the system, or upstream systems, that are fully utilized;
- Conditions where the potential exists that forecasted system demand plus reserves for short notice services provided by the Company and allowances for power generation customers' balancing requirements would exceed facility capabilities and/or provisions of 3rd party contracts;
- Pressures on the system or specific portions of the system are too high or too low for safe operations;
- Storage system constraints on capacity or pressure or caused by equipment problems resulting in limited ability to inject or withdraw from storage;
- Pipeline equipment failures and/or damage that prohibits the flow of gas;
- Any and all other circumstances where the potential for system failure exists.

**Daily Balancing Fee:**

On any day where the customer has a Daily Imbalance the customer shall pay a Daily Balancing Fee equal to:

(Tier 1 Quantity X Tier 1 Fee) + (Tier 2 Quantity X Tier 2 Fee) + (Applicable Penalty Fee for Imbalance in excess of the Maximum Contractual Imbalance X the amount of Daily Imbalance in excess of the Maximum Contractual Imbalance)

Where Tier 1 and 2 Fees and Quantities are set forth as follows:

Tier 1 = 0.937 cents/m3 applied to Daily Imbalance of greater than 2% but less than 10% of the Maximum Contractual Imbalance

Tier 2 = 1.1244 cents/m3 applied to Daily Imbalance of greater than 10% but less than the Maximum Contractual Imbalance

In addition for Tier 2, instances where the Daily Imbalance represents an under delivery of gas during the winter season shall constitute Unauthorized Supply Overrun Gas for all gas in excess of 10% of Maximum Contractual Imbalance. Where the Daily Imbalance represents an over delivery of gas during the summer season, the Company reserves the right to deem as Unauthorized Supply Underrun Gas for all gas in excess of 10% of Maximum Contractual Imbalance. The Company will issue a 24-hour advance notice to customers of its intent to impose cash out for over delivery of gas during the summer season.

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For customers delivering to a Primary Delivery Area other than EGD's CDA or EGD's EDA, the Tier 1 Fee is applied to Daily Imbalance of greater than 0% but less than 10% of the Maximum Contractual Imbalance

The customers shall also pay any Limited Balancing Agreement (LBA) charges imposed by the pipeline on days when the customer has a Daily Imbalance provided such imbalance matches the direction of the pipeline imbalance. LBA charges shall first be allocated to customers served under Rates 125 and 300. The system bears a portion of these charges only to the extent that the system incurs such charges based on its operation excluding the operation of customers under Rates 125 and 300. In that event, LBA charges shall be prorated based on the relative imbalances. The Company will provide the customer with a derivation of any such charges.

Customer's Actual Consumption cannot exceed Net Available Delivery when the Company issues an Operational Flow Order in the winter. Net nominations must not be less than consumption at the Terminal Location. Any negative Daily Imbalance on a winter Operational Flow Order day shall be deemed to be Unauthorized Supply Overrun. Customer's Net Available Delivery cannot exceed Actual Consumption when the Company issues an Operational Flow Order in the summer. Actual Consumption must not be less than net nomination at the Terminal Location. Any positive Daily Imbalance on a summer Operational Flow Order day shall be deemed to be Unauthorized Supply Underrun.

The Company will waive Daily Balancing Fee and Cumulative Imbalance Charge on the day of an Operational Flow Order if the customer used less gas than the amount the customer delivered to the system during the winter season or the customer used more gas than the amount the customer delivered to the system during the summer season. The Company will issue a 24-hour advance notice to customers of Operational Flow Orders and suspension of Load Balancing Provisions.

**Cumulative Imbalance Charges:**

Customers may trade Cumulative Imbalances within a delivery area. Customers may also nominate to transfer gas from their Cumulative Imbalance Account into an unbundled (Rate 315 or Rate 316) storage account of the customer subject to their storage contract parameters.

Customers shall be permitted to nominate Make-up Gas, subject to operating constraints, provided that Make-up Gas plus Aggregate Delivery do not exceed the Contract Demand. The Company may, on days with no operating constraints, authorize Make-up Gas that, in conjunction with Aggregate Delivery, exceeds the Contract Demand.

The customer's Cumulative Imbalance cannot exceed its Maximum Contractual Imbalance. In the event that the customer's imbalance exceeds their Maximum Contractual Imbalance the Company shall deem the excess imbalance to be Unauthorized Supply Overrun or Underrun gas, as appropriate.

The Cumulative Imbalance Fee, applicable daily, is 1.0652 cents/m3 per unit of imbalance.

In addition, on any day that the Company declares an Operational Flow Order, negative Cumulative Imbalances greater than 10 % of Maximum Contractual Imbalance in the winter season shall be deemed to be Unauthorized Overrun Gas. The Company reserves the right to deem positive Cumulative Imbalances greater than 10% of Maximum Contractual Imbalance in the summer season as Unauthorized Supply Underun Gas. The Company will issue a 24-hour advance notice to customers of Operational Flow Orders including cash out instructions for Cumulative Imbalances greater than 10 % of Maximum Contractual Imbalance.

**EFFECTIVE DATE:**

To apply to bills rendered for gas delivered on and after October 1, 2017. This rate schedule is effective October 1, 2017 and replaces the identically numbered rate schedule that specifies implementation date, July 1, 2017 and that indicates the Board Order, EB-2017-0181 effective July 1, 2017.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

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**APPLICABILITY:**

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of an annual supply of natural gas of not less than 340,000 cubic metres.

**CHARACTER OF SERVICE:**

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure. A maximum of five percent of the contracted annual volume may be taken by the Applicant in a single month during the months of December to March inclusively.

**RATE:**

Rates per cubic metre assume an energy content of 37.69 MJ/m<sup>3</sup>.

	Billing Month	
	December to March	April to November
<b>Monthly Customer Charge</b>	<b>\$115.08</b>	<b>\$115.08</b>
<b>Delivery Charge</b>		
For the first 14,000 m <sup>3</sup> per month	7.0979 ¢/m <sup>3</sup>	2.3979 ¢/m <sup>3</sup>
For the next 28,000 m <sup>3</sup> per month	5.8979 ¢/m <sup>3</sup>	1.6979 ¢/m <sup>3</sup>
For all over 42,000 m <sup>3</sup> per month	5.4979 ¢/m <sup>3</sup>	1.4979 ¢/m <sup>3</sup>
<b>Gas Supply Load Balancing Charge</b>	<b>0.0000 ¢/m<sup>3</sup></b>	<b>0.0000 ¢/m<sup>3</sup></b>
<b>Transportation Charge per cubic metre</b> (If applicable)	<b>5.3414 ¢/m<sup>3</sup></b>	<b>5.3414 ¢/m<sup>3</sup></b>
<b>Transportation Dawn Charge per cubic metre</b> (If applicable)	<b>1.1404 ¢/m<sup>3</sup></b>	<b>1.1404 ¢/m<sup>3</sup></b>
<b>System Sales Gas Supply Charge per cubic metre</b> (If applicable)	<b>9.8174 ¢/m<sup>3</sup></b>	<b>9.8174 ¢/m<sup>3</sup></b>
<b>Cap and Trade Customer Related Charge</b> Note (1) See below	<b>3.3181 ¢/m<sup>3</sup></b>	<b>3.3181 ¢/m<sup>3</sup></b>
<b>Cap and Trade Facility Related Charge</b> Note (1) See below	<b>0.0337 ¢/m<sup>3</sup></b>	<b>0.0337 ¢/m<sup>3</sup></b>

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider "C" and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

**DIRECT PURCHASE ARRANGEMENTS:**

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

The applicant has the option of delivering either Option a) a Mean Daily Volume ("MDV") based on 12 months, or Option b) a Modified Mean Daily Volume ("MMDV") based on nine months of deliveries. Authorized Volumes for the months of January, February and March would be zero under option b).

**UNAUTHORIZED OVERRUN GAS RATE:**

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Failure to deliver a volume of gas equal to the Mean Daily Volume under Option a) set out in the Service Contract during the months of December to March inclusive may result in the Applicant not being eligible for service under this rate in a subsequent contract period, at the Company's sole discretion.

Failure to deliver a volume of gas equal to the Modified Mean Daily Volume under Option b) set out in the Service Contract during the month of December may result in the Applicant not being eligible for service under this rate in a subsequent contract period, at the Company's sole discretion.

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RATE NUMBER: **135**

**SEASONAL CREDIT:**

Rate per cubic metre of Mean Daily Volume from December to March \$ 0.77 /m<sup>3</sup>  
Rate per cubic metre of Modified Mean Daily Volume for December \$ 0.77 /m<sup>3</sup>

**SEASONAL OVERRUN CHARGE:**

During the months of December through March inclusively, any volume of gas taken in a single month in excess of five percent of the annual contract volume (Seasonal Overrun Monthly Volume) will be subject to Seasonal Overrun Charges in place of both the Delivery and Gas Supply Load Balancing Charges. The Seasonal Overrun Charge applicable for the months of December and March shall be calculated as 2.0 times the sum of the Gas Supply Load Balancing Charge, Transportation Charge and the maximum Delivery Charge. The Seasonal Overrun Charge applicable for the months of January and February shall be calculated as 5.0 times the sum of the Load Balancing Charge, Transportation Charge and the maximum Delivery Charge.

Seasonal Overrun Charges:

December and March 24.8786 ¢/m<sup>3</sup>  
January and February 62.1965 ¢/m<sup>3</sup>

**MINIMUM BILL:**

Per cubic metre of Annual Volume Deficiency  
(See Terms and Conditions of Service): 9.2775 ¢/m<sup>3</sup>

**TERMS AND CONDITIONS OF SERVICE:**

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

**EFFECTIVE DATE:**

To apply to bills rendered for gas consumed by customers on and after October 1, 2017 under Sales Service and Transportation Service. This rate schedule is effective October 1, 2017 and replaces the identically numbered rate schedule that specifies implementation date, July 1, 2017 and that indicates the Board Order, EB-2017-0181, effective July 1, 2017.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

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In addition, if the Applicant is supplying its own gas requirements, the gas delivered by the Applicant during the period of curtailment shall be purchased by the Company for the Company's use. The purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas *Market Report* published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled "Domestic spot gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

For the areas specified in Appendix A to this Rate Schedule, the Company's gas distribution network does not have sufficient physical capacity under current operating conditions to accommodate the provision of firm service to existing interruptible locations.

**UNAUTHORIZED OVERRUN GAS RATE:**

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Any material instance of failure to curtail in any contract year may result in the Applicant forfeiting the right to be served under this rate schedule.

In such case, service hereunder would cease, notwithstanding any Service Contract between the Company and the Applicant. Gas supply and/or transportation service would continue to be available to the Applicant pursuant to the provisions of the Company's Rate 6 until a Service Contract pursuant to another applicable Rate Schedule was executed.

Any Applicant taking a material volume of Unauthorized Supply Overrun Gas, during a period of ordered curtailment, may forfeit its curtailment credits for the respective winter season, December through March inclusive.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

**MINIMUM BILL:**

Per cubic metre of Annual Volume Deficiency  
(See Terms and Conditions of Service):

**8.9168 ¢/m<sup>3</sup>**

**TERMS AND CONDITIONS OF SERVICE:**

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

**EFFECTIVE DATE:**

To apply to bills rendered for gas consumed by customers on and after October 1, 2017 under Sales Service and Transportation Service. This rate schedule is effective October 1, 2017 and replaces the identically numbered rate schedule that specifies implementation date, July 1, 2017 and that indicates the Board Order, EB-2017-0181, effective July 1, 2017.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

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In addition, if the Applicant is supplying its own gas requirements, the gas delivered by the Applicant during the period of curtailment shall be purchased by the Company for the Company's use. The purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas *Market Report* published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled "Domestic spot gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

For the areas specified in Appendix A to this Rate Schedule, the Company's gas distribution network does not have sufficient physical capacity under current operating conditions to accommodate the provision of firm service to existing interruptible locations.

**UNAUTHORIZED OVERRUN GAS RATE:**

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Any material instance of failure to curtail in any contract year may result in the Applicant forfeiting the right to be served under this rate schedule.

In such case, service hereunder would cease, notwithstanding any Service Contract between the Company and the Applicant. Gas supply and/or transportation service would continue to be available to the Applicant pursuant to the provisions of the Company's Rate 6 until a Service Contract pursuant to another applicable Rate Schedule was executed.

Any Applicant taking a material volume of Unauthorized Supply Overrun Gas, during a period of ordered curtailment, may forfeit its curtailment credits for the respective winter season, December through March inclusive.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

**MINIMUM BILL:**

Per cubic metre of Annual Volume Deficiency  
(See Terms and Conditions of Service):

**6.1127 ¢/m<sup>3</sup>**

**TERMS AND CONDITIONS OF SERVICE:**

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

**EFFECTIVE DATE:**

To apply to bills rendered for gas consumed by customers on and after October 1, 2017 under Sales Service and Transportation Service. This rate schedule is effective October 1, 2017 and replaces the identically numbered rate schedule that specifies implementation date, July 1, 2017 and that indicates the Board Order, EB-2017-0181, effective July 1, 2017.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

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In addition, if the Applicant is supplying its own gas requirements, the gas delivered by the Applicant during the period of curtailment shall be purchased by the Company for the Company's use. The purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas *Market Report* published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled "Domestic spot gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

For the areas specified in Appendix A to this Rate Schedule, the Company's gas distribution network does not have sufficient physical capacity under current operating conditions to accommodate the provision of firm service to existing interruptible locations.

**UNAUTHORIZED OVERRUN GAS RATE:**

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Any material instance of failure to curtail in any contract year may result in the Applicant forfeiting the right to receive interruptible service under this rate schedule.

Any Applicant taking a material volume of Unauthorized Supply Overrun Gas, during a period of ordered curtailment, may forfeit its curtailment credits for the respective winter season, December through March inclusive.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

**MINIMUM BILL:**

Per cubic metre of Annual Volume Deficiency  
(See Terms and Conditions of Service):

**7.7002 ¢/m³**

**TERMS AND CONDITIONS OF SERVICE:**

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

**EFFECTIVE DATE:**

To apply to bills rendered for gas consumed by customers on and after October 1, 2017 under Sales Service including Buy/Sell Arrangements and Transportation Service. This rate schedule is effective October 1, 2017 and replaces the identically numbered rate schedule that specifies implementation date, July 1, 2017 and that indicates as the Board Order, EB-2017-0181, effective July 1, 2017.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

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**APPLICABILITY:**

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation to a single Terminal Location of a specified maximum daily volume of natural gas. The Company reserves the right to limit service under this schedule to customers whose maximum contract demand does not exceed 600,000 m3. The Service under this rate requires Automatic Meter Reading (AMR) capability. Service under this schedule is firm unless a customer is currently served under interruptible distribution service or the Company, in its sole judgment, determines that existing delivery facilities cannot adequately serve the load on a firm basis.

The unitized Monthly Contract Demand Charge is also applicable to volumes delivered to any Applicant taking service under a Curtailment Delivered Supply contract with the Company. The unitized rate equals the applicable Monthly Contract Demand Charge times 12/365.

**CHARACTER OF SERVICE:**

The Service shall be continuous (firm) except for events specified in the Service Contract including force majeure. The Applicant is neither allowed to take a daily quantity of gas greater than the Contract Demand nor an hourly amount in excess of the Contract Demand divided by 24, without the Company's prior consent. Interruptible Distribution Service is provided on a best efforts basis subject to the events identified in the service contract including force majeure and, in addition, shall be subject to curtailment or discontinuance of service when the Company notifies the customer under normal circumstances 4 hours prior to the time that service is subject to curtailment or discontinuance. Under emergency conditions, the Company may curtail or discontinue service on one-hour notice. The Interruptible Service Customer is not allowed to exceed maximum hourly flow requirements as specified in Service Contract.

**DISTRIBUTION RATES:**

<b>Monthly Customer Charge</b>	<b>\$500.00</b>		
<b>Monthly Contract Demand Charge Firm</b>	<b>26.4239 ¢/m<sup>3</sup></b>		
<b>Interruptible Service:</b>			
<b>Minimum Delivery Charge</b>	<b>0.3850 ¢/m<sup>3</sup></b>		
<b>Maximum Delivery Charge</b>	<b>1.0425 ¢/m<sup>3</sup></b>		
		<b>Firm</b>	<b>Interruptible</b>
<b>Cap and Trade Customer Related Charge</b> <i>Note (1) See below</i>	<b>3.3181 ¢/m<sup>3</sup></b>		<b>3.3181 ¢/m<sup>3</sup></b>
<b>Cap and Trade Facility Related Charge</b> <i>Note (1) See below</i>	<b>0.0290 ¢/m<sup>3</sup></b>		<b>0.0290 ¢/m<sup>3</sup></b>
<b>Direct Purchase Administration Charge</b>	<b>\$75.00</b>		
<b>Forecast Unaccounted For Gas Percentage</b>	<b>0.7%</b>		

**Monthly Minimum Bill:** The Monthly Customer Charge plus the Monthly Contract Demand Charge.

**TERMS AND CONDITIONS OF SERVICE:**

1. To the extent that this Rate Schedule does not specifically address matters set out in PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** then the provisions in those Parts shall apply, as contemplated therein, to service under this Rate Schedule.

**2. Unaccounted for Gas (UFG) Adjustment Factor:**

The Applicant is required to deliver to the Company on a daily basis the sum of: (a) the volume of gas to be delivered to the Applicant's Terminal Location; and (b) a volume of gas equal to the forecast unaccounted for gas percentage as stated above multiplied by (a).

**3. Nominations:**

Customer shall nominate gas delivery daily based on the gross commodity delivery required to serve the customer's daily load plus the UFG, net of No-Notice Storage Service provisions under Rate 315, if applicable. The amount of gas delivered under No-Notice Storage Service will also be reduced by the UFG adjustment factor for delivery to the customer's meter.

Customers may change daily nominations based on the nomination windows within a day as defined by the customer contract with TransCanada PipeLines (TCPL) or Union Gas Limited.

Schedule of nominations under Rate 300 has to match upstream nominations. This rate does not allow for any more flexibility than exists upstream of the EGD gas distribution system. Where the customer's nomination does not match the confirmed upstream nomination, the nomination will be confirmed at the upstream value.

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Customer may nominate gas to a contractually specified Primary Delivery Area that may be EGD's Central Delivery Area (CDA) or EGD's Eastern Delivery Area (EDA) or other Delivery Area as specified in the applicable Service Contract. The Company may accept deliveries at a Secondary Delivery Area such as Dawn, at its sole discretion. Quantities of gas nominated to the system cannot exceed Contract Demand, unless Make-up Gas or Authorized Overrun is permitted.

Customers with multiple Rate 300 contracts within a Primary Delivery Area may combine nominations subject to system operating requirements and subject to the Contract Demand for each Terminal Location. For combined nominations the customer shall specify the quantity of gas to each Terminal Location and the order in which gas is to be delivered to each Terminal Location. The specified order of deliveries shall be used to administer Load Balancing Provisions to each Terminal Location. When system conditions require delivery to a single Terminal Location only, nominations with different Terminal Locations may not be combined.

**4. Authorized Demand Overrun:**

The Company may, at its sole discretion, authorize consumption of gas in excess of the Contract Demand for limited periods within a month, provided local distribution facilities have sufficient capacity to accommodate higher demand. In such circumstances, customer shall nominate gas delivery based on the gross commodity delivery required to serve the customer's daily load, including quantities of gas in excess of the Contract Demand, plus the UFG. The Load Balancing Provisions and/or No-Notice Storage Service provisions under Rate 315 cannot be used for Authorized Demand Overrun. Failure to nominate gas deliveries to match Authorized Demand Overrun shall constitute Unauthorized Supply Overrun.

The rate applicable to Authorized Demand Overrun shall equal the applicable Monthly Demand Charge times 12/365 provided, however, that such service shall not exceed 5 days in any contract year. Requests beyond 5 days will constitute a request for a new Contract Demand level, with retroactive charges based on terms of Service Contract.

**5. Unauthorized Demand Overrun:**

Any gas consumed in excess of the Contract Demand and/or maximum hourly flow requirements, if not authorized, will be deemed to be Unauthorized Demand Overrun gas. Unauthorized Demand Overrun gas will establish a new Contract Demand and shall be subject to a charge equal to 120 % of the applicable monthly charge for twelve months of the current contract term, including retroactively based on terms of Service Contract. Unauthorized Demand Overrun gas shall also be subject to Unauthorized Supply Overrun provisions. Where a customer receives interruptible service hereunder and consumes gas during a period of interruption, such gas shall be deemed Unauthorized Supply Overrun. In addition to charges for Unauthorized Supply Overrun, interruptible customers consuming gas during a scheduled interruption shall pay a penalty charge of \$18.00 per m3.

**6. Unauthorized Supply Overrun:**

Any volume of gas taken by the Applicant on a day at the Terminal Location which exceeds the sum of:

- i. any applicable Load Balancing Provision pursuant to Rate 300 and/or provisions of Rate 315, plus
- ii. the volume of gas delivered by the Applicant on that day shall constitute Unauthorized Supply Overrun Gas.

The Company may also deem volumes of gas to be Unauthorized Supply Overrun gas in other circumstances, as set out in the Load Balancing Provisions of Rate 300.

Any gas deemed to be Unauthorized Overrun gas shall be purchased by the customer at a price (Pe), which is equal to 150% of the highest price in effect for that day as defined below\*.

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**7. Unauthorized Supply Underrun:**

Any volume of gas delivered by the Applicant on any day in excess of the sum of:

- i. any applicable Rate 300 Load Balancing Provision pursuant to Rate 300 and/or provisions of Rate 315, plus
- ii. the volume of gas taken by the Applicant at the Terminal Location on that day shall be classified as Supply Underrun Gas.

The Company may also deem volumes of gas to be Unauthorized Supply Underrun gas in other circumstances, as set out in the Load Balancing Provisions of Rate 300.

Any gas deemed to be Unauthorized Supply Underrun Gas shall be purchased by the Company at a price ( $P_u$ ) which is equal to fifty percent (50%) of the lowest price in effect for that day as defined below\*\*.

\* where the price  $P_e$  expressed in cents / cubic metre is defined as follows:

$$P_e = (P_m * E_r * 100 * 0.03769 / 1.055056) * 1.5$$

$P_m$  = highest daily price in U.S. \$/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the terminal location is in the CDA delivery area, and the Iroquois export point if the terminal location is in the EDA delivery area.

$E_r$  = Noon day spot exchange rate expressed in Canadian dollars per U.S. dollar for such day quoted by the Bank of Canada in the following days Globe & Mail Publication.

1.055056 = Conversion factor from mmBtu to GJ.

0.03769 = Conversion factor from GJ to cubic metres.

\*\* where the price  $P_u$  expressed in cents / cubic metre is defined as follows:

$$P_u = (P_l * E_r * 100 * 0.03769 / 1.055056) * 0.5$$

$P_l$  = lowest daily price in U.S. \$/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the terminal location is in the CDA delivery area, and the Iroquois export point if the terminal location is in the EDA delivery area.

**Term of Contract:**

A minimum of one year. A longer-term contract may be required if incremental assets/facilities have been procured/built for the customer. Migration from an unbundled rate to bundled rate may be restricted subject to availability of adequate transportation and storage assets.

**Right to Terminate Service:**

The Company reserves the right to terminate service to customers served hereunder where the customer's failure to comply with the parameters of this rate schedule, including interruptible service and load balancing provisions, jeopardizes either the safety or reliability of the gas system. The Company shall provide notice to the customer of such termination; however, no notice is required to alleviate emergency conditions.

**Load Balancing:**

Any difference between actual daily-metered consumption and the actual daily volume of gas delivered to the system less the UFG shall first be provided under the provisions of Rate 315 - Gas Storage Service, if applicable. Any remaining difference will be subject to the Load Balancing Provisions.

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**LOAD BALANCING PROVISIONS:**

Load Balancing Provisions shall apply at the customer's Terminal Location.

In the event of an imbalance any excess delivery above the customer's actual consumption or delivery less than the actual consumption shall be subject to the Load Balancing Provisions.

**Definitions:**

**Aggregate Delivery:**

The Aggregate Delivery for a customer's account shall equal the sum of the confirmed nominations of the customer for delivery of gas to the applicable delivery area from all pipeline sources plus, where applicable, the confirmed nominations of the customer for Storage Service under Rate 316 or Rate 315 and any available No-Notice Storage Service under Rate 315 for delivery of gas to the Applicable Delivery Area.

**Applicable Delivery Area:**

The Applicable Delivery Area for each customer shall be specified by contract as a Primary Delivery Area. Where system-operating conditions permit, the Company, in its sole discretion, may accept a Secondary Delivery Area as the Applicable Delivery Area by confirming the customer's nomination of such area. Confirmation of a Secondary Delivery Area for a period of a gas day shall cause such area to become the Applicable Delivery Area for such day. Where delivery occurs at both a Terminal Location and a Secondary Delivery Area on a given day, the sum of the confirmed deliveries may not exceed Contract Demand, unless Demand Overrun and/or Make-up Gas is authorized.

**Primary Delivery Area:**

The Primary Delivery Area shall be delivery area such as EGD's Central Delivery Area (CDA) or EGD's Eastern Delivery Area (EDA), or other Delivery Area as specified in the applicable Service Contract.

**Secondary Delivery Area:**

A Secondary Delivery Area may be a delivery area such as Dawn where the Company, at its sole discretion, determines that operating conditions permit gas deliveries for a customer.

**Actual Consumption:**

The Actual Consumption of the customer shall be the metered quantity of gas consumed at the customer's premise.

**Net Available Delivery:**

The Net Available Delivery shall equal the Aggregate Delivery times one minus the annually determined percentage of Unaccounted for Gas (UFG) as reported by the Company.

**Daily Imbalance:**

The Daily Imbalance shall be the absolute value of the difference between Actual Consumption and Net Available Delivery.

**Cumulative Imbalance:**

The Cumulative Imbalance shall be the sum of the difference between Actual Consumption and Net Available Delivery.

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**Maximum Contractual Imbalance:**

The Maximum Contractual Imbalance shall be equal to 60% of the customer's Contract Demand.

**Winter and Summer Seasons:**

The winter season shall commence on the date that the Company provides notice of the start of the winter period and conclude on the date that the Company provides notice of the end of the winter period. The summer season shall constitute all other days. The Company shall provide advance notice to the customer of the start and end of the winter season as soon as reasonably possible, but in no event not less than 2 days prior to the start or end.

**Operational Flow Order:**

An Operational Flow Order (OFO) shall constitute an issuance of instructions to protect the operational capacity and integrity of the Company's system, including distribution and/or storage assets, and/or connected transmission pipelines.

Enbridge Gas Distribution, acting reasonably, may call for an OFO in the following circumstances:

- Capacity constraint on the system, or portions of the system, or upstream systems, that are fully utilized;
- Conditions where the potential exists that forecasted system demand plus reserves for short notice services provided by the Company and allowances for power generation customers' balancing requirements would exceed facility capabilities and/or provisions of 3rd party contracts;
- Pressures on the system or specific portions of the system are too high or too low for safe operations;
- Storage system constraints on capacity or pressure or caused by equipment problems resulting in limited ability to inject or withdraw from storage;
- Pipeline equipment failures and/or damage that prohibits the flow of gas;
- Any and all other circumstances where the potential for system failure exists.

**Daily Balancing Fee:**

On any day where the customer has a Daily Imbalance the customer shall pay a Daily Balancing Fee equal to:

(Tier 1 Quantity X Tier 1 Fee) + (Tier 2 Quantity X Tier 2 Fee) + (Applicable Penalty Fee for Imbalance in excess of the Maximum Contractual Imbalance X the amount of Daily Imbalance in excess of the Maximum Contractual Imbalance)

Where Tier 1 and 2 Fees and Quantities are set forth as follows:

Tier 1 = Daily Imbalance of greater than 2% but less than 10% of the Maximum Contractual Imbalance and shall be subject to a charge of 0.937 cents/M3

Tier 2 = Daily Imbalance of greater than 10% but less than Maximum Contractual Imbalance shall be subject to a charge of 1.1244 cents/m3

The customers shall also pay any Limited Balancing Agreement (LBA) charges imposed by the pipeline on days when the customer has a Daily Imbalance provided such imbalance matches the direction of the pipeline imbalance. LBA charges shall first be allocated to customers served under Rate 125 and 300. The system bears a portion of these charges only to the extent that the system incurs such charges based on its operation excluding the operation of customers under Rates 125 and 300. In that event, LBA charges shall be prorated based on the relative imbalances.

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A Daily Imbalance in excess of the Maximum Contractual Imbalance shall be deemed to be Unauthorized Supply Overrun or Underrun gas, as appropriate.

Customer's Actual Consumption cannot exceed Net Available Delivery when the Company issues an Operational Flow Order in the winter. Net nominations must not be less than consumption at the Terminal Location. Any negative Daily Imbalance on a winter Operational Flow Order day shall be deemed to be Unauthorized Supply Overrun. Customer's Net Available Delivery cannot exceed Actual Consumption when the Company issues an Operational Flow Order in the summer. Actual Consumption must not be less than net nomination at the Terminal Location. Any positive Daily Imbalance on a summer Operational Flow Order day shall be deemed to be Unauthorized Supply Underrun.

The Company will waive Daily Balancing Fee and Cumulative Imbalance Charge on the day of an Operational Flow Order if the customer used less gas than the amount the customer delivered to the system during the winter season or the customer used more gas than the amount the customer delivered to the system during the summer season. The Company will issue a 24-hour advance notice to customers of Operational Flow Orders and suspension of Load Balancing Provisions.

**Cumulative Imbalance Charges:**

Customers may trade Cumulative Imbalances within a delivery area.

Customers shall be permitted to nominate Make-up Gas, subject to operating constraints, provided that Make-up Gas plus Aggregate Delivery do not exceed Contract Demand. The Company may, on days with no operating constraints, authorize Make-up Gas that, in conjunction with Aggregate Delivery, exceeds Contract Demand.

The customer's Cumulative Imbalance cannot exceed its Maximum Contractual Imbalance. The excess imbalance shall be deemed to be Unauthorized Supply Overrun or Underrun gas, as appropriate.

The Cumulative Imbalance Fee, applicable daily, is 0.6974 cents/m3 per unit of imbalance.

The customer's Cumulative Imbalance shall be equal to zero within five (5) days from the last day of the Service Contract.

**EFFECTIVE DATE:**

To apply to bills rendered for gas delivered on and after October 1, 2017. This rate schedule is effective October 1, 2017 and replaces the identically numbered rate schedule that specifies implementation date, July 1, 2017 and that indicates the Board Order, EB-2017-0181 effective July 1, 2017.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

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**APPLICABILITY:**

This rate is available to any customer taking service under Distribution Rates 125 and 300. It requires a Service Contract that identifies the required storage space and deliverability. In addition, the customer shall maintain a positive balance of gas in storage at all times or forfeit the use of Storage Services for Load Balancing and No-Notice Storage Service.

A daily nomination for storage injection and withdrawal except for No-Notice Storage Service, hereunder, which is used automatically for daily Load Balancing, shall also be required.

The maximum hourly injections / withdrawals shall equal 1/24<sup>th</sup> of the daily Storage Demand. No-Notice Storage Service is available up to the maximum daily withdrawal rights less the nominated withdrawal or the maximum daily injection rights less the nominated injections.

Storage space shall be based on either of two storage allocation methodologies: (customer's average winter demand - customer's average annual demand) x 151, or [(17 x customer's maximum hourly demand) / 0.1] x 0.57. Customers have the option to select from these two storage space allocation methods the one that best suits their requirements.

Maximum deliverability shall be 1.2% of contracted storage space. The customer may inject and withdraw gas based on the quantity of gas in storage and the limitations specified in the Service Contract. Both injection and withdrawal shall be subject to applicable storage ratchets as determined by the Company and posted from time to time.

**CHARACTER OF SERVICE:**

Service shall be firm when used in conjunction with firm distribution service. Service is interruptible when used in conjunction with interruptible distribution service. All service is subject to contract terms and force majeure.

The service is available on two bases:

- (1) Service nominated daily based on the available capacity and gas in storage up to the maximum contracted daily deliverability; and
- (2) No-Notice Storage Service for daily Load Balancing consistent with the maximum hourly deliverability.

**RATE:**

The following rates and charges shall apply in respect to all gas received by the Company from and delivered by the Company to storage on behalf of the Applicant.

<b>Monthly Customer Charge:</b>	<b>\$150.00</b>
<b>Storage Reservation Charge:</b>	
<b>Monthly Storage Space Demand Charge</b>	<b>0.0504 ¢/m<sup>3</sup></b>
<b>Monthly Storage Deliverability Demand Charge</b>	<b>22.6256 ¢/m<sup>3</sup></b>
<b>Injection &amp; Withdrawal Unit Charge:</b>	<b>0.3216 ¢/m<sup>3</sup></b>
<b>Monthly Minimum Bill:</b> The sum of the Monthly Customer Charge plus Monthly Demand Charges.	
<b>Cap and Trade Customer Related Charge</b> <i>Note (1) See below</i> (If applicable)	<b>0.0000 ¢/m<sup>3</sup></b>
<b>Cap and Trade Facility Related Charge</b> <i>Note (1) See below</i>	<b>0.0048 ¢/m<sup>3</sup></b>

**FUEL RATIO REQUIREMENT:**

The Fuel Ratio per unit of gas injected and withdrawn is 0.35%.

All Storage Space and Deliverability/Injection Demand Charges are applicable monthly. Injection and withdrawal charges are applicable to each unit of gas injected or withdrawn based on daily nominations and No-Notice Storage Service quantities.

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All deemed withdrawal quantities under the No-Notice Storage Service provisions of this rate will be adjusted for the UFG provisions applicable to the distribution service rates.

In addition, for each unit of injection or withdrawal there will be an applicable fuel charge adjustment expressed as a percent of gas.

**TERMS AND CONDITIONS OF SERVICE:**

**1. Nominated Storage Service:**

Nominations under this rate shall only be accepted at the standard North American Energy Standards Board ("NAESB") nomination windows. The customer may elect to nominate all or a portion of the available withdrawal capacity for delivery to the applicable Primary Delivery Area, which may be EGD's Central Delivery Area (CDA) or EGD's Eastern Delivery Area (EDA). All volumes nominated from storage are delivered first for purposes of daily Load Balancing of available supply assets. When system conditions permit, the customer may nominate all or a portion of the available withdrawal capacity for delivery to Dawn or to the customer's Primary Delivery Area for purposes other than consumption at the customer's own meter.

Storage not nominated for delivery will be available for No-Notice Storage Service. The sum of gas nominated for storage injection and for the Terminal Location shall not exceed the customer's Contract Demand (CD).

The customer may also nominate gas for delivery into storage by nominating the storage delivery area as the Primary Delivery Area. Gas nominated for storage delivery will not be available for No-Notice Storage Service. The sum of gas nominated for storage injection and for the Terminal Location shall not exceed the customer's CD. Any gas in excess of the contract demand will be subject to cash out as injection overrun gas.

The Company reserves the right to limit injection and withdrawal rights to all storage customers in certain situations, such as major maintenance or construction projects, and may reduce nominations for injections and withdrawals over and above applicable storage ratchets. The Company will provide customers with one week's notice of its intent to limit injection and withdrawal rights, and at the same time, shall provide its best estimate of the duration and extent of the limitations.

In situations where the Company limits injection and withdrawal rights, the Company shall proportionately reduce the Storage Deliverability/Injection Demand Charge for affected customers based on the number of days the limitation is in effect and the difference between Deliverability/Injection Demand, subject to applicable storage ratchets, and the quantity of gas actually delivered or injected.

**2. No-Notice Storage Service:**

The Company, at its sole discretion based on operating conditions, may provide a No-Notice Storage Service that allows customers taking gas under distribution service rates to balance daily deliveries using this Storage Service. No-Notice Storage Service requires that the customer grant the Company the exclusive right to use unscheduled service available from storage to reduce the daily imbalance associated with the actual consumption of the customer.

No-Notice Storage Service is limited to the available, unscheduled withdrawal or injection capacity under contract to serve a customer. Where the customer serves multiple delivery locations from a single storage Service Contract, the customer shall specify the order in which gas is to be delivered to each Terminal Location served under a distribution Service Contract. The specified order of deliveries shall be used to administer Load Balancing Provisions to each Terminal Location.

The availability of No-Notice Storage Service is subject to and reduced by any service schedule from or to storage. To the extent that the quantity of gas available in storage is insufficient to meet the requirements of the customer under a No-Notice Storage Service, the customer will be unable to use the service on a no-notice basis for Load Balancing service. To the extent that the scheduled injections into storage plus No-Notice Storage Service exceed the maximum limit for injection, No-Notice Storage Service will be reduced and the remainder of the gas will constitute a daily imbalance. Gas delivered in excess of the maximum injection quantity shall be deemed injection overrun gas and cashed out at 50% of the lowest index price of gas.

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**Other provisions:**

If the customer elects to use the contracted storage capacity at less than the full volumetric capacity of the storage, the Company may inject its own gas provided that such injection does not reduce the right of the customer to withdraw the full amount of gas injected on any day during the withdrawal season or to schedule its full injection right during the injection season.

**Term of Contract:**

A minimum of one year.

A longer-term contract may be required if incremental contracts/assets/facilities have been procured/built for the customer.

**EFFECTIVE DATE:**

To apply to bills rendered for gas delivered on and after October 1, 2017. This rate schedule is effective October 1, 2017 and replaces the identically numbered rate schedule that specifies implementation date, July 1, 2017 and that indicates the Board Order, EB-2017-0181 effective July 1, 2017.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

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**APPLICABILITY:**

This rate is available to any customer taking service under Distribution Rates 125 and 300. It requires a Service Contract that identifies the required storage space and deliverability. The customer shall maintain a positive balance of gas in storage at all times. In addition, the customer must arrange for pipeline delivery service from Dawn to the applicable Primary Delivery Area.

This service is not a delivered service and is only available when the relevant pipeline confirms the delivery.

The maximum hourly injections / withdrawals shall equal 1/24<sup>th</sup> of the daily Storage Demand.

Storage space shall be based on either of two storage allocation methodologies: (customer's average winter demand - customer's average annual demand) x 151, or [(17 x customer's maximum hourly demand) / 0.1] x 0.57. Customers have the option to select from these two storage space allocation methods the one that best suits their requirements.

Maximum deliverability shall be 1.2% of contracted storage space. The customer may inject and withdraw gas based on the quantity of gas in storage and the limitations specified in the Service Contract. Both injection and withdrawal shall be subject to applicable storage ratchets as determined by the Company and posted from time to time.

**CHARACTER OF SERVICE:**

Service shall be firm when used in conjunction with firm distribution service. Service is interruptible when used in conjunction with interruptible distribution service. All service is subject to contract terms and force majeure.

The service is nominated based on the available capacity and gas in storage up to the maximum contracted daily deliverability.

**RATE:**

The following rates and charges shall apply in respect to all gas received by the Company from and delivered by the Company to storage on behalf of the Applicant.

<b>Monthly Customer Charge:</b>	<b>\$150.00</b>
<b>Storage Reservation Charge:</b>	
<b>Monthly Storage Space Demand Charge</b>	<b>0.0504 ¢/m<sup>3</sup></b>
<b>Monthly Storage Deliverability Demand Charge</b>	<b>5.2531 ¢/m<sup>3</sup></b>
<b>Injection &amp; Withdrawal Unit Charge:</b>	<b>0.0965 ¢/m<sup>3</sup></b>
<b>Monthly Minimum Bill:</b> The sum of the Monthly Customer Charge plus Monthly Demand Charges.	
<b>Cap and Trade Customer Related Charge</b> <i>Note (1) See below</i> (If applicable)	<b>0.0000 ¢/m<sup>3</sup></b>
<b>Cap and Trade Facility Related Charge</b> <i>Note (1) See below</i>	<b>0.0048 ¢/m<sup>3</sup></b>

**FUEL RATIO REQUIREMENT:**

The Fuel Ratio per unit of gas injected and withdrawn is 0.35%.

All Storage Space and Deliverability/Injection Demand Charges are applicable monthly. Injection and withdrawal charges are applicable to each unit of gas injected or withdrawn based on daily nominations.

In addition, for each unit of injection or withdrawal there will be an applicable fuel charge adjustment expressed as a percent of gas.

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**TERMS AND CONDITIONS OF SERVICE:**

**Nominated Storage Service:**

The customer shall nominate storage injections and withdrawals daily. The customer may change daily nominations based on the nomination windows within a day as defined by the customer contract with Union Gas Limited and TransCanada PipeLines (TCPL).

The customer may elect to nominate all or a portion of the available withdrawal capacity for delivery to the applicable Primary Delivery Area.

The Company reserves the right to limit injection and withdrawal rights to all storage customers in certain situations, such as major maintenance or construction projects, and may reduce nominations for injections and withdrawals over and above applicable storage ratchets. The Company will provide customers with one week's notice of its intent to limit injection and withdrawal rights, and at the same time, shall provide its best estimate of the duration and extent of the limitations.

In situations where the Company limits injection and withdrawal rights, the Company shall proportionately reduce the Storage Deliverability/Injection Demand Charge for affected customers based on the number of days the limitation is in effect and the difference between Deliverability/Injection Demand, subject to applicable storage ratchets, and the quantity of gas actually delivered or injected.

The customer may transfer the title of gas in storage.

**Other provisions:**

If the customer elects to use the contracted storage capacity at less than the full volumetric capacity of the storage, the Company may inject its own gas provided that such injection does not reduce the right of the customer to withdraw the full amount of gas injected on any day during the withdrawal season or to schedule its full injection right during the injection season.

**Term of Contract:**

A minimum of one year.

A longer-term contract may be required if incremental contracts/assets/facilities have been procured/built for the customer.

**EFFECTIVE DATE:**

To apply to bills rendered for gas delivered on and after October 1, 2017. This rate schedule is effective October 1, 2017 and replaces the identically numbered rate schedule that specifies implementation date, July 1, 2017 and that indicates the Board Order, EB-2017-0181 effective July 1, 2017.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

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**APPLICABILITY:**

To any Applicant whose delivery of natural gas to the Company for transportation to a Terminal Location has been interrupted prior to the delivery of such gas to the Company.

**CHARACTER OF SERVICE:**

The volume of gas available for backstopping in any day shall be determined by the Company exercising its sole discretion. If the aggregate daily demand for service under this Rate Schedule exceeds the supply available for such day, the available supply shall be allocated to firm service customers on a first requested basis and any balance shall be available to interruptible customers on a first requested basis.

**RATE:**

The rates applicable in the circumstances contemplated by this Rate Schedule, in lieu of the Gas Supply Charges specified in any of the Company's other Rate Schedules pursuant to which the Applicant is taking service, shall be as follows:

		<u>Billing Month</u> January to December
<b>Gas Supply Charge</b>		
Per cubic metre of gas sold		<b>15.7323 ¢/m<sup>3</sup></b>
<b>Cap and Trade Customer Related Charge</b>	<i>Note (1) See below</i> (If applicable)	<b>0.0000 ¢/m<sup>3</sup></b>
<b>Cap and Trade Facility Related Charge</b>	<i>Note (1) See below</i>	<b>0.0000 ¢/m<sup>3</sup></b>

provided that if upon the request of an Applicant, the Company quotes a rate to apply to gas which is delivered to the Applicant at a particular Terminal Location on a particular day or days and to which this Rate Schedule is applicable (which rate shall not be less than the Company's avoided cost in the circumstances at the time nor greater than the otherwise applicable rate specified above), then the Gas Supply Charge applicable to such gas shall be the rate quoted by the Company.

**EFFECTIVE DATE:**

To apply to bills rendered for gas consumed by customers on and after October 1, 2017 under Sales Service and Transportation Service. This rate schedule is effective October 1, 2017 and replaces the identically numbered rate schedule that specifies implementation date, July 1, 2017 and that indicates the Board Order, EB-2017-0181, effective July 1, 2017.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

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**APPLICABILITY AND CHARACTER OF SERVICE:**

Service under this rate schedule shall apply to the Transmission and Compression Service Agreement with Union Gas Limited dated April 1, 1989, and the Transmission, Compression and Pool Storage Service Agreement with Centra Gas Ontario Inc. dated May 30, 1994. Service shall be provided subject to the terms and conditions specified in the Service Agreement.

**RATE:**

The Customer shall pay for service rendered in each month in a contract year, the sum of the following applicable charges:

	<b>Transmission &amp; Compression \$/10<sup>3</sup>m<sup>3</sup></b>	<b>Pool Storage \$/10<sup>3</sup>m<sup>3</sup></b>
<b>Demand Charge for:</b>		
Annual Turnover Volume	<b>0.2002</b>	<b>0.1873</b>
Maximum Daily Withdrawal Volume	<b>22.0216</b>	<b>20.8192</b>
<b>Commodity Charge</b>	<b>0.8433</b>	<b>0.1386</b>
<b>Cap and Trade Customer Related Charge</b> <i>Note (1) See below</i> (If applicable)		<b>0.0000 ¢/m<sup>3</sup></b>
<b>Cap and Trade Facility Related Charge</b> <i>Note (1) See below</i>		<b>0.0066 ¢/m<sup>3</sup></b>

**FUEL RATIO REQUIREMENT:**

Fuel Ratio applicable to per unit of gas injected and withdrawn is 0.35%.

**MINIMUM BILL:**

The minimum monthly bill shall be the sum of the applicable Demand Charges as stated in Rate Section above.

**EXCESS VOLUME AND OVERRUN RATES:**

In addition to the charges provided for in the Rate Section above, the Customer shall pay, for services rendered, the sum of the following applicable charges as they are incurred:

**TERMS AND CONDITIONS OF SERVICE:**

1. Excess Volumes will be billed at the total of the Excess Volume Charges as stated above.
2. Transmission and Compression, and Pool Storage Overrun Service will be billed according to the following:
  - (a) At the end of each month, in a contract year, the Company will make a determination, for each day in the month, of
    - (i) the difference between the volume of gas actually delivered, exclusive of the fuel volume, for Customer's account into the Company System, at the Point of Delivery and the Customer's Maximum Daily Injection Volume, and
    - (ii) the difference between the volume of gas actually delivered, exclusive of the fuel volume, for Customer's account from the Company System, at the Point of Delivery, and the Customer's Maximum Daily Withdrawal Volume.

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	<b>Excess Volume Charge \$/10<sup>3</sup>m<sup>3</sup> / Year</b>	<b>Overrun Charge \$/10<sup>3</sup>m<sup>3</sup> / Day</b>
<b>Transmission &amp; Compression</b>		
Authorized	<b>2.6426</b>	<b>0.7240</b>
Unauthorized	-	<b>290.6851</b>
<b>Pool Storage</b>		
Authorized	<b>2.4724</b>	<b>0.6845</b>
Unauthorized	-	<b>274.8134</b>

(b) For each day of the month, where any such differences exceed 2.0 percent of the Customer's relevant Maximum Daily Injection Volume and/or Maximum Daily Withdrawal Volume, the Customer shall pay a charge equal to the relevant Overrun rates, as stated above, for such differences.

**BILLING ADJUSTMENT:**

1. Injection deficiency - If at the beginning of any Withdrawal Period the Customer's Storage Balance is less than the Customer's Annual Turnover Volume, due solely to the Company's inability to inject gas for any reason other than the fault of the Customer, then the applicable Demand Charge for Annual Turnover Volume for the contract year beginning the prior April 1 as stated in Rate Section as applicable, shall be adjusted by multiplying each by a fraction, the numerator of which shall be the Customer's Storage Gas Balance as of the beginning of such Withdrawal Period and the denominator shall be the Customer's Annual Turnover Volume as it may have been established for the then current year.
2. Withdrawal deficiency - If in any month in a contract year for any reason other than the fault of the Customer, the Company fails or is unable to deliver during any one or more days, the amount of gas which the Customer has nominated, up to the maximum volumes which the Company is obligated by the Agreement to deliver to the Customer, then the Demand Charge for maximum Contract Daily Withdrawal Volume in the contract year otherwise payable for the month in which such failure occurs, as stated in Rate Section above, as applicable, shall be reduced by an amount for each day of deficiency to be calculated as follows: The Demand Charge for maximum Contract Daily Withdrawal Volume for the contract year for the month will be divided by 30.4 and the result obtained will then be multiplied by a fraction, the numerator being the difference between the nominated volume for such day and the delivered volume for such day and the denominator being the Customer's maximum Contract Daily Withdrawal Volume for such contract year.

**TERMS AND EXPRESSIONS:**

In the application of this Rate Schedule to each of the Agreements, terms and expressions used in this Rate Schedule have the meanings ascribed thereto in such Agreement.

**EFFECTIVE DATE:**

To apply to bills rendered for gas delivered on and after October 1, 2017. This rate schedule is effective October 1, 2017 and replaces the identically numbered rate schedule that specifies implementation date, July 1, 2017 and that indicates the Board Order, EB-2017-0181 effective July 1, 2017.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

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**APPLICABILITY:**

To any Applicant who enters into a Storage Contract with the Company for delivery by the Applicant to the Company and re-delivery by the Company to the Applicant of a volume of natural gas owned by the Applicant.

**CHARACTER OF SERVICE:**

Service under this rate is for Full Cycle or Short Cycle storage service; with firm or interruptible injection and withdrawal service, all as may be available from time to time.

**RATE:**

The following rates and charges shall apply in respect of all gas received by the Company from and re-delivered by the Company to the Applicant.

	Full Cycle		Short Cycle
	Firm \$/10 <sup>3</sup> m <sup>3</sup>	Interruptible \$/10 <sup>3</sup> m <sup>3</sup>	\$/10 <sup>3</sup> m <sup>3</sup>
<b>Monthly Demand Charge per unit of Annual Turnover Volume:</b>			
Minimum	0.3875	0.3875	-
Maximum	1.9375	1.9375	-
<b>Monthly Demand Charge per unit of Contracted Daily Withdrawal:</b>			
Minimum	42.8408	34.2726	-
Maximum	214.2040	171.3632	-
<b>Commodity Charge per unit of gas delivered to / received from storage:</b>			
Minimum	0.9819	0.9819	0.3904
Maximum	4.9095	4.9095	40.0597
<b>Cap and Trade Customer Related Charge</b>	<i>Note (1) See below</i>	(If applicable)	0.0000 ¢/m <sup>3</sup>
<b>Cap and Trade Facility Related Charge</b>	<i>Note (1) See below</i>		0.0066 ¢/m <sup>3</sup>

**FUEL RATIO REQUIREMENT:**

The Fuel Ratio per unit of gas injected and withdrawn is 0.35%.

**TRANSACTING IN ENERGY:**

The conversion factor is 37.74MJ/m<sup>3</sup>, which corresponds to Union Gas' System Wide Average Heating Value, as per the Board's RP-1999-0017 Decision with Reasons.

**MINIMUM BILL:**

The minimum monthly bill shall be the sum of the applicable Demand Charges.

**OVERRUN RATES:**

The units rates stated below will apply to overrun volumes. The provision of Authorized Overrun service will be at the Company's sole discretion.

	Firm \$/10 <sup>3</sup> m <sup>3</sup>	Full Cycle Interruptible \$/10 <sup>3</sup> m <sup>3</sup>	Short Cycle \$/10 <sup>3</sup> m <sup>3</sup>
<b>Authorized Overrun</b>			
<b>Annual Turnover Volume</b>			
<b>Negotiable, not to exceed:</b>	40.0597	40.0597	40.0597
<b>Authorized Overrun</b>			
<b>Daily Injection/Withdrawal</b>			
<b>Negotiable, not to exceed:</b>	40.0597	40.0597	40.0597
<b>Unauthorized Overrun</b>			
<b>Annual Turnover Volume</b>			
<b>Excess Storage Balance</b>			
<b>Excess Storage Balance</b>	400.5973	400.5973	400.5973
<b>December 1 - October 31</b>	40.0597	40.0597	40.0597
<b>Unauthorized Overrun</b>			
<b>Annual Turnover Volume</b>			
<b>Negative Storage Balance</b>			

**TERMS AND CONDITIONS OF SERVICE:**

1. All Services are available at the Company's sole discretion.
2. Delivery and Re-delivery of the volume of natural gas shall be from/to the facilities of Union Gas Limited and / or TransCanada PipeLines Limited in Dawn Township and/or Niagara Gas Transmission Limited in Moore Township.
3. The Customers daily injections or withdrawals will be adjusted to provide for the fuel ratio stated in the Fuel Ratio Section. In the event that a Short Cycle service does not require fuel for injection and/or withdrawal, the fuel ratio commodity charge may be waived.

**EFFECTIVE DATE:**

To apply to bills rendered for gas delivered on and after October 1, 2017. This rate schedule is effective October 1, 2017 and replaces the identically numbered rate schedule that specifies implementation date, July 1, 2017 and that indicates the Board Order, EB-2017-0181 effective July 1, 2017.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

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**APPLICABILITY:**

To any Applicant who enters into an agreement with the Company pursuant to the Rate 331 Tariff ("Tariff") for transportation service on the Company's pipelines extending from Tecumseh to Dawn ("Tecumseh Pipeline"). The Company will receive gas at Tecumseh and deliver the gas at Dawn. Capitalized terms used in this Rate Schedule shall have the meanings ascribed to those terms in the Tariff.

**CHARACTER OF SERVICE:**

Transportation service under this Rate Schedule may be available on a firm basis ("FT Service") or an interruptible basis ("IT Service"), subject to the terms and conditions of service set out in the Tariff and the applicable rates set out below.

**RATE:**

The following rates, effective October 1, 2017, shall apply in respect of FT and IT Service under this Rate Schedule:

	<b>Demand Rate</b> \$/10 <sup>3</sup> m <sup>3</sup>	<b>Commodity Rate</b> \$/10 <sup>3</sup> m <sup>3</sup>	
<b>FT Service</b>	<b>5.6430</b>	-	
<b>IT Service</b>	-	<b>0.2230</b>	
<b>Cap and Trade Customer Related Charge</b>	<i>Note (1) See below</i>	(If applicable)	<b>0.0000</b> ¢/m <sup>3</sup>
<b>Cap and Trade Facility Related Charge</b>	<i>Note (1) See below</i>		<b>0.0018</b> ¢/m <sup>3</sup>

**FT Service:** The monthly demand charge shall be the products obtained by multiplying the applicable Maximum Daily Volume by the above demand rate.

**IT Service:** The monthly commodity charge shall be the product obtained by multiplying the applicable Delivery Volume for the Month by the above commodity rate.

**TERMS AND CONDITIONS OF SERVICE:**

The terms and conditions of FT and IT Service are set out in the Tariff. The provisions of PARTS I to IV of the Company's HANDBOOK OF RATES AND DISTRIBUTION SERVICES do not apply to Rate 331 service.

**EFFECTIVE DATE:**

The Tariff was approved by the Board in Board Order EB-2010-0177, dated July 12, 2010, and is posted and available on the Company's website. In accordance with Section 1.6.2 of the Board's Storage and Transportation Access Rule, the Tariff does not apply to any Rate 331 service agreements executed prior to June 16, 2010.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

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**APPLICABILITY:**

To any Applicant who enters into an agreement with the Company pursuant to the Rate 332 Tariff ("Tariff") for transportation service on the Company's Albion Pipeline, as defined in the Tariff. Capitalized terms used in this Rate Schedule shall have the meanings ascribed to those terms in the Tariff.

**CHARACTER OF SERVICE:**

Transportation service under this Rate Schedule shall be provided on a firm basis, subject to the terms and conditions set out in the Tariff and this Rate Schedule.

**RATE:**

The following charges, effective October 1, 2017, shall apply for transportation service under this Rate Schedule:

<b>Monthly Contract Demand Charge</b>		<u>\$/GJ</u> \$1.2075	<u>\$/103m3</u> 45.5107
<b>Authorized Overrun Charge</b>		<u>\$/GJ</u> \$0.0476	<u>\$/103m3</u> 1.7940
<b>Cap and Trade Customer Related Charge</b>	<i>Note (1) See below</i>	0.0000	¢/m <sup>3</sup>
<b>Cap and Trade Facility Related Charge</b>	<i>Note (1) See below</i>	0.0018	¢/m <sup>3</sup>

The Monthly Contract Demand charge is equal to the Daily Contract Demand of \$0.0397 per GJ or \$1.4963 per 10<sup>3</sup>m<sup>3</sup>.

**Monthly Minimum Bill:** The minimum monthly bill shall equal the applicable Monthly Contract Demand Charge times the Maximum Daily Quantity.

**Authorized Overrun Service:** The Company may, in its sole discretion, authorize transportation of gas in excess of the Maximum Daily Quantity provided excess capacity is available. The excess volumes will be subject to the Authorized Overrun Charge.

In addition to the rates quoted above, Applicants taking Rate 332 transportation service will be required to pay any charges resulting from Board approved dispositions of Deferral and Variance account balances pertaining to Rate 332.

**TERMS AND CONDITIONS OF SERVICE:**

The terms and conditions of transportation service are set out in the Tariff.

The provisions of Parts I to IV of the Company's HANDBOOK OF RATES AND DISTRIBUTION SERVICES do not apply to Rate 332 transportation service.

**EFFECTIVE DATE:**

The Tariff was approved by the Board in Board Order EB-2016-0028 available on the Company's website.

*Note (1): Cap and Trade Customer and Facility Related Charges effective January 1, 2017 as indicated in Board Order, EB-2016-0300.*

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The following adjustment is applicable to all gas sold or delivered during the period of October 1, 2017 to September 30, 2018.

Rate Class	Sales Service ( ¢/m <sup>3</sup> )	Western Transportation Service ( ¢/m <sup>3</sup> )	Ontario Transportation Service ( ¢/m <sup>3</sup> )
Rate 1	0.6390	(0.0938)	0.0402
Rate 6	0.6329	(0.0940)	0.0400
Rate 9	0.0055	(0.1336)	0.0004
Rate 100	0.6329	(0.0940)	0.0400
Rate 110	0.1032	(0.1230)	0.0110
Rate 115	0.0026	(0.1300)	0.0040
Rate 135	(0.0014)	(0.1340)	0.0000
Rate 145	0.3922	(0.1084)	0.0256
Rate 170	0.4144	(0.1222)	0.0118
Rate 200	0.6903	(0.0939)	0.0401

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IMPLEMENTATION DATE:

October 1, 2017

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Rate Class		Sales Service ( ¢/m³ )	Western Transportation Service ( ¢/m³ )	Ontario Transportation Service ( ¢/m³ )
Rate 1	Commodity	0.7328		
	Transportation	(0.1340)	(0.1340)	
	<u>Load Balancing</u>	<u>0.0402</u>	<u>0.0402</u>	<u>0.0402</u>
	Total	0.6390	(0.0938)	0.0402
Rate 6	Commodity	0.7269		
	Transportation	(0.1340)	(0.1340)	
	<u>Load Balancing</u>	<u>0.0400</u>	<u>0.0400</u>	<u>0.0400</u>
	Total	0.6329	(0.0940)	0.0400
Rate 9	Commodity	0.1391		
	Transportation	(0.1340)	(0.1340)	
	<u>Load Balancing</u>	<u>0.0004</u>	<u>0.0004</u>	<u>0.0004</u>
	Total	0.0055	(0.1336)	0.0004
Rate 100	Commodity	0.7269		
	Transportation	(0.1340)	(0.1340)	
	<u>Load Balancing</u>	<u>0.0400</u>	<u>0.0400</u>	<u>0.0400</u>
	Total	0.6329	(0.0940)	0.0400
Rate 110	Commodity	0.2262		
	Transportation	(0.1340)	(0.1340)	
	<u>Load Balancing</u>	<u>0.0110</u>	<u>0.0110</u>	<u>0.0110</u>
	Total	0.1032	(0.1230)	0.0110
Rate 115	Commodity	0.1326		
	Transportation	(0.1340)	(0.1340)	
	<u>Load Balancing</u>	<u>0.0040</u>	<u>0.0040</u>	<u>0.0040</u>
	Total	0.0026	(0.1300)	0.0040
Rate 135	Commodity	0.1326		
	Transportation	(0.1340)	(0.1340)	
	<u>Load Balancing</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
	Total	(0.0014)	(0.1340)	0.0000

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RIDER: <b>C</b>
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Rate Class		Sales Service ( ¢/m <sup>3</sup> )	Western Transportation Service ( ¢/m <sup>3</sup> )	Ontario Transportation Service ( ¢/m <sup>3</sup> )
Rate 145	Commodity	0.5006		
	Transportation	(0.1340)	(0.1340)	
	<u>Load Balancing</u>	<u>0.0256</u>	<u>0.0256</u>	<u>0.0256</u>
	<b>Total</b>	<b>0.3922</b>	<b>(0.1084)</b>	<b>0.0256</b>
Rate 170	Commodity	0.5366		
	Transportation	(0.1340)	(0.1340)	
	<u>Load Balancing</u>	<u>0.0118</u>	<u>0.0118</u>	<u>0.0118</u>
	<b>Total</b>	<b>0.4144</b>	<b>(0.1222)</b>	<b>0.0118</b>
Rate 200	Commodity	0.7842		
	Transportation	(0.1340)	(0.1340)	
	<u>Load Balancing</u>	<u>0.0401</u>	<u>0.0401</u>	<u>0.0401</u>
	<b>Total</b>	<b>0.6903</b>	<b>(0.0939)</b>	<b>0.0401</b>



The following adjustment is applicable to volumes during the period of January 1, 2017 to December 31, 2017.

**Bundled Services**

Rate Class	<u>( ¢/m<sup>3</sup> )</u>
Rate 1	(1.1277)
Rate 6	(0.3975)
Rate 9	(0.2837)
Rate 100	(0.3975)
Rate 110	(0.1185)
Rate 115	(0.0974)
Rate 135	(0.0114)
Rate 145	(0.0958)
Rate 170	(0.0207)
Rate 200	(0.0829)

**Unbundled Services**

Rate Class	<u>( ¢/m<sup>3</sup> )</u>
Rate 125 - per m <sup>3</sup> of contract demand	(0.8086)
Rate 300 - per m <sup>3</sup> of contract demand	(2.7992)
Rate 300 (Interruptible)	(0.0718)

RIDER:

**E**

**REVENUE ADJUSTMENT RIDER**

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The following elevation factors shall be applicable to metered volumes measured by a meter that does not correct for atmospheric pressure.

<b>Zone</b>	<b>Elevation Factor</b>
1	0.9644
2	0.9652
3	0.9669
4	0.9678
5	0.9686
6	0.9703
7	0.9728
8	0.9745
9	0.9762
10	0.9771
11	0.9839
12	0.9847
13	0.9856
14	0.9864
15	0.9873
16	0.9881
17	0.9890
18	0.9898
19	0.9907
20	0.9915
21	0.9932
22	0.9941
23	0.9949
24	0.9958
25	0.9960
26	0.9966
27	0.9975
28	0.9981
29	0.9983
30	0.9992
31	0.9997
32	1.0000
33	1.0017
34	1.0025
35	1.0034
36	1.0051
37	1.0059
38	1.0170

	<u>Rate</u> (excluding HST)
<u>New Account Or Activation</u>	
New Account Charge	\$25.00
Turning on of gas, activating appliances, obtaining billing data and establishing an opening meter reading for new customers in premises where gas has been previously supplied	
Appliance Activation Charge - Commercial Customers Only	\$70.00
Commercial customers are charged an appliance activation charge on unlock and red unlock orders, except on the very first unlock and service unlock at a premise.	
	minimum 1/2 hour work. Total Amount depends on time required
Meter Unlock Charge - Seasonal or Pool Heater	\$70.00
Seasonal for all other revenue classes, or Pool Heater for residential only	
<u>Statement of Account</u>	
Lawyer Letter Handling Charge	\$15.00
Provide the customer's lawyer with gas bill information.	
Statement of Account Charge (for one year history)	\$10.00
<u>Cheques Returned Non-Negotiable Charge</u>	\$20.00
<u>Gas Termination</u>	
Red Lock Charge	\$70.00
Locking meter or shutting off service by closing the street shut-off valve (when work can be performed by Field Collector)	
Removal of Meter	\$280.00
Removing meter by Construction & Maintenance crew	
Cut Off At Main Charge	\$1,300.00
Cutting service off at main by Construction & Maintenance Crew	
Valve Lock Charge	
Shutting off service by closing the street shut-off valve - work performed by Field Investigator	
	\$135.00
- work performed by Construction & Maintenance	
	\$280.00
<u>Safety Inspection</u>	
Inspection Charge	\$70.00
For inspection of gas appliances; the Company provides only one inspection free of charge, upon first time introduction of gas to a premise.	
Inspection Reject Charge (safety inspection)	\$70.00
Energy Board Inspection rejects are billed to the meter installer or homeowner.	

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Meter Test

## Meter Test Charge

When a customer disputes the reading on his/her meter, he/she may request to have the meter tested. This charge will apply if the test result confirms the meter is recording consumption correctly.

Residential meters \$105.00

Non-Residential meters Time & Material per Contractor

Street Service Alteration

Street Service Alteration Charge \$32.00

For installation of service line beyond allowable guidelines (for new residential services only)

NGV Rental

NGV Rental Cylinder (weighted average) \$12.00

Other Customer Services (ad-hoc request) and Third Party Services (damages investigation and repair)

Labour Hourly Charge-Out Rate \$140.00

Other Services (including ad-hoc customer requests and charges to customers and third parties for responding, investigating and repairing damages to Company facilities)

Cut Off At Main Charge - Commercial & Special Requests custom quoted

Cut Off At Main charges for commercial services and other residential services that involve significantly more work than the average will be custom quoted.

Cut Off At Main Charge - Other Customer Requests \$1,300.00

Other residential Cut Off At Main requests due to demolitions, fires, inactive services, etc. will be charged at the standard COAM rate.

Meter In-Out (Residential Only) \$280.00

Relocate the meter from inside to outside per customer request

Request For Service Call Information \$30.00

Provide written information of the result of a service call as requested by home owners.

Temporary Meter Removal \$280.00

As requested by customers.

Damage Meter Charge \$380.00

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**APPLICABILITY:**

This rider is applicable to any Applicant who enters into Gas Delivery Agreement with the Company under any rate.

**IN FRANCHISE TITLE TRANSFER SERVICE:**

In any Gas Delivery Agreement between the Company and the Applicant, an Applicant may elect to initiate a transfer of natural gas from one of its pools to the pool of another Applicant for the purposes of reducing an imbalance between the Applicant's deliveries and consumption as recorded in its Banked Gas Account or Cumulative Imbalance Account. Elections must be made in accordance with the Company's policies and procedures related to transaction requests under the Gas Delivery Agreement.

The Company will not apply an Administration charge for transfers between pools that have similar Points of Acceptance (i.e. both Ontario, both Western, or both Dawn Points of Acceptance). For transfers between pools that have dissimilar Points of Acceptance (i.e. one Ontario and one Western Point of Acceptance or, one Western and one Dawn point of Acceptance), the Company will apply the following Administration Charge per transaction to the pool transferring the natural gas (i.e. the seller or transferor).

**Administration Charge:** \$169.00 per transaction

Also, the applicable average cost of transportation as per Rider A for the transferred volume is charged to the pool with a Western or Dawn Point of Acceptance for transfers to a pool with an Ontario Point of Acceptance. The average cost of transportation as per Rider A for the transferred volume is remitted to the pool with a Western or Dawn Point of Acceptance for transfers from a pool with an Ontario Point of Acceptance. The applicable average cost of transportation as per Rider A is adjusted for transfers between Western and Dawn Points of Acceptance, so that the seller pool (transferor) is charged the applicable cost per volume transferred and the buyer pool or (recipient) is remitted at the applicable cost per volume transferred.

**ENHANCED TITLE TRANSFER SERVICE:**

In any Gas Delivery Agreement between the Company and the Applicant, the Applicant may elect to initiate a transfer of natural gas between the Company and another utility, regulated by the Ontario Energy Board, at Dawn for the purposes of reducing an imbalance between the customer's deliveries and consumption within the Enbridge Gas Distribution franchise areas. The ability of the Company to accept such an election may be constrained at various points in time for customers obtaining services under any rate other than Rate 125 or 300 due to operational considerations of the Company.

The cost for this service is separated between an Administration Charge that is applicable to all Applicants and a Bundled Service Charge that is only applicable to Applicants obtaining services under any rate other than Rate 125 or 300.

**Administration Charge:**  
Base Charge \$50.00 per transaction  
Commodity Charge \$0.4910 per 10<sup>3</sup>m<sup>3</sup>

**Bundled Service Charge:**  
The Bundled Service Charge shall be equal to the absolute difference between the Eastern Zone and Southwest Zone Firm Transportation tolls approved by the National Energy Board for TCPL at a 100% Load Factor.

Also, the average cost of transportation as per Rider A for the transferred volume is charged to the Applicant with a Western Point of Acceptance for transfers to another party. The average cost of transportation as per Rider A for the transferred volume is remitted to the Applicant with a Western Point of Acceptance for transfers from another party.

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***GAS IN STORAGE TITLE TRANSFER:***

An Applicant that holds a contract for storage services under Rate 315 or 316 may elect to initiate a transfer of title to the natural gas currently held in storage between the storage service and another storage service held by the Applicant, or any other Applicant that has contracted with the Company for storage services under Rate 315 or 316. The service will be provided on a firm basis up to the volume of gas that is equivalent to the more restrictive firm withdrawal and injection parameters of the two parties involved in the transfer. Transfer of title at rates above this level may be done on at the Company's discretion.

For Applicants requesting service between two storage service contracts that have like services, each party to the request shall pay an Administration Charge applicable to the request. Services shall be considered to be alike if the injection and deliverability rate at the ratchet levels in effect at the time of the request are the same and both services are firm or both services are interruptible. In addition to like services, the Company, at its sole discretion based on operational conditions, will also allow for the transfer of gas from a storage service contract that has a level of deliverability that is higher than the level of deliverability of the storage service contract the gas is being transferred to with only the Administration Charge being applicable to each party.

In addition to the Administration Charge, Applicants requesting service between two storage service contracts not addressed in the preceding paragraph would be subject to the injection and withdrawal charges specified in their contracts.

**Administration Charge:** \$25.00 per transaction

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**TABLE A1**

**TABLE 1: 2017 CUSTOMER-RELATED VOLUMES, EMISSIONS, COST OF EMISSIONS AND UNIT RATE**

Line	Rate	Budget Forecast Volumes <sup>1</sup> (10 <sup>3</sup> m <sup>3</sup> )	LFE, Voluntary Participant and Other Exempt Gas Volumes <sup>2</sup> (10 <sup>3</sup> m <sup>3</sup> )	Net Volumes <sup>3</sup> (10 <sup>3</sup> m <sup>3</sup> )	Net CO <sub>2</sub> e Emissions <sup>4</sup> (Tonnes CO <sub>2</sub> e)	Assumed Cost of Allowances <sup>5</sup> (\$/tonne CO <sub>2</sub> e)	Cost of CO <sub>2</sub> e Emissions <sup>6</sup> (\$)	Unit Rate <sup>7</sup> (€/m <sup>3</sup> )
1.1	1	4,911,477.9	0.0	4,911,477.9	9,207,189.1	17.70	162,967,246.7	
1.2	6	4,862,269.2	120,126.9	4,742,142.3	8,889,748.0	17.70	157,348,539.5	
1.3	9	262.8	0.0	262.8	492.7	17.70	8,719.9	
1.4	100	0.0	0.0	0.0	0.0	17.70	0.0	
1.5	110	861,434.8	403,080.8	458,354.0	859,242.8	17.70	15,208,597.3	
1.6	115	490,291.9	304,439.5	185,852.4	348,403.9	17.70	6,166,749.5	
1.7a	125	305,896.4	0.0	305,896.4	573,441.7	17.70	10,149,917.2	
1.7b	125D <sup>8</sup>	325,082.3	0.0	325,082.3	609,408.1	17.70	10,786,522.6	
1.8	135	60,899.0	0.0	60,899.0	114,162.9	17.70	2,020,683.5	
1.9	145	63,318.2	14,091.0	49,227.2	92,282.6	17.70	1,633,402.7	
1.10	170	296,313.0	183,005.6	113,307.4	212,409.1	17.70	3,759,641.3	
1.11	200	170,842.7	170,842.7	0.0	0.0	17.70	0.0	
1.12	300	35,440.4	34,992.0	448.4	840.6	17.70	14,878.3	
<b>1</b>	<b>Total Customer-Related</b>	<b>12,383,528.6</b>	<b>1,230,578.5</b>	<b>11,152,950.1</b>	<b>20,907,621.4</b>	<b>17.70</b>	<b>370,064,898.6</b>	<b>3.3181</b>

Notes:

- (1) Exhibit B, Tab 2, Schedule 1, Table 1, Col. 1 - Col. 2
- (2) Exhibit B, Tab 2, Schedule 1, Table 1, Col. 4 and Col. 5. Rate 300 is landfill gas volume.
- (3) Col. 1 - Col. 2
- (4) Exhibit B, Tab 3, Schedule 1, Table 1, Col. 5
- (5) Internal forecast of carbon allowance pricing based on past auction data and Cap and Trade Regulation
- (6) Col. 4 x Col. 5
- (7) (Col. 6 / (Col. 3 x 1000)) x 100
- (8) Dedicated unbundled customers

**Customer-Related Unit Rate Calculation**

Cap and Trade Customer Related Charge = Cost of CO<sub>2</sub>e Emissions / Net Volumes  
 = \$ 370,064,898.6 / 11,152,950.1 10<sup>3</sup>m<sup>3</sup>  
 = 3.3181 €/m<sup>3</sup>

**TABLE A2**  
**TABLE 2: 2017 FACILITY-RELATED VOLUMES, EMISSIONS, COST OF EMISSIONS AND UNIT RATES**

Line	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
	Volumes <sup>1</sup> (10 <sup>3</sup> m <sup>3</sup> )	CO <sub>2</sub> e Emissions <sup>2</sup> (Tonnes CO <sub>2</sub> e)	Assumed Cost of Allowances <sup>3</sup> (\$/tonne CO <sub>2</sub> e)	Cost of CO <sub>2</sub> e Emissions <sup>4</sup> (\$)	Unit Rate (€/m <sup>3</sup> )
2.1	Company Use				
2.1.1	Fleet	2,811.9	17.70	49,771.3	
2.1.2	Buildings	2,823.0	17.70	49,967.6	
2.1.3	Boilers	7,307.8	17.70	129,348.0	
2.1	Company Use	12,942.8	17.70	229,086.9	0.0018 <sup>5</sup>
2.2	Unaccounted For Gas (UAF)	184,236.5	17.70	3,260,985.5	0.0271 <sup>6</sup>
2.3	Compressor Fuel	31,966.0	17.70	565,797.5	0.0048 <sup>7</sup>
2	Total Facility-Related	229,145.2	17.70	4,055,870.0	0.0337

Notes:

- (1) Exhibit B, Tab 2, Schedule 1, Table 2
- (2) Exhibit B, Tab 3, Schedule 1, Table 3, Col. 5
- (3) Internal forecast of carbon allowance pricing based on past auction data and Cap and Trade Regulation
- (4) Col. 2 x Col. 3
- (5) Cost of CO<sub>2</sub>e emissions / Total customer-related volume = [Col. 4 / (Exhibit A1, Table 1, Line 1, Col. 1 x 1000)] x 100
- (6) Cost of CO<sub>2</sub>e emissions / (Total customer-related volume - Rate 125D customers - landfill gas volume) = [Col. 4 / ((Exhibit A1, Table 1, Line 1, Col. 1 - Line 1.7b, Col. 1 - Line 1.12, Col. 2) x 1000)] x 100
- (7) Cost of CO<sub>2</sub>e emissions / (Total customer-related volume excluding unbundled customers (Rates 125 and 300) + Rate 325 Volume) = [Col. 4 / ((Exhibit A1, Table 1, Line 1, Col. 1 - Line 1.7a, Col. 1 - Line 1.7b, Col. 1 - Line 1.12, Col. 1 + 190,328 10<sup>3</sup> m<sup>3</sup>) x 1000) x 100

**Facility-Related Unit Rate Calculations**

Company Use = Cost of CO<sub>2</sub>e Emissions for Company Use / Total Customer-Related Volume  
 = \$ 229,086.9 / 12,383,528.6 10<sup>3</sup>m<sup>3</sup>  
 = 0.0018 €/m<sup>3</sup>

Unaccounted For Gas Volumes = Cost of CO<sub>2</sub>e Emissions for Unaccounted For Gas / (Total Customer-Related Volume Excluding Rate 125D and Landfill Gas)  
 = \$ 3,260,985.5 / (12,383,528.6 - 325,082.3 - 34,992.0) 10<sup>3</sup>m<sup>3</sup>  
 = 0.0271 €/m<sup>3</sup>

Compressor Fuel Volumes = Cost of CO<sub>2</sub>e Emissions for Compressor Fuel / (Total Customer-Related Volume Excluding Unbundled Customers + Rate 325 Volume)  
 = \$ 565,797.5 / (12,383,528.6 - 305,896.4 - 325,082.3 - 35,440.4 + 190,328.0) 10<sup>3</sup>m<sup>3</sup>  
 = 0.0048 €/m<sup>3</sup>

Facility-Related Charge = 0.0018 + 0.0271 + 0.0048 €/m<sup>3</sup>  
 = 0.0337 €/m<sup>3</sup>

**TABLE A3**

**TABLE 3: 2017 CAP & TRADE UNIT RATE SUMMARY**

		Col. 1	
Line		Unit Rate	(¢/m <sup>3</sup> )
1	Customer-Related	3.3181	1
Facility-Related:			
2.1	Company Use	0.0018	2
2.2	UAF	0.0271	3
2.3	Compressor Fuel	0.0048	4
2	Facility-Related	0.0337	5
3	<b>Total</b>	<b>3.3518</b>	<b>6</b>

Notes:

- (1) Exhibit A1, Table 1, Line 1, Col. 8
- (2) Exhibit A2, Table 2, Line 2.1, Col. 5
- (3) Exhibit A2, Table 2, Line 2.2, Col. 5
- (4) Exhibit A2, Table 2, Line 2.3, Col. 5
- (5) Line 2.1 + Line 2.2 + Line 2.3
- (6) Line 1 + Line 2

**TABLE A4**

**TABLE 4: 2017 CAP AND TRADE UNIT RATE SUMMARY BY RATE CLASS**

Rate Class	Non-Large Final Emitter (¢/m <sup>3</sup> )	Large Final Emitter <sup>1</sup> (¢/m <sup>3</sup> )
Rate 1	3.3518	0.0337
Rate 6	3.3518	0.0337
Rate 9	3.3518	0.0337
Rate 100	3.3518	0.0337
Rate 110	3.3518	0.0337
Rate 115	3.3518	0.0337
Rate 125	3.3471	0.0290
Rate 125 Dedicated	3.3199	0.0018
Rate 135	3.3518	0.0337
Rate 145	3.3518	0.0337
Rate 170	3.3518	0.0337
Rate 200	0.0337	0.0337
Rate 300	3.3471	0.0290
Rate 300 Interruptible	3.3471	0.0290
Rate 315	0.0048	0.0048
Rate 316	0.0048	0.0048
Rate 320	0.0000	0.0000
Rate 325	0.0066	0.0066
Rate 330	0.0066	0.0066
Rate 331	0.0018	0.0018
Rate 332	0.0018	0.0018

(1) Includes Voluntary Participants and Other Exempt Gas Volumes

**TABLE A5**

**TABLE 5: 2017 CAP AND TRADE UNIT RATE BREAKDOWN BY RATE CLASS**

Rate Class		Non-Large Final Emitter (¢/m <sup>3</sup> )	Large Final Emitter <sup>1</sup> (¢/m <sup>3</sup> )
Rate 1	Customer-Related	3.3181	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0271	0.0271
	Compressor Fuel	0.0048	0.0048
	Facility-Related	<u>0.0337</u>	<u>0.0337</u>
Total	3.3518	0.0337	
Rate 6	Customer-Related	3.3181	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0271	0.0271
	Compressor Fuel	0.0048	0.0048
	Facility-Related	<u>0.0337</u>	<u>0.0337</u>
Total	3.3518	0.0337	
Rate 9	Customer-Related	3.3181	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0271	0.0271
	Compressor Fuel	0.0048	0.0048
	Facility-Related	<u>0.0337</u>	<u>0.0337</u>
Total	3.3518	0.0337	
Rate 100	Customer-Related	3.3181	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0271	0.0271
	Compressor Fuel	0.0048	0.0048
	Facility-Related	<u>0.0337</u>	<u>0.0337</u>
Total	3.3518	0.0337	

**TABLE A5**

**TABLE 5: 2017 CAP AND TRADE UNIT RATE BREAKDOWN BY RATE CLASS**

Rate Class		Non-Large Final Emitter (¢/m <sup>3</sup> )	Large Final Emitter <sup>1</sup> (¢/m <sup>3</sup> )
Rate 110	Customer-Related	3.3181	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0271	0.0271
	Compressor Fuel	0.0048	0.0048
	Facility-Related	0.0337	0.0337
	Total	3.3518	0.0337
Rate 115	Customer-Related	3.3181	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0271	0.0271
	Compressor Fuel	0.0048	0.0048
	Facility-Related	0.0337	0.0337
	Total	3.3518	0.0337
Rate 125	Customer-Related	3.3181	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0271	0.0271
	Compressor Fuel	0.0048	0.0048
	Facility-Related	0.0290	0.0290
	Total	3.3471	0.0290
Rate 125 Dedicated	Customer-Related	3.3181	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0000	0.0000
	Compressor Fuel	0.0000	0.0000
	Facility-Related	0.0018	0.0018
	Total	3.3199	0.0018

**TABLE A5**

**TABLE 5: 2017 CAP AND TRADE UNIT RATE BREAKDOWN BY RATE CLASS**

Rate Class		Non-Large Final Emitter (¢/m <sup>3</sup> )	Large Final Emitter <sup>1</sup> (¢/m <sup>3</sup> )
Rate 135	Customer-Related	3.3181	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0271	0.0271
	Compressor Fuel	0.0048	0.0048
	Facility-Related	0.0337	0.0337
Total	3.3518	0.0337	
Rate 145	Customer-Related	3.3181	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0271	0.0271
	Compressor Fuel	0.0048	0.0048
	Facility-Related	0.0337	0.0337
Total	3.3518	0.0337	
Rate 170	Customer-Related	3.3181	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0271	0.0271
	Compressor Fuel	0.0048	0.0048
	Facility-Related	0.0337	0.0337
Total	3.3518	0.0337	
Rate 200	Customer-Related	0.0000	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0271	0.0271
	Compressor Fuel	0.0048	0.0048
	Facility-Related	0.0337	0.0337
Total	0.0337	0.0337	

**TABLE A5**

**TABLE 5: 2017 CAP AND TRADE UNIT RATE BREAKDOWN BY RATE CLASS**

Rate Class		Non-Large Final Emitter (¢/m <sup>3</sup> )	Large Final Emitter <sup>1</sup> (¢/m <sup>3</sup> )
Rate 300	Customer-Related	3.3181	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0271	0.0271
	Compressor Fuel	0.0000	0.0000
	Facility-Related	0.0290	0.0290
Total	3.3471	0.0290	
Rate 300 Interruptible	Customer-Related	3.3181	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0271	0.0271
	Compressor Fuel	0.0000	0.0000
	Facility-Related	0.0290	0.0290
Total	3.3471	0.0290	
Rate 315	Customer-Related	0.0000	
	Facility-Related:		
	Company Use	0.0000	0.0000
	UAF	0.0000	0.0000
	Compressor Fuel	0.0048	0.0048
	Facility-Related	0.0048	0.0048
Total	0.0048	0.0048	
Rate 316	Customer-Related	0.0000	
	Facility-Related:		
	Company Use	0.0000	0.0000
	UAF	0.0000	0.0000
	Compressor Fuel	0.0048	0.0048
	Facility-Related	0.0048	0.0048
Total	0.0048	0.0048	

**TABLE A5**

TABLE 5: 2017 CAP AND TRADE UNIT RATE BREAKDOWN BY RATE CLASS

Rate Class		Non-Large Final Emitter (¢/m <sup>3</sup> )	Large Final Emitter <sup>1</sup> (¢/m <sup>3</sup> )
Rate 320	Customer-Related	0.0000	
	Facility-Related:		
	Company Use	0.0000	0.0000
	UAF	0.0000	0.0000
	Compressor Fuel	0.0000	0.0000
	Facility-Related	0.0000	0.0000
	Total	0.0000	0.0000
Rate 325	Customer-Related	0.0000	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0000	0.0000
	Compressor Fuel	0.0048	0.0048
	Facility-Related	0.0066	0.0066
	Total	0.0066	0.0066
Rate 330	Customer-Related	0.0000	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0000	0.0000
	Compressor Fuel	0.0048	0.0048
	Facility-Related	0.0066	0.0066
	Total	0.0066	0.0066
Rate 331	Customer-Related	0.0000	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0000	0.0000
	Compressor Fuel	0.0000	0.0000
	Facility-Related	0.0018	0.0018
	Total	0.0018	0.0018

**TABLE A5**

**TABLE 5: 2017 CAP AND TRADE UNIT RATE BREAKDOWN BY RATE CLASS**

Rate Class		Non-Large Final Emitter (¢/m <sup>3</sup> )	Large Final Emitter <sup>1</sup> (¢/m <sup>3</sup> )
Rate 332	Customer-Related	0.0000	
	Facility-Related:		
	Company Use	0.0018	0.0018
	UAF	0.0000	0.0000
	Compressor Fuel	0.0000	0.0000
	Facility-Related	0.0018	0.0018
	Total	0.0018	0.0018

(1) Includes Voluntary Participants and Other Exempt Gas Volumes

**APPENDIX E**  
**DECISION AND RATE ORDER**  
**NATURAL RESOURCE GAS LIMITED**  
**EB-2016-0330**  
**NOVEMBER 16, 2017**

NATURAL RESOURCE GAS LIMITED

**RATE 1 - General Service Rate**

**Rate Availability**

The entire service area of the Company.

**Eligibility**

All customers.

**Rate**

a)	Monthly Fixed Charge	\$13.50
b)	Delivery Charge	
	First 1,000 m <sup>3</sup> per month	16.2312 cents per m <sup>3</sup>
	All over 1,000 m <sup>3</sup> per month	10.9099 cents per m <sup>3</sup>
c)	Cap and Trade Customer Related Charge (1)	3.33402 cents per m <sup>3</sup>
	Cap and Trade Facility Related Charge (1)	0.03414 cents per m <sup>3</sup>
d)	Gas Supply Charge and System Gas Refund Rate Rider (if applicable)	Schedule A

**Meter Readings**

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

**Delayed Payment Penalty**

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

**Bundled Direct Purchase Delivery**

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

*Note (1): Cap and Trade Customer and Facility Related Charges are effective January 1, 2017 and will be implemented January 1, 2018.*

Effective: October 01, 2017

Implementation: All bills rendered on or after October 01, 2017

EB-2017-0293 (Interim)

**NATURAL RESOURCE GAS LIMITED**

**RATE 2 - Seasonal Service**

**Rate Availability**

The entire service area of the company.

**Eligibility**

All customers.

**Rate**

For all gas consumed from:	April 1 through October 31:	November 1 through March 31:
a) Monthly Fixed Charge	\$15.00	\$15.00
b) Delivery Charge		
First 1,000 m <sup>3</sup> per month	15.8212 cents per m <sup>3</sup>	19.9424 cents per m <sup>3</sup>
Next 24,000 m <sup>3</sup> per month	9.4826 cents per m <sup>3</sup>	15.6960 cents per m <sup>3</sup>
All over 25,000 m <sup>3</sup> per month	6.1698 cents per m <sup>3</sup>	15.2899 cents per m <sup>3</sup>
c) Cap and Trade Customer Related Charge (1)	3.33402 cents per m <sup>3</sup>	3.33402 cents per m <sup>3</sup>
Cap and Trade Facility Related Charge (1)	0.03414 cents per m <sup>3</sup>	0.03414 cents per m <sup>3</sup>
d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

**Meter Readings**

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

**Delayed Payment Penalty**

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

**Bundled Direct Purchase Delivery**

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

*Note (1): Cap and Trade Customer and Facility Related Charges are effective January 1, 2017 and will be implemented January 1, 2018.*

Effective: October 01, 2017

Implementation: All bills rendered on or after October 01, 2017

EB-2017-0293 (Interim)

**NATURAL RESOURCE GAS LIMITED**

**RATE 3 - Special Large Volume Contract Rate**

**Rate Availability**

Entire service area of the company.

**Eligibility**

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a combined daily contracted demand for firm and interruptible service of at least 700 m<sup>3</sup>; and
- c) a qualifying annual volume of at least 113,000 m<sup>3</sup>.

**Rate**

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

a) A Monthly Customer Charge:

A Monthly Customer Charge of \$150.00 for firm or interruptible customers; or  
A Monthly Customer Charge of \$175.00 for combined (firm and interruptible) customers.

b) A Monthly Demand Charge:

A Monthly Demand Charge of 29.0974 cents per m<sup>3</sup> for each m<sup>3</sup> of daily contracted firm demand.

c) A Monthly Delivery Charge:

- (i) A Monthly Firm Delivery Charge for all firm volumes of 4.0357 cents per m<sup>3</sup>,
- (ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 10.9612 cents per m<sup>3</sup> and not to be less than 7.9412 per m<sup>3</sup>.

d) Cap and Trade Customer Related Charge (1) 3.33402 cents per m<sup>3</sup>  
Cap and Trade Facility Related Charge (1) 0.03414 cents per m<sup>3</sup>

e) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

f) Overrun Gas Charges:

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

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then,

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 3 Firm Delivery Charge, the Cap and Trade Customer Related Charge and the Cap and Trade Facility Related Charge in effect at the

time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge, the Cap and Trade Customer Related Charge and the Cap and Trade Facility Related Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

For any unauthorized overrun gas taken, the customer shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c)(ii) above, 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;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.1530 cents per m<sup>3</sup> for firm gas and 5.4412 cents per m<sup>3</sup> for interruptible gas.

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 Firm Delivery Commodity Charge to be applied on such volume during the transition of 5.7163 cents per m<sup>3</sup> and a gas supply commodity charge as set out in Schedule A, if applicable. The Cap and Trade Customer Related Charge and the Cap and Trade Facility Related Charge will continue to apply. Gas purchased under this clause will not contribute to the minimum volume.

#### **Bundled Direct Purchase Delivery**

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

#### **Delayed Payment Penalty**

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

*Note (1): Cap and Trade Customer and Facility Related Charges are effective January 1, 2017 and will be implemented January 1, 2018.*

Effective: October 01, 2017

Implementation: All bills rendered on or after October 01, 2017

EB-2017-0293 (Interim)

**NATURAL RESOURCE GAS LIMITED**

**RATE 4 - General Service Peaking**

**Rate Availability**

The entire service area of the company.

**Eligibility**

All customers whose operations, in the judgment of Natural Resource Gas Limited, can readily accept interruption and restoration of gas service with 24 hours notice.

**Rate**

For all gas consumed from:	April 1 through December 31:	January 1 through March 31:
a) Monthly Fixed Charge	\$15.00	\$15.00
b) Delivery Charge		
First 1,000 m <sup>3</sup> per month	15.8149 cents per m <sup>3</sup>	20.1755 cents per m <sup>3</sup>
All over 1,000 m <sup>3</sup> per month	10.5218 cents per m <sup>3</sup>	16.9052 cents per m <sup>3</sup>
c) Cap and Trade Customer Related Charge (1)	3.33402 cents per m <sup>3</sup>	3.33402 cents per m <sup>3</sup>
Cap and Trade Facility Related Charge (1)	0.03414 cents per m <sup>3</sup>	0.03414 cents per m <sup>3</sup>
d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

**Meter Readings**

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

**Delayed Payment Penalty**

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

**Bundled Direct Purchase Delivery**

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

*Note (1): Cap and Trade Customer and Facility Related Charges are effective January 1, 2017 and will be implemented January 1, 2018.*

Effective: October 01, 2017

Implementation: All bills rendered on or after October 01, 2017

EB-2017-0293 (Interim)

**NATURAL RESOURCE GAS LIMITED**

**RATE 5 - Interruptible Peaking Contract Rate**

**Rate Availability**

Entire service area of the company.

**Eligibility**

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a daily contracted demand for interruptible service of at least 700 m<sup>3</sup>; and
- c) a qualifying annual volume of at least 50,000 m<sup>3</sup>.

**Rate**

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

a) Monthly Fixed Charge \$150.00.

b) A Monthly Delivery Charge:

A Monthly Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 8.4612 cents per m<sup>3</sup> and not to be less than 5.4612 per m<sup>3</sup>.

c) Cap and Trade Customer Related Charge (1) 3.33402 cents per m<sup>3</sup>  
Cap and Trade Facility Related Charge (1) 0.03414 cents per m<sup>3</sup>

d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

e) Overrun Gas Charge:

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

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge, the Cap and Trade Customer Related Charge and the Cap and Trade Facility Related Charge in effect at the time the overrun occurs plus any applicable Gas Supply Charge.

For any unauthorized overrun gas taken, the customer shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c) above, 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 and 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;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas of 50,000 m<sup>3</sup>. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this annual minimum shall be 7.1995 cents per m<sup>3</sup> for interruptible gas.

**Bundled Direct Purchase Delivery**

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

**Delayed Payment Penalty**

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

*Note (1): Cap and Trade Customer and Facility Related Charges are effective January 1, 2017 and will be implemented January 1, 2018.*

Effective: October 01, 2017

Implementation: All bills rendered on or after October 01, 2017

EB-2017-0293 (Interim)

NATURAL RESOURCE GAS LIMITED

**RATE 6 – Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility**

**Rate Availability**

Rate 6 is available to the Integrated Grain Processors Co-Operative, Aylmer Ethanol Production Facility only.

**Eligibility**

Integrated Grain Processors Co-Operative's ("IGPC") ethanol production facility located in the Town of Aylmer

**Rate**

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

- a) Monthly Customer Charge of \$150.00 for firm services
- b) A Monthly Demand Charge:  
A Monthly Demand Charge of 18.8392 cents per m<sup>3</sup> for each m<sup>3</sup> of daily contracted firm demand.
- c) A Monthly Delivery Charge:
  - (i) A Monthly Firm Delivery Charge for all firm volumes of 3.8894 cents per m<sup>3</sup>,
  - (ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and IGPC not to exceed 10.9612 cents per m<sup>3</sup> and not to be less than 7.9412 cents per m<sup>3</sup>.
- d) Cap and Trade Facility Related Charge (1) 0.03414 cents per m<sup>3</sup>
- e) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A
- f) Overrun Gas Charges:

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

If, on any day, IGPC should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to IGPC on such day, or if, on any day, IGPC fails to comply with any curtailment notice reducing IGPC's take of gas, then,

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 6 Firm Delivery Charge and Cap and Trade Facility Related Charge in effect at the time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge and Cap and Trade Facility Related Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

For any unauthorized overrun gas taken, IGPC shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c)(ii) above, the matters to be considered include:

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

3. In each contract year, IGPC shall take delivery from the company, or in any event pay for it if available and not accepted by the IGPC, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.1530 cents per m<sup>3</sup> for firm gas and 5.4412 cents per m<sup>3</sup> for interruptible gas.

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 IGPC 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 Firm Delivery Commodity Charge to be applied on such volume during the transition of 5.7163 cents per m<sup>3</sup> and a gas supply commodity charge as set out in Schedule A, if applicable. The Cap and Trade Facility Related Charge will continue to apply. Gas purchased under this clause will not contribute to the minimum volume.

#### **Bundled Direct Purchase Delivery**

Where IGPC elects under this rate schedule to directly purchase its gas from a supplier other than NRG, IGPC or its agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to IGPC if it elects said Bundled T transportation service.

Unless otherwise authorized by NRG, IGPC, when delivering gas to NRG under direct purchase arrangements, must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

#### **Delayed Payment Penalty**

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

*Note (1): Cap and Trade Customer and Facility Related Charges are effective January 1, 2017 and will be implemented January 1, 2018.*

Effective: October 01, 2017

Implementation: All bills rendered on or after October 01, 2017

EB-2017-0293 (Interim)

**NATURAL RESOURCE GAS LIMITED**

**SCHEDULE A – Gas Supply Charges**

**Rate Availability**

Entire service area of the company.

**Eligibility**

All customers served under Rates 1, 2, 3, 4, 5 and 6.

**Rate**

The Gas Supply Charge applicable to all sales customers shall be made up of the following charges:

PGCVA Reference Price	(EB-2017-0293 (Interim))	17.8266 cents per m <sup>3</sup>
GPRR Recovery Rate	(EB-2017-0293 (Interim))	(0.0935) cents per m <sup>3</sup>
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m <sup>3</sup>
Total Gas Supply Charge		<u>17.7694</u> cents per m <sup>3</sup>

**Note:**

PGCVA means Purchased Gas Commodity Variance Account

GPRR means Gas Purchase Rebalancing Account

Effective: October 01, 2017

Implementation: All bills rendered on or after October 01, 2017

EB-2017-0293 (Interim)

**NATURAL RESOURCE GAS LIMITED**

**RATE BT1 – Bundled Direct Purchase Contract Rate**

**Availability**

Rate BT1 is available to all customers or their agent, who enter into a Receipt Contract for delivery of gas to NRG. The availability of this option is subject to NRG obtaining a satisfactory agreement or arrangement with Union Gas and NRG's gas supplier for direct purchase volume and DCQ offsets.

**Eligibility**

All customers electing to purchase gas directly from a supplier other than NRG must enter into a Bundled T-Service Receipt Contract with NRG either directly or through their agent, for delivery of gas to NRG at a mutually acceptable delivery point.

**Rate**

For gas delivered to NRG at any point other than the Ontario Point of Delivery, NRG will charge a customer or their agent, all approved tolls and charges incurred by NRG to transport the gas to the Ontario Point of Delivery.

Note:

Ontario Point of Delivery means Dawn or Parkway on the Union Gas System as agreed to by NRG and NRG's customer or their agent.

Effective: October 01, 2017

Implementation: All bills rendered on or after October 01, 2017

EB-2017-0293 (Interim)

**NATURAL RESOURCE GAS LIMITED**

**Transmission Service**

**Availability**

Transmission Service charges shall be applied to Natural Resource Gas Corp.

**Eligibility**

Only Natural Resource Gas Corp. shall be charged the Transmission Service Rate. Fees and Charges will be applied only in those months that NRG Corp. delivers gas to a delivery point on NRG's system.

**Rate**

Administrative Charge	\$250/month
Transportation Rate	\$0.95/mcf
Cap and Trade Facility Related Charge (1)	0.03414 cents per m <sup>3</sup>

*Note (1): Cap and Trade Customer and Facility Related Charges are effective January 1, 2017 and will be implemented January 1, 2018.*

Effective: October 01, 2017

Implementation: All bills rendered on or after October 01, 2017

EB-2017-0293 (Interim)

**APPENDIX F**  
**DECISION AND RATE ORDER**  
**UNION GAS LIMITED**  
**EB-2016-0296**  
**NOVEMBER 16, 2017**

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 m<sup>3</sup> per year.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Sales Service**

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

**(b) Transportation Service**

For continuous delivery on Union's distribution system from the Point of Receipt on 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**

<u>APPLICABLE TO ALL SERVICES</u>	<u>Union North West</u>	<u>Union North East</u>
<u>MONTHLY CHARGE</u>	\$21.00	\$21.00
<u>DELIVERY CHARGE (2)</u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 100 m <sup>3</sup> per month @	9.1028	9.1028
Next 200 m <sup>3</sup> per month @	8.8698	8.8698
Next 200 m <sup>3</sup> per month @	8.5021	8.5021
Next 500 m <sup>3</sup> per month @	8.1646	8.1646
Over 1,000 m <sup>3</sup> per month @	7.8858	7.8858
Delivery-Price Adjustment (All Volumes) (1)	1.2219	1.2219
<u>CAP-AND-TRADE CHARGES (in addition to Delivery Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable) (2)	3.3181	3.3181
Cap-and-Trade Facility-Related Charge (2)	0.0240	0.0240

Notes:

(1) Includes a temporary charge of 1.2219 cents/m<sup>3</sup> expiring March 31, 2018.

(2) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Delivery Charge has decreased by 0.0509 cents/m<sup>3</sup> for all volumes per month.



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".

**SYSTEM EXPANSION SURCHARGE ("SES") (if applicable)**

The system expansion surcharge is applied to all volumes consumed for a defined term and is applicable to customers within the following approved community expansion project areas:

<u>Community Expansion Project</u>	<u>SES Rate (¢ per m<sup>3</sup>)</u>	<u>SES Term Expiry</u>
Prince Township	23.0000	December 31, 2039

**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.

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 m<sup>3</sup> per year.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Sales Service**

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

**(b) Transportation Service**

For continuous delivery on Union's distribution system from the Point of Receipt on 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**

<u>APPLICABLE TO ALL SERVICES</u>	<u>Union North West</u>	<u>Union North East</u>
<u>MONTHLY CHARGE</u>	\$70.00	\$70.00
<u>DELIVERY CHARGE (2)</u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 1,000 m <sup>3</sup> per month @	7.6310	7.6310
Next 9,000 m <sup>3</sup> per month @	6.1985	6.1985
Next 20,000 m <sup>3</sup> per month @	5.5269	5.5269
Next 70,000 m <sup>3</sup> per month @	4.9901	4.9901
Over 100,000 m <sup>3</sup> per month @	2.9564	2.9564
Delivery-Price Adjustment (All Volumes) (1)	1.0857	1.0857
<u>CAP-AND-TRADE CHARGES (in addition to Delivery Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable) (2)	3.3181	3.3181
Cap-and-Trade Facility-Related Charge (2)	0.0240	0.0240

Notes:

(1) Includes a temporary charge of 1.0857 cents/m<sup>3</sup> expiring March 31, 2018.

(2) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Delivery Charge has decreased by 0.0378 cents/m<sup>3</sup> for all volumes per month.

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".

## SYSTEM EXPANSION SURCHARGE ("SES") (if applicable)

The system expansion surcharge is applied to all volumes consumed for a defined term and is applicable to customers within the following approved community expansion project areas:

<u>Community Expansion Project</u>	<u>SES Rate (¢ per m<sup>3</sup>)</u>	<u>SES Term Expiry</u>
Prince Township	23.0000	December 31, 2039

**MONTHLY BILL**

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

**MINIMUM MONTHLY BILL**

The Minimum Monthly Bill shall be the Monthly Charge.

**DELAYED PAYMENT**

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

**SERVICE AGREEMENT**

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

**TERMS AND CONDITIONS OF SERVICE**

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

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 m<sup>3</sup> or more.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Sales Service**

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

**(b) Transportation Service**

For continuous delivery on Union's distribution system from the Point of Receipt on 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.

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

<u>MONTHLY CHARGE</u>	\$884.46
<u>DELIVERY CHARGES</u> (cents per month per m <sup>3</sup> )	
Monthly Demand Charge for first 70,000 m <sup>3</sup> of Contracted Daily Demand	28.6326
Monthly Demand Charge for all units over 70,000 m <sup>3</sup> of Contracted Daily Demand	16.8374
Commodity Charge for first 852,000 m <sup>3</sup> of gas volumes delivered (2)	0.5413
Commodity Charge for all units over 852,000 m <sup>3</sup> of gas volumes delivered (2)	0.3870
<u>CAP-AND-TRADE CHARGES</u> (in addition to Delivery Charges)	
Cap-and-Trade Customer-Related Charge (if applicable) (2)	3.3181
Cap-and-Trade Facility-Related Charge (2)	0.0240

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.
- (2) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Delivery Commodity Charge has decreased by 0.0082 cents/m<sup>3</sup>.

ADDITIONAL CHARGES FOR SALES SERVICE

## Gas Supply Charge

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

## Commodity Transportation

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

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

**HEAT CONTENT ADJUSTMENT**

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

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



**COMMISSIONING AND DECOMMISSIONING RATE**

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

	<u>Union North West</u>	<u>Union North East</u>
<u>MONTHLY CHARGE</u>	\$884.46	\$884.46
<u>DELIVERY CHARGES (1)</u>	<u>cents per m<sup>3</sup></u>	<u>cents per m<sup>3</sup></u>
Commodity Charge for each unit of gas volumes delivered	2.4240	2.4240
<u>CAP-AND-TRADE CHARGES (in addition to Delivery Charges)</u>		
Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181	3.3181
Cap-and-Trade Facility-Related Charge (1)	0.0240	0.0240

Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Delivery Commodity Charge has decreased by 0.0082 cents/m<sup>3</sup>.

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) \$20.238

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) \$0.204

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ) \$0.869

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

DIVERSION TRANSACTION CHARGE

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



#### THE BILL

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

#### MINIMUM BILL

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

#### DELAYED PAYMENT

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

#### SERVICE AGREEMENT

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

#### TERMS AND CONDITIONS OF SERVICE

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

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 m<sup>3</sup> or more or the interruptible portion of a maximum daily requirement for combined firm and interruptible service is 14,000 m<sup>3</sup> or more and whose operations, in the judgement of Union, can readily accept interruption and restoration of gas service.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Sales Service**

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

**(b) Transportation Service**

For delivery of natural gas owned by the customer on Union's distribution system from the Point of Receipt from 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)

<u>MONTHLY CHARGE</u>	\$306.75
<u>DELIVERY CHARGES (2)</u>	<u>cents per m<sup>3</sup></u>
A Delivery Price for all volumes delivered to the customer to be negotiated between Union and the customer and the average price during the period in which these rates remain in effect shall not exceed:	5.0569
<u>CAP-AND-TRADE CHARGES (in addition to Delivery Charges)</u>	
Cap-and-Trade Customer-Related Charge (if applicable) (2)	3.3181
Cap-and-Trade Facility-Related Charge (2)	0.0240
<u>UNAUTHORIZED OVERRUN NON - COMPLIANCE RATE</u>	<u>cents per m<sup>3</sup></u>
Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect.	233.7000

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.
- (2) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Delivery Charge has decreased by 0.0340 cents/m<sup>3</sup>.

ADDITIONAL CHARGES FOR SALES SERVICEGas Supply Charge

As per applicable rate provided in Schedule "A".

Interruptible Service

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

**HEAT CONTENT ADJUSTMENT**

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

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

ADDITIONAL CHARGES FOR TRANSPORTATION – ALL ZONESMONTHLY 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.

**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.

**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 10<sup>3</sup>m<sup>3</sup> 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.

**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.

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 m<sup>3</sup> or more, and whose annual requirement for firm service is equal to or greater than its maximum daily requirement multiplied by 256.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Sales Service**

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

**(b) Transportation Service**

For continuous delivery on Union's distribution system from the Point of Receipt on 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)

<u>MONTHLY CHARGE</u>	\$1,372.75
<u>DELIVERY CHARGES</u> (cents per Month per m <sup>3</sup> of Daily Contract Demand) Monthly Demand Charge for each unit of Contracted Daily Demand	15.1083
Commodity Charge for each unit of gas volumes delivered (cents/m <sup>3</sup> ) (2)	0.2201
<u>CAP-AND-TRADE CHARGES</u> (in addition to Delivery Charges) Cap-and-Trade Customer-Related Charge (if applicable) (2)	3.3181
Cap-and-Trade Facility-Related Charge (2)	0.0240

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.
- (2) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Delivery Commodity Charge has decreased by 0.0004 cents/m<sup>3</sup>.

ADDITIONAL CHARGES FOR SALES SERVICEGas Supply Charges

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

Commodity Transportation

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

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

**HEAT CONTENT ADJUSTMENT**

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

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

**COMMISSIONING AND DECOMMISSIONING RATE**

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

	<u>Union North West</u>	<u>Union North East</u>
<u>MONTHLY CHARGE</u>	\$1,372.75	\$1,372.75
<u>DELIVERY CHARGES (cents per m<sup>3</sup>) (1)</u> Commodity Charge for each unit of gas volumes delivered	0.9297	0.9297
<u>CAP-AND-TRADE CHARGES (in addition to Delivery Charges)</u> Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181	3.3181
Cap-and-Trade Facility-Related Charge (1)	0.0240	0.0240

Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Delivery Commodity Charge has decreased by 0.0004 cents/m<sup>3</sup>.

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) \$20.238

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) \$0.204

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ) \$0.869

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

DIVERSION TRANSACTION CHARGE

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

**THE BILL**

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

**MINIMUM BILL**

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

**DELAYED PAYMENT**

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

**SERVICE AGREEMENT**

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

**TERMS AND CONDITIONS OF SERVICE**

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

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

Utility Sales

Rate 01A (cents / m<sup>3</sup>)

	<u>Union North West</u>	<u>Union North East</u>
Storage	2.0547	6.6690
Storage - Price Adjustment	-	-
Commodity and Fuel (1)	10.3795	14.0136
Commodity and Fuel - Price Adjustment	1.1618	0.9915
Transportation	6.8585	3.0002
Transportation - Price Adjustment	0.6565	0.6881
<b>Total Gas Supply Charge</b>	<b><u>21.1110</u></b>	<b><u>25.3624</u></b>

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

Storage	1.5437	4.7078
Storage - Price Adjustment	-	-
Commodity and Fuel (1)	10.3795	14.0136
Commodity and Fuel - Price Adjustment	1.1618	0.9915
Transportation	6.0054	2.7620
Transportation - Price Adjustment	0.7330	0.7646
<b>Total Gas Supply Charge</b>	<b><u>19.8234</u></b>	<b><u>23.2395</u></b>

Notes:

(1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1902 cents/m<sup>3</sup>.



Union Gas Limited  
Union North  
Gas Supply Charges

Utility Sales

<u>Rate 20 (cents / m<sup>3</sup>)</u>	<u>Union North West</u>	<u>Union North East</u>
Commodity and Fuel (1)	10.1022	13.6374
Commodity and Fuel - Price Adjustment	1.1618	0.9915
Commodity Transportation - Charge 1	3.6200	2.6498
Transportation 1 - Price Adjustment	(0.0966)	(0.0650)
Commodity Transportation - Charge 2	-	-
Monthly Gas Supply Demand	56.4242	50.1792
Gas Supply Demand - Price Adjustment	-	-
Commissioning and Decommissioning Rate	6.6061	5.4193

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

Commodity and Fuel (1)	10.1022	13.6374
Commodity and Fuel - Price Adjustment	1.1618	0.9915
Commodity Transportation - Charge 1	6.4075	9.2385
Commodity Transportation - Charge 2	-	-
Monthly Gas Supply Demand	114.2215	161.5404
Commissioning and Decommissioning Rate	8.1107	11.5464

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

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

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/m<sup>3</sup>.  
(2) Billing in energy (\$/GJ) will only apply to the Natural Gas Liquefaction Service.

SMALL VOLUME GENERAL SERVICE RATE

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

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

**(C) Rates**

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

a) Monthly Charge				\$21.00
b) Delivery Charge (2)				
First	100 m <sup>3</sup>		4.6608	¢ per m <sup>3</sup>
Next	150 m <sup>3</sup>		4.4199	¢ per m <sup>3</sup>
All Over	250 m <sup>3</sup>		3.7975	¢ per m <sup>3</sup>
Delivery - Price Adjustment (All Volumes) (1)			0.5143	¢ per m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>				
Cap-and-Trade Customer-Related Charge (if applicable) (2)			3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (2)			0.0240	¢ per m <sup>3</sup>
c) Storage Charge (if applicable)			0.7153	¢ per m <sup>3</sup>
Storage - Price Adjustment (All Volumes)			-	¢ per m <sup>3</sup>

Applicable to all bundled customers (sales and bundled transportation service).

d) Gas Supply Charge (if applicable)

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

e) System Expansion Surcharge ("SES") (if applicable)

The system expansion surcharge is applied to all volumes consumed for a defined term and is applicable to customers within the following approved community expansion project areas:

<u>Community Expansion Project</u>	<u>SES Rate (¢ per m<sup>3</sup>)</u>	<u>SES Term Expiry</u>
Kettle and Stony Point First Nation and Lambton Shores	23.0000	December 31, 2029
Milverton, Rostock and Wartburg	23.0000	December 31, 2032
Delaware Nation of Moraviantown First Nation	23.0000	December 31, 2057

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 0.5143 cents/m<sup>3</sup> expiring March 31, 2018.

(2) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Delivery Charge has decreased by 0.0342, 0.0340, and 0.0334 cents/m<sup>3</sup> for the first 100 m<sup>3</sup>, the next 150 m<sup>3</sup>, and all volumes over 250 m<sup>3</sup>, respectively.

**(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 m<sup>3</sup>, plus 7¢ per m<sup>3</sup>.

Overrun Delivery Charge (1)	5.3761	¢ per m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240	¢ per m <sup>3</sup>

Notes:

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Overrun Delivery Charge has decreased by 0.0342 cents/m<sup>3</sup>.

**(H) Bundled Direct Purchase Delivery**

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

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

- 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.
- 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>	<u>Assumed Atmospheric Pressure kPa</u>
1	100.148	7
2	99.494	8
3	98.874	9
4	98.564	10
5	98.185	11
6	97.754	12

Effective October 1, 2017  
 O.E.B. Order # EB-2016-0296

Chatham, Ontario

Supersedes EB-2017-0278 Rate Schedule effective October 1, 2017.

LARGE VOLUME GENERAL SERVICE RATE

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

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

**(C) Rates**

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

a) Monthly Charge				\$70.00
b) Delivery Charge (2)				
First	1 000 m <sup>3</sup>	4.6446	¢ per m <sup>3</sup>	
Next	6 000 m <sup>3</sup>	4.5569	¢ per m <sup>3</sup>	
Next	13 000 m <sup>3</sup>	4.3702	¢ per m <sup>3</sup>	
All Over	20 000 m <sup>3</sup>	4.0511	¢ per m <sup>3</sup>	
Delivery – Price Adjustment (All Volumes) (1)		0.3363	¢ per m <sup>3</sup>	
<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>				
Cap-and-Trade Customer-Related Charge (if applicable) (2)		3.3181	¢ per m <sup>3</sup>	
Cap-and-Trade Facility-Related Charge (2)		0.0240	¢ per m <sup>3</sup>	
c) Storage Charge (if applicable)		0.6252	¢ per m <sup>3</sup>	
Storage - Price Adjustment (All Volumes)		-	¢ per m <sup>3</sup>	

Applicable to all bundled customers (sales and bundled transportation service).

d) Gas Supply Charge (if applicable)

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

e) System Expansion Surcharge ("SES") (if applicable)

The system expansion surcharge is applied to all volumes consumed for a defined term and is applicable to customers within the following approved community expansion project areas:

<u>Community Expansion Project</u>	<u>SES Rate (¢ per m<sup>3</sup>)</u>	<u>SES Term Expiry</u>
Kettle and Stony Point First Nation and Lambton Shores	23.0000	December 31, 2029
Milverton, Rostock and Wartburg	23.0000	December 31, 2032
Delaware Nation of Moraviantown First Nation	23.0000	December 31, 2057

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 0.3363 cents/m<sup>3</sup> expiring March 31, 2018.
- (2) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Delivery Charge has decreased by 0.0249, 0.0249, 0.0247, and 0.0244 cents/m<sup>3</sup> for the first 1,000 m<sup>3</sup>, the next 6,000 m<sup>3</sup>, the next 13,000 m<sup>3</sup>, and all volumes over 20,000 m<sup>3</sup>, respectively.

**(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 m<sup>3</sup>, plus 7¢ per m<sup>3</sup>.

Overrun Delivery Charge (1)	5.2698	¢ per m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240	¢ per m <sup>3</sup>

Notes:

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Overrun Delivery Charge has decreased by 0.0249 cents/m<sup>3</sup>.

**(H) Bundled Direct Purchase Delivery**

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

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

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

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

Effective October 1, 2017  
 O.E.B. Order # EB-2016-0296

Chatham, Ontario

Supersedes EB-2017-0278 Rate Schedule effective October 1, 2017.

FIRM INDUSTRIAL AND COMMERCIAL CONTRACT RATE

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a daily contracted demand between 2 400 m<sup>3</sup> and 60 000 m<sup>3</sup>.

**(C) Rates**

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

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

(i) A Monthly Demand Charge (1)

First	8 450 m <sup>3</sup> of daily contracted demand	56.9291	¢ per m <sup>3</sup>
Next	19 700 m <sup>3</sup> of daily contracted demand	25.5256	¢ per m <sup>3</sup>
All Over	28 150 m <sup>3</sup> of daily contracted demand	21.4450	¢ per m <sup>3</sup>

(ii) A Monthly Delivery Commodity Charge (1)

First 422 250 m <sup>3</sup> delivered per month		1.3501	¢ per m <sup>3</sup>
Next volume equal to 15 days use of daily contracted demand		1.3501	¢ per m <sup>3</sup>
For remainder of volumes delivered in the month		0.5297	¢ per m <sup>3</sup>

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

Cap-and-Trade Charges (in addition to Delivery Commodity Charge)

Cap-and-Trade Customer-Related Charge (if applicable) (1)		3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)		0.0240	¢ per m <sup>3</sup>

Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Monthly Demand Charge has decreased by 0.0632, 0.0283, and 0.0238 cents/m<sup>3</sup> for the first 8,450 m<sup>3</sup>, the next 19,700 m<sup>3</sup>, and all over 28,150 m<sup>3</sup>, respectively. The Delivery Commodity Charge has decreased by 0.0302, 0.0302, and 0.0289 cents/m<sup>3</sup> for the first 422,250 m<sup>3</sup>, the next volume equal to 15 days use, and all remaining volumes, respectively.

(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<sup>3</sup> 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<sup>3</sup> for all gas supply volumes purchased.

Authorized Overrun Delivery Charge (1)		3.2217	¢ per m <sup>3</sup>
Unauthorized Overrun Delivery Charge (1)		5.3761	¢ per m <sup>3</sup>

Cap-and-Trade Charges (in addition to Delivery Charge)

Cap-and-Trade Customer-Related Charge (if applicable) (1)		3.3181	¢ per m <sup>3</sup>
Authorized Cap-and-Trade Facility-Related Charge (1)		0.0240	¢ per m <sup>3</sup>
Unauthorized Cap-and-Trade Facility-Related Charge (1)		0.0240	¢ per m <sup>3</sup>

Notes:

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Authorized Overrun Delivery Charge has decreased by 0.0323 cents/m<sup>3</sup> and the Unauthorized Overrun Delivery Charge has decreased by 0.0342 cents/m<sup>3</sup>.

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)	1.5403	¢ per m <sup>3</sup>
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Notes:

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charges was previously included in the Delivery Charge. The Firm Minimum Annual Delivery Charge has decreased by 0.0302 cents/m<sup>3</sup>.

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

4. Interruptible Service

Union may agree, in its sole discretion, to combine a firm service with an interruptible service provided that the amount of interruptible volume to be delivered and agreed upon by Union and the customer shall be no less than 350,000 m<sup>3</sup> per year.

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

a) (i) Monthly Delivery Commodity Charge (1)

Daily Contracted Demand Level (CD)

2 400 m <sup>3</sup> ≤ CD < 17 000 m <sup>3</sup>	2.9624	¢ per m <sup>3</sup>
17 000 m <sup>3</sup> ≤ CD < 30 000 m <sup>3</sup>	2.8325	¢ per m <sup>3</sup>
30 000 m <sup>3</sup> ≤ CD < 50 000 m <sup>3</sup>	2.7642	¢ per m <sup>3</sup>
50 000 m <sup>3</sup> ≤ CD ≤ 60 000 m <sup>3</sup>	2.7163	¢ per m <sup>3</sup>

Delivery - Price Adjustment (All Volumes)	-	¢ per m <sup>3</sup>
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Cap-and-Trade Charges (in addition to Delivery Commodity Charge)

Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240	¢ per m <sup>3</sup>

Notes:

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Delivery Commodity Charge has decreased by 0.0278 cents/m<sup>3</sup> for all daily CD levels.

(ii) Days Use of Interruptible Contract Demand

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

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

(iii) Gas Supply Charge (if applicable)

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

(iv) Monthly Charge	\$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 m<sup>3</sup> per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times 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 (1)	3.1526	¢ per m <sup>3</sup>
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Notes:

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Interruptible Minimum Annual Delivery Charge has decreased by 0.0278 cents/m<sup>3</sup>.

- 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 m<sup>3</sup> for all gas supply volumes purchased.

Unauthorized Overrun Delivery Charge (1)	5.3761	¢ per m <sup>3</sup>
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Cap-and-Trade Charges (in addition to Delivery Charge)

Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240	¢ per m <sup>3</sup>

Notes:

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Unauthorized Overrun Delivery Charge has decreased by 0.0342 cents/m<sup>3</sup>.

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 m<sup>3</sup> (\$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.

INTERRUPTIBLE INDUSTRIAL AND COMMERCIAL CONTRACT RATE

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a daily contracted demand between 2 400 m<sup>3</sup> and 60 000 m<sup>3</sup> inclusive.

**(C) Rates**

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

1. Interruptible Service

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

(i) Monthly Delivery Commodity Charge (1)

Daily Contracted Demand Level (CD)

2 400 m <sup>3</sup> ≤ CD < 17 000 m <sup>3</sup>	2.9624	¢ per m <sup>3</sup>
17 000 m <sup>3</sup> ≤ CD < 30 000 m <sup>3</sup>	2.8325	¢ per m <sup>3</sup>
30 000 m <sup>3</sup> ≤ CD < 50 000 m <sup>3</sup>	2.7642	¢ per m <sup>3</sup>
50 000 m <sup>3</sup> ≤ CD ≤ 60 000 m <sup>3</sup>	2.7163	¢ per m <sup>3</sup>

Delivery - Price Adjustment (All Volumes)	-	¢ per m <sup>3</sup>
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Cap-and-Trade Charges (in addition to Delivery Commodity Charge)

Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240	¢ per m <sup>3</sup>

Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Delivery Commodity Charge has decreased by 0.0278 cents/m<sup>3</sup> for all daily CD levels.

(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 <sup>3</sup>
For each additional days use of contracted demand up to a maximum of 275 days, an additional discount of	0.0021	¢ per m <sup>3</sup>

(iii) Gas Supply Charge (if applicable)

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

(iv) Monthly Charge	\$654.15	per month
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2. In each contract year, the customer shall take delivery from Union, or in any event pay for, if available and not accepted by the customer, a minimum volume of gas or transportation services as specified in the contract between the parties and which will not be less than 350 000 m<sup>3</sup> per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times 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 (1)	3.1526	¢ per m <sup>3</sup>
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Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Interruptible Minimum Annual Delivery Charge has decreased by 0.0278 cents/m<sup>3</sup>.

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 m<sup>3</sup> for all gas supply volumes purchased.

Unauthorized Overrun Delivery Charge (1)	5.3761	¢ per m <sup>3</sup>
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Cap-and-Trade Charges (in addition to Delivery Charge)

Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240	¢ per m <sup>3</sup>

Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Unauthorized Overrun Delivery Charge has decreased by 0.0342 cents/m<sup>3</sup>.

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 m<sup>3</sup> (\$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 m<sup>3</sup>.
- b) The commodity charge for firm service shall be the rate for firm service at Union's firm rates net of a monthly demand charge of 31.7959 ¢ per m<sup>3</sup> of daily contracted demand. The commodity charge includes cap-and-trade facility-related charges related to the firm service.
- c) The interruptible commodity charge will be established under Clause 1 of this schedule.

**(D) Delayed Payment**

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

**(E) Direct Purchase**

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

**(F) Bundled Direct Purchase Delivery**

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

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

SPECIAL LARGE VOLUME INDUSTRIAL AND COMMERCIAL CONTRACT RATE

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a Customer

- a) who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a combined maximum daily requirement for firm, interruptible and seasonal service of at least 60 000 m<sup>3</sup>; and
- b) who has site specific energy measuring equipment that will be used in determining energy balances.

**(C) Rates**

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

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

(i) A Monthly Demand Charge

A negotiated Monthly Demand Charge for each m<sup>3</sup> of daily contracted firm demand up to 30.8246 ¢ per m<sup>3</sup>

(ii) A Monthly Delivery Commodity Charge (1)

(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of 0.3809 ¢ per m<sup>3</sup>  
 and a Delivery - Price Adjustment of - ¢ per m<sup>3</sup>

(2) A Monthly Interruptible Delivery Commodity Charge for all interruptible volumes to be negotiated between Union and the customer not to exceed an annual average of 5.5611 ¢ per m<sup>3</sup>  
 and a Delivery - Price Adjustment of - ¢ per m<sup>3</sup>

(3) A Monthly Seasonal Delivery Commodity Charge for all seasonal volumes to be negotiated between Union and the customer not to exceed an annual average of 5.3170 ¢ per m<sup>3</sup>  
 and a Delivery - Price Adjustment of - ¢ per m<sup>3</sup>

Cap-and-Trade Charges (in addition to Delivery Commodity Charge)

Cap-and-Trade Customer-Related Charge (if applicable) (1) 3.3181 ¢ per m<sup>3</sup>  
 Cap-and-Trade Facility-Related Charge (1) 0.0240 ¢ per m<sup>3</sup>

Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Monthly Delivery Commodity Charge has decreased by 0.0352 cents/m<sup>3</sup>.

(iii) Gas Supply Charge (if applicable)

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

(iv) Overrun Gas

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

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

Cap-and-Trade Charges (in addition to Delivery Charge)

Cap-and-Trade Customer-Related Charge (if applicable) (1) 3.3181 ¢ per m<sup>3</sup>  
 Cap-and-Trade Facility-Related Charge (1) 0.0240 ¢ per m<sup>3</sup>

Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge.

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 m<sup>3</sup> (\$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 m<sup>3</sup>, if applicable.

Commissioning and Decommissioning Rate (1)	4.0071	¢ per m <sup>3</sup>
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Cap-and-Trade Charges (in addition to Commissioning and Decommissioning Rate)

Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240	¢ per m <sup>3</sup>

Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Commodity Charge. The Delivery Commodity Charge has decreased by 0.0352 cents/m<sup>3</sup>.

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.

(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 <sup>3</sup>
(ii) A Delivery Commodity Charge for gas delivered of (1) and a Delivery - Price Adjustment of	0.2112 ¢ per m <sup>3</sup> - ¢ per m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Delivery Commodity Charge)</u>	
Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181 ¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240 ¢ per m <sup>3</sup>

Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Delivery Commodity Charge has decreased by 0.0313 cents/m<sup>3</sup>.

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

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

**(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.

Authorized Overrun Delivery Charge (1)	0.9449 ¢ per m <sup>3</sup>
Unauthorized Overrun Delivery Charge (1)	36.0000 ¢ per m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>	
Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181 ¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240 ¢ per m <sup>3</sup>

Notes:

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Authorized Overrun Delivery Charge has decreased by 0.0313 cents/m<sup>3</sup> and the Unauthorized Overrun Delivery Charge has decreased by 0.0248 cents/m<sup>3</sup>.

**(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.

1. A Delivery Commodity Charge of (1)	6.7224 ¢ per m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Delivery Commodity Charge)</u>	
Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181 ¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240 ¢ per m <sup>3</sup>

Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Delivery Commodity Charge has decreased by 0.0323 cents/m<sup>3</sup>.

**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 m<sup>3</sup>, plus 7¢ per m<sup>3</sup> for all gas supply volumes purchased.

Unauthorized Overrun Delivery Charge (1)	5.3761 ¢ per m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>	
Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181 ¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240 ¢ per m <sup>3</sup>

Notes:

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Charge. The Unauthorized Overrun Delivery Charge has decreased by 0.0342 cents/m<sup>3</sup>.

**(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	\$1.530	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$3.961
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$4.914
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		\$2.717
f) Short Term Storage / Balancing Service (2)  Maximum		\$6.000
g) Discretionary Gas Supply Service ("DGSS")		Note (3)
h) Parkway Delivery Commitment Incentive ("PDCI") (4)		\$(0.155)

Notes:

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

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

  - i) The minimum amount of storage service to which a customer is willing to commit,
  - ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
  - iii) Utilization of facilities, and
  - iv) Competition.
- (3) Discretionary Gas Supply Service price reflects the "back-to-back" price plus gas supply administration charge.
- (4) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The PDCI rate is derived using a Facility-Related Charge. The PDCI rate has decreased by \$0.003/GJ.

STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer:

- a) whose qualifying annual transportation volume for combined firm and interruptible service is at least 2 500 000 m<sup>3</sup> or greater and has a daily firm contracted demand up to 140,870 m<sup>3</sup>; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for use at facilities located within Union's gas franchise area; and
- c) who has meters with electronic recording at each Point of Consumption; and
- d) who has site specific energy measuring equipment that will be used in determining energy balances; and
- e) for whom Union has determined transportation and/or storage capacity is available.

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

**(C) Rates**

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

**STORAGE SERVICE:**

	<u>Demand Charge Rate/GJ/mo</u>	<u>Commodity Charge 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	\$1.459			
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 Rate/GJ/mo	Commodity Charge Rate/GJ	For Customers Providing Their Own Compressor Fuel Fuel Ratio	Commodity Charge Rate/GJ
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum				
Daily Storage Withdrawal Quantity		\$0.022	0.406%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.022	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:
- a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, or
  - short-term firm deliverability, or
  - 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:

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

**TRANSPORTATION CHARGES:**

	Demand Charge	Union Providing Compressor Fuel	For Customers Providing Their Own Compressor Fuel	
		Commodity Charge	Fuel Ratio (4)	Commodity Charge
	<u>Rate/m<sup>3</sup>/mo</u>	<u>Rate/m<sup>3</sup></u>		<u>Rate/m<sup>3</sup></u>
a) Annual Firm Transportation Applied to the Firm Daily Contract Demand				
First 28,150 m <sup>3</sup> per month	35.4376 ¢			
Next 112,720 m <sup>3</sup> per month	24.4833 ¢			
b) Firm Transportation Commodity (6) Paid on all firm quantities redelivered to the customer's Point(s) of Consumption Commodity Charge (All volumes)		0.1744 ¢	0.305%	0.1322 ¢
c) Interruptible Transportation Commodity (6) Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum		5.5611 ¢	0.305%	5.5189 ¢
<u>Cap-and-Trade Charges (in addition to Transportation Commodity Charge)</u>				
Cap-and-Trade Customer-Related Charge (if applicable) (6)		3.3181 ¢		3.3181 ¢
Cap-and-Trade Facility-Related Charge (6)		0.0240 ¢		0.0240 ¢

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.
- As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Transportation Charge. The Firm Transportation Commodity Charge has decreased by 0.0205 cents/m<sup>3</sup>, and the Interruptible Transportation Commodity Charge has decreased by 0.0352 cents/m<sup>3</sup>.

**SUPPLEMENTAL CHARGES:**

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

Notes:

- 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>	
	<u>Union Providing Compressor Fuel Commodity Charge</u>	<u>For Customers Providing Their Own Compressor Fuel Fuel Ratio</u> <u>Commodity Charge</u>
Storage Injections	\$0.086/GJ	0.861%      \$0.056/GJ
Storage Withdrawals	\$0.086/GJ	0.861%      \$0.056/GJ
Transportation (1)	1.3395 ¢/m <sup>3</sup>	0.305%      1.2973 ¢/m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181 ¢/m <sup>3</sup>	3.3181 ¢/m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240 ¢/m <sup>3</sup>	0.0240 ¢/m <sup>3</sup>

Notes:

- As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Transportation Charge. The Authorized Overrun Transportation Charge has decreased by 0.0205 cents/m<sup>3</sup>.

### Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged the identified unauthorized overrun charge, as appropriate.

Unauthorized Overrun Storage Injections and Withdrawals Charge	\$1.380	per GJ
Unauthorized Overrun Transportation Charge (1)	5.3761	¢ per m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240	¢ per m <sup>3</sup>

Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Transportation Charge. The Unauthorized Overrun Transportation Charge has decreased by 0.0342 cents/m<sup>3</sup>.

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 m<sup>3</sup> (\$60 per GJ) for the delivery.

### 3. Storage / Balancing Service

#### Authorized

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

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

#### OTHER SERVICES & CHARGES:

##### 1. Monthly Charge

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

Monthly Charge	\$1,905.94
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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](http://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.

PDCI (1)

Rate/GJ

\$(0.155)

Notes:

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The PDCI rate is derived using a Facility-Related Charge. The PDCI rate has decreased by \$0.003/GJ.

**(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 customer:

- a) who has a daily firm contracted demand of at least 140 870 m<sup>3</sup>. Firm and/or interruptible daily contracted demand of less than 140,870 m<sup>3</sup> cannot be combined for the purposes of qualifying for this rate class; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for use at facilities located within Union's gas franchise area; and
- c) who has meters with electronic recording at each Point of Consumption; and
- d) who has site specific energy measuring equipment that will be used in determining energy balances; and
- e) for whom Union has determined transportation and/or storage capacity is available.

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

**(C) Rates**

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

**STORAGE SERVICE:**

	<u>Demand Charge Rate/GJ/mo</u>	<u>Commodity Charge 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	\$1.459			
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 <u>Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.022	0.406%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.022	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		\$0.086	0.861%	\$0.056

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 m<sup>3</sup>/day) gas fired power generation customers, storage space is determined by peak hourly consumption x 24 x 4 days. Should the customer elect firm deliverability less than their maximum entitlement (see Note 4.2), the maximum storage space available at the rates specified herein is 10 x firm storage deliverability contracted, not to exceed peak hourly consumption x 24 x 4 days.

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 m<sup>3</sup>/day) gas fired power generation customers, the maximum entitlement of firm storage deliverability is 24 times the customer's peak hourly consumption, with 1.2% firm deliverability available at the rates specified herein.

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:

	<u>Demand Charge</u>  <u>Rate/m<sup>3</sup>/mo</u>	Union Providing Compressor Fuel	For Customers Providing Their Own Compressor Fuel	
		<u>Commodity Charge</u>  <u>Rate/m<sup>3</sup></u>	<u>Fuel Ratio (5)</u>	<u>Commodity Charge</u>  <u>Rate/m<sup>3</sup></u>
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand First 140,870 m <sup>3</sup> per month	26.4455 ¢			
All over 140,870 m <sup>3</sup> per month	13.9884 ¢			
b) Firm Transportation Commodity (8) Paid on all firm quantities redelivered to the customer's Point(s) of Consumption Commodity Charge (All volumes)		0.0776 ¢	0.283%	0.0385 ¢
c) Interruptible Transportation Commodity (8) Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum		5.5611 ¢	0.283%	5.5220 ¢
<u>Cap-and-Trade Charges (in addition to Transportation Commodity Charge)</u>				
Cap-and-Trade Customer-Related Charge (if applicable) (8)		3.3181 ¢		3.3181 ¢
Cap-and-Trade Facility-Related Charge (8)		0.0240 ¢		0.0240 ¢

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 m<sup>3</sup>/day and who are directly connected to i) the Dawn-Trafalgar transmission system in close proximity to Parkway or ii) a third party pipeline, have the option to pay for service using a Billing Contract Demand. The Billing Contract Demand shall be determined by Union such that the annual revenues over the term of the contract will recover the invested capital, return on capital and operating and maintenance costs associated with the dedicated service in accordance with Union's system expansion policy. The firm transportation demand charge will be applied to the Billing Contract Demand. For customers choosing the Billing Contract Demand option, the authorized transportation overrun rate will apply to all volumes in excess of the Billing Contract Demand but less than the daily firm demand requirement.
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 m<sup>3</sup>/day that contract for M12 Dawn to Parkway transportation service equivalent to 100% of their daily firm demand requirement. If a customer with a daily firm demand requirement in excess of 1,200,000 m<sup>3</sup>/day contracts for M12 Dawn to Parkway transportation service at less than 100% of their firm daily demand requirement, the firm transportation fuel ratio will be applicable to daily volumes not transported under the M12 transportation contract.
7. Either Union or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.
8. As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Transportation Charge. The Firm Transportation Commodity Charge has decreased by 0.0136 cents/m<sup>3</sup>, and the Interruptible Transportation Commodity Charge has decreased by 0.0352 cents/m<sup>3</sup>.

**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.

	Union Providing Compressor Fuel Commodity Charge	For Customers Providing Their Own Compressor Fuel	
		Fuel Ratio	Commodity Charge
Storage Injections	\$0.086/GJ	0.861%	\$0.056/GJ
Storage Withdrawals	\$0.086/GJ	0.861%	\$0.056/GJ
Transportation (1)	0.9470 ¢/m <sup>3</sup>	0.283%	0.9079 ¢/m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>			
Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181 ¢/m <sup>3</sup>		3.3181 ¢/m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240 ¢/m <sup>3</sup>		0.0240 ¢/m <sup>3</sup>

### Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Transportation Charge. The Authorized Overrun Transportation Charge has decreased by 0.0136 cents/m<sup>3</sup>.

### Unauthorized

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

Unauthorized Overrun Storage Injections and Withdrawals Charge	\$1.380	per GJ
Unauthorized Overrun Transportation Charge (1)	5.3761	¢ per m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240	¢ per m <sup>3</sup>

### Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Transportation Charge. The Unauthorized Overrun Transportation Charge has decreased by 0.0342 cents/m<sup>3</sup>.

### 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 m<sup>3</sup> (\$60 per GJ) for the delivery.

### 3. Storage / Balancing Service

Authorized

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

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

#### OTHER SERVICES & CHARGES:

##### 1. Monthly Charge

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

Monthly Charge	\$5,513.81
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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](http://www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features)

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

##### 4. Nominations

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m<sup>3</sup>/day who have non obligated deliveries may contract to use Union's 5 additional nomination windows (13 in total) for the purposes of delivering gas to Union. These windows are in addition to the standard NAESB and TCPL STS nomination windows. Customers taking the additional nomination window service will pay an additional monthly demand charge of \$0.070/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](http://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.

	<u>Rate/GJ</u>
PDCI (1)	\$(0.155)

Notes:

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The PDCI rate is derived using a Facility-Related Charge. The PDCI rate has decreased by \$0.003/GJ.

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

**(C) Rates**

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

**STORAGE SERVICE:**

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel	
			<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	\$1.459			
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			
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.022	0.406%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.022	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	For Customers Providing	
		Compressor Fuel Commodity Charge	Fuel Ratio	Their Own Compressor Fuel Commodity Charge
	Rate/m <sup>3</sup> /mo	Rate/m <sup>3</sup>		Rate/m <sup>3</sup>
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand	16.7213 ¢			
b) Firm Transportation Commodity (2) Paid on all firm quantities redelivered to the Customer's Point(s) of Redelivery		0.1564 ¢	0.380%	0.1039 ¢
<u>Cap-and-Trade Charges (in addition to Transportation Commodity Charge)</u>				
Cap-and-Trade Customer-Related Charge (if applicable) (2)		3.3181 ¢		3.3181 ¢
Cap-and-Trade Facility-Related Charge (2)		0.0240 ¢		0.0240 ¢

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.
2. As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Transportation Charge. The Firm Transportation Commodity Charge has decreased by 0.0300 cents/m<sup>3</sup>.

**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
Storage Injections	\$0.086/GJ	0.861%	\$0.056/GJ
Storage Withdrawals	\$0.086/GJ	0.861%	\$0.056/GJ
Transportation (1)	0.7061 ¢/m <sup>3</sup>	0.380%	0.6536 ¢/m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>			
Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181 ¢/m <sup>3</sup>		3.3181 ¢/m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240 ¢/m <sup>3</sup>		0.0240 ¢/m <sup>3</sup>

### Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Transportation Charge. The Authorized Overrun Transportation Charge has decreased by 0.0300 cents/m<sup>3</sup>.

### Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged the identified unauthorized overrun charge, as appropriate.

Unauthorized Overrun Storage Injections and Withdrawals Charge (1)	\$9.243	per GJ
Unauthorized Overrun Transportation Charge (1)	36.0000	¢ per m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable) (1)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge (1)	0.0240	¢ per m <sup>3</sup>

### Notes:

(1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Transportation Charge. The Unauthorized Overrun Transportation Charge has decreased by 0.0235 cents/m<sup>3</sup>, and the Unauthorized Overrun Storage Injections and Withdrawals Charge has decreased by \$0.006/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 (1)	\$(0.155)

Notes:

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The PDCI rate is derived using a Facility-Related Charge. The PDCI rate has decreased by \$0.003/GJ.

**(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  
2017-10-01  
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 / m<sup>3</sup>

Utility Sales

Commodity and Fuel	13.7312 (1)
Commodity and Fuel - Price Adjustment	3.4547
Transportation	-
Total Gas Supply Commodity Charge	<u>17.1859</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	0.1902
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Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3

\$/GJ

Monthly demand charges:

Firm gas supply service	60.300
Firm backstop gas	1.530

Commodity charges:

Gas supply	3.549
Backstop gas	3.961

Reasonable Efforts Backstop Gas	4.914
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Supplemental Inventory	Note (2)
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Supplemental Gas Sales Service (cents / m <sup>3</sup> )	16.6785
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Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.717
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Discretionary Gas Supply Service (DGSS)	Note (3)
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Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1902 cents/m<sup>3</sup>.
- (2) The charge for banked gas purchases shall be the higher of the daily spot gas cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.
- (3) Reflects the "back to back" price plus a gas supply administration charge.

Effective October 1, 2017  
O.E.B. Order # EB-2016-0296

Chatham, Ontario

Supersedes EB-2017-0278 Rate Schedule effective October 1, 2017.

## 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**

	<u>Demand Charge Rate/GJ/mo</u>	<u>Fuel Ratio</u>	<u>Commodity Charge 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
iii) Supplemental Service			
a) Incremental Firm Injection Right: (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$1.030		

	<u>Demand Charge Rate/GJ/mo</u>	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
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:

- 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.
- Daily Firm Injection and Withdrawal Rights shall be pursuant to the Storage Contract.
- 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.
- Short Term Storage / Balancing service (less than 2 years) is:
  - a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
  - short-term incremental firm deliverability, OR
  - 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:

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

- 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
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.

Rate/GJ

PDCI (1)

\$(0.155)

Notes:

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The approved Cap-and-Trade Facility-Related Charge results in a decrease to PDCI costs in Rates. The PDCI Credit has decreased by 0.003 \$/GJ.

**(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.

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	<u>Fuel and Commodity Charges</u>		
		<u>Union Supplied Fuel</u> Fuel and Commodity Charge Rate/GJ (6)	<u>Shipper Supplied Fuel</u> Fuel AND Commodity Charge Ratio % AND Rate/GJ (6)	
<b><u>Firm Transportation (1), (5)</u></b>				
Dawn to Parkway	\$3.402	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	
Dawn to Kirkwall	\$2.865			
Kirkwall to Parkway	\$0.537			
<b><u>M12-X Firm Transportation</u></b>				
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".	
<b><u>Limited Firm/Interruptible Transportation (1)</u></b>				
Dawn to Parkway – 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".	
Dawn to Kirkwall – Maximum	\$8.165			
Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar (2)	n/a	n/a	0.157%	
<b><u>Cap-and-Trade Facility-Related Charges (applied to all quantities transported) (6)</u></b>				
Dawn to Kirkwall / Parkway (Cons) / Lisgar		\$0.006	\$0.006	
Dawn to Parkway (TCPL / EGT)		\$0.006	\$0.006	
Kirkwall to Parkway (Cons) / Lisgar		\$0.006	\$0.006	
Kirkwall to Parkway (TCPL / EGT)		\$0.006	\$0.006	
Parkway to Dawn / Kirkwall		\$0.006	\$0.006	
Kirkwall to Dawn		\$0.006	\$0.006	
Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar (2)		\$0.006	\$0.006	

**(C) Rates (Cont'd)**
**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 (6)	Fuel Ratio %	AND	Commodity Charge Rate/GJ (6)
<b><u>Transportation Overrun</u></b>				
Dawn to Parkway	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 Kirkwall				\$0.094
Kirkwall to Parkway				\$0.018
Parkway (TCPL) Overrun (4)	n/a	0.704%		n/a
<b><u>M12-X Firm Transportation</u></b>				
Between Dawn, Kirkwall and Parkway	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		\$0.139
<b><u>Cap-and-Trade Facility-Related Charges (applied to all quantities transported) (6)</u></b>				
Dawn to Kirkwall / Parkway (Cons) / Lisgar	\$0.006			\$0.006
Dawn to Parkway (TCPL / EGT)	\$0.006			\$0.006
Kirkwall to Parkway (Cons) / Lisgar	\$0.006			\$0.006
Kirkwall to Parkway (TCPL / EGT)	\$0.006			\$0.006
Parkway to Dawn / Kirkwall	\$0.006			\$0.006
Kirkwall to Dawn	\$0.006			\$0.006
Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar (2)	\$0.006			\$0.006

**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.
- (6) As indicated in Board Order EB-2016-0296, Cap-and-Trade Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charges were previously included in the Commodity Charge. The Commodity Charge has decreased by \$0.006/GJ for Dawn to Kirkwall / Parkway (Cons) / Lisgar, \$0.009/GJ for Dawn to Parkway (TCPL / EGT), \$0.002/GJ for Kirkwall to Parkway (Cons) / Lisgar, \$0.005/GJ for Kirkwall to Parkway (TCPL / EGT), \$0.002/GJ for Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar, \$0.003/GJ for Parkway to Dawn / Kirkwall, and \$0.002/GJ for Kirkwall to Dawn.

**(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.

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

plus

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

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

plus

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

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

in which:

YC Yearly Commodity Required

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

YCRR Yearly Commodity Revenue Required

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

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

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

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

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

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

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

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

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

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

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

## Notes

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

**(E) Provision for Compressor Fuel**

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

**Transportation Fuel**

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

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

Transportation Fuel Quantity = Transportation Quantity x Transportation Fuel Ratio.

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

## Nominations

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

**(F) Terms of Service**

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

**(G) Nominations**

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

**(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/m<sup>3</sup>) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
8. "interruptible service" shall mean service subject to curtailment or interruption, after notice, at any time;
9. "Interconnecting Pipeline" shall mean a pipeline that directly connects to the Union pipeline system;
10. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
11. "limited interruptible service" shall mean gas service subject to interruption or curtailment on a limited number of days as specified in the Contract;
12. "m<sup>3</sup>" shall mean cubic metre of gas and "10<sup>3</sup>m<sup>3</sup>" shall mean 1,000 cubic metres of gas;
13. "month" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
14. "OEB" means the Ontario Energy Board;
15. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
16. "receipt" shall mean any gas that is delivered into Union's possession, or the possession of Union's agent;
17. "Shipper" shall have the meaning as defined in the Contract and shall also include Shipper's agent(s);

18. "TCPL" means TransCanada PipeLines Limited;
19. "cricondenthem 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 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.

## **SCHEDULE "A"**

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

### **III. MEASUREMENTS**

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

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

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

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

*Intentionally blank*

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

## SCHEDULE "A"

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

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

### VII. MEASURING EQUIPMENT

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

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

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

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

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

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

**X. ARBITRATION**

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

**XI. FORCE MAJEURE**

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

## **SCHEDULE "A"**

5. An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Firm Transportation Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.
8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm Contract Demand for that Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the M12 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. If, due to the occurrence of an event of force majeure as outlined above, the capacity for gas deliveries by Union is impaired, it will be necessary for Union to curtail Shipper's gas receipts to Union hereunder, via proration based on utilization of such facilities for the Day. This prorating shall be determined by multiplying the capability of such facilities as available downstream of the impairment on the Day, by a fraction where the numerator is Shipper's nominated firm quantity and the denominator is the total of all such nominated firm quantities for nominated services and planned consumption for in-franchise customers on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Union to in-franchise customers and ex-franchise shippers.

## **XII. DEFAULT AND TERMINATION**

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

## **XIII. MODIFICATION**

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

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

*Intentionally blank*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **II. GAS QUALITY**

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

- b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas,
  - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
  - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
  - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
  - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
  - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
  - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
  - i. shall not have a 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 (m<sup>3</sup>) or one thousand cubic metres (10<sup>3</sup>m<sup>3</sup>) at Union's discretion.
2. Determination of Volume and Energy:
- a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
  - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
  - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
  - d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

**IV. RECEIPT POINT AND DELIVERY POINT**

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

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

1. 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.

## **SCHEDULE "A 2010"**

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

### **VIII. BILLING**

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

### **IX. PAYMENTS**

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

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

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

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

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

**X. ARBITRATION**

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

**XI. FORCE MAJEURE**

1. 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 (1/20<sup>th</sup>) of the quantity received for that day. Union shall have the right to limit Transportation Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20<sup>th</sup>) of the quantity handled for that day, for each applicable Transportation Service.
13. The parties hereto recognize that with respect to Transportation Services, on any day, receipts of gas by Union and deliveries of gas by Union may not always be exactly equal, but each party shall cooperate with the other in order to balance as nearly as possible the quantities transacted on a daily basis, and any imbalances arising shall be allocated to the Facilitating Agreement and shall be subject to the respective terms and charges contained therein, and shall be resolved in a timely manner.
14. Shipper may designate 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 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 Rate (\$/GJ) (1)	Fuel Ratio (%)	Fuel Rate (\$/GJ) (1)	Fuel Ratio (%)	Fuel Rate (\$/GJ) (1)
April	0.862	0.031	0.545	0.020	0.157	0.006
May	0.612	0.023	0.370	0.013	0.157	0.006
June	0.508	0.019	0.271	0.009	0.398	0.013
July	0.494	0.018	0.259	0.009	0.396	0.013
August	0.393	0.013	0.158	0.006	0.396	0.013
September	0.389	0.013	0.158	0.006	0.392	0.013
October	0.739	0.027	0.464	0.018	0.157	0.006
November	0.882	0.032	0.622	0.022	0.157	0.006
December	0.995	0.035	0.733	0.027	0.157	0.006
January	1.147	0.040	0.870	0.031	0.157	0.006
February	1.089	0.038	0.820	0.030	0.157	0.006
March	1.018	0.036	0.736	0.027	0.157	0.006

Month	M12-X Easterly Kirkwall to Parkway (TCPL), Parkway (EGT)		M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)		M12-X Westerly Parkway to Kirkwall, Dawn	
	Fuel Ratio (%)	Fuel Rate (\$/GJ) (1)	Fuel Ratio (%)	Fuel Rate (\$/GJ) (1)	Fuel Ratio (%)	Fuel Rate (\$/GJ) (1)
April	0.474	0.018	0.157	0.006	0.293	0.010
May	0.399	0.013	0.157	0.006	0.293	0.010
June	0.394	0.013	0.157	0.006	0.293	0.010
July	0.392	0.013	0.157	0.006	0.293	0.010
August	0.392	0.013	0.157	0.006	0.293	0.010
September	0.388	0.013	0.157	0.006	0.293	0.010
October	0.432	0.015	0.157	0.006	0.293	0.010
November	0.418	0.014	0.157	0.006	0.157	0.006
December	0.420	0.014	0.157	0.006	0.157	0.006
January	0.434	0.015	0.157	0.006	0.157	0.006
February	0.426	0.015	0.157	0.006	0.157	0.006
March	0.439	0.015	0.157	0.006	0.157	0.006

**Notes:**

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charges were previously included in the fuel and commodity rate. The fuel and commodity rate has decreased by \$0.006/GJ for Dawn to Kirkwall / Parkway (Cons) / Lisgar, \$0.009/GJ for Dawn to Parkway (TCPL / EGT), \$0.002/GJ for Kirkwall to Lisgar / Parkway (Cons), \$0.005/GJ for Kirkwall to Parkway (TCPL), and \$0.003/GJ for Parkway to Dawn / Kirkwall.

**UNION GAS LIMITED**  
**M12 Monthly Transportation Authorized Overrun Fuel Ratios and Fuel 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 Rate (\$/GJ) (1)	Fuel Ratio (%)	Fuel Rate (\$/GJ) (1)	Fuel Ratio (%)	Fuel Rate (\$/GJ) (1)
April	1.479	0.164	1.162	0.135	0.774	0.140
May	1.228	0.155	0.987	0.129	0.774	0.140
June	1.125	0.152	0.888	0.127	1.015	0.147
July	1.111	0.151	0.876	0.126	1.013	0.147
August	1.010	0.147	0.775	0.122	1.013	0.147
September	1.005	0.147	0.775	0.122	1.009	0.147
October	1.356	0.160	1.081	0.132	0.774	0.140
November	1.499	0.165	1.239	0.138	0.774	0.140
December	1.612	0.169	1.350	0.142	0.774	0.140
January	1.764	0.174	1.486	0.147	0.774	0.140
February	1.706	0.173	1.437	0.146	0.774	0.140
March	1.635	0.170	1.353	0.142	0.774	0.140

Month	M12-X Easterly Kirkwall to Parkway (TCPL), Parkway (EGT)		M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)		M12-X Westerly Parkway to Kirkwall, Dawn	
	Fuel Ratio (%)	Fuel Rate (\$/GJ) (1)	Fuel Ratio (%)	Fuel Rate (\$/GJ) (1)	Fuel Ratio (%)	Fuel Rate (\$/GJ) (1)
April	1.091	0.178	0.774	0.167	0.910	0.171
May	1.016	0.175	0.774	0.167	0.910	0.171
June	1.011	0.175	0.774	0.167	0.910	0.171
July	1.009	0.175	0.774	0.167	0.910	0.171
August	1.009	0.175	0.774	0.167	0.910	0.171
September	1.005	0.174	0.774	0.167	0.910	0.171
October	1.049	0.176	0.774	0.167	0.910	0.171
November	1.035	0.175	0.774	0.167	0.774	0.167
December	1.037	0.175	0.774	0.167	0.774	0.167
January	1.051	0.176	0.774	0.167	0.774	0.167
February	1.043	0.175	0.774	0.167	0.774	0.167
March	1.056	0.176	0.774	0.167	0.774	0.167

**Notes:**

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charges were previously included in the fuel and commodity rate. The fuel and commodity rate has decreased by \$0.006/GJ for Dawn to Kirkwall / Parkway (Cons) / Lisgar, \$0.009/GJ for Dawn to Parkway (TCPL / EGT), \$0.002/GJ for Kirkwall to Lisgar / Parkway (Cons), \$0.005/GJ for Kirkwall to Parkway (TCPL), and \$0.003/GJ for Parkway to Dawn / Kirkwall.

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

1. Receipt and Delivery Points:

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

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

2. Receipt and Delivery Pressures:

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

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

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

TRANSPORTATION OF LOCALLY PRODUCED GAS
**(A) Applicability**

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

Applicable Points

Dawn as a delivery point: Dawn (Facilities).

**(B) Rates**

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

## Demand Commodity

	Demand Charge <u>Rate/Month</u>	Commodity Charge <u>Rate/GJ</u>	Union Supplied Fuel	Shipper Supplied Fuel	
			Fuel and Commodity Charge <u>Rate/GJ</u>	Fuel Ratio %	AND
1. Monthly fixed charge per Customer Station	\$952.72				
2. Transmission Commodity Charge		\$0.035			
3. Delivery Commodity Charge (1)			\$0.006	0.157%	
4. Cap-and-Trade Facility-Related Charge (applied to all quantities transported) (1)			\$0.006		\$0.006

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.

## 5. 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	Shipper Supplied Fuel		
	Fuel and Commodity Charge <u>Rate/GJ</u>	Fuel Ratio %	AND	Commodity Charge <u>Rate/GJ</u>
Authorized Overrun Charge (1)	\$0.074	0.157%		\$0.069
Cap-and-Trade Facility-Related Charge (applied to all quantities transported) (1)	\$0.006			\$0.006

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.

Notes:

- (1) As indicated in Board Order EB-2016-0296, Cap-and-Trade Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charge was previously included in the Delivery Commodity Charge. The Delivery Commodity Charge and Authorized Overrun Charge have decreased by \$0.002/GJ.

**(C) Terms of Service**

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

Effective October 1, 2017 Chatham, Ontario  
 O.E.B. Order # EB-2016-0296

Supersedes EB-2017-0278 Rate Schedule effective October 1, 2017.

**GENERAL TERMS & CONDITIONS  
M13 TRANSPORTATION AGREEMENT**

**I. DEFINITIONS**

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

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

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

## **II. GAS QUALITY**

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

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

### III. MEASUREMENTS

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

as amended from time to time.

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

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

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

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

N/A.

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

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

**VII. BILLING**

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

**VIII. PAYMENTS**

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

**IX. ARBITRATION**

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

**X. FORCE MAJEURE**

N/A

**XI. DEFAULT AND TERMINATION**

N/A

**XII. MODIFICATION**

N/A

**XIII. NONWAIVER AND FUTURE DEFAULT**

N/A

**XIV. LAWS, REGULATIONS AND ORDERS**

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

**RATE M13  
GENERAL TERMS & CONDITIONS**

**I. DEFINITIONS**

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

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

**"Average Local Producer Heat" ("ALPH")** shall mean the heat content value as set by Union, and shall be determined by volumetrically averaging the gross heat content of all produced gas delivered to the Union system by Ontario Local Producers. The ALPH shall be expressed in GJ/10<sup>3</sup>m<sup>3</sup> and may be adjusted from time to time by Union;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **II. GAS QUALITY**

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

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

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

### **III. MEASUREMENTS**

- 1. Service Unit: The unit of the gas delivered to Union shall be a quantity of 10<sup>3</sup>m<sup>3</sup>. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m<sup>3</sup>) or one thousand cubic metres (10<sup>3</sup>m<sup>3</sup>) at Union's discretion.
- 2. Determination of Volume and Energy:
  - a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
  - b. The supercompressibility factor shall be determined in accordance with either the "**Manual for Determination of Supercompressibility Factors for Natural Gas**" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
  - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article 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 (10<sup>th</sup>) day of each month for all Services furnished during the preceding Month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding Month's billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the tenth (10<sup>th</sup>) day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.
3. Amendment of Statements: For the purpose of completing a final determination of the actual quantities of gas handled in any of the Services to Shipper, the parties shall have the right to amend their statement for a period equal to the time during which the companies, that transport the gas contemplated herein for Union and Shipper, retain the right to amend their statements, which period shall not exceed three (3) years from the date of termination of the Contract.

**IX. PAYMENTS**

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

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

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

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "**bill next following**" shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within three (3) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.
4. Taxes: In addition to the charges and rates as per the applicable rate schedules and price schedules, Shipper shall pay all Taxes which are imposed currently or subsequent to the execution of the Contract by any legal authority having jurisdiction and any amount in lieu of such Taxes paid or payable by Union.
5. Set Off: If either party shall, at any time, be in arrears under any of its payment obligations to the other party under the Contract, then the party not in arrears shall be entitled to reduce the amount payable by it to the other party in arrears under the Contract, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to the other party. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under the Contract, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.
6. Station and Connection Costs: In the event that a meter station must be constructed and/or installed in order to give effect to 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
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Transmission Commodity Charge to Dawn (\$ per GJ)	\$0.035
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Transportation Fuel (3):	Customers located East <u>of Dawn</u>	Customers located West <u>of Dawn</u>
Fuel Charges to Dawn		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.006	\$0.006
Fuel Ratio - Shipper supplied fuel (%)	0.157%	0.157%
Fuel Charges to the Pool		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.007	\$0.016
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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## c) Cap-and-Trade Facility-Related Charges (applied to all quantities transported) (3):

Cap-and-Trade Facility-Related Charges - To Dawn (\$ per GJ)	\$0.006	\$0.006
Cap-and-Trade Facility-Related Charges - To the Pool (\$ per GJ)	\$0.006	\$0.006

**(B) Rates (Cont'd)**
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 (3):		
Charges to Dawn		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.065	\$0.074
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)	\$0.032	\$0.050
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.025	\$0.034
Fuel Ratio - Shipper supplied fuel (%)	0.186%	0.447%
Cap-and-Trade Facility-Related Charges (applied to all quantities transported) (3):		
Cap-and-Trade Facility-Related Charges - To Dawn (\$ per GJ)	\$0.006	\$0.006
Cap-and-Trade Facility-Related Charges - To the Pool (\$ per GJ)	\$0.006	\$0.006

Overrun will be authorized at Union's sole discretion.

Unauthorized Overrun

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

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

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

Notes for Section (B) Rates:

- (1) The monthly fixed charge will be applied once per month per customer station regardless of service being firm, interruptible or a combination thereof.
- (2) Demand charges will be applicable to customers firm daily contracted demand or the firm portion of a combined firm and interruptible service.
- (3) As indicated in Board Order EB-2016-0296, Cap-and-Trade Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charges were previously included in the Commodity Rate. The Commodity Rate has decreased by \$0.005/GJ for Fuel Charges and Overrun Charges to the Pool for customers located West of Dawn and \$0.002/GJ for all other Fuel Charges and Overrun Charges.

**(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.

**GENERAL TERMS & CONDITIONS  
M16 TRANSPORTATION AGREEMENT**

**I. DEFINITIONS**

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

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

## SCHEDULE "A"

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

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

## II. GAS QUALITY

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

## SCHEDULE "A"

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

### III. MEASUREMENTS

## SCHEDULE "A"

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

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

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

### V. POSSESSION OF AND RESPONSIBILITY FOR GAS

N/A

### VI. FACILITIES ON SHIPPER'S PROPERTY

N/A

### VII. MEASURING EQUIPMENT

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

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

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

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

### **X. ARBITRATION**

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

**"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;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"TCPL" means TransCanada PipeLines Limited;

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

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

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

## II. **GAS QUALITY**

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

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

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

3. Non-conforming Gas:

- a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.
- b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.
- c. With respect to Article II 2. h. herein, Union may accept the gas subject to Shipper's obligations under the Dehydration Contract, if applicable.

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

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

6. Odourization of Gas:

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

**III. MEASUREMENTS**

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

2. Determination of Volume and Energy:

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

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

**IV. RECEIPT POINT AND DELIVERY POINT**

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

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

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

**IX. PAYMENTS**

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

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

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

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

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

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

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

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

## **X. ARBITRATION**

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

## **XI. FORCE MAJEURE**

1. 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 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,

**SCHEDULE "A 2013"**

- 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 fulfill 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 (1):**

	Monthly Demand Charges (applied to daily contract demand) Rate/GJ	<u>Fuel and Commodity Charges</u>					
		<u>Union Supplied Fuel</u>		<u>Shipper Supplied Fuel</u>			
		<u>Fuel and Commodity Charge (2)</u>		<u>Fuel Ratio</u>		<u>Commodity</u>	
		Apr. 1-Oct. 31	Nov. 1-Mar. 31	Apr. 1-Oct. 31	Nov. 1-Mar. 31	AND	<u>Charge</u>
		Rate/GJ	Rate/GJ	%	%		Rate/GJ (2)
a) Firm Transportation							
Between:							
St. Clair & Dawn	\$1.045	\$0.007	\$0.009	0.207%	0.266%		
Ojibway & Dawn	\$1.045	\$0.016	\$0.011	0.447%	0.303%		
Bluewater & Dawn	\$1.045	\$0.007	\$0.009	0.207%	0.266%		
From:							
Parkway to Kirkwall	\$0.837	\$0.010	\$0.006	0.293%	0.157%		
Parkway to Dawn	\$0.837	\$0.010	\$0.006	0.293%	0.157%		
Kirkwall to Dawn	\$1.475	\$0.006	\$0.006	0.157%	0.157%		
Dawn to Kirkwall	\$2.865	\$0.011	\$0.027	0.318%	0.756%		
Dawn to Parkway	\$3.402	\$0.020	\$0.036	0.571%	1.026%		
Kirkwall to Parkway	\$0.537	\$0.015	\$0.015	0.410%	0.427%		
b) Firm Transportation between two points within Dawn							
Dawn to Dawn-Vector	\$0.029	n/a	n/a	0.339%	0.157%		
Dawn to Dawn-TCPL	\$0.138	n/a	n/a	0.157%	0.351%		
c) Interruptible Transportation between two points within Dawn*							
*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)				0.157%	0.157%		
d) Interruptible and Short Term (1 year or less) Firm Transportation:		\$75.00					

## (C) Rates (Cont'd)

	Fuel and Commodity Charges					
	Union Supplied Fuel			Shipper Supplied Fuel		
	Fuel and Commodity Charge		AND	Fuel Ratio		Commodity Charge
	Apr. 1-Oct. 31	Nov. 1-Mar. 31		Apr. 1-Oct. 31	Nov. 1-Mar. 31	
Rate/GJ	Rate/GJ	%	%	Rate/GJ		
e) Cap-and-Trade Facility-Related Charges (applied to all quantities transported) (2):						
St. Clair / Ojibway / Bluewater & Dawn	\$0.006	\$0.006				\$0.006
Parkway to Dawn / Kirkwall	\$0.006	\$0.006				\$0.006
Kirkwall to Dawn	\$0.006	\$0.006				\$0.006
Dawn to Kirkwall / Parkway (Cons) / Lisgar	\$0.006	\$0.006				\$0.006
Dawn to Parkway (TCPL)	\$0.006	\$0.006				\$0.006
Kirkwall to Parkway (Cons) / Lisgar	\$0.006	\$0.006				\$0.006
Kirkwall to Parkway (TCPL)	\$0.006	\$0.006				\$0.006
Dawn to Dawn-Vector	\$0.006	\$0.006				\$0.006
Dawn to Dawn-TCPL	\$0.006	\$0.006				\$0.006
Interruptible Transportation between two points within Dawn*						
*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)						\$0.006

**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		
	Fuel and Commodity Charge (2)		AND	Fuel Ratio		Commodity Charge
	Apr. 1-Oct. 31	Nov. 1-Mar. 31		Apr. 1-Oct. 31	Nov. 1-Mar. 31	
	Rate/GJ	Rate/GJ	%	%	Rate/GJ (2)	
a) Firm Transportation						
Between:						
St. Clair & Dawn	\$0.042	\$0.044	0.207%	0.266%		\$0.034
Ojibway & Dawn	\$0.050	\$0.045	0.447%	0.303%		\$0.034
Bluewater & Dawn	\$0.042	\$0.044	0.207%	0.266%		\$0.034
From:						
Parkway to Kirkwall	\$0.144	\$0.139	0.910%	0.774%		\$0.112
Parkway to Dawn	\$0.144	\$0.139	0.910%	0.774%		\$0.112
Kirkwall to Dawn	\$0.054	\$0.054	0.157%	0.157%		\$0.049
Dawn to Kirkwall	\$0.127	\$0.143	0.935%	1.373%		\$0.094
Dawn to Parkway	\$0.154	\$0.170	1.188%	1.643%		\$0.112
Kirkwall to Parkway	\$0.054	\$0.055	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
c) Cap-and-Trade Facility-Related Charges (applied to all quantities transported) (2):						
St. Clair / Ojibway / Bluewater & Dawn	\$0.006	\$0.006				\$0.006
Parkway to Dawn / Kirkwall	\$0.006	\$0.006				\$0.006
Kirkwall to Dawn	\$0.006	\$0.006				\$0.006
Dawn to Kirkwall / Parkway (Cons) / Lisgar	\$0.006	\$0.006				\$0.006
Dawn to Parkway (TCPL)	\$0.006	\$0.006				\$0.006
Kirkwall to Parkway (Cons) / Lisgar	\$0.006	\$0.006				\$0.006
Kirkwall to Parkway (TCPL)	\$0.006	\$0.006				\$0.006
Dawn to Dawn-Vector	\$0.006	\$0.006				\$0.006
Dawn to Dawn-TCPL	\$0.006	\$0.006				\$0.006

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

**(C) Rates (Cont'd)****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.
- (2) As indicated in Board Order EB-2016-0296, Cap-and-Trade Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Facility-Related Charges were previously included in the Commodity Charge. The Commodity Charge has decreased by \$0.004/GJ between St. Clair / Ojibway / Bluewater and Dawn, \$0.003/GJ for Parkway to Kirkwall / Dawn, \$0.002/GJ for Kirkwall to Dawn, \$0.006/GJ for Dawn to Kirkwall, \$0.006/GJ for Dawn to Parkway (Cons) / Lisgar, \$0.009/GJ for Dawn to Parkway (TCPL), \$0.002/GJ for Kirkwall to Parkway (Cons) / Lisgar, \$0.005/GJ for Kirkwall to Parkway (TCPL), \$0.003/GJ between Dawn to Dawn-Vector, \$0.004/GJ between Dawn to Dawn-TCPL, and \$0.002/GJ between two points within Dawn.

**(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.

**RATE C1  
GENERAL TERMS & CONDITIONS**

**I. DEFINITIONS**

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

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

18. "TCPL" means TransCanada Pipelines Limited;
19. "cricondenthem 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 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.

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

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

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

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

*Intentionally blank*

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

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

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

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

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

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

**X. ARBITRATION**

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

**XI. FORCE MAJEURE**

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

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

## XII. DEFAULT AND TERMINATION

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

## XIII. MODIFICATION

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

## XIV. NON-WAIVER AND FUTURE DEFAULT

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**XV. LAWS, REGULATIONS AND ORDERS**

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

**RATE C1  
GENERAL TERMS & CONDITIONS**

**I. DEFINITIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **II. GAS QUALITY**

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

2. Freedom from objectionable matter: The gas to be delivered to/by Union hereunder,
  - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
  - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas,
  - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
  - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
  - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
  - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
  - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
  - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
  - i. shall not have a cricondenthem hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
  - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas.
3. Non-conforming Gas: In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
4. Quality of Gas Received: The quality of the gas to be received by Union hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will also accept gas of a quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Union's C1 Rate Schedule.

### **III. MEASUREMENTS**

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m<sup>3</sup>) or one thousand cubic metres (10<sup>3</sup>m<sup>3</sup>) at Union's discretion.
2. Determination of Volume and Energy:
  - a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
  - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas

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

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

**IX. PAYMENTS**

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

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

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

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

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

Notes:

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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 (1/20<sup>th</sup>) of the quantity received for that day. Union shall have the right to limit Transportation Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20<sup>th</sup>) of the quantity handled for that day, for each applicable Transportation Service.
13. The parties hereto recognize that with respect to Transportation Services, on any day, receipts of gas by Union and deliveries of gas by Union may not always be exactly equal, but each party shall cooperate with the other in order to balance as nearly as possible the quantities transacted on a daily basis, and any imbalances arising shall be allocated to the Facilitating Agreement and shall be subject to the respective terms and charges contained therein, and shall be resolved in a timely manner.
14. Shipper may designate 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	<b><u>DAWN (FACILITIES):</u></b>	Union's Compressor Station site situated in the northwest corner of Lot Twenty-Five (25), Concession II, in the Township of Dawn-Euphemia, in the County of Lambton. This point is applicable for quantities of gas that have been previously transported or stored under other contracts that Shipper may have in place with Union.
R, D	<b><u>DAWN (TCPL):</u></b>	At the junction of Union's and TCPL's facilities, at or adjacent to Dawn (Facilities).
R, D	<b><u>DAWN (TECUMSEH):</u></b>	At the junction of Union's and Enbridge Gas Distribution Inc.'s (Enbridge) Tecumseh Gas Storage's facilities, at or adjacent to Dawn (Facilities).
R, D	<b><u>DAWN (TSLE):</u></b>	At the junction of Union's and Enbridge Gas Distribution Inc.'s (" <b>Enbridge</b> ") NPS 16 Tecumseh Sombra Line Extension facilities; at or adjacent to Dawn (Facilities)
R, D	<b><u>DAWN (VECTOR):</u></b>	At the junction of Union's and Vector Pipeline Limited Partnership (" <b>Vector</b> ") facilities, at or adjacent to Dawn (Facilities).
R, D	<b><u>PARKWAY (TCPL):</u></b>	At the junction of Union's and TCPL's facilities, at or adjacent to Union's facilities situated in the Part Lot 9 and Part Lot 10, Concession IX, New Survey, Town of Milton, Regional Municipality of Halton (now part of City of Mississauga)
R, D	<b><u>KIRKWALL:</u></b>	At the junction of Union's and TCPL's facilities at or adjacent to Union's facilities situated in Part Lot Twenty-Five (25), Concession 7, Town of Flamborough.
D	<b><u>PARKWAY (CONSUMERS):</u></b>	At the junction of Union's and Enbridge's facilities, at or adjacent to Union's facilities situated in Part Lot 9 and Part Lot 10, Concession IX, New Survey, Town of Milton, Regional Municipality of Halton (now part of City of Mississauga)
D	<b><u>LISGAR:</u></b>	At the junction of the facilities of Union and Enbridge situated at 6620 Winston Churchill Boulevard, City of Mississauga.
R, D	<b><u>OJIBWAY:</u></b>	At the junction of Union's and Panhandle Eastern Pipe Line Company, LP's (" <b>Panhandle</b> ") facilities, located at the International Border between Canada and the United States in the St. Clair River.
R, D	<b><u>ST.CLAIR (MICHCON):</u></b>	At the junction of Michigan Consolidated Gas Company's (" <b>MichCon</b> ") and St. Clair Pipelines L.P.'s facilities, located at the International Border between Canada and the United States in the St. Clair River.

**R, D**     **BLUEWATER:**             At the junction of Bluewater Gas Storage, LLC ("**Bluewater**") and St. Clair Pipelines L.P.'s facilities, located at the International Border between Canada and the United States in the St. Clair River.

2. Receipt and Delivery Pressures:

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

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

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

UNION GAS LIMITED  
Infranchise Customers  
Summary of Average Interruptible Rate and Price Adjustment Changes for Rate 25, M4, M5A, M7, T1 and T2  
Effective October 1, 2017

Line No.	Particulars (cents / m <sup>3</sup> )	Monthly Charge Increase / (Decrease) (a)	Delivery Commodity Charge (2) Increase / (Decrease) (b)	Delivery - Price Adjustment Increase / (Decrease) (c)	Cap-and-Trade Charges (2) Increase / (Decrease) (d)	Gas Commodity Price Adjustment Rate (1) (e)
	Cap-and-Trade Charges (3)					
1	Cap-and-Trade Customer-Related Charge				3.3181	
2	Cap-and-Trade Facility-Related Charge				0.0240	
	Rate 25 - All Zones					
3	Including Cap-and-Trade Customer-Related Charge		(3.3198)			(0.2720)
4	Excluding Cap-and-Trade Customer-Related Charge		(0.0017)			(0.2720)
	Rate M4 - Interruptible					
5	Including Cap-and-Trade Customer-Related Charge		(3.3459)			
6	Excluding Cap-and-Trade Customer-Related Charge		(0.0278)			
	Rate M5A - Interruptible					
7	Including Cap-and-Trade Customer-Related Charge		(3.3459)			
8	Excluding Cap-and-Trade Customer-Related Charge		(0.0278)			
	Rate M7					
	Interruptible					
9	Including Cap-and-Trade Customer-Related Charge		(3.3469)			
10	Excluding Cap-and-Trade Customer-Related Charge		(0.0288)			
	Seasonal					
11	Including Cap-and-Trade Customer-Related Charge		(3.3469)			
12	Excluding Cap-and-Trade Customer-Related Charge		(0.0288)			
	Rate T1 - Interruptible					
	Transportation - Union supplies fuel					
13	Including Cap-and-Trade Customer-Related Charge		(3.3380)			
14	Excluding Cap-and-Trade Customer-Related Charge		(0.0199)			
	Transportation - Customer supplies fuel					
15	Including Cap-and-Trade Customer-Related Charge		(3.3380)			
16	Excluding Cap-and-Trade Customer-Related Charge		(0.0199)			
	Rate T2 - Interruptible					
	Transportation - Union supplies fuel					
17	Including Cap-and-Trade Customer-Related Charge		(3.3302)			
18	Excluding Cap-and-Trade Customer-Related Charge		(0.0121)			
	Transportation - Customer supplies fuel					
19	Including Cap-and-Trade Customer-Related Charge		(3.3302)			
20	Excluding Cap-and-Trade Customer-Related Charge		(0.0121)			

Notes:

- (1) Applies to sales service customers only.
- (2) As indicated in Board Order EB-2016-0296, Cap-and-Trade Customer and Facility-Related Charges are effective January 1, 2017 and will be implemented January 1, 2018. The Cap-and-Trade Customer and Facility-Related Charges were previously included in the Delivery Charge.
- (3) Changes in the Cap-and-Trade Charges apply to Rate 25, M4, M5A, M7, T1, and T2.

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.

UNION GAS LIMITED  
 2017 Cap-and-Trade Facility-Related Cost Allocation and Unit Rate Changes  
 Effective January 1, 2017

Line No.	Rate Class	As Filed		2017 Forecast	Updated for OEB Decision		Variance (5)	
		Total Facility Compliance Cost (\$000's) (1)	Unit Rate (cents / m <sup>3</sup> ) (2)	Delivery & Transportation Volumes (3) (10 <sup>3</sup> m <sup>3</sup> )	Total Facility Compliance Cost (\$000's) (4)	Unit Rate (cents / m <sup>3</sup> ) (e) = (d / c)	Facility Compliance Cost (\$000's) (f) = (d - a)	Unit Rate (cents / m <sup>3</sup> ) (g) = (e - b)
		(a)	(b)	(c)	(d)	(e) = (d / c)	(f) = (d - a)	(g) = (e - b)
<u>Union South In-Franchise - Delivery</u>								
1	Rate M1	861	0.0297	3,033,862	727	0.0240	(134)	(0.0057)
2	Rate M2	235	0.0209	1,211,651	290	0.0240	55	0.0031
3	Rate M4	98	0.0280	549,573	132	0.0240	34	(0.0040)
4	Rate M5	116	0.0249	91,587	22	0.0240	(94)	(0.0009)
5	Rate M7	36	0.0288	452,061	108	0.0240	72	(0.0048)
6	Rate M9	15	0.0248	66,500	16	0.0240	1	(0.0008)
7	Rate M10	0	0.0258	303	0	0.0240	0	(0.0018)
8	Rate T1	85	0.0167	438,629	105	0.0240	20	0.0073
9	Rate T2	531	0.0115	4,564,228	1,094	0.0240	563	0.0125
10	Rate T3	64	0.0235	278,023	67	0.0240	2	0.0005
11	Total South In-Franchise	2,041		10,686,417	2,561		519	
<u>Union North In-Franchise - Delivery</u>								
12	Rate 01	463	0.0509	976,292	234	0.0240	(229)	(0.0269)
13	Rate 10	127	0.0378	358,952	86	0.0240	(41)	(0.0138)
14	Rate 20	49	0.0082	520,129	125	0.0240	75	0.0158
15	Rate 25	3	0.0017	129,403	31	0.0240	28	0.0223
16	Rate 100	7	0.0004	1,253,123	300	0.0240	293	0.0236
17	Total Union North In-Franchise - Delivery	649		3,237,899	776		126	
18	Total In-Franchise	2,691		13,924,315 (6)	3,337		646	

Notes:

- (1) EB-2016-0296, Exhibit 7, Schedule 1, pp. 2-3, column (e).
- (2) EB-2016-0296, Exhibit 7, Schedule 1, pp. 2-3, column (g).
- (3) Includes in-franchise delivery volumes and ex-franchise transportation volumes.
- (4) Allocated in proportion to column (c).
- (5) Actual 2017 variances by rate class will be recorded in the GHG Emissions Compliance Obligation - Facility-Related deferral account.
- (6) EB-2016-0296, Exhibit 2, Schedule 1, line 4, column (e).

UNION GAS LIMITED  
 2017 Cap-and-Trade Facility-Related Cost Allocation and Unit Rate Changes  
 Effective January 1, 2017

Line No.	Rate Class	As Filed		2017 Forecast Delivery & Transportation Volumes (3) (10 <sup>3</sup> m <sup>3</sup> )	Updated for OEB Decision		Variance (6)	
		Total Facility Compliance Cost (\$000's) (1) (a)	Unit Rate (\$/GJ) (2) (b)		Total Facility Compliance Cost (\$000's) (4) (d)	Unit Rate (\$/GJ) (5) (e) = (d/c)/HV	Facility Compliance Cost (\$000's) (f) = (d - a)	Unit Rate (\$/GJ) (g) = (e - b)
<u>Ex-Franchise</u>								
Rate M12 - Firm Transportation								
1	Dawn to Kirkwall/Parkway (Cons)/Lisgar	1,520	0.006	2,719,023	652	0.006	(869)	-
2	Kirkwall to Parkway (TCPL/EGT)	219	0.005	2,576,858	617	0.006	398	0.001
3	Dawn to Parkway (TCPL/EGT) (7)	3,693	0.009	13,525,827	3,241	0.006	(452)	(0.003)
4	Parkway to Dawn/Kirkwall (7)	3	0.003	3	0	0.006	(3)	0.003
5	Kirkwall to Dawn (7)	9	0.002	6,509	2	0.006	(7)	0.004
6	Parkway to Parkway (Cons) (8)	-	0.002	1,359	0	0.006	0	0.004
7	Total Rate M12	<u>5,444</u>		<u>18,829,578</u>	<u>4,512</u>		<u>(932)</u>	
8	Rate M13	<u>10</u>	0.002	<u>91,530</u>	<u>22</u>	0.006	<u>12</u>	0.004
Rate M16								
9	East of Dawn - To Dawn	4	0.002	-	-	-	(4)	(0.002)
10	East of Dawn - To Pool	4	0.002	-	-	-	(4)	(0.002)
11	West of Dawn - To Dawn	7	0.002	126,543	30	0.006	23	0.004
12	West of Dawn - To Pool	<u>20</u>	0.005	<u>188,924</u>	<u>45</u>	0.006	<u>25</u>	0.001
13	Total Rate M16	<u>35</u>		<u>315,468</u>	<u>76</u>		<u>41</u>	
Rate C1 - Firm Transportation								
14	St. Clair/Ojibway/Bluewater & Dawn	40	0.004	429,047	103	0.006	63	0.002
15	Parkway to Dawn/Kirkwall (7)	13	0.003	852,746	204	0.006	192	0.003
16	Dawn to Parkway (TCPL) (7)	20	0.009	11,507	3	0.006	(17)	(0.003)
17	Dawn to Dawn-Vector	56	0.003	314,452	75	0.006	19	0.003
18	Dawn to Dawn-TCPL	19	0.004	205,266	49	0.006	30	0.002
19	Kirkwall to Dawn (7) (8)	-	0.002	4,484,943	1,075	0.006	1,075	0.004
20	Interruptible and Short Term Transportation	<u>1,232</u>	0.007	<u>1,961,757</u>	<u>470</u>	0.006	<u>(761)</u>	<u>(0.001)</u>
21	Total Rate C1	<u>1,379</u>		<u>8,259,718</u>	<u>1,979</u>		<u>600</u>	
22	Excess Utility Storage Space	<u>366</u>		<u>-</u>	<u>-</u>		<u>(366)</u>	
23	Total Ex-Franchise	<u>7,235</u>		<u>27,496,294</u>	<u>6,589</u>		<u>(646)</u>	
24	Total In-Franchise & Ex-Franchise (9)	<u>9,926</u>		<u>41,420,609</u>	<u>9,926</u>		<u>-</u>	

Notes:

- (1) EB-2016-0296, Exhibit 7, Schedule 1, pp. 2-3, column (e).
- (2) EB-2016-0296, Exhibit 7, Schedule 1, pp. 2-3, column (g).
- (3) Includes in-franchise delivery volumes and ex-franchise transportation volumes.
- (4) Allocated in proportion to column (c).
- (5) Conversion to GJs based on 38.81 GJ/10<sup>3</sup>m<sup>3</sup>.
- (6) Actual 2017 variances by rate class will be recorded in the GHG Emissions Compliance Obligation - Facility-Related deferral account.
- (7) The common Rate M12 and Rate C1 unit rate is derived by using the combined Rate M12 and Rate C1 total facility costs.
- (8) As filed unit rate per EB-2016-0296, Rate Order, Appendix A, p. 14, line 19 and p. 16, line 29.
- (9) Page 1, line 18 + Page 2, line 23.

UNION GAS LIMITED  
 Calculation of Union South In-franchise Unit Rate Change  
PDCI Costs Updated for the EB-2016-0296 Decision

Line No.	Particulars	Billing Units	2017 PDCI Cost Change (\$000's) (1) (a)	EB-2016-0245 Approved Forecast Usage (2) (b)	Unit Rate Change (cents / m <sup>3</sup> ) (c)=(a/b*100)
<u>Rate M1</u>					
Monthly Delivery Commodity Charge					
1	First 100 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	(39)	872,593	(0.0045)
2	Next 150 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	(33)	774,838	(0.0043)
3	All over 250 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	(46)	1,249,748	(0.0037)
4	Total Rate M1		<u>(118)</u>	<u>2,897,179</u>	<u>(0.0041)</u>
<u>Rate M2</u>					
Monthly Delivery Commodity Charge					
5	First 1,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	(2)	61,283	(0.0040)
6	Next 6,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	(12)	298,234	(0.0040)
7	Next 13,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	(13)	336,990	(0.0038)
8	All over 20,000 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup>	(15)	430,521	(0.0035)
9	Total Rate M2		<u>(42)</u>	<u>1,127,028</u>	<u>(0.0037)</u>
<u>Rate M4</u>					
Monthly Demand Charge					
10	First 8,450 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup> /d	(8)	12,905	(0.0632)
11	Next 19,700 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup> /d	(2)	7,864	(0.0283)
12	All over 28,150 m <sup>3</sup>	10 <sup>3</sup> m <sup>3</sup> /d	(1)	4,507	(0.0238)
Monthly Delivery Commodity Charge					
13	First Block	10 <sup>3</sup> m <sup>3</sup>	(8)	341,905	(0.0022)
14	All remaining use	10 <sup>3</sup> m <sup>3</sup>	(0)	7,358	(0.0009)
15	Total Rate M4		<u>(19)</u>	<u>349,263</u>	<u>(0.0055)</u>
<u>Rate M5A</u>					
Firm contracts					
16	Monthly Delivery Commodity Charge	10 <sup>3</sup> m <sup>3</sup>	(0)	15,121	(0.0032)
17	Total Delivery - Firm M5A		<u>(0)</u>	<u>15,121</u>	<u>(0.0032)</u>
Interruptible contracts					
18	Delivery Commodity Charge (Avg Price)	10 <sup>3</sup> m <sup>3</sup>	(13)	450,329	(0.0029)
19	Total Delivery -Interruptible M5A		<u>(13)</u>	<u>450,329</u>	<u>(0.0029)</u>
20	Total Rate M5A		<u>(14)</u>	<u>465,451</u>	<u>(0.0029)</u>
<u>Rate M7</u>					
Firm Contracts					
21	Monthly Delivery Commodity Charge	10 <sup>3</sup> m <sup>3</sup>	(8)	120,879	(0.0064)
22	Total Delivery - Firm M7		<u>(8)</u>	<u>120,879</u>	<u>(0.0064)</u>
Interruptible / Seasonal Contracts					
23	Monthly Delivery Commodity Charge	10 <sup>3</sup> m <sup>3</sup>	-	3,949	-
24	Total Rate M7		<u>(8)</u>	<u>124,828</u>	<u>(0.0062)</u>
<u>Rate M9</u>					
25	Monthly Delivery Commodity Charge	10 <sup>3</sup> m <sup>3</sup>	(4)	60,750	(0.0065)
26	Total Rate M9		<u>(4)</u>	<u>60,750</u>	<u>(0.0065)</u>
<u>Rate M10</u>					
27	Monthly Delivery Commodity Charge	10 <sup>3</sup> m <sup>3</sup>	(0)	189	(0.0065)
28	Total Rate M10		<u>(0)</u>	<u>189</u>	<u>(0.0065)</u>

Notes:

(1) Appendix H, p. 3, Column (i).

(2) EB-2016-0245, Rate Order, Working Papers, Schedule 4, Column (t).

UNION GAS LIMITED  
 Calculation of Union South In-franchise Unit Rate Change  
 PDCI Costs Updated for the EB-2016-0296 Decision

Line No.	Particulars	Billing Units	2017 PDCI Cost Change (\$000's) (1) (a)	EB-2016-0245 Approved Forecast Usage (2) (b)	Unit Rate Change (cents / m <sup>3</sup> ) (c)=(a/b*100)
<u>Rate T1</u>					
Transportation					
1	All Volumes	10 <sup>3</sup> m <sup>3</sup>	(17)	452,300	(0.0038)
2	Interruptible	10 <sup>3</sup> m <sup>3</sup>	(2)	58,934	(0.0032)
3	Customer supplied fuel	10 <sup>3</sup> m <sup>3</sup>	-	2,979	-
4	Total Rate T1		<u>(19)</u>	<u>511,234</u>	<u>(0.0038)</u>
<u>Rate T2</u>					
Transportation					
5	All Volumes	10 <sup>3</sup> m <sup>3</sup>	(90)	4,259,573	(0.0021)
6	Interruptible	10 <sup>3</sup> m <sup>3</sup>	(2)	337,695	(0.0006)
7	Customer supplied fuel	10 <sup>3</sup> m <sup>3</sup>	-	23,922	-
8	Total Rate T2		<u>(92)</u>	<u>4,597,268</u>	<u>(0.0020)</u>
<u>Rate T3</u>					
Transportation					
9	Commodity	10 <sup>3</sup> m <sup>3</sup>	(18)	272,712	(0.0065)
10	Customer supplied fuel	10 <sup>3</sup> m <sup>3</sup>	-	1,972	-
11	Total Rate T3		<u>(18)</u>	<u>272,712</u>	<u>(0.0065)</u>
12	Total PDCI Cost Change		<u>(333)</u>		

Notes:

(1) Appendix H, p. 3, Column (i).

(2) EB-2016-0245, Rate Order, Working Papers, Schedule 4, Column (t).

UNION GAS LIMITED  
2017 Rate Adjustment Summary based on Changes to the Parkway Delivery Commitment Incentive (PDCI) Costs  
Updated for the EB-2016-0296 Decision

Line No.	Particulars (\$000's)	PDCI Costs per As Filed (1)			Updated PDCI Costs			Difference		
		Dawn-Parkway Demand Costs (a)	Compressor Fuel Costs (b)	Total PDCI Costs (c) = (a + b)	Dawn-Parkway Demand Costs (2) (d)	Compressor Fuel Costs (3) (e)	Total PDCI Costs (f) = (d + e)	Dawn-Parkway Demand Costs (g) = (d - a)	Compressor Fuel Costs (h) = (e - f)	Total Costs (i) = (h - g)
1	Rate M1	6,315	1,815	8,130	6,315	1,697	8,012	-	(118)	(118)
2	Rate M2	2,122	642	2,764	2,122	600	2,722	-	(42)	(42)
3	Rate M4	617	293	910	617	274	891	-	(19)	(19)
4	Rate M5 - Firm	6	7	13	6	7	13	-	(0)	(0)
5	Rate M5 - Interruptible	-	203	203	-	190	190	-	(13)	(13)
6	Rate M7 - Firm	284	118	402	284	110	395	-	(8)	(8)
7	Rate M7 - Interruptible	-	-	-	-	-	-	-	-	-
8	Rate M9	102	60	162	102	57	158	-	(4)	(4)
9	Rate M10	3	0	3	3	0	3	-	(0)	(0)
10	Rate T1 - Firm	305	267	572	305	249	554	-	(17)	(17)
11	Rate T1 - Interruptible	-	28	28	-	27	27	-	(2)	(2)
12	Rate T2 - Firm	1,977	1,374	3,351	1,977	1,284	3,262	-	(90)	(90)
13	Rate T2 - Interruptible	-	32	32	-	30	30	-	(2)	(2)
14	Rate T3	716	271	988	716	254	970	-	(18)	(18)
15	Total Costs	12,447	5,112	17,559	12,447	4,779	17,226	-	(333)	(333)

Notes:

- (1) EB-2016-0296, Exhibit 7, Schedule 2, p.1.
- (2) Appendix H, p.4, column (b) + Appendix H, p.5, column (b).
- (3) Appendix H, p.4, column (d) + Appendix H, p.5, column (d).

UNION GAS LIMITED  
Derivation of the 2017 Sales Service PDCI Costs  
Updated for EB-2016-0296 Decision

Line No.	Particulars	Demand Costs		Commodity Costs		Total Sales Service PDCI Costs (\$000's) (e) = (b + d)
		2013 Approved Design Day PDCI Costs per As Filed (1) (10 <sup>3</sup> m <sup>3</sup> /d) (a)	19 TJ Sales Service Demand Costs (2) (\$000's) (b)	2013 Approved Delivery Volumes East of Dawn (4) (10 <sup>3</sup> m <sup>3</sup> ) (c)	19 TJ Sales Service Fuel and UFG Costs (5) (\$000's) (d)	
1	Rate M1	22,132	394	1,823,853	106	500
2	Rate M2	7,435	132	645,259	37	170
3	Rate M4	2,162	38	294,126	17	56
4	Rate M5 Firm	20	0	7,501	0	1
5	Rate M5 Interruptible	-	-	203,891	12	12
6	Rate M7 Firm	997	18	118,324	7	25
7	Rate M7 Interruptible	-	-	-	-	-
8	Rate M9	356	6	60,750	4	10
9	Rate M10	11	0	189	0	0
10	Rate T1 Firm	1,068	19	267,950	16	35
11	Rate T1 Interruptible	-	-	28,552	2	2
12	Rate T2 Firm	6,931	123	1,380,265	80	204
13	Rate T2 Interruptible	-	-	32,431	2	2
14	Rate T3	2,511	45	272,712	16	61
15	Total	<u>43,624</u>	<u>777</u> (3)	<u>5,135,803</u>	<u>298</u> (6)	<u>1,075</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 19 TJ x \$0.112/GJ/d x 365 = \$0.777 million. Rate represents the M12 Dawn to Parkway demand rate per EB-2016-0296.
- (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 \$0.043/GJ/d x 365 = \$0.298 million. Rate represents the average Dawn to Parkway (TCPL, EGT) fuel and Cap-and-Trade charge per EB-2016-0296 Rate M12 Schedule 'C', updated for the OEB Decision.

UNION GAS LIMITED  
Derivation of the 2017 Direct Purchase (DP) PDCI Costs  
Updated for EB-2016-0296 Decision

Line No.	Particulars	Demand Costs		Commodity Costs		Total DP PDCI Costs (\$000's) (e) = (b + d)
		2013 Approved Design Day PDCI Costs per As Filed (1) (10 <sup>3</sup> m <sup>3</sup> /d) (a)	285 TJ DP Demand Costs (2) (\$000's) (b)	2013 Approved Delivery Volumes East of Dawn (4) (10 <sup>3</sup> m <sup>3</sup> ) (c)	285 TJ DP Fuel and UFG Costs (5) (\$000's) (d)	
1	Rate M1	22,132	5,921	1,823,853	1,591	7,512
2	Rate M2	7,435	1,989	645,259	563	2,552
3	Rate M4	2,162	578	294,126	257	835
4	Rate M5 Firm	20	5	7,501	7	12
5	Rate M5 Interruptible	-	-	203,891	178	178
6	Rate M7 Firm	997	267	118,324	103	370
7	Rate M7 Interruptible	-	-	-	-	-
8	Rate M9	356	95	60,750	53	148
9	Rate M10	11	3	189	0	3
10	Rate T1 Firm	1,068	286	267,950	234	520
11	Rate T1 Interruptible	-	-	28,552	25	25
12	Rate T2 Firm	6,931	1,854	1,380,265	1,204	3,058
13	Rate T2 Interruptible	-	-	32,431	28	28
14	Rate T3	2,511	672	272,712	238	910
15	Total	<u>43,624</u>	<u>11,670</u> (3)	<u>5,135,803</u>	<u>4,481</u> (6)	<u>16,151</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-2016-0296.
- (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 \$0.043/GJ/d x 365 = \$4.481 million. Rate represents the average Dawn to Parkway (TCPL, EGT) fuel and Cap-and-Trade charge per EB-2016-0296 Rate M12 Schedule 'C', updated for the OEB Decision.