

December 21, 2017

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

Dear Ms. Walli:

**RE: EB-2017-0087 – Union Gas Limited – 2018 Rates – Settlement Proposal and Draft Rate Order**

Please find attached the Settlement Proposal for the above noted proceeding. The Settlement Proposal includes a Draft Rate Order and supporting working papers for rates effective January 1, 2018. The Draft Rate Order represents the implementation in rates of the amounts settled in Union's attached Settlement Proposal.

Union requests the Board's Decision on the Draft Rate Order by Thursday, January 18, 2018 in order to implement rates February 1, 2018, effective January 1, 2018.

Union proposes to implement new rates on the first billing cycle on or after February 1, 2018. Rate adjustments for the period January 1 to January 31, 2018 will be recovered from general service rate classes through a temporary charge or credit in rates for the period February 1, 2018 to December 31, 2018. All other rate classes will be billed effective January 1, 2018 and no rate adjustment is required, with the exception of customer-supplied fuel variances for the period January 1, 2018 to January 31, 2018. This approach is consistent with the Board's Decision and Rate Order in Union's 2013 Rates Application (EB-2011-0210) dated January 17, 2013.

With regard to the process for addressing the unsettled issue of the final allocation of Panhandle Reinforcement Project costs for 2018. Union suggests that the Board proceed directly to written argument.

If you have any questions concerning this submission please contact me at 519-436-4558.

Yours truly,

*[Original Signed by]*

Adam Stiers  
Manager, Regulatory Initiatives

c.c.: Crawford Smith, Torys  
EB-2017-0087 Intervenors

## **ONTARIO ENERGY BOARD**

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

**AND IN THE MATTER OF** an Application by Union Gas Limited, pursuant to section 36(1) of the *Ontario Energy Board Act, 1998*, for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of January 1, 2018.

## **SETTLEMENT PROPOSAL**

**December 21, 2017**

This Settlement Proposal (“Proposal”) is for the consideration of the Ontario Energy Board (the “OEB” or “Board”) in its determination, under Docket No. EB-2017-0087, of an Application by Union Gas Limited (“Union”) for an Order or Orders of the OEB approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of natural gas as of January 1, 2018. This document is called a “Settlement Proposal” because it is a proposal by the Parties to the OEB to settle certain of the issues in this proceeding. It is termed a proposal as between the Parties and the OEB. However, as between the Parties, and subject only to the OEB’s approval of this Settlement Proposal, this document is intended to be a legal agreement (“Agreement”), creating mutual obligations, and binding and enforceable in accordance with its terms. As set forth later in this Preamble, this Agreement is subject to a condition subsequent, that if it is not accepted by the OEB in its entirety, then unless amended by the Parties it is null and void and of no further effect. In the event the OEB directs the Parties to make reasonable efforts to revise the Settlement Proposal, the Parties agree to use reasonable efforts to discuss any potential revisions, but no party will be obligated to accept any proposed revision. The Parties agree that all of the Parties who took on a position on a particular issue must agree with any revised Settlement Proposal as it relates to that issue prior to its re-submission to the OEB.

In entering into this Agreement, the Parties understand and agree that, pursuant to the Act, the OEB has exclusive jurisdiction with respect to the interpretation and enforcement of the terms hereof.

By Procedural Order No. 1 dated October 27, 2017, the OEB scheduled a Settlement Conference to commence on December 13 and 14, 2017 at 9:30 a.m. The Settlement Conference was duly

convened, in accordance with the Procedural Order No. 1, with Mr. Chris Haussmann as facilitator. The Settlement Conference commenced on December 13, 2017 at 9:30 a.m. and concluded on December 13, 2017 at 2:00pm.

The following Parties participated in the Settlement Conference:

Building Owners and Managers Association Toronto (“BOMA”)

Canadian Manufacturers & Exporters (“CME”)

Kitchener Utilities (“Kitchener”)

Consumers Council of Canada (“CCC”)

Energy Probe Research Foundation (“Energy Probe”)

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

Industrial Gas User’s Association (“IGUA”)

London Property Management Association (“LPMA”)

School Energy Coalition (“SEC”)

Six Nations Natural Gas Company Limited (“SNNG”)

TransCanada PipeLines Limited (“TransCanada”)

Vulnerable Energy Consumers Coalition (“VECC”)

TransCanada takes no position on any of the issues.

The following issues were addressed by the Parties during the Settlement Conference: 1) Updates to the Rate M12 Schedule “C”; and, 2) The Panhandle Reinforcement Project. No other issues are addressed in this Settlement Proposal. For the purposes of settlement of the issues, listed above, the Parties have reached full agreement on Updates to the Rate M12 Schedule “C”, and

partial agreement in respect of The Panhandle Reinforcement Project. References to the pre-filed evidence and the interrogatories are provided in relation to each of the agreed items contained in this Agreement.

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

The role adopted by OEB Staff in Settlement Conferences is set out on pp. 6-7 of the OEB's October 28, 2016 Practice Direction on Settlement Conferences. Although OEB Staff are not a party to this Agreement as noted in the Guidelines, "*Board staff who participate in the settlement conference in any way are bound by the same confidentiality standards that apply to the parties to the proceeding*".

The evidence supporting the agreement on each issue is cited in each section of the Agreement. Abbreviations will be used when identifying exhibit references. For example, Exhibit A, Tab 4, Schedule 1, Page 1 will be referred to as A/T4/S1/p.1. The structure and presentation of the settled issues is consistent with settlement proposals which have been accepted by the OEB in prior cases. The Parties agree that this Agreement forms part of the record in this proceeding. The identification and listing of the evidence that relates to each issue is provided to assist the OEB. The identification and listing of the evidence that relates to each settled issue is not intended to limit any party who wishes to assert, either in any other proceeding, or in a hearing in this proceeding, that other evidence is relevant to a particular settled issue, or that evidence listed is not relevant to the issue, or that the concise description of the issue prepared by Union is incorrect or incomplete.

According to the Practice Direction, p. 4, the Parties must consider whether a Settlement Proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. The Parties who participated in the settlement discussions agree that no settled issue requires an adjustment mechanism.

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

**1. UPDATES TO THE RATE M12 SCHEDULE 'C'**  
(Complete Settlement)

The Parties accept Union's proposal to update the Rate M12 Schedule "C", effective January 1, 2018. Union's proposal includes updates to: the fuel ratio and fuel rate for westerly transportation from Kirkwall to Dawn available under the M12-X service, the authorized overrun Kirkwall to Dawn fuel ratio and fuel rate for Rate M12 and Rate C1, and to remove the VT3 Westerly Parkway to Kirkwall and Parkway to Dawn fuel ratio and fuel rate.

Union introduced the M12-X service as part of the C1 Kirkwall to Dawn and M12-X proceeding (EB-2010-0296). Union's proposal is to set the M12-X Kirkwall to Dawn fuel ratio at 0.158%, which is consistent with the Rate C1 Kirkwall to Dawn transportation fuel ratio. The proposed change results in a decrease to the fuel ratio customers are currently charged. There is no impact to customers as a result of this proposal as the difference between the fuel provided in-kind for M12-X Kirkwall to Dawn transportation and the actual fuel usage for each customer had previously been trued-up quarterly through the Yearly Commodity Required ("YCR") process. Union's proposal will clarify for M12-X customers the applicable fuel requirement by setting it out clearly in the approved tariff.

The current approved authorized overrun Kirkwall to Dawn fuel ratio for Rate C1 is 0.157%.

Union's proposal is to set the Rate C1 Kirkwall to Dawn authorized overrun fuel ratio and to introduce an M12 Kirkwall to Dawn authorized overrun fuel ratio at 0.778%. This proposed fuel ratio is consistent with the authorized overrun fuel ratio in the winter months for westerly transportation from Parkway to Kirkwall or Dawn, under both Rate C1 and Rate M12-X.

Union is proposing to remove the VT3 Westerly Parkway to Kirkwall and Parkway to Dawn fuel ratio and fuel rate from the Rate M12 Schedule "C" as Union no longer offers this service under Rate M12. The last Rate M12 contract for Parkway to Dawn service expired in 2014. Union only offers transportation from Parkway to Kirkwall and Dawn under Rate C1 or as part of the M12-X service. There is no impact of removing this service option as Union currently offers and will continue to offer long-term westerly transportation from Parkway to Kirkwall or Dawn under Rate C1 and as part of the Rate M12-X service.

The following Parties agree with the settlement of this issue: BOMA, CME, CCC, Energy Probe, FRPO, IGUA, Kitchener, LPMA, SEC, VECC, SNNG, Union.

Evidence references: A/T1/pp. 14-15; B.Staff.5; B.Staff.6; BOMA.1; BOMA.3; FRPO.3; FRPO.4; FRPO.5; FRPO.6; VECC.2.

## **2. THE PANHANDLE REINFORCEMENT PROJECT**

(Partial Settlement)

The Panhandle Reinforcement Project was approved by the OEB on February 23, 2017 with a capital cost of \$264.5 million. The Panhandle Reinforcement Project was placed into service commercially on November 1, 2017 and operationally on November 11, 2017.



The Parties agree to include in 2018 rates the Panhandle Reinforcement Project net revenue requirement calculated in accord with the Board's Decision and Order in Union's Panhandle Reinforcement Project Leave to Construct application (EB-2016-0186), subject to an update to the capital cost to reflect Union's latest total forecast capital cost of \$242.8 million, as provided in Exhibit B.BOMA.4, and subject to the issue of final allocation of Panhandle Reinforcement Project costs to rates, including in respect of the 2018 test year, as outlined below. The Parties also agree that any variance between actual and forecast net delivery revenue requirement (positive or negative) will continue to be captured in the Panhandle Reinforcement Project Costs Deferral Account (No. 179-156). These costs will be disposed of through a future proceeding.

There is no agreement as to the final allocation of Panhandle Reinforcement Project costs for 2018. As the Board has noted in its December 11, 2017 Decision on Motion to Vary Part of Procedural Order No. 3, IGUA has suggested potential remedies to what it views as an inequity arising from the Board approved cost allocation of Panhandle Reinforcement Project costs which potential remedies would not involve changes to cost allocation methodology in this proceeding. The parties agree that no further evidence is required in respect of this issue, and it should proceed to argument.

The following Parties agree with the settlement of this issue: BOMA, CME, CCC, Energy Probe, FRPO, IGUA, Kitchener, LPMA, SEC, VECC, SNNG, Union.

Evidence references: A/T1/pp. 8-11; B.Staff.4; B.Staff.8; B.BOMA.4; B.BOMA.5; B.BOMA.6; B.CME.1; B.Energy Probe.10; B.IGUA.1; B.IGUA.2; B.IGUA.3; B.IGUA.4; B.VECC.1.

**EB-2017-0087**  
**Rate Order for 2018 Rates**  
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## APPENDIX A

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
1	Monthly Charge - All Zones	\$21.00		\$21.00
	Monthly Delivery Charge - All Zones			
2	First 100 m <sup>3</sup>	9.0997	0.2878	9.3875
3	Next 200 m <sup>3</sup>	8.8667	0.2809	9.1476
4	Next 200 m <sup>3</sup>	8.4990	0.2693	8.7683
5	Next 500 m <sup>3</sup>	8.1615	0.2586	8.4201
6	Over 1,000 m <sup>3</sup>	7.8827	0.2497	8.1324
7	Delivery - Price Adjustment (All Volumes)	1.2219 (1)	0.0644	1.2863 (2)
	Cap-and-Trade Charges			
8	Cap-and-Trade Customer-Related Charge	3.3181		3.3181
9	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
	Gas Transportation Service			
10	Union North West Zone	6.8558	0.0008	6.8566
11	Union North East Zone	2.9991	0.0282	3.0273
12	Transportation - Price Adjustment (Union North West)	0.7080 (3)	0.0002	0.7082 (4)
13	Transportation - Price Adjustment (Union North East)	0.8819 (3)	0.0067	0.8886 (5)
	Storage Service			
14	Union North West Zone	2.0541	0.2083	2.2624
15	Union North East Zone	6.6687	0.3323	7.0010
16	Storage - Price Adjustment (Union North West)	-	0.0493	0.0493 (6)
17	Storage - Price Adjustment (Union North East)	-	0.0787	0.0787 (7)
	Commodity Cost of Gas and Fuel			
18	Union North West Zone	10.1887	(0.0009)	10.1878
19	Union North East Zone	13.9084	(0.0009)	13.9075
20	Commodity and Fuel - Price Adjustment (Union North West)	0.2388 (8)	(0.0002)	0.2386 (9)
21	Commodity and Fuel - Price Adjustment (Union North East)	0.6535 (8)	(0.0002)	0.6533 (9)
22	System Expansion Surcharge (if applicable)	23.0000		23.0000

Notes:

- (1) Includes a temporary charge of 1.2219 cents/m<sup>3</sup> expiring March 31, 2018.
- (2) Includes a temporary charge of 1.2219 cents/m<sup>3</sup> expiring March 31, 2018, and a temporary charge of 0.0644 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (3) Prospective Recovery of gas supply deferral accounts, and a temporary charge of 0.7678 cents/m<sup>3</sup> expiring March 31, 2018.
- (4) Prospective Recovery of gas supply deferral accounts, a temporary charge of 0.7678 cents/m<sup>3</sup> expiring March 31, 2018, and a temporary charge of 0.0002 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (5) Prospective Recovery of gas supply deferral accounts, a temporary charge of 0.7678 cents/m<sup>3</sup> expiring March 31, 2018, and a temporary charge of 0.0067 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (6) Includes a temporary charge of 0.0493 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (7) Includes a temporary charge of 0.0787 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (8) Prospective Recovery of gas supply deferral accounts.
- (9) Prospective Recovery of gas supply deferral accounts, and a temporary credit of (0.0002) cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
2	First 1,000 m <sup>3</sup>	7.6284	0.2827	7.9111
3	Next 9,000 m <sup>3</sup>	6.1959	0.2296	6.4255
4	Next 20,000 m <sup>3</sup>	5.5243	0.2304	5.7547
5	Next 70,000 m <sup>3</sup>	4.9875	0.2080	5.1955
6	Over 100,000 m <sup>3</sup>	2.9538	0.1232	3.0770
7	Delivery - Price Adjustment (All Volumes)	1.0857 (1)	0.0404	1.1261 (2)
	Cap-and-Trade Charges			
8	Cap-and-Trade Customer-Related Charge	3.3181		3.3181
9	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
	Gas Transportation Service			
10	Union North West Zone	6.0028	0.0002	6.0030
11	Union North East Zone	2.7609	0.0148	2.7757
12	Transportation - Price Adjustment (Union North West)	0.7845 (3)		0.7845 (3)
13	Transportation - Price Adjustment (Union North East)	0.9584 (3)	0.0027	0.9611 (4)
	Storage Service			
14	Union North West Zone	1.5431	0.1631	1.7062
15	Union North East Zone	4.7075	0.2725	4.9800
16	Storage - Price Adjustment (Union North West)	-	0.0316	0.0316 (5)
17	Storage - Price Adjustment (Union North East)	-	0.0502	0.0502 (6)
	Commodity Cost of Gas and Fuel			
18	Union North West Zone	10.1887	(0.0009)	10.1878
19	Union North East Zone	13.9084	(0.0009)	13.9075
20	Commodity and Fuel - Price Adjustment (Union North West)	0.2388 (7)	(0.0002)	0.2386 (8)
21	Commodity and Fuel - Price Adjustment (Union North East)	0.6535 (7)	(0.0002)	0.6533 (8)
22	System Expansion Surcharge (if applicable)	23.0000		23.0000

Notes:

- (1) Includes a temporary charge of 1.0857 cents/m<sup>3</sup> expiring March 31, 2018.
- (2) Includes a temporary charge of 1.0857 cents/m<sup>3</sup> expiring March 31, 2018, and a temporary charge of 0.0404 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (3) Prospective Recovery of gas supply deferral accounts, and a temporary charge of 0.8439 cents/m<sup>3</sup> expiring March 31, 2018.
- (4) Prospective Recovery of gas supply deferral accounts, a temporary charge of 0.8439 cents/m<sup>3</sup> expiring March 31, 2018, and a temporary charge of 0.0027 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (5) Includes a temporary charge of 0.0316 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (6) Includes a temporary charge of 0.0502 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (7) Prospective Recovery of gas supply deferral accounts.
- (8) Prospective Recovery of gas supply deferral accounts, and a temporary credit of (0.0002) cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
1	Monthly Charge	\$884.46	(\$23.77)	\$860.69
	Delivery Demand Charge			
2	First 70,000 m <sup>3</sup>	28.6326	0.0189	28.6515
3	All over 70,000 m <sup>3</sup>	16.8374	0.0111	16.8485
	Delivery Commodity Charge			
4	First 852,000 m <sup>3</sup>	0.5408	(0.0005)	0.5403
5	All over 852,000 m <sup>3</sup>	0.3865	(0.0003)	0.3862
	Cap-and-Trade Charges			
6	Cap-and-Trade Customer-Related Charge	3.3181		3.3181
7	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
	Monthly Gas Supply Demand Charge			
8	Union North West Zone	56.3934	0.8456	57.2390
9	Union North East Zone	50.1604	0.7275	50.8879
10	Gas Supply Demand - Price Adjustment (All Zones)	-		-
	Commodity Transportation 1			
11	Union North West Zone	3.6180	0.0024	3.6204
12	Union North East Zone	2.6489	(0.0048)	2.6441
13	Transportation 1 - Price Adjustment (Union North West)	(0.0449) (1)		(0.0449) (1)
14	Transportation 1 - Price Adjustment (Union North East)	0.1290 (1)		0.1290 (1)
	Commodity Transportation 2			
15	Union North West Zone	-		-
16	Union North East Zone	-		-
	Commodity Cost of Gas and Fuel			
17	Union North West Zone	9.9166	(0.0009)	9.9157
18	Union North East Zone	13.5351	(0.0009)	13.5342
19	Commodity and Fuel - Price Adjustment (Union North West)	0.2388 (1)		0.2388 (1)
20	Commodity and Fuel - Price Adjustment (Union North East)	0.6535 (1)		0.6535 (1)
	Bundled Storage Service (\$/GJ)			
21	Monthly Demand Charge	20.238	0.331	20.569
22	Commodity Charge	0.204	0.004	0.208
23	Storage Demand - Price Adjustment	-		-

Notes:

(1) Prospective Recovery of gas supply deferral accounts.

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
1	Monthly Charge	\$1,372.75	(\$31.34)	\$1,341.41
2	Delivery Demand Charge All Zones	15.1083	(0.0206)	15.0877
3	Delivery Commodity Charge All Zones	0.2201	(0.0001)	0.2200
4	Cap-and-Trade Charges			
5	Cap-and-Trade Customer-Related Charge	3.3181		3.3181
5	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
6	Monthly Gas Supply Demand Charge Union North West Zone	114.1225	(1.2902)	112.8323
7	Union North East Zone	161.4293	(0.7051)	160.7242
8	Gas Supply Demand - Price Adjustment (All Zones)	-		-
9	Commodity Transportation 1 Union North West Zone	6.4020	(0.0698)	6.3322
10	Union North East Zone	9.2321	(0.0364)	9.1957
11	Transportation 1 - Price Adjustment (Union North West)	-		-
12	Transportation 1 - Price Adjustment (Union North East)	-		-
13	Commodity Transportation 2 Union North West Zone	-		-
14	Union North East Zone	-		-
15	Commodity Cost of Gas and Fuel Union North West Zone	9.9166	(0.0009)	9.9157
16	Union North East Zone	13.5351	(0.0009)	13.5342
17	Commodity and Fuel - Price Adjustment (Union North West)	0.2388 (1)		0.2388 (1)
18	Commodity and Fuel - Price Adjustment (Union North East)	0.6535 (1)		0.6535 (1)
19	Bundled Storage Service (\$/GJ) Monthly Demand Charge	20.238	0.331	20.569
20	Commodity Charge	0.204	0.004	0.208
21	Storage Demand - Price Adjustment	-		-

Notes:

(1) Prospective Recovery of gas supply deferral accounts.

UNION GAS LIMITED  
Union North  
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
1	<u>Rate 25 - Large Volume Interruptible Service</u> Monthly Charge	\$306.75	(\$16.99)	\$289.76
2	Delivery Charge - All Zones (1) Maximum	5.0546	0.1983	5.2529
3	Cap-and-Trade Charges Cap-and-Trade Customer-Related Charge	3.3181		3.3181
4	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
5	Gas Supply Charges - All Zones Minimum	1.4848		1.4848
6	Maximum	675.9484		675.9484

Notes:

(1) Refer to Appendix C.



UNION GAS LIMITED  
Union South  
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
	<u>Utility Sales</u>			
1	Commodity and Fuel	13.6260	(0.0009)	13.6251
2	Commodity and Fuel - Price Adjustment	2.2893 (1)	(0.0002)	2.2891 (2)
3	Transportation	-	-	-
4	Total Gas Supply Commodity Charge	<u>15.9153</u>	<u>(0.0011)</u>	<u>15.9142</u>
	<u>M4 Firm Commercial/Industrial</u>			
5	Minimum annual gas supply commodity charge	0.1902	(0.0009)	0.1893
	<u>M4 / M5A Interruptible Commercial/Industrial</u>			
6	Minimum annual gas supply commodity charge	0.1902	(0.0009)	0.1893
	<u>Storage and Transportation Supplemental Services - Rate T1, Rate T2 &amp; Rate T3</u>	<u>\$/GJ</u>		<u>\$/GJ</u>
	Monthly demand charges: (\$/GJ)			
7	Firm gas supply service	60.300		60.300
8	Firm backstop gas	1.522	0.001	1.523
	Commodity charges:			
9	Gas supply	3.522		3.522
10	Backstop gas	3.934	0.040	3.974
11	Reasonable Efforts Backstop Gas	4.884	0.116	5.000
12	Supplemental Inventory	Note (3)		Note (3)
13	Supplemental Gas Sales Service (cents/m <sup>3</sup> )	16.5712	0.1565	16.7277
14	Failure to Deliver	2.714	0.115	2.829
15	Discretionary Gas Supply Service (DGSS)	Note (4)		Note (4)

Notes:

- (1) Prospective Recovery of gas supply deferral accounts, and a temporary charge of 0.2371 cents/m<sup>3</sup> expiring March 31, 2018.
- (2) Prospective Recovery of gas supply deferral accounts, a temporary charge of 0.2371 cents/m<sup>3</sup> expiring March 31, 2018, and a temporary credit of (0.0002) cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (3) The charge for banked gas purchases shall be the higher of the daily spot gas cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.
- (4) Reflects the "back to back" price plus gas supply administration charge.

UNION GAS LIMITED  
Union South  
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
	<u>Rate M1 - Small Volume General Service Rate</u>			
1	Monthly Charge	\$21.00		\$21.00
2	First 100 m <sup>3</sup>	4.6590	0.4321	5.0911
3	Next 150 m <sup>3</sup>	4.4181	0.4090	4.8271
4	All over 250 m <sup>3</sup>	3.7957	0.3491	4.1448
5	Delivery - Price Adjustment (All Volumes)	0.5143 (1)	0.0825	0.5968 (2)
	Cap-and-Trade Charges			
6	Cap-and-Trade Customer-Related Charge	3.3181		3.3181
7	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
8	Storage Service	0.7153	0.0178	0.7331
9	Storage - Price Adjustment	-	0.0039	0.0039 (3)
10	System Expansion Surcharge (if applicable)	23.0000		23.0000
	<u>Rate M2 - Large Volume General Service Rate</u>			
11	Monthly Charge	\$70.00		\$70.00
12	First 1,000 m <sup>3</sup>	4.6430	0.4200	5.0630
13	Next 6,000 m <sup>3</sup>	4.5553	0.4117	4.9670
14	Next 13,000 m <sup>3</sup>	4.3686	0.4169	4.7855
15	All over 20,000 m <sup>3</sup>	4.0495	0.3852	4.4347
16	Delivery - Price Adjustment (All Volumes)	0.3363 (4)	0.0854	0.4217 (5)
	Cap-and-Trade Charges			
17	Cap-and-Trade Customer-Related Charge	3.3181		3.3181
18	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
19	Storage Service	0.6252	0.0231	0.6483
20	Storage - Price Adjustment	-	0.0049	0.0049 (6)
21	System Expansion Surcharge (if applicable)	23.0000		23.0000

Notes:

- (1) Includes a temporary charge of 0.5143 cents/m<sup>3</sup> expiring March 31, 2018.
- (2) Includes a temporary charge of 0.5143 cents/m<sup>3</sup> expiring March 31, 2018, and a temporary charge of 0.0825 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (3) Includes a temporary charge of 0.0039 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (4) Includes a temporary charge of 0.3363 cents/m<sup>3</sup> expiring March 31, 2018.
- (5) Includes a temporary charge of 0.3363 cents/m<sup>3</sup> expiring March 31, 2018, and a temporary charge of 0.0854 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (6) Includes a temporary charge of 0.0049 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.

UNION GAS LIMITED  
Union South  
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
	<u>Rate M4 - Firm comm/ind contract rate</u>			
	Monthly demand charge:			
1	First 8,450 m <sup>3</sup>	56.9291	4.8156	61.7447
2	Next 19,700 m <sup>3</sup>	25.5256	2.1592	27.6848
3	All over 28,150 m <sup>3</sup>	21.4450	1.8140	23.2590
	Monthly delivery commodity charge:			
4	First block	1.3485	0.2106	1.5591
5	All remaining use	0.5281	0.0715	0.5996
6	Delivery - Price Adjustment (All Volumes)	-		-
	Cap-and-Trade Charges			
7	Cap-and-Trade Customer-Related Charge	3.3181		3.3181
8	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
9	Minimum annual firm delivery commodity charge	1.5387	0.2097	1.7484
	<u>Interruptible contracts (1)</u>			
10	Monthly Charge	\$654.15	(\$9.81)	\$644.34
	Daily delivery commodity charge:			
11	2,400 m <sup>3</sup> to 17,000 m <sup>3</sup>	2.9609	0.0754	3.0363
12	17,000 m <sup>3</sup> to 30,000 m <sup>3</sup>	2.8310	0.0754	2.9064
13	30,000 m <sup>3</sup> to 50,000 m <sup>3</sup>	2.7627	0.0754	2.8381
14	50,000 m <sup>3</sup> to 60,000 m <sup>3</sup>	2.7148	0.0754	2.7902
15	Delivery - Price Adjustment (All Volumes)	-		-
	Cap-and-Trade Charges			
16	Cap-and-Trade Customer-Related Charge	3.3181		3.3181
17	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
18	Minimum annual interruptible delivery commodity charge	3.1511	0.0745	3.2256
	<u>Rate M5A - interruptible comm/ind contract</u>			
	<u>Firm contracts (1)</u>			
19	Monthly demand charge	31.7959	2.6899	34.4858
20	Monthly delivery commodity charge	2.3019	0.0506	2.3525
21	Delivery - Price Adjustment (All Volumes)	-		-
	Cap-and-Trade Charges			
22	Cap-and-Trade Customer-Related Charge	3.3181		3.3181
23	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
	<u>Interruptible contracts (1)</u>			
24	Monthly Charge	\$654.15	(\$9.81)	\$644.34
	Daily delivery commodity charge:			
25	2,400 m <sup>3</sup> to 17,000 m <sup>3</sup>	2.9609	0.0754	3.0363
26	17,000 m <sup>3</sup> to 30,000 m <sup>3</sup>	2.8310	0.0754	2.9064
27	30,000 m <sup>3</sup> to 50,000 m <sup>3</sup>	2.7627	0.0754	2.8381
28	50,000 m <sup>3</sup> to 60,000 m <sup>3</sup>	2.7148	0.0754	2.7902
29	Delivery - Price Adjustment (All Volumes)	-		-
	Cap-and-Trade Charges			
30	Cap-and-Trade Customer-Related Charge	3.3181		3.3181
31	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
32	Minimum annual interruptible delivery commodity charge	3.1511	0.0745	3.2256

Notes:

(1) Price changes to individual interruptible and seasonal contract rates are provided in Appendix C.

UNION GAS LIMITED  
Union South  
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
	<u>Rate M7 - Special large volume contract</u>			
	<u>Firm</u>			
1	Monthly demand charge	30.8246	3.8271	34.6517
2	Monthly delivery commodity charge	0.3792	(0.0253)	0.3539
3	Delivery - Price Adjustment	-		-
	<u>Interruptible (1)</u>			
4	Monthly delivery commodity charge: Maximum	5.5594	0.8907	6.4501
5	Delivery - Price Adjustment	-		-
	<u>Seasonal (1)</u>			
6	Monthly delivery commodity charge: Maximum	5.3153	0.8907	6.2060
7	Delivery - Price Adjustment	-		-
	<u>Cap-and-Trade Charges</u>			
8	Cap-and-Trade Customer-Related Charge	3.3181		3.3181
9	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
	<u>Rate M9 - Large wholesale service</u>			
10	Monthly demand charge	22.3154	1.2274	23.5428
11	Monthly delivery commodity charge	0.2097	(0.0374)	0.1723
12	Delivery - Price Adjustment	-		-
	<u>Cap-and-Trade Charges</u>			
13	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
	<u>Rate M10 - Small wholesale service</u>			
14	Monthly delivery commodity charge	6.7203	0.4525	7.1728
	<u>Cap-and-Trade Charges</u>			
15	Cap-and-Trade Facility-Related Charge	0.0240		0.0240

Notes:

(1) Price changes to individual interruptible and seasonal contract rates are provided in Appendix C.

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
	<u>Contract Carriage Service</u>			
	<u>Rate T1 - Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.011		0.011
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.457	(0.002)	1.455
3	Customer provides deliverability inventory	1.186	(0.002)	1.184
4	Firm incremental injection	1.186	(0.002)	1.184
5	Interruptible withdrawal	1.186	(0.002)	1.184
	Commodity charges:			
6	Withdrawal	0.022		0.022
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.022		0.022
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - customer provides fuel	0.406%	0.002%	0.408%
	<u>Transportation (cents / m<sup>3</sup>)</u>			
11	Monthly demand charge first 28,150 m <sup>3</sup>	35.4376	5.1545	40.5921
12	Monthly demand charge next 112,720 m <sup>3</sup>	24.4833	3.5612	28.0445
	Firm commodity charges:			
13	Union provides compressor fuel - All volumes	0.1740	(0.0188)	0.1552
14	Customer provides compressor fuel - All volumes	0.1322	(0.0213)	0.1109
	Interruptible commodity charges: (1)			
15	Maximum - Union provides compressor fuel	5.5594	0.8907	6.4501
16	Maximum - customer provides compressor fuel	5.5176	0.8882	6.4058
	Cap-and-Trade Charges			
17	Cap-and-Trade Customer-Related Charge	3.3181		3.3181
18	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
19	Transportation fuel ratio - customer provides fuel	0.305%	0.018%	0.323%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
20	Injection / Withdrawals	0.086	0.100%	0.087
21	Customer provides compressor fuel	0.056		0.056
22	Transportation commodity charge (cents/m <sup>3</sup> )	1.3391	0.1506	1.4897
23	Customer provides compressor fuel	1.2973	0.1481	1.4454
24	<u>Monthly Charge</u>	\$1,905.94	(\$9.66)	\$1,896.28

Notes:

(1) Price changes to individual interruptible contract rates are provided in Appendix C.

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
	<u>Contract Carriage Service</u>			
	<u>Rate T2 - Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.011		0.011
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.457	(0.002)	1.455
3	Customer provides deliverability inventory	1.186	(0.002)	1.184
4	Firm incremental injection	1.186	(0.002)	1.184
5	Interruptible withdrawal	1.186	(0.002)	1.184
	Commodity charges:			
6	Withdrawal	0.022		0.022
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.022		0.022
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - customer provides fuel	0.406%	0.002%	0.408%
	<u>Transportation (cents / m<sup>3</sup>)</u>			
11	Monthly demand charge first 140,870 m <sup>3</sup>	26.4455	5.5743	32.0198
12	Monthly demand charge all over 140,870 m <sup>3</sup>	13.9884	2.9485	16.9369
	Firm commodity charges:			
13	Union provides compressor fuel - All volumes	0.0773	(0.0102)	0.0671
14	Customer provides compressor fuel - All volumes	0.0385	(0.0119)	0.0266
	Interruptible commodity charges: (1)			
15	Maximum - Union provides compressor fuel	5.5594	0.8907	6.4501
16	Maximum - customer provides compressor fuel	5.5206	0.8890	6.4096
	Cap-and-Trade Charges			
17	Cap-and-Trade Customer-Related Charge	3.3181		3.3181
18	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
19	Transportation fuel ratio - customer provides fuel	0.283%	0.012%	0.295%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
20	Injection / Withdrawals	0.086	0.001	0.087
21	Customer provides compressor fuel	0.056		0.056
22	Transportation commodity charge (cents/m <sup>3</sup> )	0.9467	0.1731	1.1198
23	Customer provides compressor fuel	0.9079	0.1714	1.0793
24	<u>Monthly Charge</u>	\$5,513.81	(\$72.93)	\$5,440.88

Notes:

(1) Price changes to individual interruptible contract rates are provided in Appendix C.

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

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
	<u>Rate T3 - Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.011		0.011
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.457	(0.002)	1.455
3	Customer provides deliverability inventory	1.186	(0.002)	1.184
4	Firm incremental injection	1.186	(0.002)	1.184
5	Interruptible withdrawal	1.186	(0.002)	1.184
	Commodity charges:			
6	Withdrawal	0.022		0.022
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.022		0.022
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - Customer provides fuel	0.406%	0.002%	0.408%
	<u>Transportation (cents / m<sup>3</sup>)</u>			
11	Monthly demand charge	16.7213	1.2685	17.9898
12	Union provides compressor fuel - All volumes	0.1560	(0.0328)	0.1232
13	Customer provides compressor fuel - All volumes	0.1039	(0.0372)	0.0667
	Cap-and-Trade Charges			
14	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
15	Transportation fuel ratio - Customer provides fuel	0.380%	0.032%	0.412%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
16	Injection / Withdrawals	0.086	0.001	0.087
17	Customer provides compressor fuel	0.056		0.056
18	Transportation commodity charge (cents/m <sup>3</sup> )	0.7057	0.0089	0.7146
19	Customer provides compressor fuel	0.6536	0.0045	0.6581
	<u>Monthly Charge</u>			
20	City of Kitchener	\$19,968.19	(\$124.23)	\$19,843.96
21	Natural Resource Gas	\$3,065.32	(\$19.07)	\$3,046.25
22	Six Nations	\$1,021.77	(\$6.36)	\$1,015.42

UNION GAS LIMITED  
Union South  
Summary of Changes to Unbundled Rates

Line No.	Particulars (cents/m <sup>3</sup> )	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
	<u>U2 Unbundled Service</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
	Standard Storage Service (SSS)			
1	Combined Firm Space & Deliverability	0.023		0.023
	Standard Peaking Service (SPS)			
2	Combined Firm Space & Deliverability	0.114		0.114
3	Incremental firm injection right	1.030	(0.002)	1.028
4	Incremental firm withdrawal right	1.030	(0.002)	1.028
	Commodity charges:			
5	Injection customer provides compressor fuel	0.026		0.026
6	Withdrawal customer provides compressor fuel	0.026		0.026
7	Storage fuel ratio - Customer provides fuel	0.406%	0.002%	0.408%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
8	Injection customer provides compressor fuel	0.060		0.060
9	Withdrawal customer provides compressor fuel	0.060		0.060



UNION GAS LIMITED  
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
	<u>M12 Transportation Service</u>			
	<u>Firm transportation</u>			
	Monthly demand charges:			
1	Dawn to Kirkwall	2.865	0.289	3.154
2	Dawn to Parkway	3.402	0.314	3.716
3	Kirkwall to Parkway	0.537	0.024	0.561
4	F24-T	0.070		0.070
	<u>M12-X Firm Transportation</u>			
5	Between Dawn, Kirkwall and Parkway	4.239	0.351	4.590
	Commodity charges:			
6	Easterly	Note (1)		Note (1)
7	Westerly	Note (1)		Note (1)
8	Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar	Note (1)		Note (1)
	<u>Cap-and-Trade Facility-Related Charges:</u>			
9	Dawn to Kirkwall / Parkway (Cons) / Lisgar	0.006		0.006
10	Dawn to Parkway (TCPL / EGT)	0.006		0.006
11	Kirkwall to Parkway (Cons) / Lisgar	0.006		0.006
12	Kirkwall to Parkway (TCPL / EGT)	0.006		0.006
13	Parkway to Dawn / Kirkwall	0.006		0.006
14	Kirkwall to Dawn	0.006		0.006
15	Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar	0.006		0.006
	<u>Limited Firm/Interruptible</u>			
	Monthly demand charges:			
16	Maximum	8.165	0.753	8.918
	Commodity charges :			
17	Others	Note (1)		Note (1)
	<u>Authorized Overrun</u>			
	Transportation commodity charges:			
	Easterly:			
18	Dawn to Kirkwall - Union supplied fuel	Note (1)		Note (1)
19	Dawn to Parkway - Union supplied fuel	Note (1)		Note (1)
20	Kirkwall to Parkway - Union supplied fuel	Note (1)		Note (1)
21	Dawn to Kirkwall - Shipper supplied fuel	0.094 (1)	0.010	0.104 (1)
22	Dawn to Parkway - Shipper supplied fuel	0.112 (1)	0.010	0.122 (1)
23	Kirkwall to Parkway - Shipper supplied fuel	0.018 (1)		0.018 (1)
	<u>M12-X Firm Transportation</u>			
24	Between Dawn, Kirkwall and Parkway - Union supplied fuel	Note (1)		Note (1)
25	Between Dawn, Kirkwall and Parkway - Shipper supplied fuel:	0.139 (1)	0.012	0.151 (1)
	<u>M13 Transportation of Locally Produced Gas</u>			
26	Monthly fixed charge per customer station	\$952.72	4.860	\$957.58
27	Transmission commodity charge to Dawn	0.035		0.035
28	Commodity charge - Union supplied fuel	0.006		0.006
29	Commodity charge - Shipper supplied fuel	Note (2)		Note (2)
30	Cap-and-Trade Facility-Related Charge	0.006		0.006
31	Authorized Overrun - Union supplied fuel	0.074	0.061	0.135
32	Authorized Overrun - Shipper supplied fuel	0.069 (2)	0.061	0.130 (2)

Notes:

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

UNION GAS LIMITED  
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
	<u>M16 Storage Transportation Service</u>			
1	Monthly fixed charge per customer station	\$1,515.67	7.730	\$1,523.40
	Monthly demand charges:			
2	East of Dawn	0.770	0.004	0.774
3	West of Dawn	1.045	1.843	2.888
4	Transmission commodity charge to Dawn	0.035		0.035
	Transportation Fuel Charges to Dawn:			
5	East of Dawn - Union supplied fuel	0.006		0.006
6	West of Dawn - Union supplied fuel	0.006		0.006
7	East of Dawn - Shipper supplied fuel	Note (1)		Note (1)
8	West of Dawn - Shipper supplied fuel	Note (1)		Note (1)
	Transportation Fuel Charges to Pools:			
9	East of Dawn - Union supplied fuel	0.007	(0.001)	0.006
10	West of Dawn - Union supplied fuel	0.016		0.016
11	East of Dawn - Shipper supplied fuel	Note (1)		Note (1)
12	West of Dawn - Shipper supplied fuel	Note (1)		Note (1)
	Cap-and-Trade Facility-Related Charges to Dawn:			
13	East of Dawn - All Shippers	0.006		0.006
14	West of Dawn - All Shippers	0.006		0.006
	Cap-and-Trade Facility-Related Charges to Pool:			
15	East of Dawn - All Shippers	0.006		0.006
16	West of Dawn - All Shippers	0.006		0.006
	<u>Authorized Overrun</u>			
	Transportation Fuel Charges to Dawn:			
17	East of Dawn - Union supplied fuel	0.065	0.001	0.066
18	West of Dawn - Union supplied fuel	0.074	0.061	0.135
19	East of Dawn - Shipper supplied fuel	0.060 (1)		0.060 (1)
20	West of Dawn - Shipper supplied fuel	0.069 (1)	0.061	0.130 (1)
	Transportation Fuel Charges to Pools:			
21	East of Dawn - Union supplied fuel	0.032		0.032
22	West of Dawn - Union supplied fuel	0.050	0.061	0.111
23	East of Dawn - Shipper supplied fuel	0.025 (1)		0.025 (1)
24	West of Dawn - Shipper supplied fuel	0.034 (1)	0.061	0.095 (1)
	<u>C1 - Cross Franchise Transportation Service</u>			
	<u>Transportation service</u>			
	Monthly demand charges:			
25	St. Clair / Bluewater & Dawn	1.045	1.843	2.888
26	Ojibway & Dawn	1.045	1.843	2.888
27	Parkway to Dawn	0.837	0.037	0.874
28	Parkway to Kirkwall	0.837	0.037	0.874
29	Kirkwall to Dawn	1.475	0.067	1.542
30	Dawn to Kirkwall	2.865	0.289	3.154
31	Dawn to Parkway	3.402	0.314	3.716
32	Kirkwall to Parkway	0.537	0.024	0.561
33	Dawn to Dawn-Vector	0.029	0.001	0.030
34	Dawn to Dawn-TCPL	0.138	0.001	0.139
	Commodity charges:			
35	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.009		0.009
36	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.007		0.007
37	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.011		0.011
38	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.016		0.016
39	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.006		0.006
40	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.010	0.001	0.011
41	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.006		0.006
42	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.006		0.006
43	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.027		0.027
44	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.011		0.011
45	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.036	0.001	0.037
46	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.020	0.001	0.021
47	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.015		0.015
48	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.014	0.001	0.015

Notes:

(1) Plus shipper supplied fuel per rate schedule.

UNION GAS LIMITED  
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2017-0351 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2017-0087 Approved January 1, 2018 Rate (c)
	<u>C1 - Cross Franchise Transportation Service</u>			
	<u>Transportation service cont'd</u>			
1	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
2	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
3	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
4	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
5	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
6	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
7	Kirkwall to Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
8	Kirkwall to Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
9	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
10	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
11	Dawn to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
12	Dawn to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	Note (1)		Note (1)
13	Kirkwall to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
14	Kirkwall to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	Note (1)		Note (1)
15	Dawn to Dawn-Vector - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
16	Dawn to Dawn-Vector - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
17	Dawn to Dawn-TCPL - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		Note (1)
18	Dawn to Dawn-TCPL - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		Note (1)
19	Dawn(Tecumseh), Dawn(Facilities or TCPL), Dawn (Vector) and Dawn (TSLE)	Note (1)		Note (1)
20	Interruptible and Short Term (1 year or less) Firm Transportation: Maximum	75.00		75.00
	<u>Cap-and-Trade Facility-Related Charges:</u>			
21	St. Clair / Bluewater & Dawn	0.006		0.006
22	Ojibway & Dawn	0.006		0.006
23	Parkway to Dawn	0.006		0.006
24	Parkway to Kirkwall	0.006		0.006
25	Kirkwall to Dawn	0.006		0.006
26	Dawn to Kirkwall / Parkway (Cons) / Lisgar	0.006		0.006
27	Dawn to Parkway (TCPL)	0.006		0.006
28	Kirkwall to Parkway (Cons) / Lisgar	0.006		0.006
29	Kirkwall to Parkway (TCPL)	0.006		0.006
30	Dawn to Dawn-Vector	0.006		0.006
31	Dawn to Dawn-TCPL	0.006		0.006
	<u>Authorized Overrun</u>			
	Firm transportation commodity charges:			
32	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.044	0.060	0.104
33	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.042	0.060	0.102
34	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.045	0.061	0.106
35	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.050	0.061	0.111
36	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.139	0.011	0.150
37	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.144	0.011	0.155
38	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.054	0.024	0.078
39	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.054	0.024	0.078
40	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.143	0.009	0.152
41	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.127	0.010	0.137
42	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.170	0.011	0.181
43	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.154	0.011	0.165
44	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.054	0.002	0.056
45	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.054	0.001	0.055
46	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.034 (1)	0.061	0.095 (1)
47	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.034 (1)	0.061	0.095 (1)
48	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.034 (1)	0.061	0.095 (1)
49	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.034 (1)	0.061	0.095 (1)
50	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.112 (1)	0.010	0.122 (1)
51	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.112 (1)	0.010	0.122 (1)
52	Kirkwall to Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.049 (1)	0.002	0.051 (1)
53	Kirkwall to Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.049 (1)	0.002	0.051 (1)
54	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.094 (1)	0.010	0.104 (1)
55	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.094 (1)	0.010	0.104 (1)
56	Dawn to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.112 (1)	0.010	0.122 (1)
57	Dawn to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	0.112 (1)	0.010	0.122 (1)
58	Kirkwall to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.018 (1)		0.018 (1)
59	Kirkwall to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	0.018 (1)		0.018 (1)
60	Dawn to Dawn-Vector - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.001 (1)		0.001 (1)
61	Dawn to Dawn-Vector - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.001 (1)		0.001 (1)
62	Dawn to Dawn-TCPL - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.005 (1)		0.005 (1)
63	Dawn to Dawn-TCPL - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.005 (1)		0.005 (1)

Notes:

(1) Plus shipper supplied fuel per rate schedule.

## APPENDIX B

### RATE 01A - SMALL VOLUME GENERAL FIRM SERVICE

#### ELIGIBILITY

Any customer in Union's North West and North East Zones who is an end user whose total gas requirements at that location are equal to or less than 50,000 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</u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 100 m <sup>3</sup> per month @	9.3875	9.3875
Next 200 m <sup>3</sup> per month @	9.1476	9.1476
Next 200 m <sup>3</sup> per month @	8.7683	8.7683
Next 500 m <sup>3</sup> per month @	8.4201	8.4201
Over 1,000 m <sup>3</sup> per month @	8.1324	8.1324
Delivery-Price Adjustment (All Volumes) (1)	1.2863	1.2863
<u>CAP-AND-TRADE CHARGES (in addition to Delivery Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181	3.3181
Cap-and-Trade Facility-Related Charge	0.0240	0.0240

#### Notes:

- (1) Includes a temporary charge of 1.2219 cents/m<sup>3</sup> expiring March 31, 2018, and a temporary charge of 0.0644 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.



Effective  
2018-01-01  
**Rate 01A**  
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## ADDITIONAL CHARGES FOR SALES SERVICE

### GAS SUPPLY CHARGES

#### Gas Supply Charge (if applicable)

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

#### 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:

Community Expansion Project  
Prince Township

SES Rate (¢ per m<sup>3</sup>)  
23.0000

SES Term Expiry  
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.
2. Customers must enter into a Service Agreement with Union prior to the commencement of service.
3. The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087

Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.



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2018-01-01  
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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</u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 1,000 m <sup>3</sup> per month @	7.9111	7.9111
Next 9,000 m <sup>3</sup> per month @	6.4255	6.4255
Next 20,000 m <sup>3</sup> per month @	5.7547	5.7547
Next 70,000 m <sup>3</sup> per month @	5.1955	5.1955
Over 100,000 m <sup>3</sup> per month @	3.0770	3.0770
Delivery-Price Adjustment (All Volumes) (1)	1.1261	1.1261
<u>CAP-AND-TRADE CHARGES (in addition to Delivery Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181	3.3181
Cap-and-Trade Facility-Related Charge	0.0240	0.0240

Notes:

- (1) Includes a temporary charge of 1.0857 cents/m<sup>3</sup> expiring March 31, 2018, and a temporary charge of 0.0404 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.



Effective  
2018-01-01  
**Rate 10**  
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#### ADDITIONAL CHARGES FOR SALES SERVICE

##### GAS SUPPLY CHARGES

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

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

###### 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:

Community Expansion Project  
Prince Township

SES Rate (¢ per m<sup>3</sup>)  
23.0000

SES Term Expiry  
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.

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087

Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.



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>	\$860.69
<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	28.6515
Monthly Demand Charge for all units over 70,000 m <sup>3</sup> of Contracted Daily Demand	16.8485
Commodity Charge for first 852,000 m <sup>3</sup> of gas volumes delivered	0.5403
Commodity Charge for all units over 852,000 m <sup>3</sup> of gas volumes delivered	0.3862
<u>CAP-AND-TRADE CHARGES</u> (in addition to Delivery Charges)	
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181
Cap-and-Trade Facility-Related Charge	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.

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.



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**Rate 20**  
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#### 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>	\$860.69	\$860.69
<u>DELIVERY CHARGES</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	2.4242	2.4242
<u>CAP-AND-TRADE CHARGES (in addition to Delivery Charges)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181	3.3181
Cap-and-Trade Facility-Related Charge	0.0240	0.0240

#### 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	\$226.76
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##### BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement (\$/GJ/Month)	\$20.569
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Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$/GJ/Month)	-
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Commodity Charge for each unit of gas withdrawn from storage (\$/GJ)	\$0.208
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Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ)	\$0.884
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The Authorized Overrun Commodity Charge is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

##### DIVERSION TRANSACTION CHARGE

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

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

## MINIMUM BILL

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

## DELAYED PAYMENT

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

## SERVICE AGREEMENT

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

## TERMS AND CONDITIONS OF SERVICE

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

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087

Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.



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**Rate 25**  
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## 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>	\$289.76
<u>DELIVERY CHARGES</u>	<u>cents per m<sup>3</sup></u>
A Delivery Price for all volumes delivered to the customer to be negotiated between Union and the customer and the average price during the period in which these rates remain in effect shall not exceed:	5.2529
<u>CAP-AND-TRADE CHARGES (in addition to Delivery Charges)</u>	
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181
Cap-and-Trade Facility-Related Charge	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.



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#### ADDITIONAL CHARGES FOR SALES SERVICE

##### Gas Supply Charge

As per applicable rate provided in Schedule "A".

##### Interruptible Service

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

#### **HEAT CONTENT ADJUSTMENT**

The gas supply commodity charges hereunder will be adjusted upwards or downwards as described below if the average total heating value of the gas per cubic metre (m<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 ZONES

##### MONTHLY TRANSPORTATION ACCOUNT CHARGE:

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

\$226.76

#### **THE BILL**

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

#### **MINIMUM BILL**

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

#### **DELAYED PAYMENT**

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

#### **SERVICE AGREEMENT**

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



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#### TERMS AND CONDITIONS OF SERVICE

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

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087

Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.

**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.

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087

Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.



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>	\$1,341.41
<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	15.0877
Commodity Charge for each unit of gas volumes delivered (cents/m <sup>3</sup> )	0.2200
<u>CAP-AND-TRADE CHARGES</u> (in addition to Delivery Charges)	
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181
Cap-and-Trade Facility-Related Charge	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.

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.

	Union <u>North West</u>	Union <u>North East</u>
<u>MONTHLY CHARGE</u>	\$1,341.41	\$1,341.41
<u>DELIVERY CHARGES (cents per m<sup>3</sup>)</u>		
Commodity Charge for each unit of gas volumes delivered	0.9286	0.9286
<u>CAP-AND-TRADE CHARGES (in addition to Delivery Charges)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181	3.3181
Cap-and-Trade Facility-Related Charge	0.0240	0.0240

### 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	\$226.76
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### BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement (\$/GJ/Month)	\$20.569
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Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$/GJ/Month)	-
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Commodity Charge for each unit of gas withdrawn from storage (\$/GJ)	\$0.208
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Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ)	\$0.884
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The Authorized Overrun Commodity Charge is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

### DIVERSION TRANSACTION CHARGE

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

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

**MINIMUM BILL**

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

**DELAYED PAYMENT**

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

**SERVICE AGREEMENT**

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

**TERMS AND CONDITIONS OF SERVICE**

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

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087

Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.



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Schedule "A"  
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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	2.2624	7.0010
Storage - Price Adjustment	0.0493 (1)	0.0787 (2)
Commodity and Fuel (3)	10.1878	13.9075
Commodity and Fuel - Price Adjustment (4)	0.2386	0.6533
Transportation	6.8566	3.0273
Transportation - Price Adjustment	0.7082 (5)	0.8886 (6)
Total Gas Supply Charge	<u>20.3029</u>	<u>25.5564</u>

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

Storage	1.7062	4.9800
Storage - Price Adjustment	0.0316 (7)	0.0502 (8)
Commodity and Fuel (3)	10.1878	13.9075
Commodity and Fuel - Price Adjustment (4)	0.2386	0.6533
Transportation	6.0030	2.7757
Transportation - Price Adjustment (6)	0.7845 (9)	0.9611 (10)
Total Gas Supply Charge	<u>18.9517</u>	<u>23.3278</u>

Notes:

- (1) Includes a temporary charge of 0.0493 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (2) Includes a temporary charge of 0.0787 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (3) The Commodity and Fuel rate includes a gas supply administration charge of 0.1893 cents/m<sup>3</sup>.
- (4) Prospective Recovery of gas supply deferral accounts, and a temporary credit of (0.0002) cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (5) Prospective Recovery of gas supply deferral accounts, a temporary charge of 0.7678 cents/m<sup>3</sup> expiring March 31, 2018, and a temporary charge of 0.0002 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (6) Prospective Recovery of gas supply deferral accounts, a temporary charge of 0.7678 cents/m<sup>3</sup> expiring March 31, 2018, and a temporary charge of 0.0067 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (7) Includes a temporary charge of 0.0316 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (8) Includes a temporary charge of 0.0502 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (9) Prospective Recovery of gas supply deferral accounts, and a temporary charge of 0.8439 cents/m<sup>3</sup> expiring March 31, 2018.
- (10) Prospective Recovery of gas supply deferral accounts, a temporary charge of 0.8439 cents/m<sup>3</sup> expiring March 31, 2018, and a temporary charge of 0.0027 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.



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Schedule "A"  
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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)	9.9157	13.5342
Commodity and Fuel - Price Adjustment (2)	0.2388	0.6535
Commodity Transportation - Charge 1	3.6204	2.6441
Transportation 1 - Price Adjustment (2)	(0.0449)	0.1290
Commodity Transportation - Charge 2	-	-
Monthly Gas Supply Demand	57.2390	50.8879
Gas Supply Demand - Price Adjustment	-	-
Commissioning and Decommissioning Rate	6.6241	5.5645

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

Commodity and Fuel (1)	9.9157	13.5342
Commodity and Fuel - Price Adjustment (2)	0.2388	0.6535
Commodity Transportation - Charge 1	6.3322	9.1957
Commodity Transportation - Charge 2	-	-
Monthly Gas Supply Demand	112.8323	160.7242
Commissioning and Decommissioning Rate	8.0132	11.4897

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) (3)

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 0.1893 cents/m<sup>3</sup>.
- (2) Prospective Recovery of gas supply deferral accounts.
- (3) Billing in energy (\$/GJ) will only apply to the Natural Gas Liquefaction Service.

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087

Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.

### SMALL VOLUME GENERAL SERVICE RATE

#### (A) Availability

Available to customers in Union's Southern Delivery Zone.

#### (B) Applicability

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

#### (C) Rates

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

a) Monthly Charge \$21.00

b) Delivery Charge

First	100 m <sup>3</sup>	5.0911	¢ per m <sup>3</sup>
Next	150 m <sup>3</sup>	4.8271	¢ per m <sup>3</sup>
All Over	250 m <sup>3</sup>	4.1448	¢ per m <sup>3</sup>

Delivery - Price Adjustment (All Volumes) (1) 0.5968 ¢ per m<sup>3</sup>

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

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

Cap-and-Trade Facility-Related Charge 0.0240 ¢ per m<sup>3</sup>

c) Storage Charge (if applicable) 0.7331 ¢ per m<sup>3</sup>

Storage - Price Adjustment (All Volumes) (2) 0.0039 ¢ 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, and a temporary charge of 0.0825 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.

(2) Includes a temporary charge of 0.0039 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.

#### (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.



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**(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	5.8242	¢ per m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge	0.0240	¢ per m <sup>3</sup>

**(H) Bundled Direct Purchase Delivery**

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

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

- 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	97.582
2	99.494	8	97.065
3	98.874	9	96.721
4	98.564	10	100.561
5	98.185	11	99.321
6	97.754	12	98.883

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087

Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.



### LARGE VOLUME GENERAL SERVICE RATE

#### (A) Availability

Available to customers in Union's Southern Delivery Zone.

#### (B) Applicability

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

#### (C) Rates

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

a) Monthly Charge \$70.00

b) Delivery Charge

First	1 000 m <sup>3</sup>	5.0630	¢ per m <sup>3</sup>
Next	6 000 m <sup>3</sup>	4.9670	¢ per m <sup>3</sup>
Next	13 000 m <sup>3</sup>	4.7855	¢ per m <sup>3</sup>
All Over	20 000 m <sup>3</sup>	4.4347	¢ per m <sup>3</sup>

Delivery – Price Adjustment (All Volumes) (1) 0.4217 ¢ per m<sup>3</sup>

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

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

Cap-and-Trade Facility-Related Charge 0.0240 ¢ per m<sup>3</sup>

c) Storage Charge (if applicable) 0.6483 ¢ per m<sup>3</sup>

Storage - Price Adjustment (All Volumes) (2) 0.0049 ¢ 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, and a temporary charge of 0.0854 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.

(2) Includes a temporary charge of 0.0049 cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.

#### (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.



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**(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	5.7113	¢ 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)	3.3181	¢ per m <sup>3</sup>
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Cap-and-Trade Facility-Related Charge	0.0240	¢ per m <sup>3</sup>
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**(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	97.582
2	99.494	8	97.065
3	98.874	9	96.721
4	98.564	10	100.561
5	98.185	11	99.321
6	97.754	12	98.883

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087

Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.



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FIRM INDUSTRIAL AND COMMERCIAL CONTRACT RATE

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

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

**(C) Rates**

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

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

(i) A Monthly Demand Charge

First	8 450 m <sup>3</sup> of daily contracted demand	61.7447	¢ per m <sup>3</sup>
Next	19 700 m <sup>3</sup> of daily contracted demand	27.6848	¢ per m <sup>3</sup>
All Over	28 150 m <sup>3</sup> of daily contracted demand	23.2590	¢ per m <sup>3</sup>

(ii) A Monthly Delivery Commodity Charge

First 422 250 m <sup>3</sup> delivered per month	1.5591	¢ per m <sup>3</sup>
Next volume equal to 15 days use of daily contracted demand	1.5591	¢ per m <sup>3</sup>
For remainder of volumes delivered in the month	0.5996	¢ 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)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge	0.0240	¢ per m <sup>3</sup>

(iii) Gas Supply Charge (if applicable)

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

2. Overrun Charge

Authorized overrun gas is available provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization. Overrun means gas taken on any day in excess of 103% of contracted daily demand. Authorized overrun will be available April 1 through October 31 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	3.5891	¢ per m <sup>3</sup>
Unauthorized Overrun Delivery Charge	5.8242	¢ per m <sup>3</sup>

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

Cap-and-Trade Customer-Related Charge (if applicable)	3.3181	¢ per m <sup>3</sup>
Authorized Cap-and-Trade Facility-Related Charge	0.0240	¢ per m <sup>3</sup>
Unauthorized Cap-and-Trade Facility-Related Charge	0.0240	¢ per 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	1.7484	¢ per m <sup>3</sup>
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In the event that the contract period exceeds one year the annual minimum volume will be prorated for any part year.

### 4. Interruptible Service

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

##### Daily Contracted Demand Level (CD)

2 400 m <sup>3</sup> ≤ CD < 17 000 m <sup>3</sup>	3.0363	¢ per m <sup>3</sup>
17 000 m <sup>3</sup> ≤ CD < 30 000 m <sup>3</sup>	2.9064	¢ per m <sup>3</sup>
30 000 m <sup>3</sup> ≤ CD < 50 000 m <sup>3</sup>	2.8381	¢ per m <sup>3</sup>
50 000 m <sup>3</sup> ≤ CD ≤ 60 000 m <sup>3</sup>	2.7902	¢ 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)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge	0.0240	¢ per m <sup>3</sup>

#### (ii) Days Use of Interruptible Contract Demand

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

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

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

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

(iv) Monthly Charge	\$644.34	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	3.2256	¢ per m <sup>3</sup>
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- c) Overrun gas is available without penalty provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization. Overrun means gas taken on any day in excess of 105% of contracted daily demand.

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

Unauthorized Overrun Delivery Charge	5.8242	¢ 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)	3.3181	¢ per m <sup>3</sup>
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Cap-and-Trade Facility-Related Charge	0.0240	¢ per m <sup>3</sup>
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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 233.7000 ¢ 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.

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087

Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.

## 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

##### Daily Contracted Demand Level (CD)

2 400 m <sup>3</sup> ≤ CD < 17 000 m <sup>3</sup>	3.0363	¢ per m <sup>3</sup>
17 000 m <sup>3</sup> ≤ CD < 30 000 m <sup>3</sup>	2.9064	¢ per m <sup>3</sup>
30 000 m <sup>3</sup> ≤ CD < 50 000 m <sup>3</sup>	2.8381	¢ per m <sup>3</sup>
50 000 m <sup>3</sup> ≤ CD ≤ 60 000 m <sup>3</sup>	2.7902	¢ 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)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge	0.0240	¢ per m <sup>3</sup>

#### (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	0.00212	¢ 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	\$644.34	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	3.2256	¢ per m <sup>3</sup>
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3. Overrun gas is available without penalty provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization. Overrun means gas taken on any day in excess of 105% of contracted daily demand.

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

Unauthorized Overrun Delivery Charge	5.8242	¢ 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)	3.3181	¢ per m <sup>3</sup>
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Cap-and-Trade Facility-Related Charge	0.0240	¢ per m <sup>3</sup>
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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 233.7000 ¢ 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 34.4858 ¢ 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 34.4858 ¢ 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.

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087

Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.

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	34.6517 ¢ per m <sup>3</sup>
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(ii) A Monthly Delivery Commodity Charge

(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of	0.3539 ¢ 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	6.4501 ¢ 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	6.2060 ¢ 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)	3.3181 ¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge	0.0240 ¢ per m <sup>3</sup>

(iii) Gas Supply Charge (if applicable)

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

(iv) Overrun Gas

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

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

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

Cap-and-Trade Customer-Related Charge (if applicable)	3.3181 ¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge	0.0240 ¢ per 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 233.7000 ¢ 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	4.6213	¢ 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)	3.3181	¢ per m <sup>3</sup>
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Cap-and-Trade Facility-Related Charge	0.0240	¢ per m <sup>3</sup>
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5. Either the utility or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.

**(D) Delayed Payment**

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

**(E) Direct Purchase**

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

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

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

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087

Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.

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. | 23.5428 ¢ per m <sup>3</sup>                          |
| (ii) A Delivery Commodity Charge for gas delivered of<br>and a Delivery - Price Adjustment of  | 0.1723 ¢ per m <sup>3</sup><br>- ¢ per m <sup>3</sup> |
| <u>Cap-and-Trade Charges (in addition to Delivery Commodity Charge)</u><br>Cap-and-Trade Facility-Related Charge   | 0.0240 ¢ 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".

**(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	0.9463 ¢ per m <sup>3</sup>
Unauthorized Overrun Delivery Charge	36.0000 ¢ per m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>	
Cap-and-Trade Facility-Related Charge	0.0240 ¢ per 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 7.1728 ¢ per m<sup>3</sup>

Cap-and-Trade Charges (in addition to Delivery Commodity Charge)  
Cap-and-Trade Facility-Related Charge 0.0240 ¢ per 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 5.8242 ¢ per m<sup>3</sup>

Cap-and-Trade Charges (in addition to Delivery Charge)  
Cap-and-Trade Facility-Related Charge 0.0240 ¢ per 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.

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087

Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.

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		
b) Firm Backstop Gas Applied to the contracted Firm Backstop Gas Supply Service	\$1.523	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$3.974
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$5.000
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		\$2.829
f) Short Term Storage / Balancing Service (2)  Maximum		\$6.000
g) Discretionary Gas Supply Service ("DGSS")		Note (3)
h) Parkway Delivery Commitment Incentive ("PDCI")		\$(0.156)



Effective  
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Notes:

(1) The charge for banked gas purchases shall be the higher of the daily spot cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.

(2) Short Term Storage / Balancing Service is:

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

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

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

(3) Discretionary Gas Supply Service price reflects the "back-to-back" price plus gas supply administration charge.

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087

Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.

STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS

**(A) Availability**

Available to customers in Union's Southern Delivery Zone.

**(B) Applicability**

To a customer:

- a) whose qualifying annual transportation volume for combined firm and interruptible service is at least 2 500 000 m<sup>3</sup> or greater and has a daily firm contracted demand up to 140,870 m<sup>3</sup>; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for use at facilities located within Union's gas franchise area; and
- c) who has meters with electronic recording at each Point of Consumption; and
- d) who has site specific energy measuring equipment that will be used in determining energy balances; and
- e) for whom Union has determined transportation and/or storage capacity is available.

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

**(C) Rates**

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

**STORAGE SERVICE:**

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right				
Union provides deliverability Inventory	\$1.455			
Customer provides deliverability Inventory (4)	\$1.184			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.184			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.184			



Effective  
2018-01-01  
Rate T1  
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		For Customers Providing Their Own Compressor Fuel		
	<u>Demand Charge Rate/GJ/mo</u>	<u>Commodity Charge Rate/GJ</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	0.408%	\$0.008
f)	Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity	\$0.022	0.408%	\$0.008
g)	Short Term Storage / Balancing Service Maximum	\$6.000		

Notes:

1. Demand charges for Annual Services are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.
2. Annual Firm Injection Rights are equal to 100% of their respective Annual Firm Withdrawal Rights. Injection Rights in excess of the Annual Firm Injection Rights will be charged at the Incremental Firm Injection Right.
3. Annual Firm Storage Space

The maximum storage space available to a customer at the rates specified herein is determined by one of the following storage allocation methodologies:

3.1 Aggregate Excess

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

3.2 Obligated daily contract quantity multiple of 15

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

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

4. Annual Injection/Withdrawal Right

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

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

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

5. Additional storage space or deliverability, in excess of the allocated entitlements per Notes 3 and 4, may be available at market prices.
6. Storage Space and Withdrawal Rights are not assignable to any other party without the prior written consent of Union.



7. Deliverability Inventory being defined as 20% of annual storage space.
8. Short Term Storage / Balancing Service is:
- i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, or
  - ii) short-term firm deliverability, or
  - iii) a component of an operational balancing service offered.

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

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

#### TRANSPORTATION CHARGES:

	Demand Charge	Union Providing Compressor Fuel Commodity Charge	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio (5)	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	40.5921 ¢			
Next 112,720 m <sup>3</sup> per month	28.0445 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption Commodity Charge (All volumes)		0.1552 ¢	0.323%	0.1109 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum		6.4501 ¢	0.323%	6.4058 ¢
<u>Cap-and-Trade Charges (in addition to Transportation Commodity Charge)</u>				
Cap-and-Trade Customer-Related Charge (if applicable)		3.3181 ¢		3.3181 ¢
Cap-and-Trade Facility-Related Charge		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.

**SUPPLEMENTAL CHARGES:**

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

Notes:

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

**OVERRUN SERVICE:**
**1. Annual Storage Space**

## Authorized

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

## Unauthorized

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

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

**2. Injection, Withdrawals and Transportation**

## Authorized

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

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

	<u>Firm or Interruptible Service</u>		
	<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	\$0.087/GJ	0.881%	\$0.056/GJ
Storage Withdrawals	\$0.087/GJ	0.881%	\$0.056/GJ
Transportation	1.4897 ¢/m <sup>3</sup>	0.323%	1.4454 ¢/m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>			
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181 ¢/m <sup>3</sup>		3.3181 ¢/m <sup>3</sup>
Cap-and-Trade Facility-Related Charge	0.0240 ¢/m <sup>3</sup>		0.0240 ¢/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	\$1.495	per GJ
Unauthorized Overrun Transportation Charge	5.8242	¢ per m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge	0.0240	¢ per 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 233.7000 ¢ 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	\$1,896.28
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##### 2. Diversion of Gas

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

##### 3. Delivery Obligations

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.

Rate/GJ

PDCI

\$(0.156)

**(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:**

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.455			
Customer provides deliverability Inventory (4)	\$1.184			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.184			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.184			

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u> Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.022	0.408%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.022	0.408%	\$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		\$0.087	0.881%	\$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:

	Demand Charge	Union Providing Compressor Fuel Commodity Charge	For Customers Providing Their Own Compressor Fuel Fuel Ratio (5)	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 Demand Applied to the Firm Daily Contract Demand First 140,870 m <sup>3</sup> per month All over 140,870 m <sup>3</sup> per month	32.0198 ¢ 16.9369 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption Commodity Charge (All volumes)		0.0671 ¢	0.295%	0.0266 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum		6.4501 ¢	0.295%	6.4096 ¢
<u>Cap-and-Trade Charges (in addition to Transportation Commodity Charge)</u>				
Cap-and-Trade Customer-Related Charge (if applicable)		3.3181 ¢		3.3181 ¢
Cap-and-Trade Facility-Related Charge		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.

**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	\$0.087/GJ	0.881%	\$0.056/GJ
Storage Withdrawals	\$0.087/GJ	0.881%	\$0.056/GJ
Transportation	1.1198 ¢/m <sup>3</sup>	0.295%	1.0793 ¢/m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>			
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181 ¢/m <sup>3</sup>		3.3181 ¢/m <sup>3</sup>
Cap-and-Trade Facility-Related Charge	0.0240 ¢/m <sup>3</sup>		0.0240 ¢/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	\$1.495	per GJ
Unauthorized Overrun Transportation Charge	5.8242	¢ per m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181	¢ per m <sup>3</sup>
Cap-and-Trade Facility-Related Charge	0.0240	¢ per 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 233.7000 ¢ 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	\$5,440.88
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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.

Rate/GJ

PDCI

\$(0.156)

**(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>	<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	\$1.455			
Customer provides deliverability Inventory (4)	\$1.184			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.184			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.184			
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.022	0.408%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.022	0.408%	\$0.008
g) Short Term Storage / Balancing Service Maximum		\$6.000		

Notes:

1. Demand charges for Annual Services are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.
2. Annual Firm Injection Rights are equal to 100% of their respective Annual Firm Withdrawal Rights. Injection Rights in excess of the Annual Firm Injection Rights will be charged at the Incremental Firm Injection Right.
3. Annual Firm Storage Space

The maximum storage space available to a customer at the rates specified herein is determined by one of the following storage allocation methodologies:

#### 3.1 Aggregate Excess

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

#### 3.2 Obligated daily contract quantity multiple of 15

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

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

#### 4. Annual Injection/Withdrawal Right

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

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

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

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

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

**TRANSPORTATION CHARGES:**

	Demand Charge	Union Providing Compressor Fuel Commodity Charge	For Customers Providing Their Own Compressor Fuel Fuel Ratio	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 Demand Applied to the Firm Daily Contract Demand	17.9898 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the Customer's Point(s) of Redelivery		0.1232 ¢	0.412%	0.0667 ¢
<u>Cap-and-Trade Charges (in addition to Transportation Commodity Charge)</u> Cap-and-Trade Facility-Related Charge		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.

**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 Commodity Charge	For Customers Providing Their Own Compressor Fuel Fuel Ratio	Commodity Charge
Storage Injections	\$0.087/GJ	0.881%	\$0.056/GJ
Storage Withdrawals	\$0.087/GJ	0.881%	\$0.056/GJ
Transportation	0.7146 ¢/m <sup>3</sup>	0.412%	0.6581 ¢/m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>			
Cap-and-Trade Facility-Related Charge	0.0240 ¢/m <sup>3</sup>		0.0240 ¢/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	\$9.243	per GJ
Unauthorized Overrun Transportation Charge	36.0000	¢ per m <sup>3</sup>
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>		
Cap-and-Trade Facility-Related Charge	0.0240	¢ per m <sup>3</sup>

## 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	\$ 19,843.96
NRG	\$ 3,046.25
Six Nations	\$ 1,015.42

If a customer combines Sales Service with Contract Carriage Service, the monthly charge will be prorated such that the customer will under both services pay no more than the above monthly charge.

### 2. Diversion of Gas

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

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

### 4. Parkway Delivery Commitment Incentive ("PDCI")

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.	<u>Rate/GJ</u>
PDCI	\$(0.156)

### (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  
2018-01-01  
Schedule "A"

Gas Supply Charges

(A) Availability:

Available to customers in Union's Southern Delivery Zone.

(B) Applicability:

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

(C) Rates:

cents / m<sup>3</sup>

Utility Sales

Commodity and Fuel	13.6251 (1)
Commodity and Fuel - Price Adjustment	2.2891 (2)
Transportation	-
Total Gas Supply Commodity Charge	<u>15.9142</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	0.1893
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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	1.523
Commodity charges:	
Gas supply	3.522
Backstop gas	3.974
Reasonable Efforts Backstop Gas	5.000
Supplemental Inventory	Note (3)
Supplemental Gas Sales Service (cents / m <sup>3</sup> )	16.7277
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.829
Discretionary Gas Supply Service (DGSS)	Note (4)

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1893 cents/m<sup>3</sup>.
- (2) Prospective Recovery of gas supply deferral accounts, a temporary charge of 0.2371 cents/m<sup>3</sup> expiring March 31, 2018, and a temporary credit of (0.0002) cents/m<sup>3</sup> for the period February 1, 2018 to December 31, 2018.
- (3) The charge for banked gas purchases shall be the higher of the daily spot gas cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.
- (4) Reflects the "back to back" price plus a gas supply administration charge.

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087

Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.



Effective  
2018-01-01  
**Rate U2**  
Page 1 of 3

## 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		0.408%	\$0.026
c) Withdrawal Commodity		0.408%	\$0.026
ii) Standard Peaking Service (SPS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.114		
b) Injection Commodity		0.408%	\$0.026
c) Withdrawal Commodity		0.881%	\$0.026
iii) Supplemental Service			
a) Incremental Firm Injection Right: (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$1.028		



Effective  
2018-01-01  
Rate U2  
Page 2 of 3

	<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	\$1.028		
c) Short Term Storage / Balancing Service - Maximum			\$6.000

Notes:

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

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

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

5. Union's ability to offer incremental injection and withdrawal rights is subject to annual asset availability.

**OVERRUN SERVICE**

**1. Injection and Withdrawal**

<u>Authorized</u>	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	0.881%	\$0.060
Withdrawal	0.881%	\$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

\$(0.156)

**(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) <u>Rate/GJ</u>	<u>Fuel and Commodity Charges</u>		
		<u>Union Supplied Fuel</u> Fuel and Commodity Charge <u>Rate/GJ</u>	<u>Shipper Supplied Fuel</u> Fuel Ratio % <u>AND</u> Commodity Charge <u>Rate/GJ</u>	
<u>Firm Transportation (1), (5)</u>				
Dawn to Parkway	\$3.716	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	\$3.154			
Kirkwall to Parkway	\$0.561			
<u>M12-X Firm Transportation</u>				
Between Dawn, Kirkwall and Parkway	\$4.590	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	
<u>Limited Firm/Interruptible Transportation (1)</u>				
Dawn to Parkway – Maximum	\$8.918	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	\$8.918			
Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar (2)	n/a			
		n/a	0.158%	
<u>Cap-and-Trade Facility-Related Charges (applied to all quantities transported)</u>				
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.

**Fuel and Commodity Charges**

	Union Supplied Fuel	Shipper Supplied Fuel	
	Fuel and Commodity Charge Rate/GJ	Fuel Ratio %	Commodity Charge Rate/GJ
<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".	\$0.122
Dawn to Kirkwall			\$0.104
Kirkwall to Parkway			\$0.018
Parkway (TCPL) Overrun (4)	n/a	0.721%	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".	\$0.151
<b><u>Cap-and-Trade Facility-Related Charges (applied to all quantities transported)</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.

#### (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.

$$YCR = \sum_{1}^{4} [(0.001580 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [0.001580 \times (QT1 + Q3)) + (DWFxQT1) + F_{WT}] \text{ For Oct. 1 to May 31}$$

$$YCRR = \sum_{1}^{4} [(0.001580 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}]xR \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [(0.001580 \times (QT1 + QT3)) + (DWFxQT1) + F_{WT}]xR \text{ For Oct. 1 to May 31}$$

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<sub>ST</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 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);

## **SCHEDULE "A"**

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

### **II. GAS QUALITY**

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

## **SCHEDULE "A"**

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

### **III. MEASUREMENTS**

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (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

## **SCHEDULE "A"**

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

### **X. ARBITRATION**

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

### **XI. FORCE MAJEURE**

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

## **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.

**SCHEDULE "C"****UNION GAS LIMITED****M12 Monthly Transportation Fuel Ratios and Fuel Rates**

Firm or Interruptible Transportation Commodity

Effective January 1, 2018

Month	VT1 Easterly Dawn to Parkway (TCPL), Parkway (EGT) With Dawn Compression		VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression		M12-X Westerly Kirkwall to Dawn	
	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	0.879	0.031	0.546	0.019	0.158	0.006
May	0.626	0.022	0.373	0.013	0.158	0.006
June	0.523	0.018	0.275	0.010	0.158	0.006
July	0.508	0.018	0.262	0.009	0.158	0.006
August	0.405	0.014	0.159	0.006	0.158	0.006
September	0.401	0.014	0.159	0.006	0.158	0.006
October	0.750	0.026	0.461	0.016	0.158	0.006
November	0.894	0.031	0.624	0.022	0.158	0.006
December	1.012	0.036	0.743	0.026	0.158	0.006
January	1.166	0.041	0.882	0.031	0.158	0.006
February	1.107	0.039	0.831	0.029	0.158	0.006
March	1.033	0.036	0.742	0.026	0.158	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	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	0.491	0.017	0.158	0.006	0.301	0.011
May	0.411	0.014	0.158	0.006	0.301	0.011
June	0.406	0.014	0.158	0.006	0.301	0.011
July	0.404	0.014	0.158	0.006	0.301	0.011
August	0.404	0.014	0.158	0.006	0.301	0.011
September	0.400	0.014	0.158	0.006	0.301	0.011
October	0.448	0.016	0.158	0.006	0.301	0.011
November	0.427	0.015	0.158	0.006	0.158	0.006
December	0.428	0.015	0.158	0.006	0.158	0.006
January	0.442	0.016	0.158	0.006	0.158	0.006
February	0.434	0.015	0.158	0.006	0.158	0.006
March	0.449	0.016	0.158	0.006	0.158	0.006



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

Firm or Interruptible Transportation Commodity

Effective January 1, 2018

Month	VT1 Easterly Dawn to Parkway (TCPL), Parkway (EGT) With Dawn Compression		VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression		M12-X Westerly Kirkwall to Dawn	
	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	1.499	0.175	1.166	0.163	0.778	0.178
May	1.246	0.166	0.993	0.157	0.778	0.178
June	1.143	0.162	0.895	0.154	0.778	0.178
July	1.128	0.162	0.882	0.153	0.778	0.178
August	1.025	0.158	0.779	0.150	0.778	0.178
September	1.021	0.158	0.779	0.150	0.778	0.178
October	1.371	0.170	1.081	0.160	0.778	0.178
November	1.514	0.175	1.244	0.166	0.778	0.178
December	1.632	0.180	1.363	0.170	0.778	0.178
January	1.786	0.185	1.502	0.175	0.778	0.178
February	1.727	0.183	1.451	0.173	0.778	0.178
March	1.653	0.180	1.362	0.170	0.778	0.178

  

Month	M12-X Easterly Kirkwall to Parkway (TCPL), Parkway (EGT)		M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)		M12-X Westerly Parkway to Kirkwall, Dawn	
	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate	Fuel Ratio	Fuel Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	1.111	0.190	0.778	0.178	0.921	0.183
May	1.031	0.187	0.778	0.178	0.921	0.183
June	1.026	0.187	0.778	0.178	0.921	0.183
July	1.024	0.187	0.778	0.178	0.921	0.183
August	1.024	0.187	0.778	0.178	0.921	0.183
September	1.020	0.187	0.778	0.178	0.921	0.183
October	1.068	0.189	0.778	0.178	0.921	0.183
November	1.047	0.188	0.778	0.178	0.778	0.178
December	1.048	0.188	0.778	0.178	0.778	0.178
January	1.062	0.188	0.778	0.178	0.778	0.178
February	1.054	0.188	0.778	0.178	0.778	0.178
March	1.069	0.189	0.778	0.178	0.778	0.178

**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 Fuel and Commodity Charge <u>Rate/GJ</u>	Shipper Supplied Fuel Fuel Ratio % <u>AND</u> Commodity Charge <u>Rate/GJ</u>
1. Monthly fixed charge per Customer Station	\$957.58			
2. Transmission Commodity Charge		\$0.035		
3. Delivery Commodity Charge			\$0.006	0.158%
4. Cap-and-Trade Facility-Related Charge (applied to all quantities transported)			\$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 Fuel and Commodity Charge <u>Rate/GJ</u>	Shipper Supplied Fuel Fuel Ratio % <u>AND</u> Commodity Charge <u>Rate/GJ</u>
Authorized Overrun Charge	\$0.135	0.158% \$0.130
Cap-and-Trade Facility-Related Charge (applied to all quantities transported)	\$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.

**(C) Terms of Service**

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

Effective January 1, 2018  
Implemented February 1, 2018  
O.E.B. Order # EB-2017-0087  
Chatham, Ontario

Supersedes EB-2017-0351 Rate Schedule effective January 1, 2018.

**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)	\$1,523.40
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Transmission Commodity Charge to Dawn (\$ per GJ)	\$0.035
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Transportation Fuel:	Customers located East of Dawn	Customers located West of Dawn
Fuel Charges to Dawn		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.006	\$0.006
Fuel Ratio - Shipper supplied fuel (%)	0.158%	0.158%
Fuel Charges to the Pool		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.006	\$0.016
Fuel Ratio - Shipper supplied fuel (%)	0.185%	0.449%

b) Firm Transportation Demand Charges: (2)

Monthly Demand Charge applied to contract demand (\$ per GJ)	\$0.774	\$2.888
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c) Cap-and-Trade Facility-Related Charges (applied to all quantities transported):

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:		
Charges to Dawn		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.066	\$0.135
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.060	\$0.130
Fuel Ratio - Shipper supplied fuel (%)	0.158%	0.158%
Charges to the Pool		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.032	\$0.111
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.025	\$0.095
Fuel Ratio - Shipper supplied fuel (%)	0.185%	0.449%
Cap-and-Trade Facility-Related Charges (applied to all quantities transported):		
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.

**(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.

## **SCHEDULE "A"**

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

#### **I. DEFINITIONS**

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

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

## **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;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"TCPL" means TransCanada PipeLines Limited;

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

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

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

## **II. GAS QUALITY**

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

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

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

3. **Non-conforming Gas:**

- a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.
- b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.
- c. With respect to Article II 2. h. herein, Union may accept the gas subject to Shipper's obligations under the Dehydration Contract, if applicable.

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

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

6. **Odourization of Gas:**

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

**III. MEASUREMENTS**

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

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

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

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

**IV. RECEIPT POINT AND DELIVERY POINT**

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

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

- 1. 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

## SCHEDULE "A 2013"

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

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

## **XII. DEFAULT AND TERMINATION**

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make

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

**XIII. AMENDMENT**

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

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

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

**XV. LAWS, REGULATIONS AND ORDERS**

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

**XVI. RESERVED FOR FUTURE USE**

N/A

**XVII. RENEWALS**

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

**XVIII. SERVICE CURTAILMENT**

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

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

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

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

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

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

**XX. MISCELLANEOUS PROVISIONS**

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

**XXI. PRECONDITIONS TO TRANSPORTATION SERVICES**

1. Union Conditions: The obligations of Union to provide Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Contract:
  - a. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Services; and,
  - b. Union shall have obtained all internal approvals that are necessary or appropriate to provide the Services; and,
  - c. Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of the Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by Union; and,
  - d. Shipper and Union shall have entered into the Interruptible Service HUB Contract or equivalent (the "**Facilitating Agreement**") with Union; and,
  - e. Shipper shall have paid any amounts owing pursuant to Schedule 1 Aid to Construction; and,
  - f. With regard to the Union Expansion Facilities:
    - i. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations required to construct the Union Expansion Facilities;
    - ii. Union shall have obtained all internal approvals that are necessary or appropriate to construct the Union Expansion Facilities;
    - iii. Union shall have completed and placed into service the Union Expansion Facilities; and,
  - g. Shipper shall, at Shipper's own cost and expense, have obtained a registered lease or freehold ownership in Union's favour for the Union Expansion Facilities located at the Pool Station satisfactory to Union and sufficient to provide Union with free uninterrupted access to, from, under and above the Pool Station for a term (and extended terms) identical to the Contract, plus sixty (60) days (such land rights being referred to as the "**Pool Station Land Rights**"), and shall provide Union with a bona fide copy of such agreements prior to Union commencing the construction of the Union Expansion Facilities.
2. Shipper Conditions: The obligations of Shipper hereunder are subject to the following conditions precedent, which are for the sole benefit of Shipper and which may be waived or extended in whole or in part in the manner provided in the Contract:
  - a. Shipper shall, as required, have entered into the necessary contracts with Union and/or others to facilitate the Services contemplated herein, including contracts for upstream and downstream transportation, and shall specifically have an executed and valid Facilitating Agreement; and shall, as required, have entered into the necessary contracts to purchase the gas quantities handled under the Contract; and,
  - b. Shipper shall have obtained, in form and substance satisfactory to Shipper, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required from federal, state, or provincial authorities for the gas quantities handled under the Contract; and,

- c. Shipper shall have obtained all internal approvals that are necessary or appropriate for the Shipper to execute the Contract.
3. Satisfaction of Conditions: Union and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in this Article XXI Section 1 a, c, d, e, f i., f iii., and g and Section 2 a and b. Each party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such party's benefit. If a party concludes that it will not be able to satisfy a condition precedent that is for its benefit, such party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations thereunder.
4. Non-Satisfaction of Conditions: If any of the conditions precedent in this Article XXI Section 1 c or Section 2 are not satisfied or waived by the party entitled to the benefit of that condition by the Conditions Date as such term is defined in the Contract, then either party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder, provided that any rights or remedies that a party may have for breaches of the Contract prior to such termination and any liability a party may have incurred before such termination shall not thereby be released.

### CROSS FRANCHISE TRANSPORTATION RATES

#### (A) Applicability

To a Shipper who enters into a Contract with Union for delivery by Shipper of gas to Union at one of Union's points listed below for redelivery by Union to Shipper at one of Union's points.

<u>Applicable Points</u>	(1)	(2)
	Ojibway	WDA
	St. Clair	NDA
	Dawn*	SSMDA
	Parkway	SWDA
	Kirkwall	CDA
	Bluewater	EDA

\*Dawn as a receipt point: Dawn (TCPL), Dawn (Facilities), Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE).

\*Dawn as a delivery point: Dawn (Facilities).

#### (B) Services

Transportation Service under this rate schedule is transportation on Union's pipeline facilities between any two Points as specified in Section (A), column 1.

#### (C) Rates

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

##### Transportation Service (1):

	Monthly Demand Charges (applied to daily contract demand) <u>Rate/GJ</u>	<u>Fuel and Commodity Charges</u>					
		<u>Union Supplied Fuel</u>		<u>Shipper Supplied Fuel</u>			<u>Commodity Charge Rate/GJ</u>
		<u>Fuel and Commodity Charge</u>		<u>Fuel Ratio</u>		<u>AND</u>	
		<u>Apr.1-Oct.31 Rate/GJ</u>	<u>Nov.1-Mar.31 Rate/GJ</u>	<u>Apr.1-Oct.31 %</u>	<u>Nov.1-Mar.31 %</u>		
a) Firm Transportation							
Between:							
St.Clair & Dawn	\$2.888	\$0.007	\$0.009	0.208%	0.267%		
Ojibway & Dawn	\$2.888	\$0.016	\$0.011	0.449%	0.305%		
Bluewater & Dawn	\$2.888	\$0.007	\$0.009	0.208%	0.267%		
From:							
Parkway to Kirkwall	\$0.874	\$0.011	\$0.006	0.301%	0.158%		
Parkway to Dawn	\$0.874	\$0.011	\$0.006	0.301%	0.158%		
Kirkwall to Dawn	\$1.542	\$0.006	\$0.006	0.158%	0.158%		
Dawn to Kirkwall	\$3.154	\$0.011	\$0.027	0.319%	0.764%		
Dawn to Parkway	\$3.716	\$0.021	\$0.037	0.585%	1.042%		
Kirkwall to Parkway	\$0.561	\$0.015	\$0.015	0.423%	0.436%		
b) Firm Transportation between two points within Dawn							
Dawn to Dawn-Vector	\$0.030	n/a	n/a	0.341%	0.158%		
Dawn to Dawn-TCPL	\$0.139	n/a	n/a	0.158%	0.353%		
c) Interruptible Transportation between two points within Dawn*							
*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)				0.158%	0.158%		
d) Interruptible and Short Term (1 year or less) Firm Transportation:		\$75.00					



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(C) Rates (Cont'd)

	Fuel and Commodity Charges					
	Union Supplied Fuel		Shipper Supplied Fuel			
	Fuel and Commodity Charge		Fuel Ratio		Commodity	
	Apr.1-Oct.31	Nov.1-Mar.31	Apr.1-Oct.31	Nov.1-Mar.31	AND	Charge
	<u>Rate/GJ</u>	<u>Rate/GJ</u>	<u>%</u>	<u>%</u>	<u>AND</u>	<u>Rate/GJ</u>
e) Cap-and-Trade Facility-Related Charges (applied to all quantities transported):						
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		Fuel Ratio		Commodity	
	Apr.1-Oct.31	Nov.1-Mar.31	Apr.1-Oct.31	Nov.1-Mar.31	AND	Charge
	<u>Rate/GJ</u>	<u>Rate/GJ</u>	<u>%</u>	<u>%</u>	<u>AND</u>	<u>Rate/GJ</u>
a) Firm Transportation						
Between:						
St.Clair & Dawn	\$0.102	\$0.104	0.208%	0.267%		\$0.095
Ojibway & Dawn	\$0.111	\$0.106	0.449%	0.305%		\$0.095
Bluewater & Dawn	\$0.102	\$0.104	0.208%	0.267%		\$0.095
From:						
Parkway to Kirkwall	\$0.155	\$0.150	0.921%	0.778%		\$0.122
Parkway to Dawn	\$0.155	\$0.150	0.921%	0.778%		\$0.122
Kirkwall to Dawn	\$0.078	\$0.078	0.778%	0.778%		\$0.051
Dawn to Kirkwall	\$0.137	\$0.152	0.939%	1.384%		\$0.104
Dawn to Parkway	\$0.165	\$0.181	1.205%	1.662%		\$0.122
Kirkwall to Parkway	\$0.055	\$0.056	1.043%	1.056%		\$0.018
b) Firm Transportation within Dawn						
Dawn to Dawn-Vector	n/a	n/a	0.341%	0.158%		\$0.001
Dawn to Dawn-TCPL	n/a	n/a	0.158%	0.353%		\$0.005
c) Cap-and-Trade Facility-Related Charges (applied to all quantities transported):						
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.

**(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);

## **SCHEDULE "A"**

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

## **II. GAS QUALITY**

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

## **SCHEDULE "A"**

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

### **III. MEASUREMENTS**

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (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**

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

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

## **VII. MEASURING EQUIPMENT**

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

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

### **VIII. BILLING**

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

### **IX. PAYMENTS**

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (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 thereof, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

**XI. FORCE MAJEURE**

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

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

## **XII. DEFAULT AND TERMINATION**

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

## **XIII. MODIFICATION**

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

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

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**XV. LAWS, REGULATIONS AND ORDERS**

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

**RATE C1  
GENERAL TERMS & CONDITIONS**

**I. DEFINITIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**"gross heating value"** shall mean the total heat expressed in megajoules per cubic metre (MJ/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



## **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.

**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.

## APPENDIX C

UNION GAS LIMITED  
Infranchise Customers  
Summary of Average Interruptible Rate and Price Adjustment Changes for Rates 25, M4, M5A, M7, T1 and T2  
Effective January 1, 2018

Line No.	Particulars (cents / m <sup>3</sup> )	Monthly Charge Increase / (Decrease) (a)	Delivery Commodity Charge Increase / (Decrease) (b)	Delivery - Price Adjustment Increase / (Decrease) (c)	Cap-and-Trade Charges Increase / (Decrease) (d)	Gas Commodity Price Adjustment Rate (1) (e)
	Cap-and-Trade Charges (2)					
1	Cap-and-Trade Customer-Related Charge				-	
2	Cap-and-Trade Facility-Related Charge				-	
3	Rate 25 All Zones	(\$16.99)	(0.0026)			(0.2720)
4	Rate M4 Interruptible	(\$9.81)	0.0754			
5	Rate M5A Interruptible	(\$9.81)	0.0754			
6	Rate M7 Interruptible		0.0353			
7	Seasonal		0.0353			
8	Rate T1 - Interruptible Transportation - Union supplies fuel		(0.0188)			
9	Transportation - Customer supplies fuel		(0.0096)			
10	Rate T2 - Interruptible Transportation - Union supplies fuel		(0.0102)			
11	Transportation - Customer supplies fuel		0.0008			

Notes:

- (1) Applies to sales service customers only.  
(2) Changes in the Cap-and-Trade Charges apply to Rate 25, M4, M5A, M7, T1, and T2.

## APPENDIX D

**Important Information About Your Rates**  
**February 2018**  
**Rate 01 - North West**

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2018. The new rates will be charged beginning February 1, 2018. The enclosed bill uses the new rates which incorporate applicable temporary charges that do not affect the annual impacts on the back of this notice.

The total annual bill increase will be \$10.84 for a typical Rate 01 - North West customer using 2,200 m<sup>3</sup> of natural gas a year.

Note that this rate change recovers the costs related to delivering natural gas to you. These new and approved rates replace the rates communicated in the January 2018 rate notice you recently received.

**Gas Used**

The gas commodity rate decreased by 0.0009 ¢/m<sup>3</sup> to 10.1878 ¢/m<sup>3</sup> based on our forecast of natural gas market prices for the next 12 months.

**Gas Price Adjustment**

The gas price adjustment rate decreased by 0.0002 ¢/m<sup>3</sup> to 0.2386 ¢/m<sup>3</sup> to make up the difference between our forecast cost of natural gas and actual costs from prior periods.

**Transportation to Union Gas**

The transportation to Union Gas rate increased by 0.0008 ¢/m<sup>3</sup> to 6.8566 ¢/m<sup>3</sup> to reflect the increased cost of transporting natural gas.

**Transportation Price Adjustment**

The transportation price adjustment rate increased by 0.0002 ¢/m<sup>3</sup> to 0.7082 ¢/m<sup>3</sup> to make up the difference between our forecast cost of transporting natural gas and actual costs from prior periods.

**Storage**

The storage rate increased by 0.2083 ¢/m<sup>3</sup> to 2.2624 ¢/m<sup>3</sup> to reflect the increased cost of storing natural gas.

**Storage Price Adjustment**

The storage price adjustment rate increased by 0.0493 ¢/m<sup>3</sup> to 0.0493 ¢/m<sup>3</sup> to make up the difference between our forecast cost of storing natural gas and actual costs from prior periods.

**Delivery**

The delivery rates that vary with consumption increased based on our forecast cost of delivering natural gas to your home or business. Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you.

Visit [uniongas.com/capandtrade](http://uniongas.com/capandtrade) for more information.

**Delivery Price Adjustment**

The delivery price adjustment rate increased by 0.0644 ¢/m<sup>3</sup> to 1.2863 ¢/m<sup>3</sup> to make up the difference between our forecast cost of delivering natural gas and actual costs from prior periods.

## New Rates

The table below shows the new, approved rates used to calculate your natural gas bill as of Jan. 1, 2018. The annual impacts, excluding temporary price adjustments, are based on a typical Rate 01 - North West customer using 2,200 m<sup>3</sup> of natural gas a year.

CHARGES	RATES at Jan. 1, 2018	ANNUAL increase or decrease
Gas Used	10.1878 ¢/m <sup>3</sup>	-\$0.01
Gas Price Adjustment	0.2386 ¢/m <sup>3</sup>	\$0.00
Transportation to Union Gas	6.8566 ¢/m <sup>3</sup>	\$0.01
Transportation Price Adjustment	0.7082 ¢/m <sup>3</sup>	\$0.00
Storage	2.2624 ¢/m <sup>3</sup>	\$4.60
Storage Price Adjustment	0.0493 ¢/m <sup>3</sup>	\$0.00
Delivery First 100 m <sup>3</sup> Next 200 m <sup>3</sup> Next 200 m <sup>3</sup> Next 500 m <sup>3</sup> All Over 1,000 m <sup>3</sup>	9.3875 ¢/m <sup>3</sup> 9.1476 ¢/m <sup>3</sup> 8.7683 ¢/m <sup>3</sup> 8.4201 ¢/m <sup>3</sup> 8.1324 ¢/m <sup>3</sup>	\$6.24
Cap and Trade (included in Delivery on the bill)	3.3421 ¢/m <sup>3</sup>	\$0.00
Delivery Price Adjustment	1.2863 ¢/m <sup>3</sup>	\$0.00
Monthly Charge	\$21.00	\$0.00
Total Annual Impact		<b>\$10.84</b>



**Important Information About Your Rates**  
**February 2018**  
**Rate 01 - North West**  
**Energy Marketer Customer**

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2018. The new rates will be charged beginning February 1, 2018. The enclosed bill uses the new rates which incorporate applicable temporary charges that do not affect the annual impacts on the back of this notice.

The total annual bill increase will be \$10.85 for a typical Rate 01 - North West customer using 2,200 m<sup>3</sup> of natural gas a year and buying gas from an energy marketer.

Note that this rate change recovers the costs related to delivering natural gas to you. These new and approved rates replace the rates communicated in the January 2018 rate notice you recently received.

**Transportation to Union Gas**

The transportation to Union Gas rate increased by 0.0008 ¢/m<sup>3</sup> to 6.8566 ¢/m<sup>3</sup> to reflect the increased cost of transporting natural gas.

**Transportation Price Adjustment**

The transportation price adjustment rate increased by 0.0002 ¢/m<sup>3</sup> to 0.7082 ¢/m<sup>3</sup> to make up the difference between our forecast cost of transporting natural gas and actual costs from prior periods.

**Storage**

The storage rate increased by 0.2083 ¢/m<sup>3</sup> to 2.2624 ¢/m<sup>3</sup> to reflect the increased cost of storing natural gas.

**Storage Price Adjustment**

The storage price adjustment rate increased by 0.0493 ¢/m<sup>3</sup> to 0.0493 ¢/m<sup>3</sup> to make up the difference between our forecast cost of storing natural gas and actual costs from prior periods.

**Delivery**

The delivery rates that vary with consumption increased based on our forecast cost of delivering natural gas to your home or business. Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you.

Visit [uniongas.com/capandtrade](http://uniongas.com/capandtrade) for more information.

**Delivery Price Adjustment**

The delivery price adjustment rate increased by 0.0644 ¢/m<sup>3</sup> to 1.2863 ¢/m<sup>3</sup> to make up the difference between our forecast cost of delivering natural gas and actual costs from prior periods.

## New Rates

The table below shows the new, approved rates used to calculate your natural gas bill as of Jan. 1, 2018. The annual impacts, excluding temporary price adjustments, are based on a typical Rate 01 - North West customer using 2,200 m<sup>3</sup> of natural gas a year and buying gas from an energy marketer.

CHARGES	RATES at Jan. 1, 2018	ANNUAL increase or decrease
Transportation to Union Gas *	6.8566 ¢/m <sup>3</sup>	\$0.01
Transportation Price Adjustment	0.7082 ¢/m <sup>3</sup>	\$0.00
Storage	2.2624 ¢/m <sup>3</sup>	\$4.60
Storage Price Adjustment	0.0493 ¢/m <sup>3</sup>	\$0.00
Delivery First 100 m <sup>3</sup> Next 200 m <sup>3</sup> Next 200 m <sup>3</sup> Next 500 m <sup>3</sup> All Over 1,000 m <sup>3</sup>	9.3875 ¢/m <sup>3</sup> 9.1476 ¢/m <sup>3</sup> 8.7683 ¢/m <sup>3</sup> 8.4201 ¢/m <sup>3</sup> 8.1324 ¢/m <sup>3</sup>	\$6.24
Cap and Trade (included in Delivery on the bill)	3.3421 ¢/m <sup>3</sup>	\$0.00
Delivery Price Adjustment	1.2863 ¢/m <sup>3</sup>	\$0.00
Monthly Charge	\$21.00	\$0.00
Total Annual Impact		<b>\$10.85</b>

\* Depending on the terms of your energy marketer contract, you may or may not be affected by Union Gas' changes to transportation rates. Contact your energy marketer directly at the telephone number on your bill with questions.

**Important Information About Your Rates**  
**February 2018**  
**Rate 01 - North East**

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2018. The new rates will be charged beginning February 1, 2018. The enclosed bill uses the new rates which incorporate applicable temporary charges that do not affect the annual impacts on the back of this notice.

The total annual bill increase will be \$14.15 for a typical Rate 01 - North East customer using 2,200 m<sup>3</sup> of natural gas a year.

Note that this rate change recovers the costs related to delivering natural gas to you. These new and approved rates replace the rates communicated in the January 2018 rate notice you recently received.

**Gas Used**

The gas commodity rate decreased by 0.0009 ¢/m<sup>3</sup> to 13.9075 ¢/m<sup>3</sup> based on our forecast of natural gas market prices for the next 12 months. This rate includes transportation costs to Ontario.

**Gas Price Adjustment**

The gas price adjustment rate decreased by 0.0002 ¢/m<sup>3</sup> to 0.6533 ¢/m<sup>3</sup> to make up the difference between our forecast cost of natural gas and actual costs from prior periods.

**Transportation to Union Gas**

The transportation to Union Gas rate increased by 0.0282 ¢/m<sup>3</sup> to 3.0273 ¢/m<sup>3</sup> to reflect the increased cost of transporting natural gas.

**Transportation Price Adjustment**

The transportation price adjustment rate increased by 0.0067 ¢/m<sup>3</sup> to 0.8886 ¢/m<sup>3</sup> to make up the difference between our forecast cost of transporting natural gas and actual costs from prior periods.

**Storage**

The storage rate increased by 0.3323 ¢/m<sup>3</sup> to 7.0010 ¢/m<sup>3</sup> to reflect the increased cost of storing natural gas.

**Storage Price Adjustment**

The storage price adjustment rate increased by 0.0787 ¢/m<sup>3</sup> to 0.0787 ¢/m<sup>3</sup> to make up the difference between our forecast cost of storing natural gas and actual costs from prior periods.

**Delivery**

The delivery rates that vary with consumption increased based on our forecast cost of delivering natural gas to your home or business. Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you.

Visit [uniongas.com/capandtrade](http://uniongas.com/capandtrade) for more information.

**Delivery Price Adjustment**

The delivery price adjustment rate increased by 0.0644 ¢/m<sup>3</sup> to 1.2863 ¢/m<sup>3</sup> to make up the difference between our forecast cost of delivering natural gas and actual costs from prior periods.

## New Rates

The table below shows the new, approved rates used to calculate your natural gas bill as of Jan. 1, 2018. The annual impacts, excluding temporary price adjustments, are based on a typical Rate 01 - North East customer using 2,200 m<sup>3</sup> of natural gas a year.

<b>CHARGES</b>	<b>RATES at Jan. 1, 2018</b>	<b>ANNUAL increase or decrease</b>
Gas Used	13.9075 ¢/m <sup>3</sup>	-\$0.01
Gas Price Adjustment	0.6533 ¢/m <sup>3</sup>	\$0.00
Transportation to Union Gas	3.0273 ¢/m <sup>3</sup>	\$0.63
Transportation Price Adjustment	0.8886 ¢/m <sup>3</sup>	\$0.00
Storage	7.0010 ¢/m <sup>3</sup>	\$7.29
Storage Price Adjustment	0.0787 ¢/m <sup>3</sup>	\$0.00
Delivery		
First 100 m <sup>3</sup>	9.3875 ¢/m <sup>3</sup>	\$6.24
Next 200 m <sup>3</sup>	9.1476 ¢/m <sup>3</sup>	
Next 200 m <sup>3</sup>	8.7683 ¢/m <sup>3</sup>	
Next 500 m <sup>3</sup>	8.4201 ¢/m <sup>3</sup>	
All Over 1,000 m <sup>3</sup>	8.1324 ¢/m <sup>3</sup>	
Cap and Trade (included in Delivery on the bill)	3.3421 ¢/m <sup>3</sup>	\$0.00
Delivery Price Adjustment	1.2863 ¢/m <sup>3</sup>	\$0.00
Monthly Charge	\$21.00	\$0.00
Total Annual Impact		<b>\$14.15</b>

**Important Information About Your Rates**  
**February 2018**  
**Rate 01 - North East**  
**Energy Marketer Customer**

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2018. The new rates will be charged beginning February 1, 2018. The enclosed bill uses the new rates which incorporate applicable temporary charges that do not affect the annual impacts on the back of this notice.

The total annual bill increase will be \$14.16 for a typical Rate 01 - North East customer using 2,200 m<sup>3</sup> of natural gas a year and buying gas from an energy marketer.

Note that this rate change recovers the costs related to delivering natural gas to you. These new and approved rates replace the rates communicated in the January 2018 rate notice you recently received.

**Transportation to Union Gas**

The transportation to Union Gas rate increased by 0.0282 ¢/m<sup>3</sup> to 3.0273 ¢/m<sup>3</sup> to reflect the increased cost of transporting natural gas.

**Transportation Price Adjustment**

The transportation price adjustment rate increased by 0.0067 ¢/m<sup>3</sup> to 0.8886 ¢/m<sup>3</sup> to make up the difference between our forecast cost of transporting natural gas and actual costs from prior periods.

**Storage**

The storage rate increased by 0.3323 ¢/m<sup>3</sup> to 7.0010 ¢/m<sup>3</sup> to reflect the increased cost of storing natural gas.

**Storage Price Adjustment**

The storage price adjustment rate increased by 0.0787 ¢/m<sup>3</sup> to 0.0787 ¢/m<sup>3</sup> to make up the difference between our forecast cost of storing natural gas and actual costs from prior periods.

**Delivery**

The delivery rates that vary with consumption increased based on our forecast cost of delivering natural gas to your home or business. Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you.

Visit [uniongas.com/capandtrade](http://uniongas.com/capandtrade) for more information.

**Delivery Price Adjustment**

The delivery price adjustment rate increased by 0.0644 ¢/m<sup>3</sup> to 1.2863 ¢/m<sup>3</sup> to make up the difference between our forecast cost of delivering natural gas and actual costs from prior periods.

## New Rates

The table below shows the new, approved rates used to calculate your natural gas bill as of Jan. 1, 2018. The annual impacts, excluding temporary price adjustments, are based on a typical Rate 01 - North East customer using 2,200 m<sup>3</sup> of natural gas a year and buying gas from an energy marketer.

CHARGES	RATES at Jan. 1, 2018	ANNUAL increase or decrease
Transportation to Union Gas *	3.0273 ¢/m <sup>3</sup>	\$0.63
Transportation Price Adjustment	0.8886 ¢/m <sup>3</sup>	\$0.00
Storage	7.0010 ¢/m <sup>3</sup>	\$7.29
Storage Price Adjustment	0.0787 ¢/m <sup>3</sup>	\$0.00
Delivery First 100 m <sup>3</sup> Next 200 m <sup>3</sup> Next 200 m <sup>3</sup> Next 500 m <sup>3</sup> All Over 1,000 m <sup>3</sup>	9.3875 ¢/m <sup>3</sup> 9.1476 ¢/m <sup>3</sup> 8.7683 ¢/m <sup>3</sup> 8.4201 ¢/m <sup>3</sup> 8.1324 ¢/m <sup>3</sup>	\$6.24
Cap and Trade (included in Delivery on the bill)	3.3421 ¢/m <sup>3</sup>	\$0.00
Delivery Price Adjustment	1.2863 ¢/m <sup>3</sup>	\$0.00
Monthly Charge	\$21.00	\$0.00
Total Annual Impact		<b>\$14.16</b>

\* Depending on the terms of your energy marketer contract, you may or may not be affected by Union Gas' changes to transportation rates. Contact your energy marketer directly at the telephone number on your bill with questions.

**Important Information About Your Rates**  
**February 2018**  
**Rate 10 - North West**

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2018. The new rates will be charged beginning February 1, 2018. The enclosed bill uses the new rates which incorporate applicable temporary charges that do not affect the annual impacts on the back of this notice.

The total annual bill increase will be \$370.99 for a typical Rate 10 - North West customer using 93,000 m<sup>3</sup> of natural gas a year.

Note that this rate change recovers the costs related to delivering natural gas to you. These new and approved rates replace the rates communicated in the January 2018 rate notice you recently received.

**Gas Used**

The gas commodity rate decreased by 0.0009 ¢/m<sup>3</sup> to 10.1878 ¢/m<sup>3</sup> based on our forecast of natural gas market prices for the next 12 months.

**Gas Price Adjustment**

The gas price adjustment rate decreased by 0.0002 ¢/m<sup>3</sup> to 0.2386 ¢/m<sup>3</sup> to make up the difference between our forecast cost of natural gas and actual costs from prior periods.

**Transportation to Union Gas**

The transportation to Union Gas rate increased by 0.0002 ¢/m<sup>3</sup> to 6.0030 ¢/m<sup>3</sup> to reflect the increased cost of transporting natural gas.

**Storage**

The storage rate increased by 0.1631 ¢/m<sup>3</sup> to 1.7062 ¢/m<sup>3</sup> to reflect the increased cost of storing natural gas.

**Storage Price Adjustment**

The storage price adjustment rate increased by 0.0316 ¢/m<sup>3</sup> to 0.0316 ¢/m<sup>3</sup> to make up the difference between our forecast cost of storing natural gas and actual costs from prior periods.

**Delivery**

The delivery rates that vary with consumption increased based on our forecast cost of delivering natural gas to your home or business. Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you.

Visit [uniongas.com/capandtrade](http://uniongas.com/capandtrade) for more information.

**Delivery Price Adjustment**

The delivery price adjustment rate increased by 0.0404 ¢/m<sup>3</sup> to 1.1261 ¢/m<sup>3</sup> to make up the difference between our forecast cost of delivering natural gas and actual costs from prior periods.

## New Rates

The table below shows the new, approved rates used to calculate your natural gas bill as of Jan. 1, 2018. The annual impacts, excluding temporary price adjustments, are based on a typical Rate 10 - North West customer using 93,000 m<sup>3</sup> of natural gas a year.

<b>CHARGES</b>	<b>RATES at Jan. 1, 2018</b>	<b>ANNUAL increase or decrease</b>
Gas Used	10.1878 ¢/m <sup>3</sup>	-\$0.84
Gas Price Adjustment	0.2386 ¢/m <sup>3</sup>	\$0.00
Transportation to Union Gas	6.0030 ¢/m <sup>3</sup>	\$0.16
Transportation Price Adjustment	0.7845 ¢/m <sup>3</sup>	\$0.00
Storage	1.7062 ¢/m <sup>3</sup>	\$151.69
Storage Price Adjustment	0.0316 ¢/m <sup>3</sup>	\$0.00
Delivery First 1,000 m <sup>3</sup> Next 9,000 m <sup>3</sup> Next 20,000 m <sup>3</sup> Next 70,000 m <sup>3</sup> All Over 100,000 m <sup>3</sup>	7.9111 ¢/m <sup>3</sup> 6.4255 ¢/m <sup>3</sup> 5.7547 ¢/m <sup>3</sup> 5.1955 ¢/m <sup>3</sup> 3.0770 ¢/m <sup>3</sup>	\$219.98
Cap and Trade (included in Delivery on the bill)	3.3421 ¢/m <sup>3</sup>	\$0.00
Delivery Price Adjustment	1.1261 ¢/m <sup>3</sup>	\$0.00
Monthly Charge	\$70.00	\$0.00
Total Annual Impact		<b>\$370.99</b>



**Important Information About Your Rates**  
**February 2018**  
**Rate 10 - North West**  
**Energy Marketer Customer**

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2018. The new rates will be charged beginning February 1, 2018. The enclosed bill uses the new rates which incorporate applicable temporary charges that do not affect the annual impacts on the back of this notice.

The total annual bill increase will be \$371.83 for a typical Rate 10 - North West customer using 93,000 m<sup>3</sup> of natural gas a year and buying gas from an energy marketer.

Note that this rate change recovers the costs related to delivering natural gas to you. These new and approved rates replace the rates communicated in the January 2018 rate notice you recently received.

**Transportation to Union Gas**

The transportation to Union Gas rate increased by 0.0002 ¢/m<sup>3</sup> to 6.0030 ¢/m<sup>3</sup> to reflect the increased cost of transporting natural gas.

**Storage**

The storage rate increased by 0.1631 ¢/m<sup>3</sup> to 1.7062 ¢/m<sup>3</sup> to reflect the increased cost of storing natural gas.

**Storage Price Adjustment**

The storage price adjustment rate increased by 0.0316 ¢/m<sup>3</sup> to 0.0316 ¢/m<sup>3</sup> to make up the difference between our forecast cost of storing natural gas and actual costs from prior periods.

**Delivery**

The delivery rates that vary with consumption increased based on our forecast cost of delivering natural gas to your home or business. Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you.

Visit [uniongas.com/capandtrade](http://uniongas.com/capandtrade) for more information.

**Delivery Price Adjustment**

The delivery price adjustment rate increased by 0.0404 ¢/m<sup>3</sup> to 1.1261 ¢/m<sup>3</sup> to make up the difference between our forecast cost of delivering natural gas and actual costs from prior periods.

## New Rates

The table below shows the new, approved rates used to calculate your natural gas bill as of Jan. 1, 2018. The annual impacts, excluding temporary price adjustments, are based on a typical Rate 10 - North West customer using 93,000 m<sup>3</sup> of natural gas a year and buying gas from an energy marketer.

CHARGES	RATES at Jan. 1, 2018	ANNUAL increase or decrease
Transportation to Union Gas *	6.0030 ¢/m <sup>3</sup>	\$0.16
Transportation Price Adjustment	0.7845 ¢/m <sup>3</sup>	\$0.00
Storage	1.7062 ¢/m <sup>3</sup>	\$151.69
Storage Price Adjustment	0.0316 ¢/m <sup>3</sup>	\$0.00
Delivery First 1,000 m <sup>3</sup> Next 9,000 m <sup>3</sup> Next 20,000 m <sup>3</sup> Next 70,000 m <sup>3</sup> All Over 100,000 m <sup>3</sup>	7.9111 ¢/m <sup>3</sup> 6.4255 ¢/m <sup>3</sup> 5.7547 ¢/m <sup>3</sup> 5.1955 ¢/m <sup>3</sup> 3.0770 ¢/m <sup>3</sup>	\$219.98
Cap and Trade (included in Delivery on the bill)	3.3421 ¢/m <sup>3</sup>	\$0.00
Delivery Price Adjustment	1.1261 ¢/m <sup>3</sup>	\$0.00
Monthly Charge	\$70.00	\$0.00
Total Annual Impact		<b>\$371.83</b>

\* Depending on the terms of your energy marketer contract, you may or may not be affected by Union Gas' changes to transportation rates. Contact your energy marketer directly at the telephone number on your bill with questions.

**Important Information About Your Rates**  
**February 2018**  
**Rate 10 - North East**

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2018. The new rates will be charged beginning February 1, 2018. The enclosed bill uses the new rates which incorporate applicable temporary charges that do not affect the annual impacts on the back of this notice.

The total annual bill increase will be \$486.34 for a typical Rate 10 - North East customer using 93,000 m<sup>3</sup> of natural gas a year.

Note that this rate change recovers the costs related to delivering natural gas to you. These new and approved rates replace the rates communicated in the January 2018 rate notice you recently received.

**Gas Used**

The gas commodity rate decreased by 0.0009 ¢/m<sup>3</sup> to 13.9075 ¢/m<sup>3</sup> based on our forecast of natural gas market prices for the next 12 months. This rate now includes transportation costs to Ontario.

**Gas Price Adjustment**

The gas price adjustment rate decreased by 0.0002 ¢/m<sup>3</sup> to 0.6533 ¢/m<sup>3</sup> to make up the difference between our forecast cost of natural gas and actual costs from prior periods.

**Transportation to Union Gas**

The transportation to Union Gas rate increased by 0.0148 ¢/m<sup>3</sup> to 2.7757 ¢/m<sup>3</sup> to reflect the increased cost of transporting natural gas.

**Transportation Price Adjustment**

The transportation price adjustment rate increased by 0.0027 ¢/m<sup>3</sup> to 0.9611 ¢/m<sup>3</sup> to make up the difference between our forecast cost of transporting natural gas and actual costs from prior periods.

**Storage**

The storage rate increased by 0.2725 ¢/m<sup>3</sup> to 4.9800 ¢/m<sup>3</sup> to reflect the increased cost of storing natural gas.

**Storage Price Adjustment**

The storage price adjustment rate increased by 0.0502 ¢/m<sup>3</sup> to 0.0502 ¢/m<sup>3</sup> to make up the difference between our forecast cost of storing natural gas and actual costs from prior periods.

**Delivery**

The delivery rates that vary with consumption increased based on our forecast cost of delivering natural gas to your home or business. Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you.

Visit [uniongas.com/capandtrade](http://uniongas.com/capandtrade) for more information.

**Delivery Price Adjustment**

The delivery price adjustment rate increased by 0.0404 ¢/m<sup>3</sup> to 1.1261 ¢/m<sup>3</sup> to make up the difference between our forecast cost of delivering natural gas and actual costs from prior periods.

## New Rates

The table below shows the new, approved rates used to calculate your natural gas bill as of Jan. 1, 2018. The annual impacts, excluding temporary price adjustments, are based on a typical Rate 10 - North East customer using 93,000 m<sup>3</sup> of natural gas a year.

<b>CHARGES</b>	<b>RATES at Jan. 1, 2018</b>	<b>ANNUAL increase or decrease</b>
Gas Used	13.9075 ¢/m <sup>3</sup>	-\$0.84
Gas Price Adjustment	0.6533 ¢/m <sup>3</sup>	\$0.00
Transportation to Union Gas	2.7757 ¢/m <sup>3</sup>	\$13.77
Transportation Price Adjustment	0.9611 ¢/m <sup>3</sup>	\$0.00
Storage	4.9800 ¢/m <sup>3</sup>	\$253.43
Storage Price Adjustment	0.0502 ¢/m <sup>3</sup>	\$0.00
Delivery First 1,000 m <sup>3</sup> Next 9,000 m <sup>3</sup> Next 20,000 m <sup>3</sup> Next 70,000 m <sup>3</sup> All Over 100,000 m <sup>3</sup>	7.9111 ¢/m <sup>3</sup> 6.4255 ¢/m <sup>3</sup> 5.7547 ¢/m <sup>3</sup> 5.1955 ¢/m <sup>3</sup> 3.0770 ¢/m <sup>3</sup>	\$219.98
Cap and Trade (included in Delivery on the bill)	3.3421 ¢/m <sup>3</sup>	\$0.00
Delivery Price Adjustment	1.1261 ¢/m <sup>3</sup>	\$0.00
Monthly Charge	\$70.00	\$0.00
Total Annual Impact		<b>\$486.34</b>

**Important Information About Your Rates**  
**February 2018**  
**Rate 10 - North East**  
**Energy Marketer Customer**

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2018. The new rates will be charged beginning February 1, 2018. The enclosed bill uses the new rates which incorporate applicable temporary charges that do not affect the annual impacts on the back of this notice.

The total annual bill increase will be \$487.18 for a typical Rate 10 - North East customer using 93,000 m<sup>3</sup> of natural gas a year and buying gas from an energy marketer.

Note that this rate change recovers the costs related to delivering natural gas to you. These new and approved rates replace the rates communicated in the January 2018 rate notice you recently received.

**Transportation to Union Gas**

The transportation to Union Gas rate increased by 0.0148 ¢/m<sup>3</sup> to 2.7757 ¢/m<sup>3</sup> to reflect the increased cost of transporting natural gas.

**Transportation Price Adjustment**

The transportation price adjustment rate increased by 0.0027 ¢/m<sup>3</sup> to 0.9611 ¢/m<sup>3</sup> to make up the difference between our forecast cost of transporting natural gas and actual costs from prior periods.

**Storage**

The storage rate increased by 0.2725 ¢/m<sup>3</sup> to 4.9800 ¢/m<sup>3</sup> to reflect the increased cost of storing natural gas.

**Storage Price Adjustment**

The storage price adjustment rate increased by 0.0502 ¢/m<sup>3</sup> to 0.0502 ¢/m<sup>3</sup> to make up the difference between our forecast cost of storing natural gas and actual costs from prior periods.

**Delivery**

The delivery rates that vary with consumption increased based on our forecast cost of delivering natural gas to your home or business. Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you.

Visit [uniongas.com/capandtrade](http://uniongas.com/capandtrade) for more information.

**Delivery Price Adjustment**

The delivery price adjustment rate increased by 0.0404 ¢/m<sup>3</sup> to 1.1261 ¢/m<sup>3</sup> to make up the difference between our forecast cost of delivering natural gas and actual costs from prior periods.

## New Rates

The table below shows the new, approved rates used to calculate your natural gas bill as of Jan. 1, 2018. The annual impacts, excluding temporary price adjustments, are based on a typical Rate 10 - North East customer using 93,000 m<sup>3</sup> of natural gas a year and buying gas from an energy marketer.

CHARGES	RATES at Jan. 1, 2018	ANNUAL increase or decrease
Transportation to Union Gas *	2.7757 ¢/m <sup>3</sup>	\$13.77
Transportation Price Adjustment	0.9611 ¢/m <sup>3</sup>	\$0.00
Storage	4.9800 ¢/m <sup>3</sup>	\$253.43
Storage Price Adjustment	0.0502 ¢/m <sup>3</sup>	\$0.00
Delivery First 1,000 m <sup>3</sup> Next 9,000 m <sup>3</sup> Next 20,000 m <sup>3</sup> Next 70,000 m <sup>3</sup> All Over 100,000 m <sup>3</sup>	7.9111 ¢/m <sup>3</sup> 6.4255 ¢/m <sup>3</sup> 5.7547 ¢/m <sup>3</sup> 5.1955 ¢/m <sup>3</sup> 3.0770 ¢/m <sup>3</sup>	\$219.98
Cap and Trade (included in Delivery on the bill)	3.3421 ¢/m <sup>3</sup>	\$0.00
Delivery Price Adjustment	1.1261 ¢/m <sup>3</sup>	\$0.00
Monthly Charge	\$70.00	\$0.00
Total Annual Impact		<b>\$487.18</b>

\* Depending on the terms of your energy marketer contract, you may or may not be affected by Union Gas' changes to transportation rates. Contact your energy marketer directly at the telephone number on your bill with questions.

**Important Information About Your Rates**  
**February 2018**  
**Rate M1 – South**

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2018. The new rates will be charged beginning February 1, 2018. The enclosed bill uses the new rates which incorporate applicable temporary charges that do not affect the annual impacts on the back of this notice.

The total annual bill increase will be \$9.34 for a typical Rate M1 – South customer using 2,200 m<sup>3</sup> of natural gas a year.

Note that this rate change recovers the costs related to delivering natural gas to you. These new and approved rates replace the rates communicated in the January 2018 rate notice you recently received.

**Gas Used**

The gas commodity rate decreased by 0.0009 ¢/m<sup>3</sup> to 13.6251 ¢/m<sup>3</sup> based on our forecast of natural gas market prices and transportation costs for the next 12 months. This rate includes transportation costs to Ontario.

**Gas Price Adjustment**

The gas price adjustment rate decreased by 0.0002 ¢/m<sup>3</sup> to 2.2891 ¢/m<sup>3</sup> to make up the difference between our forecast cost of natural gas and actual costs from prior periods.

**Storage**

The storage rate increased by 0.0178 ¢/m<sup>3</sup> to 0.7331 ¢/m<sup>3</sup> to reflect the increased cost of storing natural gas.

**Storage Price Adjustment**

The storage price adjustment rate increased by 0.0039 ¢/m<sup>3</sup> to 0.0039 ¢/m<sup>3</sup> to make up the difference between our forecast cost of storing natural gas and actual costs from prior periods.

**Delivery**

The delivery rates that vary with consumption increased based on our forecast cost of delivering natural gas to your home or business. Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you.

Visit [uniongas.com/capandtrade](http://uniongas.com/capandtrade) for more information.

**Delivery Price Adjustment**

The delivery price adjustment rate increased by 0.0825 ¢/m<sup>3</sup> to 0.5968 ¢/m<sup>3</sup> to make up the difference between our forecast cost of delivering natural gas and actual costs from prior periods.

## New Rates

The table below shows the new, approved rates used to calculate your natural gas bill as of Jan. 1, 2018. The annual impacts, excluding temporary price adjustments, are based on a typical Rate M1 – South customer using 2,200 m<sup>3</sup> of natural gas a year.

CHARGES	RATES at Jan. 1, 2018	ANNUAL increase or decrease
Gas Used	13.6251 ¢/m <sup>3</sup>	-\$0.03
Gas Price Adjustment	2.2891 ¢/m <sup>3</sup>	\$0.00
Transportation to Union Gas	0.0000 ¢/m <sup>3</sup>	\$0.00
Storage	0.7331 ¢/m <sup>3</sup>	\$0.37
Storage Price Adjustment	0.0039 ¢/m <sup>3</sup>	\$0.00
Delivery First 100 m <sup>3</sup> Next 150 m <sup>3</sup> All over 250 m <sup>3</sup>	5.0911 ¢/m <sup>3</sup> 4.8271 ¢/m <sup>3</sup> 4.1448 ¢/m <sup>3</sup>	\$9.00
Cap and Trade (included in Delivery on the bill)	3.3421 ¢/m <sup>3</sup>	\$0.00
Delivery Price Adjustment	0.5968 ¢/m <sup>3</sup>	\$0.00
Monthly Charge	\$21.00	\$0.00
Total Annual Impact		<b>\$9.34</b>



**Important Information About Your Rates**  
**February 2018**  
**Rate M1 – South**  
**Energy Marketer Customer**

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2018. The new rates will be charged beginning February 1, 2018. The enclosed bill uses the new rates which incorporate applicable temporary charges that do not affect the annual impacts on the back of this notice.

The total annual bill increase will be \$9.37 for a typical Rate M1 – South customer using 2,200 m<sup>3</sup> of natural gas a year and buying gas from an energy marketer.

Note that this rate change recovers the costs related to delivering natural gas to you. These new and approved rates replace the rates communicated in the January 2018 rate notice you recently received.

**Storage**

The storage rate increased by 0.0178 ¢/m<sup>3</sup> to 0.7331 ¢/m<sup>3</sup> to reflect the increased cost of storing natural gas.

**Storage Price Adjustment**

The storage price adjustment rate increased by 0.0039 ¢/m<sup>3</sup> to 0.0039 ¢/m<sup>3</sup> to make up the difference between our forecast cost of storing natural gas and actual costs from prior periods.

**Delivery**

The delivery rates that vary with consumption increased based on our forecast cost of delivering natural gas to your home or business. Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you.

Visit [uniongas.com/capandtrade](http://uniongas.com/capandtrade) for more information.

**Delivery Price Adjustment**

The delivery price adjustment rate increased by 0.0825 ¢/m<sup>3</sup> to 0.5968 ¢/m<sup>3</sup> to make up the difference between our forecast cost of delivering natural gas and actual costs from prior periods.

## New Rates

The table below shows the new, approved rates used to calculate your natural gas bill as of Jan. 1, 2018. The annual impacts, excluding temporary price adjustments, are based on a typical Rate M1 – South customer using 2,200 m<sup>3</sup> of natural gas a year and buying gas from an energy marketer.

CHARGES	RATES at Jan. 1, 2018	ANNUAL increase or decrease
Storage	0.7331 ¢/m <sup>3</sup>	\$0.37
Storage Price Adjustment	0.0039 ¢/m <sup>3</sup>	\$0.00
Delivery First 100 m <sup>3</sup> Next 150 m <sup>3</sup> All over 250 m <sup>3</sup>	5.0911 ¢/m <sup>3</sup> 4.8271 ¢/m <sup>3</sup> 4.1448 ¢/m <sup>3</sup>	\$9.00
Cap and Trade (included in Delivery on the bill)	3.3421 ¢/m <sup>3</sup>	\$0.00
Delivery Price Adjustment	0.5968 ¢/m <sup>3</sup>	\$0.00
Monthly Charge	\$21.00	\$0.00
Total Annual Impact		<b>\$9.37</b>

**Important Information About Your Rates**  
**February 2018**  
**Rate M2 – South**

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2018. The new rates will be charged beginning February 1, 2018. The enclosed bill uses the new rates which incorporate applicable temporary charges that do not affect the annual impacts on the back of this notice.

The total annual bill increase will be \$318.69 for a typical Rate M2 – South customer using 73,000 m<sup>3</sup> of natural gas a year.

Note that this rate change recovers the costs related to delivering natural gas to you. These new and approved rates replace the rates communicated in the January 2018 rate notice you recently received.

**Gas Used**

The gas commodity rate decreased by 0.0009 ¢/m<sup>3</sup> to 13.6251 ¢/m<sup>3</sup> based on our forecast of natural gas market prices and transportation costs for the next 12 months. This rate includes transportation costs to Ontario.

**Gas Price Adjustment**

The gas price adjustment rate decreased by 0.0002 ¢/m<sup>3</sup> to 2.2891 ¢/m<sup>3</sup> to make up the difference between our forecast cost of natural gas and actual costs from prior periods.

**Storage**

The storage rate increased by 0.0231 ¢/m<sup>3</sup> to 0.6483 ¢/m<sup>3</sup> to reflect the increased cost of storing natural gas.

**Storage Price Adjustment**

The storage price adjustment rate increased by 0.0049 ¢/m<sup>3</sup> to 0.0049 ¢/m<sup>3</sup> to make up the difference between our forecast cost of storing natural gas and actual costs from prior periods.

**Delivery**

The delivery rates that vary with consumption increased based on our forecast cost of delivering natural gas to your home or business. Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you.

Visit [uniongas.com/capandtrade](http://uniongas.com/capandtrade) for more information.

**Delivery Price Adjustment**

The delivery price adjustment rate increased by 0.0854 ¢/m<sup>3</sup> to 0.4217 ¢/m<sup>3</sup> to make up the difference between our forecast cost of delivering natural gas and actual costs from prior periods.

## New Rates

The table below shows the new, approved rates used to calculate your natural gas bill as of Jan. 1, 2018. The annual impacts, excluding temporary price adjustments, are based on a typical Rate M2 – South customer using 73,000 m<sup>3</sup> of natural gas a year.

CHARGES	RATES at Jan. 1, 2018	ANNUAL increase or decrease
Gas Used	13.6251 ¢/m <sup>3</sup>	-\$0.65
Gas Price Adjustment	2.2891 ¢/m <sup>3</sup>	\$0.00
Transportation to Union Gas	0.0000 ¢/m <sup>3</sup>	\$0.00
Storage	0.6483 ¢/m <sup>3</sup>	\$16.88
Storage Price Adjustment	0.0049 ¢/m <sup>3</sup>	\$0.00
Delivery First 1,000 m <sup>3</sup> Next 6,000 m <sup>3</sup> Next 13,000 m <sup>3</sup> All over 20,000 m <sup>3</sup>	5.0630 ¢/m <sup>3</sup> 4.9670 ¢/m <sup>3</sup> 4.7855 ¢/m <sup>3</sup> 4.4347 ¢/m <sup>3</sup>	\$302.46
Cap and Trade (included in Delivery on the bill)	3.3421 ¢/m <sup>3</sup>	\$0.00
Delivery Price Adjustment	0.4217 ¢/m <sup>3</sup>	\$0.00
Monthly Charge	\$70.00	\$0.00
Total Annual Impact		<b>\$318.69</b>

**Important Information About Your Rates**  
**February 2018**  
**Rate M2 – South**  
**Energy Marketer Customer**

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2018. The new rates will be charged beginning February 1, 2018. The enclosed bill uses the new rates which incorporate applicable temporary charges that do not affect the annual impacts on the back of this notice.

The total annual bill increase will be \$319.34 for a typical Rate M2 – South customer using 73,000 m<sup>3</sup> of natural gas a year and buying gas from an energy marketer.

Note that this rate change recovers the costs related to delivering natural gas to you. These new and approved rates replace the rates communicated in the January 2018 rate notice you recently received.

**Storage**

The storage rate increased by 0.0231 ¢/m<sup>3</sup> to 0.6483 ¢/m<sup>3</sup> to reflect the increased cost of storing natural gas.

**Storage Price Adjustment**

The storage price adjustment rate increased by 0.0049 ¢/m<sup>3</sup> to 0.0049 ¢/m<sup>3</sup> to make up the difference between our forecast cost of storing natural gas and actual costs from prior periods.

**Delivery**

The delivery rates that vary with consumption increased based on our forecast cost of delivering natural gas to your home or business. Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you.

Visit [uniongas.com/capandtrade](http://uniongas.com/capandtrade) for more information.

**Delivery Price Adjustment**

The delivery price adjustment rate increased by 0.0854 ¢/m<sup>3</sup> to 0.4217 ¢/m<sup>3</sup> to make up the difference between our forecast cost of delivering natural gas and actual costs from prior periods.

## New Rates

The table below shows the new, approved rates used to calculate your natural gas bill as of Jan. 1, 2018. The annual impacts, excluding temporary price adjustments, are based on a typical Rate M2 – South customer using 73,000 m<sup>3</sup> of natural gas a year and buying gas from an energy marketer.

CHARGES	RATES at Jan. 1, 2018	ANNUAL increase or decrease
Storage	0.6483 ¢/m <sup>3</sup>	\$16.88
Storage Price Adjustment	0.0049 ¢/m <sup>3</sup>	\$0.00
Delivery		
First 1,000 m <sup>3</sup>	5.0630 ¢/m <sup>3</sup>	\$302.46
Next 6,000 m <sup>3</sup>	4.9670 ¢/m <sup>3</sup>	
Next 13,000 m <sup>3</sup>	4.7855 ¢/m <sup>3</sup>	
All over 20,000 m <sup>3</sup>	4.4347 ¢/m <sup>3</sup>	
Cap and Trade (included in Delivery on the bill)	3.3421 ¢/m <sup>3</sup>	\$0.00
Delivery Price Adjustment	0.4217 ¢/m <sup>3</sup>	\$0.00
Monthly Charge	\$70.00	\$0.00
Total Annual Impact		<b>\$319.34</b>

# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2018

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers in northern Ontario effective January 1, 2018. Your new rates are shown on the accompanying **Rate 20** schedule. Changes in the rates are detailed in the attached appendix. The enclosed bill uses the new approved rates.

## **Delivery**

Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you. Some businesses with large emissions may need, or will be able, to acquire their own carbon units.

Approved 2018 delivery rates reflect a rate class average increase of 0.0026 cents/m<sup>3</sup> from the previously approved rates for Rate 20 customers. Individual customer impacts will vary.

Approved delivery commodity rates also reflect changes in the costs for compressor fuel, unaccounted for gas, and carrying costs of gas in inventory due to changes in the cost of gas. As a result of this change, approved January 1, 2018 delivery commodity rates include a decrease of 0.0005 cents/m<sup>3</sup>. Individual customer impacts will vary based on usage.

## **Gas Supply Charges**

New rates, **if applicable to your service**, reflect changes in Union Gas' forecast cost to purchase and transport natural gas for the next 12 months. In addition, there are changes due to the difference between the projected costs that Union Gas expects to pay and the amounts that Union Gas expects to recover through rates over the next 12 months. The changes by rate zones are detailed in the attached appendix.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments. Union Gas does not earn income on the sale of the natural gas commodity and transportation. The price we pay for the gas commodity and transportation is passed on directly to customers with no profit included.

We appreciate and thank you for your business. If you have any questions about the rate changes, please call your account representative. Our staff will be pleased to answer your questions.

## **Bundled-T Storage Service**

The storage demand charge, **which applies to bundled storage service only**, has increased to \$20.569 per GJ, reflecting the change in forecast costs to provide the bundled storage service effective January 1, 2018.

Rate 20 + Appendix A (Rate 20)  
[Rate schedule attached]

# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2018

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers in northern Ontario effective January 1, 2018. Your new rates are shown on the accompanying **Rate 25** schedule. Changes in the rate levels are detailed in the attached appendix. The enclosed bill uses the new approved rates.

Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you. Some businesses with large emissions may need, or will be able, to acquire their own carbon units.

Individual customer impacts will vary.

We appreciate and thank you for your business. If you have any questions about the rate change, please call your Account Representative. Our staff will be pleased to answer your questions.

Rate 25 + Appendix A + Appendix C (Rate 25)  
[Rate schedule attached]



# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2018

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers in northern Ontario effective January 1, 2018. Your new rates are shown on the accompanying **Rate 100** schedule. Changes in the rates are detailed in the attached appendix. The enclosed bill uses the new approved rates.

## **Delivery**

Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you. Some businesses with large emissions may need, or will be able, to acquire their own carbon units.

Approved 2018 delivery rates reflect a rate class average decrease of 0.0010 cents/m<sup>3</sup> from the previously approved rates for Rate 100. Individual customer impacts will vary.

Approved delivery commodity rates also reflect changes in the costs for compressor fuel, unaccounted for gas, and carrying costs of gas in inventory due to changes in the cost of gas. Approved January 1, 2018 delivery commodity rates include no change.

## **Gas Supply Charges**

New rates, **if applicable to your service**, reflect changes in Union Gas' forecast cost to purchase and transport natural gas for the next 12 months. In addition, there are changes due to the difference between the projected costs that Union Gas expects to pay and the amounts that Union Gas expects to recover through rates over the next 12 months. The changes by rate zones are detailed on the attached appendix.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments. Union Gas does not earn income on the sale of the natural gas commodity or transportation. The price we pay for the gas commodity and transportation is passed on directly to customers with no profit included.

We appreciate and thank you for your business. If you have any questions about the rate change, please call your Account Representative. Our staff will be pleased to answer your questions.

## **Bundled-T Storage Service**

The storage demand charge, **which applies to bundled storage service only**, has increased to \$20.569 per GJ, reflecting the change in forecast costs to provide the bundled storage service effective January 1, 2018.

Rate 100 + Appendix A (Rate 100)  
[Rate schedule attached]

# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2018

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2018. Your new rates are shown on the accompanying **Rate M4** schedule. Changes in the rates are detailed in the attached appendix. The enclosed bill uses the new approved rates.

## **Delivery**

Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you. Some businesses with large emissions may need, or will be able, to acquire their own carbon units.

Approved 2018 delivery rates reflect a rate class average increase of 0.5526 cents/m<sup>3</sup> from the previously approved rates for Rate M4 customers. Individual customer impacts will vary.

Approved delivery commodity rates also reflect changes in the costs for compressor fuel, unaccounted for gas, and carrying costs of gas in inventory due to changes in the cost of gas. As a result of this change, approved January 1, 2018 firm delivery commodity rates include a decrease of 0.0016 cents/m<sup>3</sup>. Individual customer impacts will vary based on usage.

## **Gas Supply**

The gas commodity charge, **if applicable to your service**, has decreased by 0.1061 cents/m<sup>3</sup> to 13.6251 cents/m<sup>3</sup>. This change reflects the decrease in Union Gas' forecast cost to purchase natural gas for the next 12 months. This charge includes transportation costs to Ontario.

In addition, there is a decrease of 1.1656 cents/m<sup>3</sup> related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. You will see the new rate on the "**Gas Price Adjustment**" line on your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

We appreciate and thank you for your business. If you have any questions about the rate change, please call your Account Representative. Our staff will be pleased to answer your questions.

Rate M4 + Appendix A (Rate M4)  
[Rate schedule attached]

# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2018

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2018. Your new rates are shown on the accompanying **Rate M5A** schedule. Changes in the rates are detailed in the attached appendix. The enclosed bill uses the new approved rates.

## **Delivery**

Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you. Some businesses with large emissions may need, or will be able, to acquire their own carbon units.

Approved 2018 delivery rates reflect a rate class average increase of 0.0843 cents/m<sup>3</sup> from the previously approved rates for Rate M5A customers. Individual customer impacts will vary.

Approved delivery commodity rates also reflect changes in the costs for compressor fuel, unaccounted for gas, and carrying costs of gas in inventory due to changes in the cost of gas. As a result of this change, approved January 1, 2018 delivery commodity rates include a decrease of 0.0015 cents/m<sup>3</sup>. Individual customer impacts will vary based on usage.

## **Gas Supply**

The gas commodity charge, **if applicable to your service**, has decreased by 0.1061 cents/m<sup>3</sup> to 13.6251 cents/m<sup>3</sup>. This change reflects the decrease in Union Gas' forecast cost to purchase natural gas for the next 12 months. This charge includes transportation costs to Ontario.

In addition, there is a decrease of 1.1656 cents/m<sup>3</sup> related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. You will see the new rate on the "**Gas Price Adjustment**" line on your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

We appreciate and thank you for your business. If you have any questions about the rate change, please call your Account Representative. Our staff will be pleased to answer your questions.

Rate M5A + Appendix A + Appendix C (Rate M5A)  
[Rate schedule attached]

# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2018

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2018. Your new rates are shown on the accompanying **Rate M7** schedule. Changes in the rates are detailed in the attached appendix. The enclosed bill uses the new approved rates.

## **Delivery**

Delivery rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you. Some businesses with large emissions may need, or will be able, to acquire their own carbon units.

Approved 2018 delivery rates reflect a rate class average increase of 0.5976 cents/m<sup>3</sup> from the previously approved rates for Rate M7 customers. Individual customer impacts will vary.

Approved delivery commodity rates also reflect changes in the costs for compressor fuel, unaccounted for gas, and carrying costs of gas in inventory due to changes in the cost of gas. As a result of this change, approved January 1, 2018 delivery commodity rates include a decrease of 0.0017 cents/m<sup>3</sup>. Individual customer impacts will vary based on usage.

## **Gas Supply**

The gas commodity charge, **if applicable to your service**, has decreased by 0.1061 cents/m<sup>3</sup> to 13.6251 cents/m<sup>3</sup>. This change reflects the decrease in Union Gas' forecast cost to purchase natural gas for the next 12 months. This charge includes transportation costs to Ontario.

In addition, there is a decrease of 1.1656 cents/m<sup>3</sup> related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. You will see the new rate on the "**Gas Price Adjustment**" line on your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

We appreciate and thank you for your business. If you have any questions about the rate change, please call your Account Representative. Our staff will be pleased to answer your questions.

Rate M7 + Appendix A + Appendix C (Rate M7)  
[Rate schedule attached]

# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2018

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2018. Your new rates are shown on the accompanying **Rate M9** schedule. Changes in the rates are detailed in the attached appendix. The enclosed bill uses the new approved rates.

## **Delivery**

Approved 2018 delivery rates reflect a rate class average increase of 0.0433 cents/m<sup>3</sup> from the previously approved rates for Rate M9 customers. Individual customer impacts will vary.

Approved delivery commodity rates reflect changes in the costs for compressor fuel, unaccounted for gas, and carrying costs of gas in inventory due to changes in the cost of gas. As a result of this change, approved January 1, 2018 delivery commodity rates include a decrease of 0.0015 cents/m<sup>3</sup>. Individual customer impacts will vary based on usage.

## **Gas Supply**

The gas commodity charge, **if applicable to your service**, has decreased by 0.1061 cents/m<sup>3</sup> to 13.6251 cents/m<sup>3</sup>. This change reflects the decrease in Union Gas' forecast cost to purchase natural gas for the next 12 months. This charge includes transportation costs to Ontario.

In addition, there is a decrease of 1.1656 cents/m<sup>3</sup> related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. You will see the new rate on the "**Gas Price Adjustment**" line on your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

We appreciate and thank you for your business. If you have any questions about the rate change, please call your Account Representative. Our staff will be pleased to answer your questions.

Rate M9 + Appendix A (Rate M9)  
[Rate schedule attached]

# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2018

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2018. Your new rates are shown on the accompanying **Rate M10** schedule. Changes in the rates are detailed in the attached appendix. The enclosed bill uses the new approved rates.

## **Delivery**

Approved 2018 delivery rates reflect a rate class average increase of 0.4525 cents/m<sup>3</sup> from the previously approved rates for Rate M10 customers. Individual customer impacts will vary.

Approved delivery commodity rates reflect changes in the costs for compressor fuel, unaccounted for gas, and carrying costs of gas in inventory due to changes in the cost of gas. As a result of this change, approved January 1, 2018 delivery commodity rates include a decrease of 0.0021 cents/m<sup>3</sup>. Individual customer impacts will vary based on usage.

## **Gas Supply**

The gas commodity charge, **if applicable to your service**, has decreased by 0.1061 cents/m<sup>3</sup> to 13.6251 cents/m<sup>3</sup>. This change reflects the decrease in Union Gas' forecast cost to purchase natural gas for the next 12 months. This charge includes transportation costs to Ontario.

In addition, there is a decrease of 1.1656 cents/m<sup>3</sup> related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. You will see the new rate on the "**Gas Price Adjustment**" line on your bill

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

We appreciate and thank you for your business. If you have any questions about the rate change, please call your Account Representative. Our staff will be pleased to answer your questions.

Rate M10 + Appendix A (Rate M10)  
[Rate schedule attached]

# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2018

The Ontario Energy Board (OEB) has approved changes to the rates Union Gas charges its customers. New rates for **Rate R1** will be applied to bills effective January 1, 2018. Your new rates are shown on the accompanying rate schedule. Changes to supplemental service rates reflect changes in gas supply costs effective January 1, 2018.

We appreciate and thank you for your business. If you have any questions about the rate change, please call your Account Representative. Our staff will be pleased to answer your questions.

Rate R1  
[Rate schedule attached]

# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2018

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2018. Your new rates are shown on the accompanying **Rate T1** schedule. Changes in the rates are detailed in the attached appendix. Changes to supplemental service rates reflect changes in gas supply costs effective January 1, 2018. The enclosed bill uses the new approved rates.

## **Storage and Transportation**

Transportation rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you. Some businesses with large emissions may need, or will be able, to acquire their own carbon units.

Approved 2018 storage and transportation rates reflect a rate class average increase of 0.2114 cents/m<sup>3</sup> from the previously approved rates for Rate T1. Individual customer impacts will vary.

Union's storage and transportation rates also reflect changes in costs for compressor fuel and unaccounted for gas due to changes in the cost of gas. In addition, where Union provides storage deliverability inventory, there is a change to the carrying cost of gas in inventory due to the changes in the cost of gas. These changes will only impact customers who elect the Union supplied fuel option. Individual customer impacts will vary based on usage.

We appreciate and thank you for your business. If you have any questions about the rate change, please call your Account Representative. Our staff will be pleased to answer your questions.

Rate T1 + Appendix A + Appendix C (Rate T1)  
[Rate schedule attached]



# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2018

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2018. Your new rates are shown on the accompanying **Rate T2** schedule. Changes in the rates are detailed in the attached appendix. Changes to supplemental service rates reflect changes in gas supply costs effective January 1, 2018. The enclosed bill uses the new approved rates.

## **Storage and Transportation**

Transportation rates include the Ontario government's cap-and-trade costs related to greenhouse gas emissions from the natural gas you use and that we use to deliver it to you. Some businesses with large emissions may need, or will be able, to acquire their own carbon units.

Approved 2018 storage and transportation rates reflect a rate class average increase of 0.1637 cents/m<sup>3</sup> from the previously approved rates for Rate T2. Individual customer impacts will vary.

Union's storage and transportation rates also reflect changes in costs for compressor fuel and unaccounted for gas due to changes in the cost of gas. In addition, where Union provides storage deliverability inventory, there is a change to the carrying cost of gas in inventory due to the changes in the cost of gas. These changes will only impact customers who elect the Union supplied fuel option. Individual customer impacts will vary based on usage.

We appreciate and thank you for your business. If you have any questions about the rate change, please call your Account Representative. Our staff will be pleased to answer your questions.

Rate T2 + Appendix A + Appendix C (Rate T2)  
[Rate schedule attached]

# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2018

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2018. Your new rates are shown on the accompanying **Rate T3** schedule. Changes in the rates are detailed in the attached appendix. Changes to supplemental service rates reflect changes in gas supply costs effective January 1, 2018. The enclosed bill uses the new approved rates.

## **Storage and Transportation**

Approved 2018 storage and transportation rates reflect a rate class average increase of 0.0907 cents/m<sup>3</sup> from the previously approved rates for Rate T3. Individual customer impacts will vary.

Union's storage and transportation rates reflect changes in costs for compressor fuel and unaccounted for gas due to changes in the cost of gas. In addition, where Union provides storage deliverability inventory, there is a change to the carrying cost of gas in inventory due to the changes in the cost of gas. These changes will only impact customers who elect the Union supplied fuel option. Individual customer impacts will vary based on usage.

We appreciate and thank you for your business. If you have any questions about the rate change, please call your Account Representative. Our staff will be pleased to answer your questions.

Rate T3 + Appendix A (Rate T3)  
[Rate schedule attached]

# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

**January 2018**

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2018. Your new rates are shown on the accompanying **Rate M12** schedule. Changes in the rates are detailed in the attached appendix. The enclosed bill uses the new approved rates.

Union's M12 Transportation rates and fuel ratios reflect changes in the overall cost of providing service to natural gas transportation customers.

Union's M12 commodity transportation rates reflect changes in costs for compressor fuel and unaccounted for gas due to changes in the cost of gas. The change will only impact the commodity charge paid by Shippers who elect the Union supplied fuel option.

Union's M12 Cap-and-Trade facility-related charges include costs for Union's cap-and-trade obligation and are applied to all Shippers.

We appreciate and thank you for your business. If you have any questions about the rate changes please call your Account Representative. Our staff will be pleased to answer your questions.

Attachments: Rate M12 Rate Schedule and Appendix A

# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

**January 2018**

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2018. Your new rates are shown on the accompanying **Rate M13** schedule. Changes in the rates are detailed in the attached appendix. The enclosed bill uses the new approved rates.

Union's M13 Transportation rates and fuel ratios reflect changes in the overall cost of providing service to natural gas transportation customers.

Union's M13 commodity transportation rates reflect changes in costs for compressor fuel and unaccounted for gas due to changes in the cost of gas. The change will only impact the commodity charge paid by Shippers who elect the Union supplied fuel option.

Union's M13 Cap-and-Trade facility-related charges include costs for Union's cap-and-trade obligation and are applied to all Shippers.

We appreciate and thank you for your business. If you have any questions about the rate changes please call your Account Representative. Our staff will be pleased to answer your questions.

Attachments: Rate M13 Rate Schedule and Appendix A

# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

**January 2018**

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2018. Your new rates are shown on the accompanying **Rate M16** schedule. Changes in the rates are detailed in the attached appendix. The enclosed bill uses the new approved rates.

Union's M16 Transportation rates and fuel ratios reflect changes in the overall cost of providing service to natural gas transportation customers.

Union's M16 commodity transportation rates reflect changes in costs for compressor fuel and unaccounted for gas due to changes in the cost of gas. The change will only impact the commodity charge paid by Shippers who elect the Union supplied fuel option.

Union's M16 Cap-and-Trade facility-related charges include costs for Union's cap-and-trade obligation and are applied to all Shippers.

We appreciate and thank you for your business. If you have any questions about the rate changes please call your Account Representative. Our staff will be pleased to answer your questions.

Attachments: Rate M16 Rate Schedule and Appendix A

# AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

**January 2018**

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2018. Your new rates are shown on the accompanying **Rate C1** schedule. Changes in the rates are detailed in the attached appendix. The enclosed bill uses the new approved rates.

Union's C1 Transportation rates and fuel ratios reflect changes in the overall cost of providing service to natural gas transportation customers.

Union's C1 commodity transportation rates reflect changes in costs for compressor fuel and unaccounted for gas due to changes in the cost of gas. The change will only impact the commodity charge paid by Shippers who elect the Union supplied fuel option.

Union's C1 Cap-and-Trade facility-related charges include costs for Union's cap-and-trade obligation and are applied to all Shippers.

We appreciate and thank you for your business. If you have any questions about the rate changes please call your Account Representative. Our staff will be pleased to answer your questions.

Attachments: Rate C1 Rate Schedule and Appendix A

## APPENDIX E

UNION GAS LIMITED  
Miscellaneous Non-Energy Charges

Line No.	Service	Fee
	Residential Customer Class Service	
1	Connection Charge	\$35
2	Temporary Seal - Turn-off (Seasonal)	\$22
3	Temporary Seal - Turn-on (Seasonal)	\$35
4	Landlord Turn-on	\$35
5	Disconnect/Reconnect for Non-Payment	\$65
	Commercial/Industrial Customer Class Service	
6	Connection Charge	\$38
7	Temporary Seal - Turn-off (Seasonal)	\$22
8	Temporary Seal - Turn-on (Seasonal)	\$38
9	Landlord Turn-on	\$38
10	Disconnect/Reconnect for Non-Payment	\$65
	Statement of Account/History Statements	
11	History Statement (previous year)	\$15/statement
12	History Statement (beyond previous year)	\$40/hour
13	Duplicate Bills * (if processed by system)	No charge
14	Duplicate Bills * (if manually processed)	\$15/statement
	Dispute Meter Test Charges	
15	Meter Test - Residential Meter	\$50 flat fee for removal and test
16	Meter Test - Commercial/Industrial Meter	Hourly charge based on actual costs
	Direct Purchase Administration Charges	
17	Monthly fee per bundled t-service contract or unbundled U2 contract	\$75.00
18	Monthly per customer fee	\$0.19
19	Invoice Vendor Adjustment (IVA) fee (for each successfully submitted IVA transaction)	\$1.09

Notes:

- \* Duplicate bill charges only apply when customer wants two copies of a bill. Lost bills from the last billing period will be replaced free of charge.



## APPENDIX F

**UNION GAS LIMITED**

**Accounting Entries for  
Short-term Storage and Other Balancing Services  
Deferral Account No. 179-70**

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

Debit                -        Account No. 571  
                                 Storage Revenue

Credit                -        Account No. 179-70  
                                 Other Deferred Charges - Short-term Storage and Other Balancing Services

To record, as a debit (credit) in Deferral Account No. 179-70 the utility portion of actual net revenues for Short-term Storage and Other Balancing Services, less the 10% shareholder incentive to provide these services and less the net revenue forecast for these services as approved by the Board for ratemaking purposes. The utility portion of actual net revenues for Short-term Storage and Other Balancing Services is determined by allocating total margins received from the sale of these services based on the utility share of the total quantity of the services sold each calendar year. The utility share reflects the transactions supported by utility storage space (up to the 100 PJ cap – both planned and excess over planned).

Debit                -        Account No. 571  
                                 Storage Revenue

Credit                -        Account No. 179-70  
                                 Other Deferred Charges – Short-term Storage and Other Balancing Services

To record, as a credit in Deferral Account No. 179-70 payments by Union Gas Limited's non-utility business to its utility business for storage encroachment.

Debit                -        Account No. 179-70  
                                 Other Deferred Charges - Short-term Storage and Other Balancing Services

Credit                -        Account No. 323  
                                 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-70, interest on the balance in Deferral Account No. 179-70. Simple interest will be computed monthly upon finalization of the year end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Lost Revenue Adjustment Mechanism  
Deferral Account No. 179-75**

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

Debit	-	Account No.179-75 Other Deferred Charges - Lost Revenue Adjustment Mechanism
Credit	-	Account No. 529 Other Sales

To record, as a debit (credit) in Deferral Account No. 179-75, the difference between actual margin reductions related to Union's DSM plans and the margin reduction included in gas delivery rates as approved by the Board.

Debit	-	Income Account No. 179-75 Other Deferred Charges - Lost Revenue Adjustment Mechanism
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-75, interest expense on the balance in Deferral Account No. 179-75. Simple interest will be computed monthly upon finalization of the year end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Transportation Tolls and Fuel – Northern and Eastern Operations Area  
Deferral Account No. 179-100**

This account is applicable to the Northern and Eastern Operations of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-100 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern Operations Area
Credit	-	Account No. 663 Transportation of Gas by Others

To record, as a debit (credit) in Deferral Account No. 179-100, the difference in the costs between the actual per unit transportation and associated fuel costs and the forecast per unit transportation and associated fuel costs included in the rates as approved by the Board.

Debit	-	Account No. 179-100 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern Operations Area
Credit	-	Account No. 663 Transportation of Gas by Others

To record, as a debit (credit) in Deferral Account No. 179-100 charges that result from the Limited Balancing Agreement.

Debit	-	Account No. 500 Sales Revenue
Credit	-	Account No. 179-100 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern Operations Area

To record, as a credit (debit) in Deferral Account No. 179-100 revenue from T-Service customers for load balancing service resulting from the Limited Balancing Agreement.

Debit	-	Account No. 179-100 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern Operations Area
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-100 interest expense on the balance in Deferral Account No. 179-100. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Unbundled Services Unauthorized Storage Overrun  
Deferral Account No. 179-103**

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

Debit	-	Account No.571 Storage Revenue
Credit	-	Account No. 179-103 Other Deferred Charges – Unbundled Services Unauthorized Storage Overrun

To record as a credit (debit) in Deferral Account No. 179-103 any unauthorized storage overrun charges incurred by customers electing unbundled service.

Debit	-	Account No. 179-103 Other Deferred Charges – Unbundled Services Unauthorized Storage Overrun
Credit	-	Account No. 323 Other Interest Expense

To record as a debit (credit) in Deferral Account No. 179-103, interest on the balance in Deferral Account No. 179-103. Simple interest will be computed on the monthly opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED****Accounting Entries for  
North Purchase Gas Variance Account  
Deferral Account No. 179-105**

This account is applicable to the Northern and Eastern Operations area of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit                    -            Account No. 179-105  
   Other Deferred Charges – North Purchase Gas Variance Account

Credit                   -            Account No. 623  
   Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-105, the difference between the unit cost of gas purchased each month for the Northern and Eastern Operations area and the unit cost of gas included in the gas sales rates as approved by the Board, including the difference between the actual heat content of the gas purchased and the forecast heat content included in gas sales rates.

Debit                    -            Account No. 179-105  
   Other Deferred Charges - North Purchase Gas Variance Account

Credit                   -            Account No. 323  
   Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-105, interest expense on the balance in Deferral Account No. 179-105. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED****Accounting Entries for  
South Purchase Gas Variance Account  
Deferral Account No. 179-106**

This account is applicable to the Southern Operations area of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit                    -            Account No. 179-106  
   Other Deferred Charges – South Purchase Gas Variance Account

Credit                   -            Account No. 623  
   Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-106, the difference between the unit cost of gas purchased each month for the Southern Operations and the unit cost of gas included in the gas sales rates as approved by the Board, including the difference between the actual heat content of the gas purchased and the forecast heat content included in gas sales rates.

Debit                    -            Account No. 179-106  
   Other Deferred Charges - South Purchase Gas Variance Account

Credit                   -            Account No. 323  
   Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-106, interest expense on the balance in Deferral Account No. 179-106. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED****Accounting Entries for  
Spot Gas Variance Account  
Deferral Account No. 179-107**

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

Debit                -                Account No. 179-107  
Other Deferred Charges –Spot Gas Variance Account

Credit             -                Account No. 623  
Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-107, the difference between the unit cost of spot gas purchased each month and the unit cost of gas included in the gas sales rates as approved by the Board on the spot volumes purchased in excess of planned purchases.

Debit                -                Account No. 623  
Cost of Gas

Credit             -                Account No. 179-107  
Other Deferred Charges –Spot Gas Variance Account

To record, as a credit (debit) in Deferral Account No. 179-107, the approved gas supply charges recovered through the delivery component of rates.

Debit                -                Account No. 179-107  
Other Deferred Charges – Spot Gas Variance Account

Credit             -                Account No. 323  
Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-107, interest expense on the balance in Deferral Account No. 179-107. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.



**UNION GAS LIMITED**

**Accounting Entries for  
Unabsorbed Demand Cost (UDC) Variance Account  
Deferral Account No. 179-108**

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

Debit	-	Account No. 179-108 Other Deferred Charges – Unabsorbed Demand Cost Variance Account
Credit	-	Account No. 663 Transportation of Gas by Others

To record, as a debit (credit) in Deferral Account No. 179-108, the difference between the actual unabsorbed demand costs incurred by Union and the amount of unabsorbed demand charges included in rates as approved by the Board.

Debit	-	Account No. 663 Transportation of Gas by Others
Credit	-	Account No. 179-108 Other Deferred Charges – Unabsorbed Demand Cost Variance Account

To record, as a credit (debit) in Deferral Account No. 179-108, the benefit from the temporary assignment of unutilized capacity under Union's transportation contracts to the Northern and Eastern Operations Area. The benefit will be equal to the recovery of pipeline demand charges and other charges resulting from the temporary assignment of unutilized capacity that have been included in gas sales rates.

Debit	-	Account No. 179-108 Other Deferred Charges – Unabsorbed Demand Cost Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-108, interest expense on the balance in Deferral Account No. 179-108. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Inventory Revaluation Account  
Deferral Account No. 179-109**

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

Debit	-	Account No. 179-109 Other Deferred Charges – Inventory Revaluation
Credit	-	Account No. 152 Gas in Storage - Available for Sale

To record, as a debit (credit) in Deferral Account No. 179-109, the decrease (increase) in the value of gas inventory available for sale to sales service customers due to changes in Union's weighted average cost of gas approved by the Board for rate making purposes.

Debit	-	Account No. 179-109 Other Deferred Charges – Inventory Revaluation Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-109, interest expense on the balance in Deferral Account No. 179-109. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Demand Side Management Variance Account  
Deferral Account No. 179-111**

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

Debit                -                Account No.179-111  
   Demand Side Management Variance Account

Credit              -                Account No. 728  
   General Expense

To record as a debit (credit) in Deferral Account No. 179-111, the difference between actual and the approved direct DSM expenditure budget currently approved for recovery in rates, provided that any excess over the approved direct DSM expenditure budget does not exceed 15% of the direct DSM expenditure budget. Any excess over the approved direct DSM expenditure budget for the year must be for incremental DSM volume savings that are cost effective as determined by the Total Resource Cost Test.

Debit                -                Account No.179-111  
   Other Deferred Charges – Demand Side Management Variance Account

Credit              -                Account No. 323  
   Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-111, interest expense on the balance in Deferral Account No. 179-111. Simple interest will be computed monthly upon finalization of the year end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Gas Distribution Access Rule (GDAR) Costs  
Deferral Account No. 179-112**

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

Debit	-	Account No. 179-112 Other Deferred Charges - Deferred Gas Distribution Access Rule (GDAR) Costs
Credit	-	Account No. 728 General Expense

To record, as a debit (credit) in Deferral Account No. 179-112 the difference between the actual costs required to implement the appropriate process and system changes to achieve compliance with GDAR and the costs included in rates as approved by the Board.

Debit	-	Account No. 179-112 Other Deferred Charges - Deferred Gas Distribution Access Rule (GDAR) Costs
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-112, interest on the balance in Deferral Account No. 179-112. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
CGAAP to IFRS Conversion Costs  
Deferral Account No. 179-120**

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

Debit	-	Account No. 179-120 Other Deferred Charges - CGAAP to IFRS Conversion Costs
Credit	-	Account No. 728 General Expense

To record, as a debit (credit) in Deferral Account No. 179-120 the difference between the actual incremental one-time administrative costs incurred to convert accounting policies and processes from their current compliance with Canadian Generally Accepted Accounting Principles (CGAAP) to their future compliance with International Financial Reporting Standards (IFRS) and the costs included in rates as approved by the Board.

Debit	-	Account No. 179-120 Other Deferred Charges - CGAAP to IFRS Conversion Costs
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-120, interest on the balance in Deferral Account No. 179-120. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Conservation Demand Management  
Deferral Account No. 179-123**

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

Debit                -            Account No. 312  
                                      Non-Gas Operating Revenue

Credit               -            Account No.179-123  
                                      Other Deferred Charges – Conservation Demand Management

To record, as a credit in Deferral Account No. 179-123, 50% of the actual revenues generated from the Conservation Demand Management (CDM) program that will be paid to customers upon approval by the Board for rate making purposes.

Debit                -            Account No.179-123  
                                      Other Deferred Charges – Conservation Demand Management

Credit               -            Account No. 323  
                                      Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-123, interest expense on the balance in Deferral Account No. 179-123. Simple interest will be computed monthly on the opening balance in the said account at the short term debt rate as approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Demand Side Management Incentive  
Deferral Account No. 179-126**

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

Debit	-	Account No. 179-126 Other Deferred Charges – Demand Side Management Incentive
Credit	-	Account No. 319 Other Income

To record, as a debit in Deferral Account No. 179-126, the shareholder incentive earned by the Company in relation to its Demand Side Management (DSM) Programs.

Debit	-	Account No. 179-126 Other Deferred Charges – Demand Side Management Incentive
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-126, interest on the balance in Deferral Account No. 179-126. Simple interest will be computed monthly on the opening balance in the said account at the short term debt rate as approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Upstream Transportation Optimization  
Deferral Account No. 179-131**

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

Debit	-	Account No. 179-131 Other Deferred Charges – Upstream Transportation Optimization
Credit	-	Account No. 626 Exchange Gas

To record as a debit in Deferral Account No. 179-131 a receivable from customers and a reduction in cost of gas for the unit rate of optimization revenues refunded to in-franchise customers multiplied by the actual distribution transportation volumes.

Debit	-	Account No. 579 Miscellaneous Operating Revenue
Credit	-	Account No. 179-131 Other Deferred Charges – Upstream Transportation Optimization

To record as a credit in Deferral Account No. 179-131 a payable to customers and a reduction in transportation revenue equal to the ratepayer portion (90%) of the actual net revenue from gas supply optimization activities.

Debit	-	Account No. 323 Other Interest Expense
Credit	-	Account No. 179-131 Other Deferred Charges – Upstream Transportation Optimization

To record, as a debit (credit) in Deferral Account No. 179-131, interest on the balance in Deferral Account No. 179-131. Simple interest will be computed monthly upon finalization of the year- end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.



**UNION GAS LIMITED**

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

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

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

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

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

To record, as a debit (credit) in Deferral Account No. 179-132, interest on the balance in Deferral Account No. 179-132. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Normalized Average Consumption (NAC) Account  
Deferral Account No. 179-133**

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

Debit	-	Account No. 179-133 Normalized Average Consumption Account
Credit	-	Account No. 500 Sales Revenue

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

Debit	-	Account No. 179-133 Normalized Average Consumption Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-133, interest on the balance in Deferral Account No. 179-133. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Tax Variance Deferral Account  
Deferral Account No. 179-134**

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

Debit	-	Account No. 179-134 Tax Variance Deferral Account
Credit	-	Account No. 300 Operating Revenues

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

Debit	-	Account No. 179-134 Tax Variance Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-134, interest on the balance in Deferral Account No. 179-134. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Unaccounted for Gas (UFG) Volume Variance Account  
Deferral Account No. 179-135**

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

Debit	-	Account No. 179-135 UFG Volume Variance Account
Credit	-	Account No. 654 Gas Losses

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

Debit	-	Account No. 179-135 UFG Volume Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-135, interest on the balance in Deferral Account No. 179-135. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED****Accounting Entries for  
Parkway West Project Costs  
Deferral Account No. 179-136**

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

Debit                -        Account No.179-136  
                                 Other Deferred Charges – Parkway West Project Costs

Credit               -        Account No. 579  
                                 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-136, the difference between the actual revenue requirement related to the costs for the Parkway West Project and the revenue requirement included in rates as approved by the Board.

Debit                -        Account No.179-136  
                                 Other Deferred Charges – Parkway West Project Costs

Credit               -        Account No. 323  
                                 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-136, interest on the balance in Deferral Account No. 179-136. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED****Accounting Entries for  
Brantford-Kirkwall/Parkway D Project Costs  
Deferral Account No. 179-137**

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

Debit                -        Account No.179-137  
                                 Other Deferred Charges – Brantford-Kirkwall/Parkway D Project Costs

Credit               -        Account No. 579  
                                 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-137, the difference between the actual revenue requirement related to the costs for the Brantford-Kirkwall/Parkway D Project and the revenue requirement included in rates as approved by the Board.

Debit                -        Account No.179-137  
                                 Other Deferred Charges – Brantford-Kirkwall/Parkway D Project Costs

Credit               -        Account No. 323  
                                 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-137, interest on the balance in Deferral Account No. 179-137. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Parkway Obligation Rate Variance  
Deferral Account No. 179-138**

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

Debit                    -        Account No.179-138  
   Other Deferred Charges – Parkway Obligation Rate Variance

Credit                   -        Account No. 300  
   Operating Revenue

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

Debit                    -        Account No.179-138  
   Other Deferred Charges – Parkway Obligation Rate Variance

Credit                   -        Account No. 323  
   Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-138, interest on the balance in Deferral Account No. 179-138. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Unaccounted for Gas (UFG) Price Variance Account  
Deferral Account No. 179-141**

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

Debit	-	Account No. 179-141 Other Deferred Charges - UFG Price Variance Account
Credit	-	Account No. 179-106/105 Other Deferred Charges – South/North Purchase Gas Variance Accounts

To record as a debit (credit) in Deferral Account No. 179-141, the variance between the actual price of Union's purchases and the applicable Board-approved reference price, applied to Union's actual experienced UFG volumes.

Debit	-	Account No. 179-141 Other Deferred Charges - UFG Price Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-141, interest on the balance in Deferral Account No. 179-141. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.



**UNION GAS LIMITED****Accounting Entries for  
Lobo C Compressor/Hamilton to Milton Pipeline Project Costs  
Deferral Account No. 179-142**

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

Debit                    -        Account No.179-142  
                                      Other Deferred Charges – Lobo C Compressor/Hamilton to Milton Pipeline Project Costs

Credit                   -        Account No. 579  
                                      Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-142, the difference between the actual revenue requirement related to the costs for the Lobo C Compressor/Hamilton to Milton Pipeline Project and the revenue requirement included in rates as approved by the Board.

Debit                    -        Account No.179-142  
                                      Other Deferred Charges – Lobo C Compressor/Hamilton to Milton Pipeline Project Costs

Credit                   -        Account No. 323  
                                      Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-142, interest on the balance in Deferral Account No. 179-142. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Unauthorized Overrun Non-Compliance Account  
Deferral Account No. 179-143**

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

Debit	-	Account No. 500 Sales Revenue
Credit	-	Account No. 179-143 Other Deferred Charges – Unauthorized Overrun Non-Compliance Account

To record as a credit (debit) in Deferral Account No. 179-143 any unauthorized overrun non-compliance charges incurred by interruptible distribution customers for not complying with a distribution interruption.

Debit	-	Account No. 323 Other Interest Expense
Credit	-	Account No. 179-143 Other Deferred Charges – Unauthorized Overrun Non-Compliance Account

To record, as a credit (debit) in Deferral Account No. 179-143, interest on the balance in Deferral Account No. 179-143. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

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

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

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

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

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

To record, as a debit (credit) in Deferral Account No. 179-144, interest on the balance in Deferral Account No. 179-144. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Transportation Tolls and Fuel – Union North West Operations Area  
Deferral Account No. 179-145**

This account is applicable to the North West Operations of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

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

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

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

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

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

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

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

To record, as a debit (credit) in Deferral Account No. 179-145 interest expense on the balance in Deferral Account No. 179-145. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Transportation Tolls and Fuel – Union North East Operations Area  
Deferral Account No. 179-146**

This account is applicable to the North East Operations of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

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

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

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

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

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

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

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

To record, as a debit (credit) in Deferral Account No. 179-146 interest expense on the balance in Deferral Account No. 179-146. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
 Union North West Purchase Gas Variance Account  
Deferral Account No. 179-147**

This account is applicable to the North West delivery areas of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-147 Other Deferred Charges – Union North West Purchase Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-147, the difference between the unit cost of gas purchased each month for the Union North West delivery areas and the unit cost of gas included in the gas sales rates as approved by the Board, including the difference between the actual heat content of the gas purchased and the forecast heat content included in gas sales rates.

Debit	-	Account No. 179-147 Other Deferred Charges - Union North West Purchase Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-147, interest expense on the balance in Deferral Account No. 179-147. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Union North East Purchase Gas Variance Account  
Deferral Account No. 179-148**

This account is applicable to the North East delivery areas of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-148 Other Deferred Charges – Union North East Purchase Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-148, the difference between the unit cost of gas purchased each month for the Union North East delivery areas and the unit cost of gas included in the gas sales rates as approved by the Board, including the difference between the actual heat content of the gas purchased and the forecast heat content included in gas sales rates.

Debit	-	Account No. 179-148 Other Deferred Charges - Union North East Purchase Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-148, interest expense on the balance in Deferral Account No. 179-148. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Burlington Oakville Project Costs  
Deferral Account No. 179-149**

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

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

Credit              -                Account No. 579  
   Miscellaneous Operating Revenue

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

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

Credit              -                Account No. 323  
   Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-149, interest on the balance in Deferral Account No. 179-149. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.



**UNION GAS LIMITED**

**Accounting Entries for  
Demand Side Management Cost-Efficiency Incentive Deferral Account (“DSMCEIDA”)  
Deferral Account No. 179-150**

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

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

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

**UNION GAS LIMITED**

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

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

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

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

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

To record, as a debit (credit) in Deferral Account No. 179-151, interest on the balance in Deferral Account No. 179-151. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**UNION GAS LIMITED**

**Accounting Entries for  
Greenhouse Gas Emissions Impact Deferral Account  
Deferral Account No. 179-152**

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

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

Credit               -        Account No. 728  
                                 General Expense

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

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

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

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

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

To record, as a debit (credit) in Deferral Account No. 179-153 interest expense on the balance in Deferral Account No. 179-153. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**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.

**UNION GAS LIMITED**

**Accounting Entries for  
Panhandle Reinforcement Project Costs  
Deferral Account No. 179-156**

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

Debit	-	Account No.179-156 Other Deferred Charges – Panhandle Reinforcement Project Costs
Credit	-	Account No. 579 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-156, the difference between the actual net delivery revenue requirement related to the costs for the Panhandle Reinforcement Project and the net delivery revenue requirement included in rates as approved by the Board.

Debit	-	Account No.179-156 Other Deferred Charges – Panhandle Reinforcement Project Costs
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-156, interest on the balance in Deferral Account No. 179-156. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

## APPENDIX G



Parkway West Project - Revenue Requirement

UNION GAS LIMITED  
Parkway West Project Revenue Requirement

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

Notes:

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

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

Brantford-Kirkwall/Parkway D Project - Revenue Requirement

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

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

Notes:

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

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

Dawn Parkway 2016 System Expansion Project - Revenue Requirement

UNION GAS LIMITED  
Hamilton-Milton Pipeline and Lobo C Compressor Project Revenue Requirement

Line No.	Particulars (\$000's)	2016 (a)	2017 (b)	2018 (c)
	<u>Rate Base Investment</u>			
1	Capital Expenditures	378,233	12,482	-
2	Average Investment	44,292	376,925	372,457
	<u>Revenue Requirement Calculation:</u>			
	<u>Operating Expenses:</u>			
3	Operating and Maintenance Expenses (1)	187	1,128	1,150
4	Depreciation Expense (2)	4,528	9,158	9,261
5	Property Taxes (3)	191	1,149	1,172
6	Total Operating Expenses	<u>4,906</u>	<u>11,435</u>	<u>11,583</u>
7	Required Return (6.031% x line 2) (4)	2,671	22,732	22,462
	<u>Income Taxes:</u>			
8	Income Taxes - Equity Return (5)	487	4,147	4,097
9	Income Taxes - Utility Timing Differences (6)	<u>(7,381)</u>	<u>(9,192)</u>	<u>(7,892)</u>
10	Total Income Taxes	<u>(6,894)</u>	<u>(5,046)</u>	<u>(3,795)</u>
11	Total Revenue Requirement (line 6 + line 7 + line 10)	<u>683</u>	<u>29,121</u>	<u>30,251</u>
12	Incremental Project Revenue (7)	<u>1,559</u>	<u>9,357</u>	<u>9,357</u>
13	Net Revenue Requirement (line 11 - line 12)	<u>(876)</u>	<u>19,764</u>	<u>20,894</u>

Notes:

- (1) Expenses include salaries and wages, employee-related expenses, fleet costs, materials and operating expenses.
- (2) Depreciation expense at 2013 Board-approved depreciation rates.
- (3) Property taxes in 2018 include \$0.792 million for the Hamilton-Milton pipeline and \$0.380 million for Lobo C compressor and facilities.
- (4) The required return of 6.031% assumes a capital structure of 64% long-term debt at 4.4% and 36% common equity at the 2013 Board-approved return of 8.93% ( $0.64 * 0.044 + 0.36 * 0.0893$ )

The 2018 required return calculation is as follows:

$\$372.457 \text{ million} * 64\% * 4.4\% = \$10.488 \text{ million plus}$

$\$372.457 \text{ million} * 36\% * 8.93\% = \$11.974 \text{ million for a total of } \$22.462 \text{ million.}$

- (5) Taxes related to the equity component of the return at a tax rate of 25.5%.
- (6) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.
- (7) Project revenue assumes an estimated M12 Dawn-Parkway rate of \$2.546 GJ/mth and an M12 Kirkwall-Parkway rate of \$0.450 GJ/mth.

The 2018 revenue is calculated as follows:

M12 Dawn-Parkway demands of 270,733 GJ x \$2.546 x 12 / 1000 = \$8.271 million plus

M12 Kirkwall-Parkway demands of 36,301 GJ x \$0.450 x 12 / 1000 = \$0.196 million plus

Union North T-Service demands of 29,115 GJ x \$2.546 x 12 / 1000 = \$0.890 million

UNION GAS LIMITED  
Burlington to Oakville Project Revenue Requirement

Line No.	Particulars (\$000's)	2016 (a)	2017 (b)	2018 (c)
	<u>Rate Base Investment</u>			
1	Capital Expenditures	117,710	1,767	0
2	Average Investment	13,584	116,312	114,697
	<u>Revenue Requirement Calculation:</u>			
	<u>Operating Expenses:</u>			
3	Operating and Maintenance Expenses (1)	3	16	16
4	Depreciation Expense (2)	1,186	2,390	2,408
5	Property Taxes (3)	20	117	120
6	Total Operating Expenses	<u>1,208</u>	<u>2,523</u>	<u>2,544</u>
7	Required Return (6.031% x line 2) (4)	819	7,015	6,917
	<u>Income Taxes:</u>			
8	Income Taxes - Equity Return (5)	149	1,280	1,262
9	Income Taxes - Utility Timing Differences (6)	<u>(2,100)</u>	<u>(2,533)</u>	<u>(2,192)</u>
10	Total Income Taxes	<u>(1,951)</u>	<u>(1,254)</u>	<u>(930)</u>
11	Total Revenue Requirement (line 6 + line 7 + line 10)	<u>77</u>	<u>8,284</u>	<u>8,531</u>
12	Incremental Project Revenue	<u>-</u>	<u>-</u>	<u>-</u>
13	Net Revenue Requirement (line 11 - line 12)	<u>77</u>	<u>8,284</u>	<u>8,531</u>

Notes:

- (1) Expenses include labour, contractor services, materials and other operating expenses for the transmission lines of \$0.005 million and stations of \$0.011 million.
- (2) Depreciation expense at 2013 Board-approved depreciation rates.
- (3) Includes pipeline and station property taxes.
- (4) The required return of 6.031% assumes a capital structure of 64% long-term debt at 4.4% and 36% common equity at the 2013 Board-approved return of 8.93% ( $0.64 * 0.044 + 0.36 * 0.0893$ )  
 The 2018 required return calculation is as follows:  
 $\$114.697 \text{ million} * 64\% * 4.4\% = \$3.230 \text{ million plus}$   
 $\$114.697 \text{ million} * 36\% * 8.93\% = \$3.687 \text{ million for a total of } \$6.917 \text{ million.}$
- (5) Taxes related to the equity component of the return at a tax rate of 25.5%.
- (6) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.

2017 Dawn Parkway Project - Revenue Requirement

UNION GAS LIMITED  
Lobo D, Bright C and Dawn H Compressor Project Revenue Requirement

Line No.	Particulars (\$000's)	2016 (a)	2017 (b)	2018 (c)
	<u>Rate Base Investment</u>			
1	Capital Expenditures	107,400	500,838	14,267
2	Average Investment	11,432	171,034	592,525
	<u>Revenue Requirement Calculation:</u>			
	<u>Operating Expenses:</u>			
3	Operating and Maintenance Expenses (1)	0	602	3,623
4	Depreciation Expense (2)	1,677	11,310	19,416
5	Property Taxes (3)	0	175	1,051
6	Total Operating Expenses	<u>1,677</u>	<u>12,086</u>	<u>24,091</u>
7	Required Return (5.77% x line 2) (4)	660	9,877	34,217
	<u>Income Taxes:</u>			
8	Income Taxes - Equity Return (5)	126	1,879	6,510
9	Income Taxes - Utility Timing Differences (6)	<u>(4,178)</u>	<u>(17,084)</u>	<u>(22,179)</u>
10	Total Income Taxes	<u>(4,053)</u>	<u>(15,205)</u>	<u>(15,669)</u>
11	Total Revenue Requirement (line 6 + line 7 + line 10)	<u>(1,716)</u>	<u>6,758</u>	<u>42,639</u>
12	Incremental Project Revenue (7)	-	2,925	17,551
13	Net Revenue Requirement (line 11 - line 12)	<u>(1,716)</u>	<u>3,833</u>	<u>25,088</u>

Notes:

- (1) Expenses include salaries and wages, employee-related expenses, fleet costs, materials and operating expenses.
- (2) Depreciation expense at 2013 Board-approved depreciation rates.
- (3) Property taxes in 2018 include \$0.366 million for the Dawn H compressor and facilities and \$0.685 million for Lobo D and Bright C compressors and facilities.
- (4) The required return of 5.77% assumes a capital structure of 64% long-term debt at 4.0% and 36% common equity at the 2013 Board-approved return of 8.93% ( $0.64 * 0.04 + 0.36 * 0.0893$ )

The 2018 required return calculation is as follows:

\$592.525 million \* 64% \* 4.0% = \$15.169 million plus

\$592.525 million \* 36% \* 8.93% = \$19.048 million for a total of \$34.217 million.

- (5) Taxes related to the equity component of the return at a tax rate of 25.5%.
- (6) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.
- (7) Project revenue assumes an estimated M12 Dawn-Parkway rate of \$2.937 GJ/mth, an M12 Kirkwall-Parkway rate of \$0.517 GJ/mth and a Dawn Compression rate of \$0.232 GJ/mth.

The 2018 revenue is calculated as follows:

M12 Dawn-Parkway demands of 441,778 GJ x \$2.937 x 12 / 1000 = \$15.570 million plus

C1 Dawn-Parkway demands (North T-Service) of 5,975 GJ x \$2.937 x 12 / 1000 = \$0.211 million plus

M12 Kirkwall-Parkway demands of 84,854 GJ x \$0.517 x 12 / 1000 = \$0.526 million plus

M12/C1 Dawn Compression demands of 447,753 GJ x \$0.232 x 12 / 1000 = \$1.247 million

UNION GAS LIMITED  
Panhandle Reinforcement Project Revenue Requirement

Line No.	Particulars (\$000's)	2018 (a)
	<u>Rate Base Investment</u>	
1	Capital Expenditures	30,612
2	Average Investment	223,023
	<u>Revenue Requirement Calculation:</u>	
	<u>Operating Expenses:</u>	
3	Operating and Maintenance Expenses	15
4	Depreciation Expense	4,765
5	Property Taxes	1,569
6	Total Operating Expenses	<u>6,349</u>
7	Required Return (5.775% x line 2)	12,879
	<u>Income Taxes:</u>	
8	Income Taxes - Equity Return	2,581
9	Income Taxes - Utility Timing Differences	<u>(6,116)</u>
10	Total Income Taxes	<u>(3,535)</u>
11	Total Revenue Requirement (line 6 + line 7 + line 10) (1)	<u>15,693</u>
12	Incremental Project Revenue (2)	<u>3,104</u>
13	Net Revenue Requirement (line 11 - line 12)	<u>12,589</u>

Notes:

- (1) Revenue Requirement calculated using the updated capital spend of \$242.8 million.  
 (2) Incremental Project Revenue includes incremental project transmission and distribution margin based on October 2017 QRAM rates.

UNION GAS LIMITED  
 Panhandle Reinforcement Project 2018 Revenue Requirement Allocation to Rate Classes  
Based on Board-Approved Depreciation Rates

Line No.	Particulars	Total Revenue Requirement (\$000's) (a)	Incremental Project Revenue (2) (\$000's) (b)	Net Revenue Requirement (\$000's) (c) = (a - b)
1	Rate M1	2,210	648	1,561
2	Rate M2	1,170	221	949
3	Rate M4	1,446	237	1,209
4	Rate M5	(38)	3	(41)
5	Rate M7	449	73	375
6	Rate M9	(2)	-	(2)
7	Rate M10	(0)	-	(0)
8	Rate T1	1,087	180	907
9	Rate T2	7,929	1,295	6,634
10	Rate T3	(7)	-	(7)
11	Subtotal - Union South	14,244	2,658	11,586
12	Excess Utility Space	(33)	-	(33)
13	Rate C1	2,414	368	2,046
14	Rate M12	(188)	-	(188)
15	Rate M13	0	-	0
16	Rate M16	471	77	394
17	Subtotal - Ex-franchise	2,664	445	2,219
18	Rate 01	(894)	-	(894)
19	Rate 10	(125)	-	(125)
20	Rate 20	(94)	-	(94)
21	Rate 100	(73)	-	(73)
22	Rate 25	(27)	-	(27)
23	Subtotal - Union North	(1,212)	-	(1,212)
24	Gas Supply Admin	(3)	-	(3)
25	In-franchise (line 11 + line 23 + line 24)	13,029	2,658	10,371
26	Ex-franchise (line 17)	2,664	445	2,219
27	Total	15,693 (1)	3,104 (3)	12,589

Notes:

- (1) Rate Order, Appendix G, p.1, line 11.  
 (2) Allocation of Incremental Project Revenue to rate classes based on the 2013 Board-approved Ojibway/St. Clair design day demands updated for the demands of the project.  
 (3) Rate Order, Appendix G, p. 2, line 12.

## APPENDIX H



UNION GAS LIMITED  
Summary of 2018 Retroactive Rate Adjustments for General Service Rate Classes

Line No	Particulars	Total Amount for Recovery/(Refund) (\$ (1) (a)	Billing Units for Disposition (10 <sup>3</sup> m <sup>3</sup> ) (2) (b)	Unit Rate Adjustment for Prospective Recovery (cents/m <sup>3</sup> ) (c) = (a / b / 10)
	<u>Union North</u>			
	<u>Rate 01</u>			
1	Delivery	461,769	716,592	0.0644
	Transportation			
2	Union North West	410	216,576	0.0002
3	Union North East	35,609	532,860	0.0067
	Storage			
4	Union North West	102,083	207,085	0.0493
5	Union North East	401,218	509,508	0.0787
	Gas Supply Commodity			
6	Union North West	(330)	154,555	(0.0002)
7	Union North East	(780)	364,913	(0.0002)
8	Total Rate 01	<u>999,979</u>		
	<u>Rate 10</u>			
9	Delivery	110,989	274,728	0.0404
	Transportation			
10	Union North West	27	68,820	0.0000
11	Union North East	6,019	220,714	0.0027
	Storage			
12	Union North West	20,630	65,301	0.0316
13	Union North East	105,147	209,427	0.0502
	Gas Supply Commodity			
14	Union North West	(55)	31,739	(0.0002)
15	Union North East	(167)	100,447	(0.0002)
16	Total Rate 10	<u>242,589</u>		
	<u>Union South</u>			
	<u>Rate M1</u>			
17	Delivery	1,904,173	2,307,703	0.0825
18	Storage	89,105	2,307,703	0.0039
19	Gas Supply Commodity	(3,485)	1,782,802	(0.0002)
20	Total Rate M1	<u>1,989,793</u>		
	<u>Rate M2</u>			
21	Delivery	760,976	890,933	0.0854
22	Storage	43,614	890,933	0.0049
23	Gas Supply Commodity	(652)	361,490	(0.0002)
24	Total Rate M2	<u>803,938</u>		
25	Total - General Service	<u>4,036,299</u>		

Notes:

- (1) Total Amount per Rate Order, Working Paper, Schedule 24, pp.2 - 5, column (e).
- (2) Based on 2018 OEB-approved billing units (EB-2017-0087) for prospective recovery period of February 1, 2018 to December 31, 2018.



**2018 Rates**  
**Overview of Working Papers**

- Schedule 1***      **Calculation of Price Cap Index (PCI)** – This schedule provides the calculation of the average annual percentage change in the GDP IPI FDD over the four quarters ending June 2017.
- Schedule 2***      **Calculation of Price Cap Adjustment** – This schedule provides the 2018 PCI applied to the 2017 approved revenue adjusted for DSM, PDO, capital pass-through, and upstream transportation costs to arrive at the total price cap adjustment.
- Schedule 3***      **Summary of 2018 Proposed Rates** – This schedule summarizes the proposed 2018 rate changes by rate class.
- Schedule 4***      **Detailed In-franchise and Ex-franchise Rates** – This schedule provides detailed support for the proposed rate changes summarized in Schedule 3.
- Schedule 5***      **Rate Impact Continuity** – This schedule provides the rate class-specific impacts of each of the 2018 revenue adjustments to arrive at the final 2018 revenue.
- Schedule 6***      **Percentage Change in Average Unit Price** – This schedule identifies average unit price changes for in-franchise rate classes.
- Schedule 7***      **Summary of Approved Revenue Changes** – This schedule summarizes the approved revenue changes that occurred during 2017 and 2018.
- Schedule 8***      **General Service Customer Bill Impacts** – This schedule provides illustrative customer bill impacts for general service customers in Rate M1, Rate M2, Rate 01, and Rate 10.
- Schedule 9***      **Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers** – This schedule provides illustrative customer bill impacts for all Union North and Union South in-franchise rate classes based on typical small and large customers within each rate class.
- Schedule 10***     **Summary of 2018 Capital Pass-Through Adjustments** – This schedule summarizes the 2018 cost adjustments by rate class related to Union’s capital pass-through projects.

- Schedule 11**      **2017 and 2018 DSM Budget Allocation by Rate Class** – This schedule provides the 2017 and 2018 DSM budget included in rates.
- Schedule 12**      **Calculation of 2018 NAC Target Percentage Change** – This schedule provides the calculation of the NAC target percentage change used to adjust billing units for general service classes (Rate M1, Rate M2, Rate 01 and Rate 10).
- Schedule 13**      **Summary of S&T Transactional Margin Included in 2018 Rates** – This schedule provides the S&T transactional margin included in in-franchise rates.
- Schedule 14**      **Summary of Gas Supply Optimization Margin Included in 2018 Rates** – This schedule summarizes the gas supply optimization margin amounts included in rates and shows the allocation of the ratepayer portion of the margin to rate classes.
- Schedule 15**      **Total Upstream Transportation Costs in Union North Rates** – This schedule summarizes the approved changes to upstream transportation costs that occurred during 2017 and 2018 through the QRAM process that are not subject to the price cap adjustment.
- Schedule 16**      **Calculation of 2018 Gas Supply Administration Charge** – This schedule provides the calculation of the 2018 gas supply administration charge included in commodity rates.
- Schedule 17**      **LRAM Volume Adjustment** – This schedule provides the LRAM-related volume adjustments by contract rate class included in the 2018 rate calculations.
- Schedule 18**      **Calculation of Supplemental Service Charges** – This schedule provides the calculation of Union’s supplemental service charges.
- Schedule 19**      **Bundled Storage Rate Detail - Southern Operations Area** – This schedule provides the derivation of the Rate M1 and Rate M2 bundled storage rates.
- Schedule 20**      **Parkway Delivery Obligation (PDO) Rate Adjustments** – This schedule provides the 2018 costs related to the PDO and the Parkway Delivery Commitment Incentive (PDCI).

- Schedule 21***     **Ex-Franchise Transportation Fuel Ratios** – This schedule calculates the fuel ratios including adjustments related to the PCI and the PDO compressor fuel as shown at Working Paper Schedule 20, page 3.
- Schedule 22***     **In-Franchise Transportation Fuel Ratios** – This schedule calculates the fuel ratios including adjustments related to the PCI and the PDO compressor fuel as shown at Working Paper Schedule 20, page 3.
- Schedule 23***     **Union North Storage and Transportation Costs** – This schedule provides the Union North storage and transportation costs for each of the Union North West and Union North East Zones by rate class for the 2018 Gas Supply Plan.
- Schedule 24***     **Summary of 2018 Retroactive Rate Adjustments for General Service Rate Classes** – This schedule shows the derivation of General Service unit rates to prospectively recover, over the balance of 2018, the forecast amounts arising from the February 2018 implementation of 2018 Rates (EB-2017-0087) effective January 2018.

UNION GAS LIMITED  
Calculation of Price Cap Index  
Effective January 1, 2018

Line No.	Particulars	Annual % Change in GDP IPI FDD (1)		
1	July - September 2016	0.95%		
2	October - December 2016	1.21%		
3	January - March 2017	1.29%		
4	April - June 2017	<u>1.63%</u>		
5	Inflation Factor (Average % Change)	1.27%		
		<u>Inflation Factor</u>	<u>X Factor (2)</u>	<u>2018 PCI</u>
		(a)	(b)	(c) = (a-b)
6	2018 Price Cap Index	1.27%	0.76%	0.51%

Notes:

- (1) Gross Domestic Product Implicit Price Index Final Domestic Demand, sourced from Statistics Canada CanSim Table 380-0066.  
(2) Equal to 60% of the Inflation factor in column (a) per EB-2013-0202 Settlement Agreement, p.22.

UNION GAS LIMITED  
Calculation of Price Cap Adjustment  
Effective January 1, 2018

Line No.	Particulars (\$000's)	General Service (a)	In-Franchise Contract (b)	Total In-Franchise (c) = (a+b)	Ex-Franchise (d)	Total Company (e) = (c+d)
	<u>Calculation of Price Cap Base Revenue</u>					
1	2017 Current Approved Revenue (1)	763,689	146,915	910,604	256,218	1,166,822
	Current year's pre-cap adjustments:					
2	2017 DSM	(42,592)	(15,978)	(58,570)	-	(58,570) (2)
3	2017 Capital Pass-Throughs	9,575	(3,104)	6,471	(83,603)	(77,131) (3)
4	2017 Parkway Delivery Obligation	(15,696)	(9,088)	(24,784)	(663)	(25,446) (4)
5	Upstream Transportation	(88,829)	(7,380)	(96,209)	-	(96,209) (5)
6	Price Cap Base Revenue	<u>626,147</u>	<u>111,365</u>	<u>737,513</u>	<u>171,953</u>	<u>909,465</u>
7	2018 Price Cap Adjustment (Line 6 * PCI %)	<u>3,193</u>	<u>568</u>	<u>3,761</u>	<u>877</u>	<u>4,638</u>
8	2018 PCI %	0.51% (6)				

Notes:

- (1) Rate Order, Working Papers, Schedule 3, column (a). Rates per Board-approved October 1, 2017 QRAM (EB-2017-0278), excluding revenue associated with the Gas Supply Admin charge, Cap-and-Trade charges, Rate C1 Market Based Storage Services, Short-Term Transportation, Exchanges and Other Transactional not subject to escalation.
- (2) Rate Order, Working Papers, Schedule 3, column (c).
- (3) Rate Order, Working Papers, Schedule 3, column (d), excluding Gas Supply Admin charge and allocation to ex-franchise services not subject to escalation per Note (1).
- (4) Rate Order, Working Papers, Schedule 3, column (e), excluding allocation to ex-franchise services not subject to escalation per Note (1).
- (5) Rate Order, Working Papers, Schedule 15, column (g).
- (6) Rate Order, Working Papers, Schedule 1, column (c).

UNION GAS LIMITED  
Summary of 2018 Proposed Rates

Line No.	Particulars	Excluding Cap-and-Trade Charges		Adjustments to 2017 Base Rates				Adjusted Revenue (\$000's)	Price Cap Index (7) (\$000's)	Price Cap Index (%)	Adjustments to 2018 Base Rates				Proposed Revenue (\$000's)	Excluding Cap-and-Trade Charges	
		Current Approved Revenue (1) (\$000's)	Current Approved Rates (2) (cents / m³)	2017 DSM (3) (\$000's)	2017 Capital Pass-Throughs (4) (\$000's)	2017 Parkway Delivery Obligation (5) (\$000's)	2017 Upstream Transportation (6) (\$000's)				2018 DSM (8) (\$000's)	2018 Capital Pass-Throughs (9) (\$000's)	2018 Parkway Delivery Obligation (10) (\$000's)	2018 Upstream Transportation (11) (\$000's)		Proposed Rates (cents / m³)	Rate Change (%)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
North Delivery																	
1	Rate 01	159,676	17.5528	(8,100)	7,509	-	(1,836)	157,250	802	0.51%	9,124	(8,926)	-	1,836	160,086	18.0614	2.9%
2	Rate 10	20,657	6.1277	(2,951)	941	-	(485)	18,162	93	0.51%	3,093	(1,084)	-	485	20,749	6.3654	3.9%
3	Rate 20	13,577	2.2398	(1,734)	783	-	(132)	12,494	64	0.51%	1,773	(907)	-	132	13,556	2.2424	0.1%
4	Rate 25	4,340	2.7201	-	242	-	-	4,582	23	0.51%	-	(284)	-	-	4,322	2.7086	-0.4%
5	Rate 100	15,230	0.8392	(1,882)	665	-	(9)	14,004	71	0.51%	1,895	(774)	-	9	15,205	0.8382	-0.1%
6	Total North Delivery	213,480		(14,667)	10,140	-	(2,461)	206,492	1,053		15,885	(11,974)	-	2,461	213,918		
South Delivery & Storage																	
7	Rate M1	409,890	14.1479	(21,550)	8,077	(11,715)	-	384,703	1,962	0.51%	24,375	(5,550)	11,467	-	416,957	14.8473	4.9%
8	Rate M2	61,334	5.4421	(9,992)	(963)	(3,971)	-	46,409	237	0.51%	10,442	2,643	3,876	-	63,607	5.8910	8.2%
9	Rate M4	14,970	4.2862	(2,696)	(419)	(1,271)	-	10,584	54	0.51%	2,742	1,831	1,203	-	16,414	4.8388	12.9%
10	Rate M5A	13,613	2.9246	(3,589)	577	(240)	-	10,361	53	0.51%	3,638	(670)	161	-	13,543	3.0089	2.9%
11	Rate M7	4,890	3.9176	(940)	(220)	(567)	-	3,163	16	0.51%	964	699	542	-	5,384	4.5152	15.3%
12	Rate M9	1,018	1.6764	-	(111)	(223)	-	685	3	0.51%	-	149	207	-	1,045	1.7197	2.6%
13	Rate M10	13	6.7203	-	(2)	(5)	-	5	0	0.51%	-	3	5	-	14	7.1728	6.7%
14	Rate T1	11,598	2.2686	(1,532)	(269)	(793)	-	9,004	46	0.51%	1,573	1,257	703	-	12,582	2.4800	9.3%
15	Rate T2	51,890	1.1287	(3,605)	(3,199)	(4,587)	-	40,499	207	0.51%	3,653	10,470	4,194	-	59,023	1.2924	14.5%
16	Rate T3	6,751	2.4755	-	(815)	(1,401)	-	4,535	23	0.51%	-	1,092	1,348	-	6,998	2.5662	3.7%
17	Total South Delivery & Storage	575,967		(43,903)	2,656	(24,773)	-	509,948	2,601		47,387	11,925	23,706	-	595,566		
18	Total In-Franchise Delivery	789,447		(58,570)	12,796	(24,773)	(2,461)	716,439	3,654		63,272	(49)	23,706	2,461	809,483		

Notes:

- (1) Rate Order, Working Papers, Schedule 7, column (h).  
(2) Rate Order, Working Papers, Schedule 4, column (c).  
(3) Rate Order, Working Papers, Schedule 11, column (a).  
(4) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (m).  
(5) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (n) + EB-2016-0296, Exhibit 7, Schedule 3, column (e).  
(6) Rate Order, Working Papers, Schedule 15, column (g).

Notes:

- (7) Rate Order, Working Papers, Schedule 2, line 7.  
(8) Rate Order, Working Papers, Schedule 11, column (b).  
(9) Rate Order, Working Papers, Schedule 10.  
(10) Rate Order, Working Papers, Schedule 20, p. 1, column (i).  
(11) Rate Order, Working Papers, Schedule 23, p. 1, column (c).



UNION GAS LIMITED  
Summary of 2018 Proposed Rates

Line No.	Particulars	Excluding Cap-and-Trade Charges		Adjustments to 2017 Base Rates				Adjusted Revenue (\$000's)	Price Cap Index (7) (\$000's)	Price Cap Index (%)	Adjustments to 2018 Base Rates				Proposed Revenue (\$000's)	Excluding Cap-and-Trade Charges	
		Current Approved Revenue (1) (\$000's)	Current Approved Rates (2) (cents / m³)	2017 DSM (3) (\$000's)	2017 Capital Pass-Throughs (4) (\$000's)	2017 Parkway Delivery Obligation (5) (\$000's)	2017 Upstream Transportation (6) (\$000's)				2018 DSM (8) (\$000's)	2018 Capital Pass-Throughs (9) (\$000's)	2018 Parkway Delivery Obligation (10) (\$000's)	2018 Upstream Transportation (11) (\$000's)		Proposed Rates (cents / m³)	Rate Change (%)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
North Transportation & Storage																	
1	Rate 01	86,665	9.5269	-	(4,769)	(8)	(66,615)	15,274	78	0.51%	-	6,083	7	66,793	88,235	9.9550	4.5%
2	Rate 10	25,466	7.5543	-	(1,220)	(2)	(19,894)	4,349	22	0.51%	-	1,562	2	19,931	25,868	7.9358	5.1%
3	Rate 20	7,993	6.5549	-	(318)	(1)	(6,356)	1,318	7	0.51%	-	405	1	6,349	8,080	6.6266	1.1%
4	Rate 25	696	1.6219	-	4	-	(680)	20	0	0.51%	-	(6)	-	663	677	1.5775	-2.7%
5	Rate 100	336	-	-	(20)	(0)	(203)	112	1	0.51%	-	25	0	203	342	-	
6	Total North Transportation & Storage	121,157		-	(6,324)	(11)	(93,748)	21,073	107		-	8,070	11	93,941	123,202		
7	Gas Supply Admin Charge	6,723		-	66	-	-	6,789	-		-	(100)	-	-	6,689		
8	Total In-Franchise	917,327		(58,570)	6,537	(24,784)	(96,209)	744,301	3,761		63,272	7,921	23,717	96,402	939,374	932,685	
Ex-Franchise																	
9	Rate M12	245,065		-	(81,408)	(652)	-	163,005	831	0.51%	-	114,968	680	-	279,484		14.0%
10	Rate M13	407		-	5	-	-	412	2	0.51%	-	(2)	-	-	412		1.1%
11	Rate M16	711		-	10	(3)	-	717	4	0.51%	-	384	2	-	1,107		55.8%
12	Rate C1	47,403		-	(1,922)	(213)	-	45,268	40		-	4,379	203	-	49,890		5.2%
13	Total Ex-Franchise	293,586		-	(83,315)	(868)	-	209,402	877		-	119,729	885	-	330,893		
14	Total In-Franchise & Ex-Franchise	1,210,913		(58,570)	(76,778)	(25,652)	(96,209)	953,704	4,638		63,272	127,649	24,602	96,402	1,270,267		

Notes:

- (1) Rate Order, Working Papers, Schedule 7, column (h).  
(2) Rate Order, Working Papers, Schedule 4, column (c).  
(3) Rate Order, Working Papers, Schedule 11, column (a).  
(4) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (m).  
(5) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (n) + EB-2016-0296, Exhibit 7, Schedule 3, column (e).  
(6) Rate Order, Working Papers, Schedule 15, column (g).

Notes:

- (7) Rate Order, Working Papers, Schedule 2, line 7.  
(8) Rate Order, Working Papers, Schedule 11, column (b).  
(9) Rate Order, Working Papers, Schedule 10.  
(10) Rate Order, Working Papers, Schedule 20, p. 1, column (i).  
(11) Rate Order, Working Papers, Schedule 23, p. 1, column (c).

UNION GAS LIMITED  
Union North  
In-Franchise Customers  
Effective January 1, 2018

Line No.	Particulars	Billing Units	Current	Current	Current	Adjustments to 2017 Base Rates				Adjusted Revenue (\$000's)	Price Cap	Price Cap Index (%)
			Approved Forecast Usage (1)	Approved Revenue (2)	Approved Rates (3)	2017 DSM (4)	2017 Capital Pass-Throughs (5)	2017 Parkway Delivery Obligation (6)	2017 Upstream Transportation (7)		Index (8)	
			(a)	(\$000s) (b)	(cents / m³) (c)	(\$000s) (d)	(\$000's) (e)	(\$000's) (f)	(\$000's) (g)	(h) = (b+d+e+f+g)	0.51% (\$000's) (i)	
1	Rate 01 General Service Monthly Charge	bills	3,839,732	80,634	\$21.00	-	5,499	-	-	86,134	439	
	Monthly Delivery Charge - All Zones											
2	First 100 m³	10³m³	268,242	24,409	9.0997	(2,501)	621	-	(578)	21,950	112	
3	Next 200 m³	10³m³	304,582	27,006	8.8667	(2,768)	687	-	(621)	24,304	124	
4	Next 200 m³	10³m³	132,871	11,293	8.4990	(1,157)	287	-	(260)	10,163	52	
5	Next 500 m³	10³m³	90,752	7,407	8.1615	(759)	188	-	(171)	6,665	34	
6	Over 1,000 m³	10³m³	113,243	8,927	7.8827	(915)	227	-	(206)	8,033	41	
7	Delivery Commodity charge - 01		909,690	79,042	8.6889	(8,100)	2,010	-	(1,836)	71,116	363	0.51%
8	Total Delivery - 01		909,690	159,676	17.5528	(8,100)	7,509	-	(1,836)	157,250	802	0.51%
	Gas Transportation											
9	Union North West	10³m³	267,830	18,362	6.8558	-	(29)	-	(18,308)	25	0	
10	Union North East	10³m³	659,134	19,768	2.9991	-	(72)	-	(18,061)	1,635	8	
11	Transportation - 01		926,963	38,130	4.1134	-	(101)	-	(36,369)	1,659	8	0.51%
	Storage											
12	Union North West	10³m³	262,839	5,399	2.0541		(1,349)	(2)	(1,288)	2,760	14	
13	Union North East	10³m³	646,851	43,137	6.6687		(3,319)	(5)	(28,958)	10,854	55	
14	Storage - 01		909,690	48,536	5.3354		(4,668)	(8)	(30,245)	13,615	69	0.51%
15	Total Rate 01		909,690	246,341	27.0797	(8,100)	2,740	(8)	(68,450)	172,524	880	0.51%

Notes:

(1) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (t).  
(2) Rate Order, Working Papers, Schedule 7, column (h).  
(3) EB-2017-0351, Rate Order, Appendix A, rates effective January 1, 2018 (excludes Price Adjustments).  
(4) EB-2016-0245, Rate Order, Working Papers, Schedule 11, column (b).  
(5) EB-2016-0245, Rate Order, Working Papers, Schedule 10, column (d).  
(6) EB-2015-0245, Rate Order, Working Papers, Schedule 20, p. 1, column (i) + EB-2016-0296, Exhibit 7, Schedule 2, p. 1, column (i) + EB-2016-0296, Rate Order, Appendix H, p.3, column (i).  
(7) Rate Order, Working Papers, Schedule 15, column (g).  
(8) Rate Order, Working Papers, Schedule 2, line 8.

UNION GAS LIMITED  
Union North  
In-Franchise Customers  
Effective January 1, 2018

Line No.	Particulars	Billing Units	Adjustments to 2018 Base Rates				Monthly Customer Charge Adjustment (\$000's) (o)	Proposed Revenue (\$000's) (p)= sum(h:o)	NAC / LRAM Usage Adjustment (13) (10³m³) (q)	Proposed Forecast Usage (r) = (a + q)	Proposed Rates	
			2018 DSM (9) (\$000's) (k)	2018 Capital Pass-Throughs (10) (\$000's) (l)	2018 Parkway Delivery Obligation (11) (\$000's) (m)	2018 Upstream Transportation (12) (\$000's) (n)					Rates (cents / m³) (s) = (p / r)	Rate Change (%) (t)
1	Rate 01 General Service Monthly Charge	bills	-	(6,636)	-	-	697	80,634	-	3,839,732	\$21.00	
	Monthly Delivery Charge - All Zones											
2	First 100 m³	10³m³	2,818	(707)	-	578	(216)	24,535	(6,885)	261,357	9.3875	
3	Next 200 m³	10³m³	3,118	(782)	-	621	(238)	27,147	(7,818)	296,764	9.1476	
4	Next 200 m³	10³m³	1,304	(327)	-	260	(99)	11,351	(3,411)	129,460	8.7683	
5	Next 500 m³	10³m³	855	(215)	-	171	(65)	7,445	(2,329)	88,423	8.4201	
6	Over 1,000 m³	10³m³	1,030	(259)	-	206	(79)	8,973	(2,907)	110,336	8.1324	
7	Delivery Commodity charge - 01		9,124	(2,290)	-	1,836	(697)	79,451	(23,350)	886,340	8.9640	
8	Total Delivery - 01		9,124	(8,926)	-	1,836	0	160,086	(23,350)	886,340	18.0614	2.9%
	Gas Transportation											
9	Union North West	10³m³	-	30	-	18,310		18,364	-	267,830	6.8566	
10	Union North East	10³m³	-	73	-	18,238		19,954	-	659,134	3.0273	
11	Transportation - 01		-	103	-	36,547	-	38,318	-	926,963	4.1337	0.5%
	Storage											
12	Union North West	10³m³	-	1,728	2	1,289	-	5,794	(6,747)	256,092	2.2624	
13	Union North East	10³m³	-	4,252	5	28,957	-	44,123	(16,603)	630,247	7.0010	
14	Storage - 01		-	5,980	7	30,246	-	49,917	(23,350)	886,340	5.6319	5.6%
15	Total Rate 01		9,124	(2,843)	7	68,629	0	248,321	(23,350)	886,340	28.0165	3.5%

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

UNION GAS LIMITED  
Union North  
In-Franchise Customers  
Effective January 1, 2018

Line No.	Particulars	Billing Units	Current	Current	Current	Adjustments to 2017 Base Rates				Adjusted Revenue (\$000's)	Price Cap	Price Cap Index (%)
			Approved Forecast Usage	Approved Revenue	Approved Rates	2017 DSM	2017 Capital Pass-Throughs	2017 Parkway Delivery Obligation	Upstream Transportation		Index (8)	
			(1)	(2)	(3)	(4)	(5)	(6)	(8)		0.51%	
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
1	Rate 10 General Service Monthly Charge	bills	24,629	1,724	\$70.00	-	303	-	-	2,027	10	
	Monthly Delivery Charge - All Zones											
2	First 1,000 m³	10³m³	24,725	1,886	7.6284	(294)	64	-	(49)	1,607	8	
3	Next 9,000 m³	10³m³	133,487	8,271	6.1959	(1,289)	279	-	(214)	7,046	36	
4	Next 20,000 m³	10³m³	84,909	4,691	5.5243	(731)	158	-	(118)	3,999	20	
5	Next 70,000 m³	10³m³	64,380	3,211	4.9875	(500)	108	-	(81)	2,737	14	
6	Over 100,000 m³	10³m³	29,612	875	2.9538	(136)	29	-	(22)	745	4	
7	Delivery Commodity charge - 10		337,112	18,933	5.6162	(2,951)	638	-	(485)	16,135	82	0.51%
8	Total Delivery - 10		337,112	20,657	6.1277	(2,951)	941	-	(485)	18,162	93	0.51%
	Gas Transportation											
9	Union North West	10³m³	82,150	4,931	6.0028	-	0	-	(4,929)	3	0	
10	Union North East	10³m³	261,380	7,216	2.7609	-	1	-	(6,629)	588	3	
11	Transportation - 10		343,530	12,148	3.5362	-	2	-	(11,558)	591	3	0.51%
	Storage											
12	Union North West	10³m³	80,615	1,244	1.5431		(292)	(1)	(300)	651	3	
13	Union North East	10³m³	256,497	12,075	4.7075		(930)	(2)	(8,036)	3,107	16	
14	Storage - 10		337,112	13,319	3.9508		(1,222)	(2)	(8,336)	3,758	19	0.51%
										-		
15	Total Rate 10		337,112	46,123	13.6819	(2,951)	(280)	(2)	(20,379)	22,512	115	0.51%

Notes:

(1) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (t).  
(2) Rate Order, Working Papers, Schedule 7, column (h).  
(3) EB-2017-0351, Rate Order, Appendix A, rates effective January 1, 2018 (excludes Price Adjustments).  
(4) EB-2016-0245, Rate Order, Working Papers, Schedule 11, column (b).  
(5) EB-2016-0245, Rate Order, Working Papers, Schedule 10, column (d).  
(6) EB-2015-0245, Rate Order, Working Papers, Schedule 20, p. 1, column (i) + EB-2016-0296, Exhibit 7, Schedule 2, p. 1, column (i) + EB-2016-0296, Rate Order, Appendix H, p.3, column (i).  
(7) Rate Order, Working Papers, Schedule 15, column (g).  
(8) Rate Order, Working Papers, Schedule 2, line 8.

UNION GAS LIMITED  
Union North  
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			Adjustments to 2018 Base Rates										
Line No.	Particulars	Billing Units	2018 DSM	2018 Capital Pass-Throughs	2018 Parkway Delivery Obligation	2018 Upstream Transportation	Customer Charge Adjustment	Proposed Revenue	NAC / LRAM Usage Adjustment	Proposed Forecast Usage	Proposed Rates		
			(9)	(10)	(11)	(12)			(13)			Rates	Rate Change
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(10³m³)	Usage	(cents / m³)	(%)
			(k)	(l)	(m)	(n)	(o)	(p)= sum(h:o)	(q)	(r) = (a + q)	(s) = (p / r)	(t)	
1	Rate 10 General Service Monthly Charge	bills	-	(359)	-	-	46	1,724	-	24,629	\$70.00		
	Monthly Delivery Charge - All Zones												
2	First 1,000 m³	10³m³	308	(72)	-	49	(8)	1,891	(818)	23,907	7.9111		
3	Next 9,000 m³	10³m³	1,351	(317)	-	214	(37)	8,293	(4,415)	129,072	6.4255		
4	Next 20,000 m³	10³m³	766	(180)	-	118	-	4,725	(2,808)	82,100	5.7547		
5	Next 70,000 m³	10³m³	525	(123)	-	81	-	3,234	(2,129)	62,251	5.1955		
6	Over 100,000 m³	10³m³	143	(34)	-	22	-	881	(979)	28,632	3.0770		
7	Delivery Commodity charge - 10		3,093	(725)	-	485	(46)	19,025	(11,150)	325,962	5.8365		
8	Total Delivery - 10		3,093	(1,084)	-	485	-	20,749	(11,150)	325,962	6.3654	3.9%	
	Gas Transportation												
9	Union North West	10³m³	-	(1)	-	4,929	-	4,931	-	82,150	6.0030		
10	Union North East	10³m³	-	(2)	-	6,666	-	7,255	-	261,380	2.7757		
11	Transportation - 10		-	(3)	-	11,595	-	12,187	-	343,530	3.5474	0.3%	
	Storage												
12	Union North West	10³m³	-	374	1	301	-	1,330	(2,666)	77,949	1.7062		
13	Union North East	10³m³	-	1,191	2	8,036	-	12,351	(8,483)	248,013	4.9800		
14	Storage - 10		-	1,565	2	8,336	-	13,681	(11,150)	325,962	4.1971	6.2%	
15	Total Rate 10		3,093	478	2	20,416	-	46,616	(11,150)	325,962	14.3011	4.5%	

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

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Line No.	Particulars	Billing Units	Current	Current	Current	Adjustments to 2017 Base Rates				Adjusted Revenue (\$000's)	Price Cap Index (8) 0.51% (\$000's)	Price Cap Index (%)
			Approved Forecast Usage	Approved Revenue	Approved Rates	2017 DSM	2017 Capital Pass-Throughs	2017 Parkway Delivery Obligation	Upstream Transportation			
			(1)	(2)	(3)	(4)	(5)	(6)	(8)			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
1	Rate 20 Medium Volume Firm Service Monthly Charge	bills	748	662	\$884.46	-	97	-	-	759	4	
	Monthly Demand Charge											
2	First 70,000 m³	10³m³/d	23,260	6,660	28.6326	(752)	298	-	-	6,205	32	
3	All over 70,000 m³	10³m³/d	19,701	3,317	16.8374	(375)	148	-	-	3,091	16	
	Monthly Commodity Charge											
4	First 852,000 m³	10³m³	318,773	1,724	0.5408	(369)	146	-	(80)	1,421	7	
5	All over 852,000 m³	10³m³	287,403	1,111	0.3865	(238)	94	-	(52)	915	5	
6	Delivery (Commodity/Demand)		606,176	12,812	2.1135	(1,734)	686	-	(132)	11,632	59	0.51%
7	Transportation Account Charge	10³m³	460	104	\$225.61	-	-	-	-	104	1	
8	Total Delivery - 20		606,176	13,577	2.2398	(1,734)	783	-	(132)	12,494	64	0.51%
	Gas Supply Demand Charge											
9	Union North West	10³m³	2,962	1,670	56.3934	-	(137)	(0)	(1,407)	126	1	
10	Union North East	10³m³	3,911	1,962	50.1604	-	(181)	(0)	(1,622)	158	1	
11	Gas Supply Demand - 20		6,873	3,632	52.8466	-	(318)	(1)	(3,030)	284	1	0.51%
	Commodity Transportation 1											
12	Union North West	10³m³	28,383	1,027	3.6180	-	-	-	(943)	84	0	
13	Union North East	10³m³	45,073	1,194	2.6489	-	-	-	(1,089)	105	1	
14	Commodity Transportation 1 - 20		73,456	2,221	3.0234	-	-	-	(2,032)	189	1	0.51%
	Commodity Transportation 2											
15	Union North West	10³m³	14,503	-	-	-	-	-	-	-	-	
16	Union North East	10³m³	33,976	-	-	-	-	-	-	-	-	
17	Commodity Transportation 2 - 20		48,479	-	-	-	-	-	-	-	-	0.00%
	Storage (GJ's)											
18	Demand	GJ/d	99,288	2,009	20.238	-	-	-	(1,282)	727	4	
19	Commodity	GJ	639,477	130	0.204	-	-	-	(12)	118	1	
20	Gas Supply Transportation - 20		121,935	7,993	6.5549	-	(318)	(1)	(6,356)	1,318	7	0.51%
21	Total Rate 20		606,176	21,570	3.5583	(1,734)	465	(1)	(6,487)	13,812	70	0.51%

Notes:

(1) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (t).

(2) Rate Order, Working Papers, Schedule 7, column (h).

(3) EB-2017-0351, Rate Order, Appendix A, rates effective January 1, 2018 (excludes Price Adjustments).

(4) EB-2016-0245, Rate Order, Working Papers, Schedule 11, column (b).

(5) EB-2016-0245, Rate Order, Working Papers, Schedule 10, column (d).

(6) EB-2015-0245, Rate Order, Working Papers, Schedule 20, p. 1, column (i) + EB-2016-0296, Exhibit 7, Schedule 2, p. 1, column (i) + EB-2016-0296, Rate Order, Appendix H, p.3, column (i).

(7) Rate Order, Working Papers, Schedule 15, column (g).

(8) Rate Order, Working Papers, Schedule 2, line 8.

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Line No.	Particulars	Billing Units	Adjustments to 2018 Base Rates				Customer Charge Adjustment (\$000's) (o)	Proposed Revenue (\$000's) (p)= sum(h:o)	NAC / LRAM Usage Adjustment (13) (10³m³) (q)	Proposed Forecast Usage (r) = (a + q)	Proposed Rates	
			2018 DSM (9) (\$000's) (k)	2018 Capital Pass-Throughs (10) (\$000's) (l)	2018 Parkway Delivery Obligation (11) (\$000's) (m)	2018 Upstream Transportation (12) (\$000's) (n)					Rates (cents / m³) (s) = (p / r)	Rate Change (%) (t)
1	Rate 20 Medium Volume Firm Service Monthly Charge	bills	-	(119)	-	-		644	-	748	\$860.69	
	Monthly Demand Charge											
2	First 70,000 m³	10³m³/d	769	(342)	-	-		6,664	-	23,260	28.6515	
3	All over 70,000 m³	10³m³/d	383	(170)	-	-		3,319	-	19,701	16.8485	
	Monthly Commodity Charge											
4	First 852,000 m³	10³m³	377	(168)	-	80		1,718	(853)	317,920	0.5403	
5	All over 852,000 m³	10³m³	243	(108)	-	52		1,107	(769)	286,634	0.3862	
6	Delivery (Commodity/Demand)		1,773	(788)	-	132	-	12,808	(1,621)	604,555	2.1186	0.2%
7	Transportation Account Charge	10³m³	-	-	-	-		104	-	460	\$226.76	
8	Total Delivery - 20		1,773	(907)	-	132	-	13,556	(1,621)	604,555	2.2424	0.1%
	Gas Supply Demand Charge											
9	Union North West	10³m³	-	161	0	1,408	-	1,695	-	2,962	57.2390	
10	Union North East	10³m³	-	213	0	1,618	-	1,990	-	3,911	50.8879	
11	Gas Supply Demand - 20		-	374	1	3,026	-	3,686	-	6,872.75	53.6250	1.5%
	Commodity Transportation 1											
12	Union North West	10³m³	-	-	-	943	-	1,028	-	28,383	3.6204	
13	Union North East	10³m³	-	-	-	1,086	-	1,192	-	45,073	2.6441	
14	Commodity Transportation 1 - 20		-	-	-	2,029	-	2,219	-	73,456	3.0213	-0.1%
	Commodity Transportation 2											
15	Union North West	10³m³	-	-	-	-	-	-	-	14,503	-	
16	Union North East	10³m³	-	-	-	-	-	-	-	33,976	-	
17	Commodity Transportation 2 - 20		-	-	-	-	-	-	-	48,479	-	0.0%
	Storage (GJ's)											
18	Demand	GJ/d	-	29	-	1,282	-	2,042	-	99,288	20.569	
19	Commodity	GJ	-	2	-	12	-	133	-	639,477	0.208	
20	Gas Supply Transportation - 20		-	405	1	6,349	-	8,080	-	121,935	6.6266	1.1%
21	Total Rate 20		1,773	(502)	1	6,481	-	21,636	(1,621)	604,555	3.5789	0.6%

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

UNION GAS LIMITED  
Union North  
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		Adjustments to 2017 Base Rates											
Line No.	Particulars	Billing Units	Current Approved Forecast Usage (1)	Current Approved Revenue (2)	Current Approved Rates (3)	2017 DSM (4)	2017 Capital Pass-Throughs (5)	2017 Parkway Delivery Obligation (6)	Upstream Transportation (8)	Adjusted Revenue (\$000's)	Price Cap Index (8) 0.51% (\$000's)	Price Cap Index (%)	
			(a)	(\$000's) (b)	(cents / m³) (c)	(\$000's) (d)	(\$000's) (e)	(\$000's) (f)	(\$000's) (g)	(h) = (b+d+e+f+g)	(i)	(j)	
1	Rate 25 Large Volume Interruptible Service Monthly Charge	bills	842	258	\$306.75	-	54	-	-	312	2		
2	Monthly Delivery Charge	10³m³	159,555	4,074	2.5531	-	188	-	-	4,261	22		
3	Transportation Account Charge	bills	36	8	\$225.61	-	-	-	-	8	0		
4	Total Delivery - 25		159,555	4,340	2.7201	-	242	-	-	4,582	23	0.51%	
5	Gas Supply Transportation	10³m³	42,913	696	1.6219	-	4	-	(680)	20	0		
6	Total Rate 25		159,555	5,036	3.1563	-	246	-	(680)	4,601	23	0.51%	
7	Rate 100 Large Volume Firm Service Monthly Charge	bills	226	310	\$1,372.75	-	32	-	-	343	2		
8	Demand	10³m³/d	71,975	10,874	15.1083	(1,411)	474	-	-	9,937	51		
9	Commodity	10³m³	1,814,867	3,995	0.2201	(470)	158	-	(9)	3,673	19		
10	Delivery (Commodity/Demand)		1,814,867	15,179	0.8364	(1,882)	632	-	(9)	13,921	71	0.51%	
11	Transportation Account Charge	bills	226	51	\$225.61	-	-	-	-	51	0		
12	Total Delivery - 100		1,814,867	15,230	0.8392	(1,882)	665	-	(9)	14,004	71	0.51%	
13	Gas Supply Demand Charge Union North West	10³m³	-	-	114.1225	-	-	-	-	-	-		
14	Union North East	10³m³	-	-	161.4293	-	-	-	-	-	-		
15	Commodity Transportation 1 Union North West	10³m³	-	-	6.4020	-	-	-	-	-	-		
16	Union North East	10³m³	-	-	9.2321	-	-	-	-	-	-		
17	Commodity Transportation 2 Union North West	10³m³	-	-	-	-	-	-	-	-	-		
18	Union North East	10³m³	-	-	-	-	-	-	-	-	-		
19	Storage (GJ's) Demand	GJ/d	15,600	316	20.238	-	(19)	(0)	(201)	95	0		
20	Commodity	GJ	100,000	20	0.204	-	(1)	(0)	(2)	17	0		
21	Gas Supply - 100		-	336	-	-	(20)	(0)	(203)	112	1	0.51%	
22	Total Rate 100		1,814,867	15,566	0.8577	(1,882)	644	(0)	(212)	14,116	72	0.51%	

Notes:

- (1) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (t).
- (2) Rate Order, Working Papers, Schedule 7, column (h).
- (3) EB-2017-0351, Rate Order, Appendix A, rates effective January 1, 2018 (excludes Price Adjustments).
- (4) EB-2016-0245, Rate Order, Working Papers, Schedule 11, column (b).
- (5) EB-2016-0245, Rate Order, Working Papers, Schedule 10, column (d).
- (6) EB-2015-0245, Rate Order, Working Papers, Schedule 20, p. 1, column (i) + EB-2016-0296, Exhibit 7, Schedule 2, p. 1, column (i) + EB-2016-0296, Rate Order, Appendix H, p.3, column (i).
- (7) Rate Order, Working Papers, Schedule 15, column (g).
- (8) Rate Order, Working Papers, Schedule 2, line 8.



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Line No.	Particulars	Billing Units	Adjustments to 2018 Base Rates				Customer Charge Adjustment (\$000's) (o)	Proposed Revenue (\$000's) (p)= sum(h:o)	NAC / LRAM Usage Adjustment (13) (10³m³) (q)	Proposed Forecast Usage (r) = (a + q)	Proposed Rates	
			2018 DSM (9) (\$000's) (k)	2018 Capital Pass-Throughs (10) (\$000's) (l)	2018 Parkway Delivery Obligation (11) (\$000's) (m)	2018 Upstream Transportation (12) (\$000's) (n)					Rates (cents / m³) (s) = (p / r)	Rate Change (%) (t)
1	Rate 25 Large Volume Interruptible Service											
1	Monthly Charge	bills	-	(70)	-	-		244	-	842	\$289.76	
2	Monthly Delivery Charge	10³m³	-	(214)	-	-		4,070	-	159,555	2.5505	
3	Transportation Account Charge	bills	-	-	-	-		8	-	36	\$226.76	
4	Total Delivery - 25		-	(284)	-	-	-	4,322	-	159,555	2.7086	-0.4%
5	Gas Supply Transportation	10³m³	-	(6)	-	663		677	-	42,913	1.5775	
6	Total Rate 25		-	(290)	-	663	-	4,999	-	159,555	3.1328	-0.7%
7	Rate 100 Large Volume Firm Service											
7	Monthly Charge	bills	-	(41)	-	-		303	-	226	\$1,341.41	
8	Demand	10³m³/d	1,421	(549)	-	-		10,859	-	71,975	15.0877	
9	Commodity	10³m³	474	(183)	-	9		3,991	(762)	1,814,105	0.2200	
10	Delivery (Commodity/Demand)		1,895	(732)	-	9	-	15,154	(762)	1,814,105	0.8353	-0.1%
11	Transportation Account Charge	bills	-	-	-	-		51	-	226	\$226.76	
12	Total Delivery - 100		1,895	(774)	-	9	-	15,205	(762)	1,814,105	0.8382	-0.1%
13	Gas Supply Demand Charge											
13	Union North West	10³m³	-	-	-	-	-	-	-	-	112.8323	
14	Union North East	10³m³	-	-	-	-	-	-	-	-	160.7242	
15	Commodity Transportation 1											
15	Union North West	10³m³	-	-	-	-	-	-	-	-	6.3322	
16	Union North East	10³m³	-	-	-	-	-	-	-	-	9.1957	
17	Commodity Transportation 2											
17	Union North West	10³m³	-	-	-	-	-	-	-	-		
18	Union North East	10³m³	-	-	-	-	-	-	-	-		
19	Storage (GJ's)											
19	Demand	GJ/d	-	24	0	201	-	321	-	15,600	20.569	
20	Commodity	GJ	-	2	0	2	-	21	-	100,000	0.208	
21	Gas Supply - 100		-	25	0	203	-	342	-	115,600	-	
22	Total Rate 100		1,895	(748)	0	212	-	15,547	(762)	1,814,105	0.8570	-0.1%

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

UNION GAS LIMITED  
Union South  
In-Franchise Customers  
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Line No.	Particulars	Billing Units	Current Approved Forecast Usage (1) (a)	Current Approved Revenue (2) (\$000's) (b)	Current Approved Rates (3) (cents / m³) (c)	Adjustments to 2017 Base Rates				Adjusted Revenue (\$000's) (h) = (b+d+e+f+g)	Price Cap Index (8) 0.51% (\$000's) (i)	Price Cap Index (%) (j)
						2017 DSM (4) (\$000's) (d)	2017 Capital Pass-Throughs (5) (\$000's) (e)	2017 Parkway Delivery Obligation (6) (\$000's) (f)	Upstream Transportation (8) (\$000's) (g)			
1	M1 Monthly Charge	bills	12,706,802	266,843	\$21.00	-	12,469	-	-	279,312	1,424	
Monthly Delivery Commodity Charge												
2	First 100 m³	10³m³	872,593	40,654	4.6590	(7,148)	(2,008)	(3,893)	-	27,605	141	
3	Next 150 m³	10³m³	774,838	34,233	4.4181	(6,025)	(1,691)	(3,278)	-	23,239	119	
4	All over 250 m³	10³m³	1,249,748	47,437	3.7957	(8,377)	(2,343)	(4,543)	-	32,174	164	
5	Total Delivery - M1		2,897,179	389,167	13.4326	(21,550)	6,428	(11,715)	-	362,330	1,848	0.51%
6	Storage	10³m³	2,897,179	20,724	0.7153	-	1,650	-	-	22,373	114	
7	Total Rate M1		2,897,179	409,890	14.1479	(21,550)	8,077	(11,715)	-	384,703	1,962	0.51%
M2												
8	M2 Monthly Charge	bills	81,451	5,702	\$70.00	-	388	-	-	6,089	31	
Monthly Delivery Commodity Charge												
9	First 1,000 m³	10³m³	61,283	2,845	4.6430	(587)	(112)	(233)	-	1,913	10	
10	Next 6,000 m³	10³m³	298,234	13,585	4.5553	(2,805)	(535)	(1,110)	-	9,135	47	
11	Next 13,000 m³	10³m³	336,990	14,722	4.3686	(3,019)	(580)	(1,203)	-	9,920	51	
12	All over 20,000 m³	10³m³	430,521	17,434	4.0495	(3,580)	(686)	(1,425)	-	11,742	60	
13	Total Delivery - M2		1,127,028	54,288	4.8169	(9,992)	(1,525)	(3,971)	-	38,800	198	0.51%
14	Storage	10³m³	1,127,028	7,046	0.6252	-	563	-	-	7,609	39	
15	Total Rate M2		1,127,028	61,334	5.4421	(9,992)	(963)	(3,971)	-	46,409	237	0.51%

Notes:

(1) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (t).

(2) Rate Order, Working Papers, Schedule 7, column (h).

(3) EB-2017-0351, Rate Order, Appendix A, rates effective January 1, 2018 (excludes Price Adjustments).

(4) EB-2016-0245, Rate Order, Working Papers, Schedule 11, column (b).

(5) EB-2016-0245, Rate Order, Working Papers, Schedule 10, column (d).

(6) EB-2015-0245, Rate Order, Working Papers, Schedule 20, p. 1, column (i) + EB-2016-0296, Exhibit 7, Schedule 2, p. 1, column (i) + EB-2016-0296, Rate Order, Appendix H, p.3, column (i).

(7) Rate Order, Working Papers, Schedule 15, column (g).

(8) Rate Order, Working Papers, Schedule 2, line 8.

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Line No.	Particulars	Billing Units	Adjustments to 2018 Base Rates					Proposed Revenue (\$000's) (p)= sum(h:o)	NAC / LRAM Usage Adjustment (13) (10³m³) (q)	Proposed Forecast Usage (r) = (a + q)	Proposed Rates	
			2018 DSM (9) (\$000's) (k)	2018 Capital Pass-Throughs (10) (\$000's) (l)	2018 Parkway Delivery Obligation (11) (\$000's) (m)	2018 Upstream Transportation (12) (\$000's) (n)	Customer Charge Adjustment (\$000's) (o)				Rates (cents / m³) (s) = (p / r)	Rate Change (%) (t)
1	M1 Monthly Charge	bills	-	(15,196)	-	-	1,303	266,843	-	12,706,802	\$21.00	
	Monthly Delivery Commodity Charge											
2	First 100 m³	10³m³	8,101	3,837	3,811	-	(433)	43,062	(26,771)	845,823	5.0911	
3	Next 150 m³	10³m³	6,822	3,231	3,209	-	(365)	36,254	(23,772)	751,066	4.8271	
4	All over 250 m³	10³m³	9,453	4,477	4,447	-	(505)	50,210	(38,341)	1,211,407	4.1448	
5	Total Delivery - M1		24,375	(3,650)	11,467	-	-	396,369	(88,884)	2,808,296	14.1142	5.1%
6	Storage	10³m³	-	(1,900)	-	-		20,588	(88,884)	2,808,296	0.7331	2.5%
7	Total Rate M1		24,375	(5,550)	11,467	-	-	416,957	(88,884)	2,808,296	14.8473	4.9%
8	M2 Monthly Charge	bills	-	(475)	-	-	56	5,702	-	81,451	\$70.00	
	Monthly Delivery Commodity Charge											
9	First 1,000 m³	10³m³	612	221	227	-	(10)	2,973	(2,571)	58,711	5.0630	
10	Next 6,000 m³	10³m³	2,920	1,053	1,084	-	(47)	14,192	(12,514)	285,720	4.9670	
11	Next 13,000 m³	10³m³	3,164	1,141	1,174	-	-	15,450	(14,140)	322,850	4.7855	
12	All over 20,000 m³	10³m³	3,747	1,351	1,391	-	-	18,291	(18,065)	412,456	4.4347	
13	Total Delivery - M2		10,442	3,291	3,876	-	0	56,607	(47,291)	1,079,737	5.2427	8.8%
14	Storage	10³m³	-	(648)	-	-		7,000	(47,291)	1,079,737	0.6483	3.7%
15	Total Rate M2		10,442	2,643	3,876	-	0	63,607	(47,291)	1,079,737	5.8910	8.2%

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

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Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2017 Base Rates				Adjusted Revenue (\$000's)	Price Cap Index (8) 0.51%	Price Cap Index
			(1)	(2)	(3)	2017 DSM (4)	2017 Capital Pass-Throughs (5)	2017 Parkway Delivery Obligation (6)	Upstream Transportation (8)		(i)	(j)
			(a)	(\$000's)	(cents / m³)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(h) = (b+d+e+f+g)		
M4 Firm Commercial/Industrial Contract Rate												
Monthly Demand Charge												
1	First 8,450 m³	10³m³/d	12,905	7,347	56.9291	(1,151)	(179)	(543)	-	5,474	28	
2	Next 19,700 m³	10³m³/d	7,864	2,007	25.5256	(315)	(49)	(148)	-	1,495	8	
3	All over 28,150 m³	10³m³/d	4,507	967	21.4450	(151)	(24)	(71)	-	720	4	
Monthly Delivery Commodity Charge												
4	First Block	10³m³	341,905	4,611	1.3485	(1,068)	(166)	(504)	-	2,872	15	
5	All remaining use	10³m³	7,358	39	0.5281	(10)	(1)	(4)	-	23	0	
7	Total Rate M4		349,263	14,970	4.2862	(2,696)	(419)	(1,271)	-	10,584	54	0.51%
M5A Interruptible Commercial/Industrial Contract Rate												
Firm contracts												
8	Monthly Demand Charge	10³m³/d	626	199	31.7959	(41)	1	(9)	-	150	1	
9	Monthly Delivery Commodity Charge	10³m³	15,121	348	2.3019	(76)	3	(8)	-	267	1	
10	Total Delivery - Firm M5A		15,121	547	3.6173	(117)	4	(17)	-	417	2	0.51%
Interruptible contracts												
11	Monthly Charge	bills	1,692	1,107	\$654.15	-	79	-	-	1,186	6	
12	Delivery Commodity Charge (Avg Price)	10³m³	450,329	11,959	2.6556	(3,472)	493	(223)	-	8,758	45	
13	Total Delivery -Interruptible M5A		450,329	13,066	2.9014	(3,472)	573	(223)	-	9,944	51	0.51%
14	Total Rate M5A		465,451	13,613	2.9246	(3,589)	577	(240)	-	10,361	53	0.51%

Notes:

(1) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (t).

(2) Rate Order, Working Papers, Schedule 7, column (h).

(3) EB-2017-0351, Rate Order, Appendix A, rates effective January 1, 2018 (excludes Price Adjustments).

(4) EB-2016-0245, Rate Order, Working Papers, Schedule 11, column (b).

(5) EB-2016-0245, Rate Order, Working Papers, Schedule 10, column (d).

(6) EB-2015-0245, Rate Order, Working Papers, Schedule 20, p. 1, column (i) + EB-2016-0296, Exhibit 7, Schedule 2, p. 1, column (i) + EB-2016-0296, Rate Order, Appendix H, p.3, column (i).

(7) Rate Order, Working Papers, Schedule 15, column (g).

(8) Rate Order, Working Papers, Schedule 2, line 8.

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			Adjustments to 2018 Base Rates										
Line No.	Particulars	Billing Units	2018 DSM	2018 Capital Pass-Throughs	2018 Parkway Delivery Obligation	2018 Upstream Transportation	Customer Charge Adjustment	Proposed Revenue	NAC / LRAM Usage Adjustment	Proposed Forecast Usage	Proposed Rates		
			(9)	(10)	(11)	(12)	(13)	(10³m³)	(10³m³)	(10³m³)	(cents / m³)	Rate Change	
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(p)= sum(h:o)	(q)	(r) = (a + q)	(s) = (p / r)	(%)
			(k)	(l)	(m)	(n)	(o)				(s) = (p / r)	(t)	
M4 Firm Commercial/Industrial Contract Rate													
Monthly Demand Charge													
1	First	8,450 m³	10³m³/d	1,171	782	514	-	7,968	-	12,905	61.7447		
2	Next	19,700 m³	10³m³/d	320	214	140	-	2,177	-	7,864	27.6848		
3	All over	28,150 m³	10³m³/d	154	103	68	-	1,048	-	4,507	23.2590		
Monthly Delivery Commodity Charge													
4	First Block		10³m³	1,087	726	477	-	5,177	(9,835)	332,070	1.5591		
5	All remaining use		10³m³	9	6	4	-	43	(212)	7,146	0.5996		
7	Total Rate M4			2,742	1,831	1,203	-	-	16,414	(10,047)	339,216	4.8388	12.9%
M5A Interruptible Commercial/Industrial Contract Rate													
Firm contracts													
8	Monthly Demand Charge		10³m³/d	43	12	9	-	216	-	626	34.4858		
9	Monthly Delivery Commodity Charge		10³m³	75	(5)	5	-	344	(499)	14,622	2.3525		
10	Total Delivery - Firm M5A			118	7	15	-	-	560	(499)	14,622	3.8279	5.8%
Interruptible contracts													
11	Monthly Charge		bills	-	(102)	-	-	1,090	-	1,692	\$644.34		
12	Delivery Commodity Charge (Avg Price)		10³m³	3,519	(575)	146	-	11,893	(14,863)	435,466	2.7310		
13	Total Delivery -Interruptible M5A			3,519	(677)	146	-	-	12,983	(14,863)	435,466	2.9814	2.8%
14	Total Rate M5A			3,638	(670)	161	-	-	13,543	(15,362)	450,088	3.0089	2.9%

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

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Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2017 Base Rates					Adjusted Revenue (\$000's)	Price Cap Index (8) 0.51%	Price Cap Index (%)
			(1)	(2)	(3)	2017 DSM (4)	2017 Capital Pass-Throughs (5)	2017 Parkway Delivery Obligation (6)	Upstream Transportation (8)	(h) = (b+d+e+f+g)		(i)	(j)
			(a)	(b)	(c)	(d)	(e)	(f)	(g)				
	M7 Special Large Volume Contract Rate Firm Contracts												
1	Monthly Demand Charge	10³m³/d	14,220	4,383	30.8246	(816)	(227)	(438)	-	2,902	15		
2	Monthly Delivery Commodity Charge	10³m³	120,879	458	0.3792	(95)	0	(129)	-	235	1		
3	Total Delivery - Firm M7		120,879	4,842	4.0054	(910)	(227)	(567)	-	3,137	16	0.51%	
	Interruptible / Seasonal Contracts												
4	Monthly Delivery Commodity Charge	10³m³	3,949	49	1.2331	(30)	7	-	-	26	0		
5	Total Rate M7		124,828	4,890	3.9176	(940)	(220)	(567)	-	3,163	16	0.51%	
	M9 Large Wholesale Service												
6	Monthly Demand Charge	10³m³/d	3,993	891	22.3154	-	(111)	(157)	-	623	3		
7	Monthly Delivery Commodity Charge	10³m³	60,750	127	0.2097	-	0	(66)	-	61	0		
8	Total Rate M9		60,750	1,018	1.6764	-	(111)	(223)	-	685	3	0.51%	
	M10 Small Wholesale Service												
9	Monthly Delivery Commodity Charge	10³m³	189	13	6.7203	-	(2)	(5)	-	5	0		
10	Total Rate M10		189	13	6.7203	-	(2)	(5)	-	5	0	0.51%	

Notes:

(1) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (t).  
(2) Rate Order, Working Papers, Schedule 7, column (h).  
(3) EB-2017-0351, Rate Order, Appendix A, rates effective January 1, 2018 (excludes Price Adjustments).  
(4) EB-2016-0245, Rate Order, Working Papers, Schedule 11, column (b).  
(5) EB-2016-0245, Rate Order, Working Papers, Schedule 10, column (d).  
(6) EB-2015-0245, Rate Order, Working Papers, Schedule 20, p. 1, column (i) + EB-2016-0296, Exhibit 7, Schedule 2, p. 1, column (i) + EB-2016-0296, Rate Order, Appendix H, p.3, column (i).  
(7) Rate Order, Working Papers, Schedule 15, column (g).  
(8) Rate Order, Working Papers, Schedule 2, line 8.

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Line No.	Particulars	Billing Units	Adjustments to 2018 Base Rates					Proposed Revenue (\$000's) (p)= sum(h:o)	NAC / LRAM Usage Adjustment (13) (10³m³) (q)	Proposed Forecast Usage (r) = (a + q)	Proposed Rates	
			2018 DSM (9)	2018 Capital Pass-Throughs (10)	2018 Parkway Delivery Obligation (11)	2018 Upstream Transportation (12)	Customer Charge Adjustment (\$000's)				Rates	Rate Change
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)				(cents / m³)	(%)
			(k)	(l)	(m)	(n)	(o)				(s) = (p / r)	(t)
	M7 Special Large Volume Contract Rate Firm Contracts											
1	Monthly Demand Charge	10³m³/d	845	708	458	-		4,927	-	14,220	34.6517	
2	Monthly Delivery Commodity Charge	10³m³	88	(1)	85	-		409	(5,410)	115,469	0.3539	
3	Total Delivery - Firm M7		933	707	542	-	-	5,336	(5,410)	115,469	4.6213	15.4%
	Interruptible / Seasonal Contracts											
4	Monthly Delivery Commodity Charge	10³m³	30	(9)	-	-		48	(177)	3,773	1.2684	2.9%
5	Total Rate M7		964	699	542	-	-	5,384	(5,587)	119,242	4.5152	15.3%
	M9 Large Wholesale Service											
6	Monthly Demand Charge	10³m³/d	-	150	164	-		940	-	3,993	23.5428	
7	Monthly Delivery Commodity Charge	10³m³	-	(1)	44	-		105	-	60,750	0.1723	
8	Total Rate M9		-	149	207	-	-	1,045	-	60,750	1.7197	2.6%
	M10 Small Wholesale Service											
9	Monthly Delivery Commodity Charge	10³m³	-	3	5	-		14	-	189	7.1728	
10	Total Rate M10		-	3	5	-	-	14	-	189	7.1728	6.7%

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

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		Adjustments to 2017 Base Rates										
Line No.	Particulars	Billing Units	Current Approved Forecast Usage (1)	Current Approved Revenue (2)	Current Approved Rates (3)	2017 DSM (4)	2017 Capital Pass-Throughs (5)	2017 Parkway Delivery Obligation (6)	Upstream Transportation (8)	Adjusted Revenue (\$000's)	Price Cap Index (8) 0.51% (\$000's)	Price Cap Index (%)
			(a)	(\$000's)	(cents / m³)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(h) = (b+d+e+f+g)	(i)	(j)
T1 Storage and Transportation												
Storage (\$/GJ's)												
Demand:												
Firm injection / withdrawal												
1	Union provides deliverability inventory	GJ/d/mo.	492,360	717	1.457	-	32	-	-	749	4	
2	Customer provides deliverability inventory	GJ/d/mo.	166,800	199	1.186	-	9	-	-	207	1	
3	Incremental firm injection right	GJ/d/mo.	-	-	1.186	-	-	-	-	-	-	
4	Interruptible	GJ/d/mo.	62,244	77	1.186	-	-	-	-	77	0	
5	Space	GJ/d/mo.	22,396,680	245	0.011	-	16	-	-	261	1	
6	Commodity (Customer Provides)	GJ	2,750,300	21	0.008	-	0	-	-	21	0	
7	Commodity (Union Provides)	GJ	-	-	0.022	-	-	-	-	-	-	
8	Customer supplied fuel	GJ	16,442	54	-	-	-	-	-	54	0	
Transportation (cents/ m3)												
Demand												
9	First 28,150 m³	10³m³/d/mo	12,448	4,411	35.4376	(854)	(230)	(273)	-	3,055	16	
10	Next 112,720 m³	10³m³/d/mo	13,002	3,183	24.4833	(616)	(166)	(197)	-	2,205	11	
Commodity												
Firm												
11	All Volumes	10³m³	452,300	598	0.1322	-	4	(249)	-	352	2	
12	Interruptible	10³m³	58,934	787	1.3360	(62)	27	(27)	-	726	4	
13	Monthly Charges	Meter/mo.	528	1,006	\$1,905.94	-	38	-	-	1,045	5	
14	Customer supplied fuel	10³m³	2,979	299	-	-	-	(48)	-	251	1	
15	Total Rate T1		511,234	11,598	2.2686	(1,532)	(269)	(793)	-	9,004	46	0.51%
T2 Storage and Transportation												
Storage (\$/GJ's)												
Demand:												
Firm injection / withdrawal												
16	Union provides deliverability inventory	GJ/d/mo.	1,516,920	2,210	1.457	-	101	-	-	2,311	12	
17	Customer provides deliverability inventory	GJ/d/mo.	1,336,556	1,588	1.186	-	73	-	-	1,660	8	
18	Incremental firm injection right	GJ/d/mo.	-	-	1.186	-	-	-	-	-	-	
19	Interruptible	GJ/d/mo.	415,704	512	1.186	-	-	-	-	512	3	
20	Space	GJ/d/mo.	106,645,056	1,167	0.011	-	75	-	-	1,242	6	
21	Commodity (Customer Provides)	GJ	7,869,782	60	0.008	-	1	-	-	61	0	
22	Commodity (Union Provides)	GJ	-	-	0.022	-	-	-	-	-	-	
23	Customer supplied fuel	GJ	47,061	154	-	-	-	-	-	154	1	
Transportation (cents/ m3)												
Demand												
24	First 140,870 m³	10³m³/d/mo	49,971	13,215	26.4455	(1,250)	(1,409)	(1,100)	-	9,456	48	
25	All Over 140,870 m³	10³m³/d/mo	167,088	23,373	13.9884	(2,211)	(2,492)	(1,945)	-	16,725	85	
Commodity												
Firm												
26	All Volumes	10³m³	4,259,573	1,639	0.0385	-	4	(1,284)	-	359	2	
27	Interruptible	10³m³	337,695	3,391	1.0041	(143)	154	(30)	-	3,371	17	
28	Monthly Charges	Meter/mo.	444	2,448	\$5,513.81	-	293	-	-	2,741	14	
29	Customer supplied fuel	10³m³	23,922	2,134	-	-	-	(228)	-	1,906	10	
30	Total Rate T2		4,597,268	51,890	1.1287	(3,605)	(3,199)	(4,587)	-	40,499	207	0.51%

Notes:

- (1) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (t).  
(2) Rate Order, Working Papers, Schedule 7, column (h).  
(3) EB-2017-0351, Rate Order, Appendix A, rates effective January 1, 2018 (excludes Price Adjustments).  
(4) EB-2016-0245, Rate Order, Working Papers, Schedule 11, column (b).  
(5) EB-2016-0245, Rate Order, Working Papers, Schedule 10, column (d).  
(6) EB-2015-0245, Rate Order, Working Papers, Schedule 20, p. 1, column (i) + EB-2016-0296, Exhibit 7, Schedule 2, p. 1, column (i) + EB-2016-0296, Rate Order, Appendix H, p.3, column (i).  
(7) Rate Order, Working Papers, Schedule 15, column (g).  
(8) Rate Order, Working Papers, Schedule 2, line 8.



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			Adjustments to 2018 Base Rates				NAC / LRAM				Proposed Rates	
Line		Billing	2018	2018 Capital	2018 Parkway	2018	Customer	Proposed	Usage	Proposed		
No.	Particulars	Units	DSM	Pass-Throughs	Delivery	Upstream	Charge	Revenue	Adjustment	Forecast	Rates	Rate
			(9)	(10)	Obligation	Transportation	Adjustment	(\$000's)	(13)	Usage	(cents / m³)	Change
			(\$000's)	(\$000's)	(11)	(12)	(\$000's)		(10³m³)		(s) = (p / r)	(%)
			(k)	(l)	(m)	(n)	(o)	(p)= sum(h:o)	(q)	(r) = (a + q)		(t)
T1 Storage and Transportation												
Storage (\$/GJ's)												
Demand:												
Firm injection / withdrawal												
1	Union provides deliverability inventory	GJ/d/mo.	-	(36)	-	-		717	-	492,360	1.455	
2	Customer provides deliverability inventory	GJ/d/mo.	-	(10)	-	-		198	-	166,800	1.184	
3	Incremental firm injection right	GJ/d/mo.	-	-	-	-		-	-	-	1.184	
4	Interruptible	GJ/d/mo.	-	-	-	-		77	-	62,244	1.184	
5	Space	GJ/d/mo.	-	(21)	-	-		241	-	22,396,680	0.011	
6	Commodity (Customer Provides)	GJ	-	(1)	-	-		21	-	2,750,300	0.008	
7	Commodity (Union Provides)	GJ	-	-	-	-		-	-	-	0.022	
8	Customer supplied fuel	GJ	-	-	-	-		54	-	16,442	-	
Transportation (cents/ m3)												
Demand												
9	First 28,150 m³	10³m³/d/mo	876	821	285	-		5,053	-	12,448	40.5921	
10	Next 112,720 m³	10³m³/d/mo	632	592	206	-		3,646	-	13,002	28.0445	
Commodity												
Firm												
11	All Volumes	10³m³	-	(6)	150	-		498	(3,446)	448,854	0.1109	
12	Interruptible	10³m³	64	(34)	16	-		776	(449)	58,485	1.3264	
13	Monthly Charges	Meter/mo.	-	(49)	-	-		1,001	-	528	\$1,896.28	
14	Customer supplied fuel	10³m³	-	-	47	-		299	-	2,979	-	
15	Total Rate T1		1,573	1,257	703	-	-	12,582	(3,895)	507,339	2.4800	9.3%
T2 Storage and Transportation												
Storage (\$/GJ's)												
Demand:												
Firm injection / withdrawal												
16	Union provides deliverability inventory	GJ/d/mo.	-	(115)	-	-		2,208	-	1,516,920	1.455	
17	Customer provides deliverability inventory	GJ/d/mo.	-	(83)	-	-		1,586	-	1,336,556	1.184	
18	Incremental firm injection right	GJ/d/mo.	-	-	-	-		-	-	-	1.184	
19	Interruptible	GJ/d/mo.	-	-	-	-		514	-	415,704	1.184	
20	Space	GJ/d/mo.	-	(99)	-	-		1,149	-	106,645,056	0.011	
21	Commodity (Customer Provides)	GJ	-	(2)	-	-		59	-	7,869,782	0.008	
22	Commodity (Union Provides)	GJ	-	-	-	-		-	-	-	0.022	
23	Customer supplied fuel	GJ	-	-	-	-		155	-	47,061	-	
Transportation (cents/ m3)												
Demand												
24	First 140,870 m³	10³m³/d/mo	1,267	4,080	1,149	-		16,001	-	49,971	32.0198	
25	All Over 140,870 m³	10³m³/d/mo	2,241	7,216	2,032	-		28,299	-	167,088	16.9369	
Commodity												
Firm												
26	All Volumes	10³m³	-	(7)	771	-		1,125	(28,152)	4,231,421	0.0266	
27	Interruptible	10³m³	145	(181)	18	-		3,371	(2,232)	335,463	1.0049	
28	Monthly Charges	Meter/mo.	-	(339)	-	-		2,416	-	444	\$5,440.88	
29	Customer supplied fuel	10³m³	-	-	223	-		2,139	-	23,922	-	
30	Total Rate T2		3,653	10,470	4,194	-	-	59,023	(30,384)	4,566,884	1.2924	14.5%

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

UNION GAS LIMITED  
Union South  
In-Franchise Customers  
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Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2017 Base Rates				Adjusted Revenue (\$000's)	Price Cap Index (8) 0.51%	Price Cap Index
			(1)	(2)	(3)	2017 DSM (4)	2017 Capital Pass-Throughs (5)	2017 Parkway Delivery Obligation (6)	Upstream Transportation (8)		(i)	(j)
			(a)	(\$000's)	(cents / m³)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(h) = (b+d+e+f+g)		(%)
T3												
Storage (\$/GJ's)												
Demand:												
1	Firm injection / withdrawal											
	Union provides deliverability inventory	GJ/d/mo.	-	-	1.457	-	-	-	-	-	-	-
2	Customer provides deliverability inventory	GJ/d/mo.	679,320	802	1.186	-	42	-	-	843	4	
3	Incremental firm injection right	GJ/d/mo.	-	-	1.186	-	-	-	-	-	-	-
4	Interruptible	GJ/d/mo.	-	-	1.186	-	-	-	-	-	-	-
5	Space	GJ/d/mo.	36,614,256	400	0.011	-	26	-	-	426	2	
6	Commodity (Customer Provides)	GJ	4,459,672	34	0.008	-	1	-	-	34	0	
7	Commodity (Union Provides)	GJ	-	-	0.022	-	-	-	-	-	-	-
8	Customer supplied fuel	GJ	26,668	87	-	-	-	-	-	87	0	
Transportation (cents/ m3)												
9	Demand	10³m³/d/mo	28,200	4,715	16.7213	-	(894)	(1,103)	-	2,718	14	
10	Commodity	10³m³	272,712	283	0.1039	-	0	(254)	-	30	0	
11	Monthly Charges	Meter/mo.	12	240	\$19,968.19	-	11	-	-	250	1	
12	Customer supplied fuel	10³m³	1,972	189	-	-	-	(44)	-	145	1	
13	Total Rate T3		<u>272,712</u>	<u>6,751</u>	<u>2.4755</u>	<u>-</u>	<u>(815)</u>	<u>(1,401)</u>	<u>-</u>	<u>4,535</u>	<u>23</u>	<u>0.51%</u>
	Gas Supply Admin Charge			<u>6,723</u>		-	66	-	-	6,789		
14	Total In-franchise			<u>917,327</u>		<u>(58,570)</u>	<u>6,537</u>	<u>(24,784)</u>	<u>(96,209)</u>	<u>744,301</u>	<u>3,761</u>	

- Notes:
- (1) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (t).
  - (2) Rate Order, Working Papers, Schedule 7, column (h).
  - (3) EB-2017-0351, Rate Order, Appendix A, rates effective January 1, 2018 (excludes Price Adjustments).
  - (4) EB-2016-0245, Rate Order, Working Papers, Schedule 11, column (b).
  - (5) EB-2016-0245, Rate Order, Working Papers, Schedule 10, column (d).
  - (6) EB-2015-0245, Rate Order, Working Papers, Schedule 20, p. 1, column (i) + EB-2016-0296, Exhibit 7, Schedule 2, p. 1, column (i) + EB-2016-0296, Rate Order, Appendix H, p.3, column (i).
  - (7) Rate Order, Working Papers, Schedule 15, column (g).
  - (8) Rate Order, Working Papers, Schedule 2, line 8.

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Line No.	Particulars	Billing Units	Adjustments to 2018 Base Rates				Customer Charge Adjustment (\$000's) (o)	Proposed Revenue (\$000's) (p)= sum(h:o)	NAC / LRAM Usage Adjustment (13) (10³m³) (q)	Proposed Forecast Usage (r) = (a + q)	Proposed Rates	
			2018 DSM (9) (\$000's) (k)	2018 Capital Pass-Throughs (10) (\$000's) (l)	2018 Parkway Delivery Obligation (11) (\$000's) (m)	2018 Upstream Transportation (12) (\$000's) (n)					Rates (cents / m³) (s) = (p / r)	Rate Change (%) (t)
	T3											
	Storage (\$/GJ's)											
	Demand:											
	Firm injection / withdrawal											
1	Union provides deliverability inventory	GJ/d/mo.	-	-	-	-	-	-	-	-	1.455	
2	Customer provides deliverability inventory	GJ/d/mo.	-	(47)	-	-	800	-	-	679,320	1.184	
3	Incremental firm injection right	GJ/d/mo.	-	-	-	-	-	-	-	-	1.184	
4	Interruptible	GJ/d/mo.	-	-	-	-	-	-	-	-	1.184	
5	Space	GJ/d/mo.	-	(34)	-	-	394	-	-	36,614,256	0.011	
6	Commodity (Customer Provides)	GJ	-	(1)	-	-	34	-	-	4,459,672	0.008	
7	Commodity (Union Provides)	GJ	-	-	-	-	-	-	-	-	0.022	
8	Customer supplied fuel	GJ	-	-	-	-	88	-	-	26,668	-	
	Transportation (cents/ m3)											
9	Demand	10³m³/d/mo	-	1,188	1,153	-	5,073	-	-	28,200	17.9898	
10	Commodity	10³m³	-	(1)	152	-	182	-	-	272,712	0.0667	
11	Monthly Charges	Meter/mo.	-	(13)	-	-	238	-	-	12	\$19,843.96	
12	Customer supplied fuel	10³m³	-	-	43	-	189	-	-	1,972	0	
13	Total Rate T3		-	1,092	1,348	-	-	6,998	-	272,712	2.5662	3.7%
	Gas Supply Admin Charge		-	(100)	-	-	-	6,689				
14	Total In-franchise		63,272	7,921	23,717	96,402	0	939,374				

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

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Union South  
Ex-Franchise Customers  
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Line No.	Particulars	Billing Units	Current Approved Forecast Usage (1)	Current Approved Revenue (2) (\$000's)	Current Approved Rates (3) (\$/ GJ)	Adjustments to 2017 Base Rates						
						2017 DSM (\$000's)	2017 Capital Pass-Throughs (4) (\$000's)	2017 Parkway		Adjusted Revenue (\$000's)	Price Cap Index 0.51% (\$000's)	Price Cap Index (%)
								Delivery Obligation (5) (\$000's)	Upstream Transportation (\$000's)			
(i)												
(j)												
<b>M12 Transportation Service</b>												
<u>Demand:</u>												
Dawn to Kirkwall												
1	- 12 months	GJ/d/mo	419,318	16,118	2.865	-	(4,402)	-	-	11,716	60	
2	- 10 months	GJ/d/mo	304,563	8,726	2.865	-	(2,383)	-	-	6,343	32	
3	- 2 months	GJ/d/mo	18,365	105	2.865	-	(29)	-	-	76	0	
4	- F24-T - 12 months	GJ/d/mo	49,500	41	0.070	-	0	-	-	41	0	
Dawn to Parkway												
5	- 12 months	GJ/d/mo	3,920,130	172,578	3.402	-	(67,947)	-	-	104,630	534	
6	- 10 months	GJ/d/mo	65,000	2,211	3.402	-	(607)	-	-	1,604	8	
7	- 3 months	GJ/d/mo	2,000	20	3.402	-	(5)	-	-	15	0	
8	- F24-T - 12 months	GJ/d/mo	307,000	328	0.070	-	0	-	-	328	2	
M12-X Easterly (between Dawn, Kirkwall and Parkway)												
9	- 12 months	GJ/d/mo	391,011	15,963	3.402	-	(4,384)	-	-	11,579	59	
M12-X Westerly (between Dawn, Kirkwall and Parkway)												
10	- 12 months	GJ/d/mo	391,011	3,926	0.837	-	(1,110)	-	-	2,815	14	
Kirkwall to Parkway												
11	- 12 months	GJ/d/mo	138,940	896	0.537	-	(486)	-	-	409	2	
12	- 2 months	GJ/d/mo	174,752	188	0.537	-	(53)	-	-	135	1	
<u>Fuel and Commodity Charges:</u>												
Fuel												
13	Easterly - Providing Own Fuel	GJ	705,499,899	23,914		-	-	(652)	-	23,262	119	
14	Westerly - Providing Own Fuel	GJ	5,936,749	50		-	-	-	-	50	0	
15	<b>Total Rate M12</b>		<b>711,436,648</b>	<b>245,065</b>		<b>-</b>	<b>(81,408)</b>	<b>(652)</b>	<b>-</b>	<b>163,005</b>	<b>831</b>	<b>0.51%</b>

- Notes:
- (1) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (t).
  - (2) Rate Order, Working Papers, Schedule 7, Page 2, column (h).
  - (3) EB-2017-0351 Appendix A, rates effective January 1, 2018.
  - (4) EB-2016-0245, Rate Order, Working Papers, Schedule 10, columns (d).
  - (5) EB-2016-0245, Rate Order, Working Papers, Schedule 20.

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Line No.	Particulars	Billing Units	Adjustments to 2018 Base Rates					Proposed Revenue (\$000's)	Demand Adjustment (GJ/d/mo)	Proposed Forecast Usage (r) = (a + q)	Proposed Rates	
			2018 DSM (\$000's)	2018 Capital Pass-Throughs (6) (\$000's)	2018 Parkway Delivery Obligation (7) (\$000's)	Add Back Upstream Transportation (\$000's)	Customer Charge Adjustment (\$000's)				Rates (\$/ GJ)	Rate Change (%)
(k)	(l)	(m)	(n)	(o)	(p) = sum(h:o)	(q)	(s) = (o / r)	(t)				
<b><u>M12 Transportation Service</u></b>												
<b><u>Demand:</u></b>												
Dawn to Kirkwall												
1	- 12 months	GJ/d/mo	-	5,970	-	-	-	17,747	-	419,318	3.154	
2	- 10 months	GJ/d/mo	-	3,232	-	-	-	9,607	-	304,563	3.154	
3	- 2 months	GJ/d/mo	-	39	-	-	-	116	-	18,365	3.154	
4	- F24-T - 12 months	GJ/d/mo	-	(0)	-	-	-	42	-	49,500	0.070	
Dawn to Parkway												
5	- 12 months	GJ/d/mo	-	96,783	-	-	-	201,947	301,735	4,221,865	3.716	
6	- 10 months	GJ/d/mo	-	803	-	-	-	2,415	-	65,000	3.716	
7	- 3 months	GJ/d/mo	-	7	-	-	-	22	-	2,000	3.716	
8	- F24-T - 12 months	GJ/d/mo	-	(0)	-	-	-	330	-	307,000	0.070	
M12-X Easterly (between Dawn, Kirkwall and Parkway)												
9	- 12 months	GJ/d/mo	-	5,797	-	-	-	17,436	-	391,011	3.716	
M12-X Westerly (between Dawn, Kirkwall and Parkway)												
10	- 12 months	GJ/d/mo	-	1,273	-	-	-	4,103	-	391,011	0.874	
Kirkwall to Parkway												
11	- 12 months	GJ/d/mo	-	1,001	-	-	-	1,412	70,712	209,652	0.561	
12	- 2 months	GJ/d/mo	-	61	-	-	-	196	-	174,752	0.561	
<b><u>Fuel and Commodity Charges:</u></b>												
Fuel												
13	Easterly - Providing Own Fuel	GJ	-	-	680	-	-	24,061	-	705,499,899		
14	Westerly - Providing Own Fuel	GJ	-	-	-	-	-	50	-	5,936,749		
15	<b>Total Rate M12</b>		-	114,968	680	-	-	279,484	372,447	711,436,648		14.0%

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

UNION GAS LIMITED  
Union South  
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Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2017 Base Rates							Price Cap Index (\$000's)	Price Cap Index (%)
			(1)	(2) (\$000's)	(3) (\$/ GJ)	2017 DSM (\$000's)	2017 Capital Pass-Throughs (\$000's)	2017 Parkway		Upstream Transportation (\$000's)	Adjusted Revenue (\$000's)			
								Delivery Obligation (5) (\$000's)						
												(g)		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)					
<b><u>M13 Transportation of Locally Produced Gas</u></b>														
1	Monthly Fixed Charge	monthly	15	171	\$952.72	-	-	-	-	171	1			
2	Transmission Commodity Charge	GJ	5,934,507	203	0.035	-	5	-	-	208	1			
3	Commodity - Providing Own Fuel	GJ	5,934,507	33	0.006	-	-	-	-	33	0			
4	<b>Total Rate M13</b>		<b>5,934,507</b>	<b>407</b>		<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>412</b>	<b>2</b>	<b>0.51%</b>		
<b><u>M16 Transportation Service</u></b>														
5	Monthly Fixed Charge	monthly	4	73	\$1,515.67	-	-	-	-	73	0			
6	Transmission Commodity Charge	GJ	6,236,394	217	0.035	-	0	-	-	217	1			
Charges West of Dawn:														
7	Firm Demand Charge	GJ/d	17,846	224	1.045	-	9	-	-	233	1			
8	Fuel & UFG to Dawn	GJ	4,098,775	23	0.006	-	-	-	-	23	0			
9	Fuel & UFG to Pool	GJ	4,098,775	65	0.016	-	-	-	-	65	0			
Charges East of Dawn:														
10	Firm Demand Charge	GJ/d	9,067	84	0.770	-	-	-	-	84	0			
11	Fuel & UFG to Dawn	GJ	2,137,619	12	0.006	-	-	-	-	12	0			
12	Fuel & UFG to Pool	GJ	2,137,619	14	0.007	-	-	(3)	-	11	0			
13	<b>Total Rate M16</b>		<b>12,472,788</b>	<b>711</b>		<b>-</b>	<b>10</b>	<b>(3)</b>	<b>-</b>	<b>717</b>	<b>4</b>	<b>0.51%</b>		

Notes:

(1) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (t).

(2) Rate Order, Working Papers, Schedule 7, Page 2, column (h).

(3) EB-2017-0351 Appendix A, rates effective January 1, 2018.

(4) EB-2016-0245, Rate Order, Working Papers, Schedule 10, columns (d).

(5) EB-2016-0245, Rate Order, Working Papers, Schedule 20.

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Union South  
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Line No.	Particulars	Billing Units	Adjustments to 2018 Base Rates							Proposed Rates		
			2018 DSM (\$000's)	2018 Capital Pass-Throughs (6) (\$000's)	Delivery Obligation (7) (\$000's)	Add Back Upstream Transportation (\$000's)	Customer Charge Adjustment (\$000's)	Proposed Revenue (\$000's)	Demand Adjustment (GJ/d/mo)	Proposed Forecast Usage (r) = (a + q )	Rates (\$/ GJ) (s) = (o / r )	Rate Change (%) (t)
(k)	(l)	(m)	(n)	(o)	(p) = sum(h:o)	(q)						
<b><u>M13 Transportation of Locally Produced Gas</u></b>												
1	Monthly Fixed Charge	monthly	-	-	-	-	-	172	-	15	\$957.58	
2	Transmission Commodity Charge	GJ	-	(2)	-	-	-	206	-	5,934,507	0.035	
3	Commodity - Providing Own Fuel	GJ	-	-	-	-	-	33	-	5,934,507	0.006	
4	<b>Total Rate M13</b>		-	(2)	-	-	-	412	-	5,934,507		1.1%
<b><u>M16 Transportation Service</u></b>												
5	Monthly Fixed Charge	monthly	-	-	-	-	-	73	-	4	\$1,523.40	
6	Transmission Commodity Charge	GJ	-	(0)	-	-	-	218	-	6,236,394	0.035	
Charges West of Dawn:												
7	Firm Demand Charge	GJ/d	-	384	-	-	-	618	-	17,846	\$2.888	
8	Fuel & UFG to Dawn	GJ	-	-	-	-	-	23	-	4,098,775	0.006	
9	Fuel & UFG to Pool	GJ	-	-	-	-	-	65	-	4,098,775	0.016	
Charges East of Dawn:												
10	Firm Demand Charge	GJ/d	-	-	-	-	-	84	-	9,067	\$0.774	
11	Fuel & UFG to Dawn	GJ	-	-	-	-	- 12	12	-	2,137,619	0.006	
12	Fuel & UFG to Pool	GJ	-	-	2	-	- 11	13	-	2,137,619	0.006	
13	<b>Total Rate M16</b>		-	384	2	-	(23)	1,107	-	12,472,788		55.8%

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

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Union South  
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Line No.	Particulars	Billing Units	Current Approved Forecast Usage (1)	Current Approved Revenue (2)	Current Approved Rates (3)	Adjustments to 2017 Base Rates						
						2017 DSM	2017 Capital Pass-Throughs	2017 Parkway Delivery Obligation	Upstream Transportation	Adjusted Revenue	Price Cap Index	Price Cap Index
			(a)	(\$000's)	(\$/ GJ)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(h) = (b+d+e+f+g)	(\$000's)	(%)
	<b>C1 Cross Franchise Transportation Service</b>											
	Storage Service:											
1	Peak Storage (Short-term)	GJ	22,489,337	7,665		-	239	-	-	7,904	n/a	
	Commodity											
2	Off Peak Storage/ Balancing / Loans	GJ		2,500		-	-	-	-	2,500	n/a	
	Transportation Service:											
	Demand:											
3	St.Claire & Dawn / Ojibway & Dawn - 12 months	GJ/mo	85,460	3,246	1.045	-	45	-	-	3,291	17	
	Parkway to Dawn/Kirkwall											
4	- 12 months	GJ/mo	347,371	3,488	0.837	-	(986)	-	-	2,501	13	
5	- 3 months	GJ/mo	54,357	136	0.837	-	(39)	-	-	98	0	
6	Kirkwall to Dawn	GJ/mo	-	-	1.475	-	-	-	-	-	-	
	Dawn to Parkway											
7	- 12 months	GJ/mo	7,065	424	3.402	-	-	-	-	424	2	
8	- 12 months North T-Service	GJ/mo	30,111	1,229	3.402	-	(1,229)	-	-	-	-	
9	Kirkwall to Parkway	GJ/mo	-	-	0.537	-	-	-	-	-	-	
	Dawn to Dawn-Vector											
10	- 12 months	GJ/mo	92,845	33	0.029	-	-	-	-	33	0	
	Dawn to Dawn-TCPL											
11	- 12 months	GJ/mo	500,000	828	0.138	-	-	-	-	828	4	
	Firm Commodity											
	Easterly											
	Union Providing Fuel											
12	Dawn to Parkway (TCPL / EGT)	GJ	2,423,295	94		-	-	(7)	-	86	0	
	Providing Own Fuel											
13	Dawn to Dawn-TCPL	GJ	5,000,000	85		-	-	-	-	85	0	
14	Dawn to Dawn-Vector	GJ	18,280,703	251		-	-	-	-	251	1	
15	Ojibway to Dawn	GJ	9,968,577	169		-	-	-	-	169	1	
	Westerly - Providing Own Fuel											
16	Parkway to Kirkwall	GJ	-	-		-	-	-	-	-	-	
17	Parkway to Dawn	GJ	3,990,264	53		-	-	-	-	53	0	
18	Short-term Transportation	GJ	177,529,686	11,218		-	48	(206)	-	11,061	n/a	
19	Exchanges			14,918		-	-	-	-	14,918	n/a	
20	Other Transactional			1,067		-	-	-	-	1,067	n/a	
21	<b>Total Rate C1</b>		<u>217,192,525</u>	<u>47,403</u>		<u>-</u>	<u>(1,922)</u>	<u>(213)</u>	<u>-</u>	<u>45,268</u>	<u>40</u>	
22	<b>Total Ex-Franchise</b>			<u>293,586</u>		<u>-</u>	<u>(83,315)</u>	<u>(868)</u>	<u>-</u>	<u>209,402</u>	<u>877</u>	<u>0.42%</u>

**Notes:**

- (1) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (t).
- (2) Rate Order, Working Papers, Schedule 7, Page 2, column (h).
- (3) EB-2017-0351 Appendix A, rates effective January 1, 2018.
- (4) EB-2016-0245, Rate Order, Working Papers, Schedule 10, columns (d).
- (5) EB-2016-0245, Rate Order, Working Papers, Schedule 20.



UNION GAS LIMITED  
Union South  
Ex-Franchise Customers  
Effective January 1, 2018

Line No.	Particulars	Billing Units	Adjustment to 2018 Base Rates					Proposed Revenue (\$000's)	Demand Adjustment (GJ/d/mo)	Proposed Forecast Usage	Proposed Rates				
			2018 DSM (\$000's)	2018 Capital Pass-Throughs (6) (\$000's)	2018 Parkway Delivery Obligation (7) (\$000's)	Add Back Upstream Transportation (\$000's)	Customer Charge Adjustment (\$000's)				Rates (\$/ GJ)	Rate Change (%)			
			(k)	(l)	(m)	(n)	(o)				(p) = sum(h:o)	(q)	(r) = (a + q)	(s) = (o / r)	(t)
	<b>C1 Cross Franchise Transportation Service</b>														
	Storage Service:														
1	Peak Storage (Short-term)	GJ	-	(291)	-	-	-	7,612	-	22,489,337					
	Commodity														
2	Off Peak Storage/ Balancing / Loans	GJ	-	-	-	-	-	2,500	-	-					
	Transportation Service:														
	Demand:														
3	St.Clair & Dawn / Ojibway & Dawn - 12 months	GJ/mo	-	1,841	-	-	-	5,148	-	85,460	2.888				
4	Parkway to Dawn/Kirkwall - 12 months	GJ/mo	-	1,131	-	-	-	3,645	-	347,371	0.874				
5	- 3 months	GJ/mo	-	44	-	-	-	143	-	54,357	0.874				
6	Kirkwall to Dawn	GJ/mo	-	-	-	-	-	-	-	-	1.542				
	Dawn to Parkway														
7	- 12 months	GJ/mo	-	-	-	-	-	426	-	7,065	3.716				
8	- 12 months North T-Service	GJ/mo	-	1,565	-	-	-	1,565	4,979	35,090	3.716				
9	Kirkwall to Parkway	GJ/mo	-	-	-	-	-	-	-	0	0.561				
	Dawn to Dawn-Vector														
10	- 12 months	GJ/mo	-	-	-	-	-	33	-	92,845	0.030				
	Dawn to Dawn-TCPL														
11	- 12 months	GJ/mo	-	-	-	-	-	832	-	500,000	0.139				
	Firm Commodity														
	Easterly														
	Union Providing Fuel														
12	Dawn to Parkway (TCPL / EGT)	GJ	-	-	7	-	-	94	-	2,423,295					
	Providing Own Fuel														
13	Dawn to Dawn-TCPL	GJ	-	-	-	-	-	85	-	5,000,000					
14	Dawn to Dawn-Vector	GJ	-	-	-	-	-	252	-	18,280,703					
15	Ojibway to Dawn	GJ	-	-	-	-	-	170	-	9,968,577					
	Westerly - Providing Own Fuel														
16	Parkway to Kirkwall	GJ	-	-	-	-	-	-	-	-					
17	Parkway to Dawn	GJ	-	-	-	-	-	53	-	3,990,264					
18	Short-term Transportation	GJ	-	89	196	-	-	11,346	-	177,529,686					
19	Exchanges		-	-	-	-	-	14,918	-	-					
20	Other Transactional		-	-	-	-	-	1,067	-	-					
21	<b>Total Rate C1</b>		-	4,379	203	-	-	49,890	4,979	217,192,525		5.2%			
22	<b>Total Ex-Franchise</b>		-	119,729	885	-	(23)	330,893	377,426						

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

UNION GAS LIMITED  
Rate Impact Continuity  
Effective January 1, 2018

Line No.	Particulars	Current Approved Revenue (2) (\$000s) (a)	Price Cap Index (2) (\$000s) (b)	DSM (2) (\$000s) (d)	Capital Pass-Throughs (2) (\$000s) (e)	Parkway Delivery Obligation (2) (\$000s) (f)	Upstream Transportation (\$000's) (h)	Total Excluding Volume Adjustments (i)	Volume Adjustments (j)	Total Including Volume Adjustments (k)
<u>North Delivery</u>										
1	R01 Revenue (\$000s)	159,676	802	1,024	(1,416)	-	-	160,086		160,086
2	Volumes (10³m³)	909,690	909,690	909,690	909,690	909,690	909,690	909,690	(23,350)	886,340
3	Average rate (cents / m³)	17.5528	0.0882	0.1126	(0.1557)	-	-	17.5978	0.4636	18.0614
4	Average rate change (1)		0.5%	0.6%	-0.9%	0.0%	0.0%	0.3%	2.6%	2.9%
5	R10 Revenue (\$000s)	20,657	93	142	(143)	-	-	20,749		20,749
6	Volumes (10³m³)	337,112	337,112	337,112	337,112	337,112	337,112	337,112	(11,150)	325,962
7	Average rate (cents / m³)	6.1277	0.0275	0.0422	(0.0425)	-	-	6.1548	0.2105	6.3654
8	Average rate change (1)		0.4%	0.7%	-0.7%	0.0%	0.0%	0.4%	3.4%	3.9%
9	R20 Revenue (\$000s)	13,577	64	39	(124)	-	-	13,556		13,556
10	Volumes (10³m³)	606,176	606,176	606,176	606,176	606,176	606,176	606,176	(1,621)	604,555
11	Average rate (cents / m³)	2.2398	0.0105	0.0065	(0.0204)	-	-	2.2364	0.0060	2.2424
12	Average rate change (1)		0.5%	0.3%	-0.9%	0.0%	0.0%	-0.2%	0.3%	0.1%
13	R25 Revenue (\$000s)	4,340	23	-	(42)	-	-	4,322		4,322
14	Volumes (10³m³)	159,555	159,555	159,555	159,555	159,555	159,555	159,555	-	159,555
15	Average rate (cents / m³)	2.7201	0.0146	-	(0.0262)	-	-	2.7086	-	2.7086
16	Average rate change (1)		0.5%	0.0%	-1.0%	0.0%	0.0%	-0.4%	0.0%	-0.4%
17	R100 Revenue (\$000s)	15,230	71	13	(109)	-	-	15,205		15,205
18	Volumes (10³m³)	1,814,867	1,814,867	1,814,867	1,814,867	1,814,867	1,814,867	1,814,867	(762)	1,814,105
19	Average rate (cents / m³)	0.8392	0.0039	0.0007	(0.0060)	-	-	0.8378	0.0004	0.8382
20	Average rate change (1)		0.5%	0.1%	-0.7%	0.0%	0.0%	-0.2%	0.0%	-0.1%

Notes:

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

UNION GAS LIMITED  
Rate Impact Continuity  
Effective January 1, 2018

Line No.	Particulars		Current Approved Revenue (2) (\$000s) (a)	Price Cap Index (2) (\$000s) (b)	DSM (2) (\$000s) (d)	Capital Pass-Throughs (2) (\$000s) (e)	Parkway Delivery Obligation (2) (\$000s) (f)	Upstream Transportation (\$000's) (h)	Total Excluding Volume Adjustments (i)	Volume Adjustments (j)	Total Including Volume Adjustments (k)
South Delivery & Storage											
1	M1 - Delivery	Revenue (\$000s)	389,167	1,848	2,825	2,777	(248)	-	396,369		396,369
2		Volumes (10³m³)	2,897,179	2,897,179	2,897,179	2,897,179	2,897,179	2,897,179	2,897,179	(88,884)	2,808,296
3		Average rate (cents / m³)	13.4326	0.0638	0.0975	0.0959	(0.0086)	-	13.6812	0.4330	14.1142
4	M1 - Storage	Revenue (\$000s)	20,724	114	-	(250)	-	-	20,588		20,588
5		Volumes (10³m³)	2,897,179	2,897,179	2,897,179	2,897,179	2,897,179	2,897,179	2,897,179	(88,884)	2,808,296
6		Average rate (cents / m³)	0.7153	0.0039	-	(0.0086)	-	-	0.7106	0.0225	0.7331
7	M1	Revenue (\$000s)	409,890	1,962	2,825	2,527	(248)	-	416,957	-	416,957
8		Total Average rate (cents / m³)	14.1479	0.0677	0.0975	0.0872	(0.0086)	-	14.3918	0.4555	14.8473
9		Average rate change (1)		0.5%	0.7%	0.6%	-0.1%	0.0%	1.7%	3.2%	4.9%
10	M2 - Delivery	Revenue (\$000s)	54,288	198	451	1,766	(96)	-	56,607		56,607
11		Volumes (10³m³)	1,127,028	1,127,028	1,127,028	1,127,028	1,127,028	1,127,028	1,127,028	(47,291)	1,079,737
12		Average rate (cents / m³)	4.8169	0.0176	0.0400	0.1567	(0.0085)	-	5.0227	0.2200	5.2427
13	M2 - Storage	Revenue (\$000s)	7,046	39	-	(85)	-	-	7,000		7,000
14		Volumes (10³m³)	1,127,028	1,127,028	1,127,028	1,127,028	1,127,028	1,127,028	1,127,028	(47,291)	1,079,737
15		Average rate (cents / m³)	0.6252	0.0034	-	(0.0076)	-	-	0.6211	0.0272	0.6483
16	M2	Revenue (\$000s)	61,334	237	451	1,681	(96)	-	63,607	-	63,607
17		Total Average rate (cents / m³)	5.4421	0.0210	0.0400	0.1491	(0.0085)	-	5.6438	0.2472	5.8910
18		Average rate change (1)		0.4%	0.7%	2.7%	-0.2%	0.0%	3.7%	4.5%	8.2%
19	M4	Revenue (\$000s)	14,970	54	46	1,412	(68)	-	16,414		16,414
20		Volumes (10³m³)	349,263	349,263	349,263	349,263	349,263	349,263	349,263	(10,047)	339,216
21		Average rate (cents / m³)	4.2862	0.0155	0.0131	0.4041	(0.0194)	-	4.6996	0.1392	4.8388
22		Average rate change (1)		0.4%	0.3%	9.4%	-0.5%	0.0%	9.6%	3.2%	12.9%
23	M5	Revenue (\$000s)	13,613	53	49	(93)	(79)	-	13,543		13,543
24		Volumes (10³m³)	465,451	465,451	465,451	465,451	465,451	465,451	465,451	(15,362)	450,088
25		Average rate (cents / m³)	2.9246	0.0114	0.0105	(0.0200)	(0.0170)	-	2.9095	0.0993	3.0089
26		Average rate change (1)		0.4%	0.4%	-0.7%	-0.6%	0.0%	-0.5%	3.4%	2.9%

Notes:

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

UNION GAS LIMITED  
Rate Impact Continuity  
Effective January 1, 2018

Line No.	Particulars	Current Approved Revenue (2) (\$000s) (a)	Price Cap Index (2) (\$000s) (b)	DSM (2) (\$000s) (d)	Capital Pass-Throughs (2) (\$000s) (e)	Parkway Delivery Obligation (2) (\$000s) (f)	Upstream Transportation (\$000's) (h)	Total Excluding Volume Adjustments (i)	Volume Adjustments (j)	Total Including Volume Adjustments (k)
<u>South Delivery &amp; Storage (cont.)</u>										
1	M7 Revenue (\$000s)	4,890	16	24	479	(25)	-	5,384		5,384
2	Volumes (10³m³)	124,828	124,828	124,828	124,828	124,828	124,828	124,828	(5,587)	119,242
3	Average rate (cents / m³)	3.9176	0.0129	0.0189	0.3835	(0.0198)	-	4.3131	0.2021	4.5152
4	Average rate change (1)		0.3%	0.5%	9.8%	-0.5%	0.0%	10.1%	5.2%	15.3%
5	M9 Revenue (\$000s)	1,018	3	-	39	(16)	-	1,045		1,045
6	Volumes (10³m³)	60,750	60,750	60,750	60,750	60,750	60,750	60,750	-	60,750
7	Average rate (cents / m³)	1.6764	0.0057	-	0.0635	(0.0259)	-	1.7197	-	1.7197
8	Average rate change (1)		0.3%	0.0%	3.8%	-1.5%	0.0%	2.6%	0.0%	2.6%
9	M10 Revenue (\$000s)	13	0	-	1	0	-	14		14
10	Volumes (10³m³)	189	189	189	189	189	189	189	-	189
11	Average rate (cents / m³)	6.7203	0.0142	-	0.3611	0.0772	-	7.1728	-	7.1728
12	Average rate change (1)		0.2%	0.0%	5.4%	1.1%	0.0%	6.7%	0.0%	6.7%
13	T1 Revenue (\$000s)	11,598	46	41	988	(90)	-	12,582		12,582
14	Volumes (10³m³)	511,234	511,234	511,234	511,234	511,234	511,234	511,234	(3,895)	507,339
15	Average rate (cents / m³)	2.2686	0.0090	0.0079	0.1933	(0.0176)	-	2.4611	0.0189	2.4800
16	Average rate change (1)		0.4%	0.3%	8.5%	-0.8%	0.0%	8.5%	0.8%	9.3%
17	T2 Revenue (\$000s)	51,890	207	49	7,271	(393)	-	59,023		59,023
18	Volumes (10³m³)	4,597,268	4,597,268	4,597,268	4,597,268	4,597,268	4,597,268	4,597,268	(30,384)	4,566,884
19	Average rate (cents / m³)	1.1287	0.0045	0.0011	0.1582	(0.0086)	-	1.2839	0.0085	1.2924
20	Average rate change (1)		0.4%	0.1%	14.0%	-0.8%	0.0%	13.7%	0.8%	14.5%
21	T3 Revenue (\$000s)	6,751	23	-	277	(53)	-	6,998		6,998
22	Volumes (10³m³)	272,712	272,712	272,712	272,712	272,712	272,712	272,712	-	272,712
23	Average rate (cents / m³)	2.4755	0.0085	-	0.1016	(0.0194)	-	2.5662	-	2.5662
24	Average rate change (1)		0.3%	0.0%	4.1%	-0.8%	0.0%	3.7%	0.0%	3.7%

Notes:

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

UNION GAS LIMITED  
Rate Impact Continuity  
Effective January 1, 2018

Line No.	Particulars	Current Approved Revenue (2) (\$000s) (a)	Price Cap Index (2) (\$000s) (b)	DSM (2) (\$000s) (d)	Capital Pass-Throughs (2) (\$000s) (e)	Parkway Delivery Obligation (2) (\$000s) (f)	Upstream Transportation (\$000's) (h)	Total Excluding Volume Adjustments (i)	Volume Adjustments (j)	Total Including Volume Adjustments (k)
<u>North Transportation &amp; Storage</u>										
1	R01 Revenue (\$000s)	86,665	78	-	1,314	(0)	179	88,235		88,235
2	Volumes (10³m³)	909,690	909,690	909,690	909,690	909,690	909,690	909,690	(23,350)	886,340
3	Average rate (cents / m³)	9.5269	0.0086	-	0.1444	(0.0000)	0.0196	9.6995	0.2555	9.9550
4	Average rate change (1)		0.1%	0.0%	1.5%	0.0%	0.2%	1.8%	2.7%	4.5%
5	R10 Revenue (\$000s)	25,466	22	-	342	(0)	37	25,868		25,868
6	Volumes (10³m³)	337,112	337,112	337,112	337,112	337,112	337,112	337,112	(11,150)	325,962
7	Average rate (cents / m³)	7.5543	0.0066	-	0.1015	(0.0000)	0.0110	7.6733	0.2625	7.9358
8	Average rate change (1)		0.1%	0.0%	1.3%	0.0%	0.1%	1.6%	3.5%	5.1%
9	R20 Revenue (\$000s)	7,993	7	-	87	0	(6)	8,080		8,080
10	Volumes (10³m³)	121,935	121,935	121,935	121,935	121,935	121,935	121,935	-	121,935
11	Average rate (cents / m³)	6.5549	0.0055	-	0.0713	0.0000	(0.0051)	6.6266	-	6.6266
12	Average rate change (1)		0.1%	0.0%	1.1%	0.0%	-0.1%	1.1%	0.0%	1.1%
13	R25 Revenue (\$000s)	696	0	-	(2)	-	(17)	677		677
14	Volumes (10³m³)	42,913	42,913	42,913	42,913	42,913	42,913	42,913	-	42,913
15	Average rate (cents / m³)	1.6219	0.0002	-	(0.0053)	-	(0.0394)	1.5775	-	1.5775
16	Average rate change (1)		0.0%	0.0%	-0.3%	0.0%	-2.4%	-2.7%	0.0%	-2.7%
17	R100 Revenue (\$000s)	336	1	-	5	(0)	(0)	342		342
18	Change (1)		0.2%	0.0%	1.5%	0.0%	0.0%	1.7%	0.0%	1.7%
<u>Ex-Franchise</u>										
19	M12 Revenue (\$000s)	245,065	831	-	33,560	28	-	279,484	-	279,484
20	Change (1)		0.3%	0.0%	13.7%	0.0%	0.0%	14.0%	0.0%	14.0%
21	M13 Revenue (\$000s)	407	2	-	3	-	-	412	-	412
22	Change (1)		0.5%	0.0%	0.6%	0.0%	0.0%	1.1%	0.0%	1.1%
23	M16 Revenue (\$000s)	711	4	-	393	(1)	-	1,107	-	1,107
24	Change (1)		0.5%	0.0%	55.4%	-0.1%	0.0%	55.8%	0.0%	55.8%
25	C1 Revenue (\$000s)	47,403	40	-	2,457	(10)	-	49,890	-	49,890
26	Change (1)		0.1%	0.0%	5.2%	0.0%	0.0%	5.2%	0.0%	5.2%
27	Gas Supply Admin	6,723	-	-	(34)	-	-	6,689	-	6,689
28	Totals	1,210,913	4,638	4,702	50,871	(1,050)	193	1,270,267	-	1,270,267

Notes:

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

UNION GAS LIMITED  
Union North  
Percentage Change in Average Unit Price  
Effective January 1, 2018

Line No.	Particulars (cents/m <sup>3</sup> )	Rate Class	Current Rates (1) (cents / m <sup>3</sup> ) (a)	Proposed Rates (2) (cents / m <sup>3</sup> ) (b)	Rate Change (c) = (b - a)	Percent Change (3) (%) (d) = (c / a)
	Small Volume General Service	01				
1	Delivery		17.5528	18.0614	0.5086	2.9%
2	Gas Supply Transportation		4.1134	4.1337	0.0203	0.5%
3	Storage		5.3354	5.6319	0.2965	5.6%
4	Total		<u>27.0016</u>	<u>27.8270</u>	<u>0.8254</u>	<u>3.1%</u>
	Large Volume General Service	10				
5	Delivery		6.1277	6.3654	0.2377	3.9%
6	Gas Supply Transportation		3.5362	3.5474	0.0112	0.3%
7	Storage		3.9508	4.1971	0.2463	6.2%
8	Total		<u>13.6147</u>	<u>14.1099</u>	<u>0.4952</u>	<u>3.6%</u>
	Medium Volume Firm Service	20				
9	Delivery		2.2398	2.2424	0.0026	0.1%
10	Gas Supply Transportation		6.5549	6.6266	0.0717	1.1%
11	Total		<u>8.7947</u>	<u>8.8690</u>	<u>0.0743</u>	<u>0.8%</u>
12	Large Volume High Load Factor Delivery	100	<u>0.8392</u>	<u>0.8382</u>	<u>(0.0010)</u>	<u>-0.1%</u>
13	Large Volume Interruptible Delivery	25	<u>2.7201</u>	<u>2.7086</u>	<u>(0.0115)</u>	<u>-0.4%</u>

Notes:

- (1) Rate Order, Working Papers, Schedule 4, column (c).
- (2) Rate Order, Working Papers, Schedule 4, column (s).
- (3) Excludes Gas Supply Commodity and Cap-and-Trade related costs.

UNION GAS LIMITED  
Union South  
Percentage Change in Average Unit Price  
Effective January 1, 2018

Line No.	Particulars (cents/m <sup>3</sup> )	Rate Class	Current Rates (1) (cents / m <sup>3</sup> ) (a)	Proposed Rates (2) (cents / m <sup>3</sup> ) (b)	Rate Change (c) = (b - a)	Percent Change (3) (%) (d) = (c / a)
	General Service	M1				
1	Delivery		13.4326	14.1142	0.6816	5.1%
2	Storage		0.7153	0.7331	0.0178	2.5%
3	Total		<u>14.1479</u>	<u>14.8473</u>	<u>0.6994</u>	<u>4.9%</u>
	General Service	M2				
4	Delivery		4.8169	5.2427	0.4258	8.8%
5	Storage		0.6252	0.6483	0.0231	3.7%
6	Total		<u>5.4421</u>	<u>5.8910</u>	<u>0.4489</u>	<u>8.2%</u>
7	Firm Contract Commercial / Industrial Delivery	M4	<u>4.2862</u>	<u>4.8388</u>	<u>0.5526</u>	<u>12.9%</u>
8	Firm Contract Commercial / Industrial Delivery	M5 (F)	<u>3.6173</u>	<u>3.8279</u>	<u>0.2106</u>	<u>5.8%</u>
9	Interruptible Contract Commercial / Industrial Delivery	M5 (I)	<u>2.9014</u>	<u>2.9814</u>	<u>0.0800</u>	<u>2.8%</u>
10	Firm Special Large Volume Contract Delivery	M7 (F)	<u>4.0054</u>	<u>4.6213</u>	<u>0.6159</u>	<u>15.4%</u>
11	Interruptible Special Large Volume Contract Delivery	M7 (I)	<u>1.2331</u>	<u>1.2684</u>	<u>0.0353</u>	<u>2.9%</u>
12	Large Wholesale Service Delivery	M9	<u>1.6764</u>	<u>1.7197</u>	<u>0.0433</u>	<u>2.6%</u>
13	Small Wholesale Service Delivery	M10	<u>6.7203</u>	<u>7.1728</u>	<u>0.4525</u>	<u>6.7%</u>
14	Storage and Transportation Delivery	T1 (F/I)	<u>2.2686</u>	<u>2.4800</u>	<u>0.2114</u>	<u>9.3%</u>
15	Total Delivery excluding fuel		<u>2.1996</u>	<u>2.4104</u>	<u>0.2108</u>	<u>9.6%</u>
16	Storage and Transportation Delivery	T2 (F/I)	<u>1.1287</u>	<u>1.2924</u>	<u>0.1637</u>	<u>14.5%</u>
17	Total Delivery excluding fuel		<u>1.0789</u>	<u>1.2422</u>	<u>0.1632</u>	<u>15.1%</u>
18	Storage and Transportation Distributor Delivery	T3	<u>2.4755</u>	<u>2.5662</u>	<u>0.0907</u>	<u>3.7%</u>

Notes:

- (1) Rate Order, Working Papers, Schedule 4, column (c).
- (2) Rate Order, Working Papers, Schedule 4, column (s).
- (3) Excludes Gas Supply Commodity and Cap-and-Trade related costs.

UNION GAS LIMITED  
Summary of Approved 2017 & 2018 Revenue Changes

Line No.	Particulars (\$000's)	2017 Revenue EB-2016-0245	2017 & 2018 Revenue Changes						Updated Revenue for EB-2017-0087
		2017 Rates (1)	EB-2016-0296 PDCI Update (2)	EB-2016-0334 Jan 2017 QRAM (3)	EB-2017-0089 Apr 2017 QRAM (4)	EB-2017-0185 Jul 2017 QRAM (5)	EB-2017-0278 Oct 2017 QRAM (6)	EB-2017-0351 Jan 2018 QRAM (7)	(h) = (sum a:g)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
	<u>North Delivery</u>								
1	Rate 01	161,111	-	(778)	(43)	117	(703)	(29)	159,676
2	Rate 10	21,091	-	(235)	(13)	35	(212)	(9)	20,657
3	Rate 20	13,723	-	(79)	(4)	12	(72)	(3)	13,577
4	Rate 25	4,340	-	-	-	-	-	-	4,340
5	Rate 100	15,237	-	(3)	(0)	0	(3)	(0)	15,230
6	Total In-Franchise North Delivery	<u>215,502</u>	<u>-</u>	<u>(1,096)</u>	<u>(61)</u>	<u>165</u>	<u>(990)</u>	<u>(40)</u>	<u>213,480</u>
	<u>South Delivery &amp; Storage</u>								
7	Rate M1	412,278	237	(1,423)	(79)	215	(1,286)	(52)	409,890
8	Rate M2	62,135	84	(479)	(27)	72	(433)	(18)	61,334
9	Rate M4	15,211	38	(151)	(8)	23	(137)	(6)	14,970
10	Rate M5A	13,941	27	(193)	(11)	29	(174)	(7)	13,613
11	Rate M7	4,979	15	(56)	(3)	8	(51)	(2)	4,890
12	Rate M9	1,055	8	(24)	(1)	4	(22)	(1)	1,018
13	Rate M10	13	0	(0)	(0)	0	(0)	(0)	13
14	Rate T1	11,611	38	(28)	(2)	4	(25)	(1)	11,598
15	Rate T2	51,863	183	(85)	(6)	12	(76)	(3)	51,890
16	Rate T3	6,715	35	-	-	-	-	-	6,751
17	Total In-Franchise South Delivery and Storage	<u>579,802</u>	<u>667</u>	<u>(2,438)</u>	<u>(137)</u>	<u>367</u>	<u>(2,203)</u>	<u>(90)</u>	<u>575,967</u>
18	Total In-franchise Delivery	<u>795,303</u>	<u>667</u>	<u>(3,534)</u>	<u>(198)</u>	<u>531</u>	<u>(3,193)</u>	<u>(130)</u>	<u>789,447</u>

Notes:

- (1) EB-2016-0245, Rate Order, Working Papers, Schedule 3.
- (2) EB-2016-0296, Exhibit 7, Schedule 2, p. 1, column (i) + EB-2016-0296, Rate Order, Appendix H, p. 3, column (i).
- (3) EB-2016-0334, Tab 2, Schedule 3, column (g) & EB-2016-0334, Tab 2, Schedule 2, p. 1, column (a).
- (4) EB-2017-0089, Tab 2, Schedule 3, column (g) & EB-2017-0089, Tab 2, Schedule 2, p. 1, column (a).
- (5) EB-2017-0185, Tab 2, Schedule 3, column (g) & EB-2017-0185, Tab 2, Schedule 2, p. 1, column (a).
- (6) EB-2017-0278, Tab 2, Schedule 3, column (g) & EB-2017-0278, Tab 2, Schedule 2, p. 1, column (a).
- (7) EB-2017-0351, Tab 2, Schedule 3, column (g) & EB-2017-0351, Tab 2, Schedule 2, p. 1, column (a).



UNION GAS LIMITED  
Summary of Approved 2017 & 2018 Revenue Changes

Line No.	Particulars (\$000's)	2017 Revenue EB-2016-0245	2017 & 2018 Revenue Changes						Updated Revenue for EB-2017-0087
		2017 Rates (1)	EB-2016-0296 PDCI Update (2)	EB-2016-0334 Jan 2017 QRAM (3)	EB-2017-0089 Apr 2017 QRAM (4)	EB-2017-0185 Jul 2017 QRAM (5)	EB-2017-0278 Oct 2017 QRAM (6)	EB-2017-0351 Jan 2018 QRAM (7)	(h) = (sum a:g)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
	<u>North Transportation &amp; Storage</u>								
1	Rate 01	85,815	-	71	1,035	(23)	(214)	(18)	86,665
2	Rate 10	25,221	-	25	309	(7)	(76)	(6)	25,466
3	Rate 20	7,914	-	11	106	(3)	(33)	(3)	7,993
4	Rate 25	688	-	2	7	4	(5)	(0)	696
5	Rate 100	334	-	0	2	0	(0)	(0)	336
6	Total Northern Transportation and Storage	<u>119,972</u>	<u>-</u>	<u>109</u>	<u>1,460</u>	<u>(29)</u>	<u>(329)</u>	<u>(27)</u>	<u>121,157</u>
7	Gas Supply Admin Charge	<u>6,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,723</u>
8	Total In-Franchise	<u>921,999</u>	<u>667</u>	<u>(3,425)</u>	<u>1,262</u>	<u>502</u>	<u>(3,522)</u>	<u>(157)</u>	<u>917,327</u>
	<u>Ex-Franchise</u>								
9	Rate M12	245,065	-	-	-	-	-	-	245,065
10	Rate M13	420	-	(7)	(1)	1	(6)	(0)	407
11	Rate M16	755	-	(23)	(2)	4	(21)	(1)	711
12	Rate C1	47,403	-	-	-	-	-	-	47,403
13	Total Ex-Franchise	<u>293,643</u>	<u>-</u>	<u>(30)</u>	<u>(2)</u>	<u>5</u>	<u>(27)</u>	<u>(1)</u>	<u>293,586</u>
14	Total Union Gas	<u>1,215,642</u>	<u>667</u>	<u>(3,455)</u>	<u>1,260</u>	<u>507</u>	<u>(3,549)</u>	<u>(158)</u>	<u>1,210,913</u>

Notes:

- (1) EB-2016-0245, Rate Order, Working Papers, Schedule 3.
- (2) EB-2016-0296, Exhibit 7, Schedule 2, p. 1, column (i) + EB-2016-0296, Rate Order, Appendix H, p. 3, column (i).
- (3) EB-2016-0334, Tab 2, Schedule 3, column (g) & EB-2016-0334, Tab 2, Schedule 2, p. 1, column (a).
- (4) EB-2017-0089, Tab 2, Schedule 3, column (g) & EB-2017-0089, Tab 2, Schedule 2, p. 1, column (a).
- (5) EB-2017-0185, Tab 2, Schedule 3, column (g) & EB-2017-0185, Tab 2, Schedule 2, p. 1, column (a).
- (6) EB-2017-0278, Tab 2, Schedule 3, column (g) & EB-2017-0278, Tab 2, Schedule 2, p. 1, column (a).
- (7) EB-2017-0351, Tab 2, Schedule 3, column (g) & EB-2017-0351, Tab 2, Schedule 2, p. 1, column (a).

UNION GAS LIMITED  
Union South  
General Service Customer Bill Impacts

Line No.	Particulars	Rate M1 - Residential (Annual Consumption of 2,200 m³)			Rate M2 - Commercial (Annual Consumption of 73,000 m³)		
		EB-2017-0351 Approved 01-Jan-18 Total Bill (\$) (1) (a)	EB-2017-0087 Proposed 01-Jan-18 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)	EB-2017-0351 Approved 01-Jan-18 Total Bill (\$) (1) (d)	EB-2017-0087 Proposed 01-Jan-18 Total Bill (\$) (1) (e)	Impact (\$) (f) = (e) - (d)
	<u>Delivery Charges</u>						
1	Monthly Charge	252.00	252.00	-	840.00	840.00	-
	Delivery Commodity Charge						
2	Cap-and-Trade Customer-Related Charge	73.00	73.00	-	2,422.23	2,422.23	-
3	Other Delivery Commodity	97.56	106.56	9.00	3,319.97	3,622.43	302.46
4	Storage Services	15.75	16.12	0.37	456.38	473.26	16.88
5	Total Delivery Charge	438.31	447.68	9.37	7,038.58	7,357.92	319.34
	<u>Supply Charges</u>						
6	Transportation to Union	-	-	-	-	-	-
7	Commodity	299.77	299.74	(0.03)	9,946.98	9,946.33	(0.65)
8	Total Gas Supply Charge	299.77	299.74	(0.03)	9,946.98	9,946.33	(0.65)
	<u>Total Bill</u>						
9	Including Cap-and-Trade Customer-Related Charge	738.08	747.42	9.34	16,985.56	17,304.25	318.69
10	Excluding Cap-and-Trade Customer-Related Charge	665.08	674.42	9.34	14,563.33	14,882.02	318.69
	<u>Impacts</u>						
11	Sales Service			9.34			318.69
12	Direct Purchase			9.37			319.34
13	Commodity Bill Impact			(0.0%) (2)			(0.0%) (2)
	<u>Total Bill Impact</u>						
14	Including Cap-and-Trade Customer-Related Charge			1.3%			1.9%
15	Excluding Cap-and-Trade Customer-Related Charge			1.4%			2.2%

Notes:

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

(2) Commodity bill impact reflects the impact of the gas commodity bill change divided by the current approved gas commodity bill shown at line 7.

UNION GAS LIMITED  
Union North  
General Service Customer Bill Impacts

Line No.	Particulars	Union North West Zone Rate 01 - Residential (Annual Consumption of 2,200 m³)			Union North East Zone Rate 01 - Residential (Annual Consumption of 2,200 m³)		
		EB-2017-0351 Approved 01-Jan-18 Total Bill (\$) (1) (a)	EB-2017-0087 Proposed 01-Jan-18 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)	EB-2017-0351 Approved 01-Jan-18 Total Bill (\$) (1) (d)	EB-2017-0087 Proposed 01-Jan-18 Total Bill (\$) (1) (e)	Impact (\$) (f) = (e) - (d)
	<u>Delivery Charges</u>						
1	Monthly Charge	252.00	252.00	-	252.00	252.00	-
	Delivery Commodity Charge						
2	Cap-and-Trade Customer-Related Charge	73.00	73.00	-	73.00	73.00	-
3	Other Delivery Commodity	197.41	203.65	6.24	197.41	203.65	6.24
4	Total Delivery Charge	522.41	528.65	6.24	522.41	528.65	6.24
	<u>Supply Charges</u>						
5	Transportation to Union	150.84	150.85	0.01	65.97	66.60	0.63
6	Storage Services	45.18	49.78	4.60	146.73	154.02	7.29
7	Subtotal	196.02	200.63	4.61	212.70	220.62	7.92
8	Commodity	224.15	224.14	(0.01)	305.98	305.97	(0.01)
9	Total Gas Supply Charge	420.17	424.77	4.60	518.68	526.59	7.91
	<u>Total Bill</u>						
10	Including Cap-and-Trade Customer-Related Charge	942.58	953.42	10.84	1,041.09	1,055.24	14.15
11	Excluding Cap-and-Trade Customer-Related Charge	869.58	880.42	10.84	968.09	982.24	14.15
	<u>Impacts</u>						
12	Sales Service			10.84			14.15
13	Direct Purchase			10.85			14.16
14	Commodity Bill Impact			(0.0%) (2)			(0.0%) (2)
	<u>Total Bill Impact</u>						
15	Including Cap-and-Trade Customer-Related Charge			1.2%			1.4%
16	Excluding Cap-and-Trade Customer-Related Charge			1.2%			1.5%

Notes:

(1) Excludes temporary charges/(credits).

(2) Commodity bill impact reflects the impact of the gas commodity bill change divided by the current approved gas commodity bill shown at line 8.

UNION GAS LIMITED  
Union North  
General Service Customer Bill Impacts

Line No.	Particulars	Union North West Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)			Union North East Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)		
		EB-2017-0351 Approved 01-Jan-18 Total Bill (\$) (1)	EB-2017-0087 Proposed 01-Jan-18 Total Bill (\$) (1)	Impact (\$) (c) = (b) - (a)	EB-2017-0351 Approved 01-Jan-18 Total Bill (\$) (1)	EB-2017-0087 Proposed 01-Jan-18 Total Bill (\$) (1)	Impact (\$) (f) = (e) - (d)
		(a)	(b)	(c) = (b) - (a)	(d)	(e)	(f) = (e) - (d)
	<u>Delivery Charges</u>						
1	Monthly Charge	840.00	840.00	-	840.00	840.00	-
	Delivery Commodity Charge						
2	Cap-and-Trade Customer-Related Charge	3,085.83	3,085.83	-	3,085.83	3,085.83	-
3	Other Delivery Commodity	5,877.60	6,097.58	219.98	5,877.60	6,097.58	219.98
4	Total Delivery Charge	9,803.43	10,023.41	219.98	9,803.43	10,023.41	219.98
	<u>Supply Charges</u>						
5	Transportation to Union	5,582.63	5,582.79	0.16	2,567.63	2,581.40	13.77
6	Storage Services	1,435.07	1,586.76	151.69	4,377.98	4,631.41	253.43
7	Subtotal	7,017.70	7,169.55	151.85	6,945.61	7,212.81	267.20
8	Commodity	9,475.50	9,474.66	(0.84)	12,934.82	12,933.98	(0.84)
9	Total Gas Supply Charge	16,493.20	16,644.21	151.01	19,880.43	20,146.79	266.36
	<u>Total Bill</u>						
10	Including Cap-and-Trade Customer-Related Charge	26,296.63	26,667.62	370.99	29,683.86	30,170.20	486.34
11	Excluding Cap-and-Trade Customer-Related Charge	23,210.80	23,581.79	370.99	26,598.03	27,084.37	486.34
	<u>Impacts</u>						
12	Sales Service			370.99			486.34
13	Direct Purchase			371.83			487.18
14	Commodity Bill Impact			(0.0%) (2)			(0.0%) (2)
	<u>Total Bill Impact</u>						
15	Including Cap-and-Trade Customer-Related Charge			1.4%			1.6%
16	Excluding Cap-and-Trade Customer-Related Charge			1.6%			1.8%

Notes:

(1) Excludes temporary charges/(credits).

(2) Commodity bill impact reflects the impact of the gas commodity bill change divided by the current approved gas commodity bill shown at line 8.

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

Line No.	Particulars	Excluding Cap-and-Trade Customer-Related Charge						Including Cap-and-Trade Customer-Related Charge (2)					
		Approved - EB-2017-0351 (1)		Proposed - EB-2017-0087		Total Bill Change	Bill Impact	Approved - EB-2017-0351 (1)		Proposed - EB-2017-0087		Total Bill Change	Bill Impact
		Total Bill	Unit Rate	Total Bill	Unit Rate			Total Bill	Unit Rate	Total Bill	Unit Rate		
		(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )	(\$)	(%)	(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )	(\$)	(%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	(h)	(i)	(j)	(k) = (l - g)	(l) = (k / g)
<u>Small Rate 01</u>													
1	Delivery Charges	449	20.4277	456	20.7114	6.24	1.4%	522	23.7459	529	24.0295	6.24	1.2%
2	Gas Supply Charges	519	23.5764	527	23.9359	7.91	1.5%	519	23.5764	527	23.9359	7.91	1.5%
3	Total Bill	968	44.0041	982	44.6473	14.15	1.5%	1,041	47.3223	1,055	47.9655	14.15	1.4%
4	Sales Service Impact					14.15	1.5%					14.15	1.4%
5	Bundled-T (Direct Purchase) Impact					14.16	1.9%					14.16	1.9%
<u>Small Rate 10</u>													
6	Delivery Charges	4,744	7.9064	4,888	8.1466	144	3.0%	6,735	11.2245	6,879	11.4647	144	2.1%
7	Gas Supply Charges	12,826	21.3768	12,998	21.6632	172	1.3%	12,826	21.3768	12,998	21.6632	172	1.3%
8	Total Bill	17,570	29.2832	17,886	29.8098	316	1.8%	19,561	32.6013	19,877	33.1279	316	1.6%
9	Sales Service Impact					316	1.8%					316	1.6%
10	Bundled-T (Direct Purchase) Impact					317	3.4%					317	2.8%
<u>Large Rate 10</u>													
11	Delivery Charges	15,567	6.2266	16,144	6.4577	578	3.7%	23,862	9.5447	24,440	9.7758	578	2.4%
12	Gas Supply Charges	53,442	21.3768	54,158	21.6632	716	1.3%	53,442	21.3768	54,158	21.6632	716	1.3%
13	Total Bill	69,009	27.6034	70,302	28.1209	1,294	1.9%	77,304	30.9215	78,598	31.4390	1,294	1.7%
14	Sales Service Impact					1,294	1.9%					1,294	1.7%
15	Bundled-T (Direct Purchase) Impact					1,296	3.0%					1,296	3.0%
<u>Small Rate 20</u>													
16	Delivery Charges	75,660	2.5220	75,392	2.5131	(268)	-0.4%	175,203	5.8401	174,935	5.8312	(268)	-0.2%
17	Gas Supply Charges	544,614	18.1538	545,711	18.1904	1,097	0.2%	544,614	18.1538	545,711	18.1904	1,097	0.2%
18	Total Bill	620,275	20.6758	621,103	20.7034	828	0.1%	719,818	23.9939	720,646	24.0215	828	0.1%
19	Sales Service Impact					828	0.1%					828	0.1%
20	Bundled-T (Direct Purchase) Impact					855	0.3%					855	0.3%
<u>Large Rate 20</u>													
21	Delivery Charges	294,119	1.9608	293,904	1.9594	(215)	-0.1%	791,834	5.2789	791,619	5.2775	(215)	0.0%
22	Gas Supply Charges	2,624,099	17.4940	2,628,781	17.5252	4,681	0.2%	2,624,099	17.4940	2,628,781	17.5252	4,681	0.2%
23	Total Bill	2,918,218	19.4548	2,922,685	19.4846	4,467	0.2%	3,415,933	22.7729	3,420,400	22.8027	4,467	0.1%
24	Sales Service Impact					4,467	0.2%					4,467	0.1%
25	Bundled-T (Direct Purchase) Impact					4,602	0.5%					4,602	0.3%

Notes:

(1) Reflects approved rates per January 2018 QRAM (EB-2017-0351), Appendix A.

(2) Bill impacts including Cap-and-Trade Customer-Related Charge are applicable to customers for whom Union is required to fulfill Cap-and-Trade obligations.

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

Line No.	Particulars	Excluding Cap-and-Trade Customer-Related Charge						Including Cap-and-Trade Customer-Related Charge (2)					
		Approved - EB-2017-0351 (1)		Proposed - EB-2017-0087		Total Bill Change		Approved - EB-2017-0351 (1)		Proposed - EB-2017-0087		Total Bill Change	
		Total Bill	Unit Rate	Total Bill	Unit Rate	Impact		Total Bill	Unit Rate	Total Bill	Unit Rate	Impact	
		(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )	(\$)	(%)	(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )	(\$)	(%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	(h)	(i)	(j)	(k) = (l - g)	(l) = (k / g)
	<u>Average Rate 25</u>												
1	Delivery Charges	62,310	2.7389	62,047	2.7273	(263)	-0.4%	137,797	6.0570	137,534	6.0454	(263)	-0.2%
2	Gas Supply Charges	344,822	15.1570	343,791	15.1117	(1,031)	-0.3%	344,822	15.1570	343,791	15.1117	(1,031)	-0.3%
3	Total Bill	407,132	17.8959	405,838	17.8390	(1,294)	-0.3%	482,619	21.2140	481,325	21.1571	(1,294)	-0.3%
4	Sales Service Impact					(1,294)	-0.3%					(1,294)	-0.3%
5	T-Service (Direct Purchase) Impact					(263)	-0.4%					(263)	-0.2%
	<u>Small Rate 100</u>												
6	Delivery Charges	263,680	0.9766	263,029	0.9742	(650)	-0.2%	1,159,567	4.2947	1,158,916	4.2923	(650)	-0.1%
7	Gas Supply Charges	6,605,313	24.4641	6,592,612	24.4171	(12,701)	-0.2%	6,605,313	24.4641	6,592,612	24.4171	(12,701)	-0.2%
8	Total Bill	6,868,993	25.4407	6,855,642	25.3913	(13,351)	-0.2%	7,764,880	28.7588	7,751,529	28.7094	(13,351)	-0.2%
9	Sales Service Impact					(13,351)	-0.2%					(13,351)	-0.2%
10	T-Service (Direct Purchase) Impact					(650)	-0.2%					(650)	-0.1%
	<u>Large Rate 100</u>												
11	Delivery Charges	2,143,360	0.8931	2,140,642	0.8919	(2,717)	-0.1%	10,106,800	4.2112	10,104,082	4.2100	(2,717)	0.0%
12	Gas Supply Charges	57,566,348	23.9860	57,458,295	23.9410	(108,052)	-0.2%	57,566,348	23.9860	57,458,295	23.9410	(108,052)	-0.2%
13	Total Bill	59,709,707	24.8790	59,598,938	24.8329	(110,770)	-0.2%	67,673,147	28.1971	67,562,378	28.1510	(110,770)	-0.2%
14	Sales Service Impact					(110,770)	-0.2%					(110,770)	-0.2%
15	T-Service (Direct Purchase) Impact					(2,717)	-0.1%					(2,717)	0.0%

Notes:

(1) Reflects approved rates per January 2018 QRAM (EB-2017-0351), Appendix A.

(2) Bill impacts including Cap-and-Trade Customer-Related Charge are applicable to customers for whom Union is required to fulfill Cap-and-Trade obligations.

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

		Excluding Cap-and-Trade Customer-Related Charge						Including Cap-and-Trade Customer-Related Charge (2)					
		Approved - EB-2017-0351 (1)		Proposed - EB-2017-0087				Approved - EB-2017-0351 (1)		Proposed - EB-2017-0087			
Line		Total	Unit Rate	Total	Unit Rate	Total Bill	Bill	Total	Unit Rate	Total	Unit Rate	Total Bill	Bill
No.	Particulars	Bill		Bill		Change	Impact	Bill		Bill		Change	Impact
		(\$)	(cents/m³)	(\$)	(cents/m³)	(\$)	(%)	(\$)	(cents/m³)	(\$)	(cents/m³)	(\$)	(%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	(h)	(i)	(j)	(k) = (l - g)	(l) = (k / g)
	Small Rate M1												
1	Delivery Charges	365	16.6050	375	17.0309	9.37	2.6%	438	19.9232	448	20.3491	9.37	2.1%
2	Gas Supply Charges	300	13.6259	300	13.6245	(0.03)	0.0%	300	13.6259	300	13.6245	(0.03)	0.0%
3	Total Bill	665	30.2309	674	30.6555	9.34	1.4%	738	33.5491	747	33.9736	9.34	1.3%
4	Sales Service Impact					9.34	1.4%					9.34	1.3%
5	Direct Purchase Impact					9.37	2.6%					9.37	2.1%
	Small Rate M2												
6	Delivery Charges	3,955	6.5917	4,217	7.0290	262	6.6%	5,946	9.9098	6,208	10.3471	262	4.4%
7	Gas Supply Charges	8,176	13.6260	8,175	13.6251	(1)	0.0%	8,176	13.6260	8,175	13.6251	(1)	0.0%
8	Total Bill	12,131	20.2177	12,392	20.6541	262	2.2%	14,121	23.5358	14,383	23.9722	262	1.9%
9	Sales Service Impact					262	2.2%					262	1.9%
10	Direct Purchase Impact					262	6.6%					262	4.4%
	Large Rate M2												
11	Delivery Charges	13,284	5.3135	14,355	5.7421	1,071	8.1%	21,579	8.6316	22,650	9.0602	1,071	5.0%
12	Gas Supply Charges	34,065	13.6260	34,063	13.6251	(2)	0.0%	34,065	13.6260	34,063	13.6251	(2)	0.0%
13	Total Bill	47,349	18.9395	48,418	19.3672	1,069	2.3%	55,644	22.2576	56,713	22.6853	1,069	1.9%
14	Sales Service Impact					1,069	2.3%					1,069	1.9%
15	Direct Purchase Impact					1,071	8.1%					1,071	5.0%
	Small Rate M4												
16	Delivery Charges	44,801	5.1201	49,417	5.6477	4,617	10.3%	73,834	8.4382	78,450	8.9658	4,617	6.3%
17	Gas Supply Charges	119,228	13.6260	119,220	13.6251	(8)	0.0%	119,228	13.6260	119,220	13.6251	(8)	0.0%
18	Total Bill	164,028	18.7461	168,637	19.2728	4,609	2.8%	193,061	22.0642	197,670	22.5909	4,609	2.4%
19	Sales Service Impact					4,609	2.8%					4,609	2.4%
20	Direct Purchase Impact					4,617	10.3%					4,617	6.3%
	Large Rate M4												
21	Delivery Charges	338,997	2.8250	379,013	3.1584	40,016	11.8%	737,169	6.1431	777,185	6.4765	40,016	5.4%
22	Gas Supply Charges	1,635,120	13.6260	1,635,012	13.6251	(108)	0.0%	1,635,120	13.6260	1,635,012	13.6251	(108)	0.0%
23	Total Bill	1,974,117	16.4510	2,014,025	16.7835	39,908	2.0%	2,372,289	19.7691	2,412,197	20.1016	39,908	1.7%
24	Sales Service Impact					39,908	2.0%					39,908	1.7%
25	Direct Purchase Impact					40,016	11.8%					40,016	5.4%

Notes:

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

Line No.	Particulars	Excluding Cap-and-Trade Customer-Related Charge						Including Cap-and-Trade Customer-Related Charge (2)					
		Approved - EB-2017-0351 (1)		Proposed - EB-2017-0087				Approved - EB-2017-0351 (1)		Proposed - EB-2017-0087			
		Total Bill	Unit Rate	Total Bill	Unit Rate	Total Bill Change	Bill Impact	Total Bill	Unit Rate	Total Bill	Unit Rate	Total Bill Change	Bill Impact
		(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )	(\$)	(%)	(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )	(\$)	(%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	(h)	(i)	(j)	(k) = (l - g)	(l) = (k / g)
<u>Small Rate M5</u>													
1	Delivery Charges	32,475	3.9364	32,980	3.9975	504	1.6%	59,850	7.2545	60,354	7.3156	504	0.8%
2	Gas Supply Charges	112,415	13.6260	112,407	13.6251	(7)	0.0%	112,415	13.6260	112,407	13.6251	(7)	0.0%
3	Total Bill	144,890	17.5624	145,387	17.6226	497	0.3%	172,264	20.8805	172,761	20.9407	497	0.3%
4	Sales Service Impact					497	0.3%					497	0.3%
5	Direct Purchase Impact					504	1.6%					504	0.8%
<u>Large Rate M5</u>													
6	Delivery Charges	185,872	2.8596	190,655	2.9332	4,783	2.6%	401,548	6.1777	406,332	6.2513	4,783	1.2%
7	Gas Supply Charges	885,690	13.6260	885,632	13.6251	(59)	0.0%	885,690	13.6260	885,632	13.6251	(59)	0.0%
8	Total Bill	1,071,562	16.4856	1,076,287	16.5583	4,725	0.4%	1,287,238	19.8037	1,291,963	19.8764	4,725	0.4%
9	Sales Service Impact					4,725	0.4%					4,725	0.4%
10	Direct Purchase Impact					4,783	2.6%					4,783	1.2%
<u>Small Rate M7</u>													
11	Delivery Charges	755,479	2.0986	822,148	2.2837	66,669	8.8%	1,949,995	5.4167	2,016,664	5.6018	66,669	3.4%
12	Gas Supply Charges	4,905,360	13.6260	4,905,036	13.6251	(324)	0.0%	4,905,360	13.6260	4,905,036	13.6251	(324)	0.0%
13	Total Bill	5,660,839	15.7246	5,727,184	15.9088	66,345	1.2%	6,855,355	19.0427	6,921,700	19.2269	66,345	1.0%
14	Sales Service Impact					66,345	1.2%					66,345	1.0%
15	Direct Purchase Impact					66,669	8.8%					66,669	3.4%
<u>Large Rate M7</u>													
16	Delivery Charges	2,872,909	5.5248	3,190,415	6.1354	317,505	11.1%	4,598,321	8.8429	4,915,827	9.4535	317,505	6.9%
17	Gas Supply Charges	7,085,520	13.6260	7,085,052	13.6251	(468)	0.0%	7,085,520	13.6260	7,085,052	13.6251	(468)	0.0%
18	Total Bill	9,958,429	19.1508	10,275,467	19.7605	317,037	3.2%	11,683,841	22.4689	12,000,879	23.0786	317,037	2.7%
19	Sales Service Impact					317,037	3.2%					317,037	2.7%
20	Direct Purchase Impact					317,505	11.1%					317,505	6.9%

Notes:

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

Line No.	Particulars	Excluding Cap-and-Trade Customer-Related Charge						Including Cap-and-Trade Customer-Related Charge (2)					
		Approved - EB-2017-0351 (1)		Proposed - EB-2017-0087		Total Bill Change (\$)	Bill Impact (%)	Approved - EB-2017-0351 (1)		Proposed - EB-2017-0087		Total Bill Change (\$)	Bill Impact (%)
		Total Bill	Unit Rate	Total Bill	Unit Rate			Total Bill	Unit Rate	Total Bill	Unit Rate		
		(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )			(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )		
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	(h)	(i)	(j)	(k) = (i - g)	(l) = (k / g)
	<u>Small Rate M9 (3)</u>												
1	Delivery Charges	167,377	2.4083	173,091	2.4905	5,713	3.4%	167,377	2.4083	173,091	2.4905	5,713	3.4%
2	Gas Supply Charges	947,007	13.6260	946,944	13.6251	(63)	0.0%	947,007	13.6260	946,944	13.6251	(63)	0.0%
3	Total Bill	1,114,384	16.0343	1,120,035	16.1156	5,651	0.5%	1,114,384	16.0343	1,120,035	16.1156	5,651	0.5%
4	Sales Service Impact					5,651	0.5%					5,651	0.5%
5	Direct Purchase Impact					5,713	3.4%					5,713	3.4%
	<u>Large Rate M9 (3)</u>												
6	Delivery Charges	497,302	2.4646	514,515	2.5499	17,213	3.5%	497,302	2.4646	514,515	2.5499	17,213	3.5%
7	Gas Supply Charges	2,749,454	13.6260	2,749,273	13.6251	(182)	0.0%	2,749,454	13.6260	2,749,273	13.6251	(182)	0.0%
8	Total Bill	3,246,757	16.0906	3,263,787	16.1750	17,031	0.5%	3,246,757	16.0906	3,263,787	16.1750	17,031	0.5%
9	Sales Service Impact					17,031	0.5%					17,031	0.5%
10	Direct Purchase Impact					17,213	3.5%					17,213	3.5%
	<u>Average Rate M10 (3)</u>												
11	Delivery Charges	6,373	6.7443	6,801	7.1968	428	6.7%	6,373	6.7443	6,801	7.1968	428	6.7%
12	Gas Supply Charges	12,877	13.6260	12,876	13.6251	(1)	0.0%	12,877	13.6260	12,876	13.6251	(1)	0.0%
13	Total Bill	19,250	20.3703	19,677	20.8219	427	2.2%	19,250	20.3703	19,677	20.8219	427	2.2%
14	Sales Service Impact					427	2.2%					427	2.2%
15	Direct Purchase Impact					428	6.7%					428	6.7%
	<u>Small Rate T1</u>												
16	Delivery Charges	144,146	1.9125	158,352	2.1010	14,206	9.9%	394,231	5.2306	408,438	5.4191	14,206	3.6%
17	Gas Supply Charges	1,026,992	13.6260	1,026,924	13.6251	(68)	0.0%	1,026,992	13.6260	1,026,924	13.6251	(68)	0.0%
18	Total Bill	1,171,138	15.5385	1,185,276	15.7261	14,138	1.2%	1,421,223	18.8566	1,435,361	19.0442	14,138	1.0%
19	Sales Service Impact					14,138	1.2%					14,138	1.0%
20	Direct Purchase Impact					14,206	9.9%					14,206	3.6%
	<u>Average Rate T1</u>												
21	Delivery Charges	221,168	1.9122	244,804	2.1166	23,636	10.7%	604,938	5.2303	628,573	5.4347	23,636	3.9%
22	Gas Supply Charges	1,575,975	13.6260	1,575,871	13.6251	(104)	0.0%	1,575,975	13.6260	1,575,871	13.6251	(104)	0.0%
23	Total Bill	1,797,143	15.5382	1,820,675	15.7417	23,532	1.3%	2,180,912	18.8563	2,204,444	19.0598	23,532	1.1%
24	Sales Service Impact					23,532	1.3%					23,532	1.1%
25	Direct Purchase Impact					23,636	10.7%					23,636	3.9%

Notes:

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(3) The customer-related Cap-and-Trade rates are not applicable to Rate M9, Rate M10, and Rate T3 as there are no customers in these rate classes covered by Union's compliance obligation.

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

Line No.	Particulars	Excluding Cap-and-Trade Customer-Related Charge						Including Cap-and-Trade Customer-Related Charge (2)					
		Approved - EB-2017-0351 (1)		Proposed - EB-2017-0087		Total Bill Change	Bill Impact	Approved - EB-2017-0351 (1)		Proposed - EB-2017-0087		Total Bill Change	Bill Impact
		Total Bill	Unit Rate	Total Bill	Unit Rate			Total Bill	Unit Rate	Total Bill	Unit Rate		
		(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )	(\$)	(%)	(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )	(\$)	(%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	(h)	(i)	(j)	(k) = (l - g)	(l) = (k / g)
	<u>Large Rate T1</u>												
1	Delivery Charges	490,653	1.9148	547,298	2.1359	56,645	11.5%	1,340,886	5.2329	1,397,531	5.4540	56,645	4.2%
2	Gas Supply Charges	3,491,537	13.6260	3,491,307	13.6251	(231)	0.0%	3,491,537	13.6260	3,491,307	13.6251	(231)	0.0%
3	Total Bill	3,982,190	15.5408	4,038,605	15.7610	56,414	1.4%	4,832,423	18.8589	4,888,837	19.0791	56,414	1.2%
4	Sales Service Impact					56,414	1.4%					56,414	1.2%
5	Direct Purchase Impact					56,645	11.5%					56,645	4.2%
	<u>Small Rate T2</u>												
6	Delivery Charges	632,716	1.0678	736,403	1.2427	103,687	16.4%	2,598,889	4.3859	2,702,576	4.5608	103,687	4.0%
7	Gas Supply Charges	8,074,223	13.6260	8,073,689	13.6251	(533)	0.0%	8,074,223	13.6260	8,073,689	13.6251	(533)	0.0%
8	Total Bill	8,706,939	14.6938	8,810,092	14.8678	103,153	1.2%	10,673,112	18.0119	10,776,265	18.1859	103,153	1.0%
9	Sales Service Impact					103,153	1.2%					103,153	1.0%
10	Direct Purchase Impact					103,687	16.4%					103,687	4.0%
	<u>Average Rate T2</u>												
11	Delivery Charges	1,523,353	0.7702	1,780,034	0.9000	256,681	16.8%	8,086,218	4.0883	8,342,899	4.2181	256,681	3.2%
12	Gas Supply Charges	26,950,845	13.6260	26,949,065	13.6251	(1,780)	0.0%	26,950,845	13.6260	26,949,065	13.6251	(1,780)	0.0%
13	Total Bill	28,474,198	14.3962	28,729,099	14.5251	254,901	0.9%	35,037,063	17.7143	35,291,964	17.8432	254,901	0.7%
14	Sales Service Impact					254,901	0.9%					254,901	0.7%
15	Direct Purchase Impact					256,681	16.8%					256,681	3.2%
	<u>Large Rate T2</u>												
16	Delivery Charges	2,522,381	0.6816	2,946,437	0.7961	424,056	16.8%	14,802,304	3.9997	15,226,360	4.1142	424,056	2.9%
17	Gas Supply Charges	50,428,327	13.6260	50,424,996	13.6251	(3,331)	0.0%	50,428,327	13.6260	50,424,996	13.6251	(3,331)	0.0%
18	Total Bill	52,950,708	14.3076	53,371,433	14.4212	420,725	0.8%	65,230,631	17.6257	65,651,356	17.7393	420,725	0.6%
19	Sales Service Impact					420,725	0.8%					420,725	0.6%
20	Direct Purchase Impact					424,056	16.8%					424,056	2.9%
	<u>Large Rate T3 (3)</u>												
21	Delivery Charges	5,303,824	1.9448	5,558,601	2.0383	254,777	4.8%	5,303,824	1.9448	5,558,601	2.0383	254,777	4.8%
22	Gas Supply Charges	37,159,737	13.6260	37,157,283	13.6251	(2,454)	0.0%	37,159,737	13.6260	37,157,283	13.6251	(2,454)	0.0%
23	Total Bill	42,463,561	15.5708	42,715,884	15.6634	252,323	0.6%	42,463,561	15.5708	42,715,884	15.6634	252,323	0.6%
24	Sales Service Impact					252,323	0.6%					252,323	0.6%
25	Direct Purchase Impact					254,777	4.8%					254,777	4.8%

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(3) The customer-related Cap-and-Trade rates are not applicable to Rate M9, Rate M10, and Rate T3 as there are no customers in these rate classes covered by Union's compliance obligation.

**UNION GAS LIMITED**  
Summary of 2018 Capital Pass-Through Adjustments  
Related to Parkway Projects, Burlington - Oakville Pipeline, 2016 Dawn Parkway, 2017 Dawn Parkway, and Panhandle Reinforcement

Line No.	Particulars (\$000s)	Delivery (a)	Transportation (b)	Storage (c)	Total (d) = (a + b + c)
<u>Union North In-franchise</u>					
1	Rate 01	(8,926)	103	5,980	(2,843)
2	Rate 10	(1,084)	(3)	1,565	478
3	Rate 20	(907)	(13)	418	(502)
4	Rate 25	(284)	(6)	-	(290)
5	Rate 100	(774)	(4)	29	(748)
6	Total Union North In-Franchise	<u>(11,974)</u>	<u>77</u>	<u>7,993</u>	<u>(3,904)</u>
<u>Union South In-franchise</u>					
7	Rate M1	(3,650)	-	(1,900)	(5,550)
8	Rate M2	3,291	-	(648)	2,643
9	Rate M4	1,947	-	(116)	1,831
10	Rate M5A	(568)	-	(102)	(670)
11	Rate M7	742	-	(43)	699
12	Rate M9	165	-	(15)	149
13	Rate M10	4	-	(0)	3
14	Rate T1	1,324	-	(68)	1,257
15	Rate T2	10,769	-	(299)	10,470
16	Rate T3	1,174	-	(83)	1,092
17	Total Union South In-franchise	<u>15,197</u>	<u>-</u>	<u>(3,273)</u>	<u>11,925</u>
<u>Ex-franchise</u>					
18	Excess Utility Space	-	(44)	(247)	(291)
19	Rate M12	-	116,669	-	116,669
20	Rate M13	-	(2)	-	(2)
21	Rate M16	-	384	-	384
22	Rate C1	-	2,969	-	2,969
23	Total Ex-franchise	<u>-</u>	<u>119,976</u>	<u>(247)</u>	<u>119,729</u>
24	Total (line 6 + line 17 + line 23)	<u>3,224</u>	<u>120,053</u>	<u>4,473</u>	<u>127,749</u>
25	Gas Supply Admin				(100)
26	Total In-franchise and Ex-franchise (1)				<u>127,649</u>

**Note:**

- (1) Sum of projects from EB-2012-0433/EB-2013-0074 Parkway Projects, EB-2014-0182 Burlington Oakville, EB-2014-0261 Dawn Parkway 2016 Expansion, EB-2015-0200 2017 Dawn Parkway Project, and EB-2016-0186 Panhandle Reinforcement.

UNION GAS LIMITED  
Summary of 2018 Capital Pass-Through Adjustments  
Related to Parkway Projects, Burlington - Oakville Pipeline, 2016 Dawn Parkway, 2017 Dawn Parkway, and Panhandle Reinforcement

Line No.	Particulars (\$000s)	Parkway Projects (1) (a)	BOP (2) (b)	2016 D-P Expansion (3) (c)	2017 D-P Expansion (4) (d)	Panhandle Reinforcement (5) (e)	Total (f) = (a + b + c + d + e)
<u>Union North In-franchise</u>							
1	Rate 01	1,208	(694)	(54)	(2,409)	(894)	(2,843)
2	Rate 10	543	(100)	265	(105)	(125)	478
3	Rate 20	44	(71)	(79)	(301)	(94)	(502)
4	Rate 25	(49)	(20)	(68)	(126)	(27)	(290)
5	Rate 100	(113)	(56)	(174)	(332)	(73)	(748)
6	Total Union North In-Franchise	<u>1,633</u>	<u>(942)</u>	<u>(110)</u>	<u>(3,272)</u>	<u>(1,212)</u>	<u>(3,904)</u>
<u>Union South In-franchise</u>							
7	Rate M1	(2,491)	3,530	(2,157)	(5,993)	1,561	(5,550)
8	Rate M2	(13)	1,486	306	(85)	949	2,643
9	Rate M4	3	495	113	10	1,209	1,831
10	Rate M5A	(121)	(40)	(159)	(309)	(41)	(670)
11	Rate M7	20	181	75	48	375	699
12	Rate M9	15	61	38	37	(2)	149
13	Rate M10	0	2	1	1	(0)	3
14	Rate T1	(32)	431	17	(66)	907	1,257
15	Rate T2	25	3,291	403	118	6,634	10,470
16	Rate T3	115	423	275	286	(7)	1,092
17	Total Union South In-franchise	<u>(2,478)</u>	<u>9,859</u>	<u>(1,090)</u>	<u>(5,952)</u>	<u>11,586</u>	<u>11,925</u>
<u>Ex-franchise</u>							
18	Excess Utility Space	(51)	(22)	(74)	(110)	(33)	(291)
19	Rate M12	34,597	(361)	30,535	52,085	(188)	116,669
20	Rate M13	(1)	2	(1)	(2)	0	(2)
21	Rate M16	(2)	(0)	(3)	(5)	394	384
22	Rate C1	(30)	(3)	1,012	(56)	2,046	2,969
23	Total Ex-franchise	<u>34,514</u>	<u>(384)</u>	<u>31,469</u>	<u>51,911</u>	<u>2,219</u>	<u>119,729</u>
24	Total (line 6 + line 17 + line 23)	<u>33,668</u>	<u>8,533</u>	<u>30,269</u>	<u>42,687</u>	<u>12,592</u>	<u>127,749</u>
25	Gas Supply Admin	(29)	(2)	(18)	(48)	(3)	(100)
26	Total In-franchise and Ex-franchise	<u>33,639</u>	<u>8,531</u>	<u>30,251</u>	<u>42,639</u>	<u>12,589</u>	<u>127,649</u>

Notes:

- (1) EB-2012-0433, Schedule 12-6 Updated and EB-2013-0074, Schedule 10-2. Projects were combined in the cost study for a consolidated allocation of \$33.6M to rate classes.
- (2) EB-2014-0182, Exhibit A, Tab 9, Schedule 9.
- (3) EB-2014-0261, Settlement Agreement, Appendix 3, Schedule 6, updated for C1 North T-Service \$1.042M allocation adjustment between Rate 20 and Rate C1.
- (4) EB-2015-0200, Exhibit A, Tab 10, Schedule 5 Updated.
- (5) Rate Order, Appendix G, p. 7, column (c).

UNION GAS LIMITED  
2017 and 2018 DSM Budget Allocation by Rate Class

Line No.	Particulars (\$000s)	Board-Approved 2017 DSM Budget (1) (a)	Board-Approved 2018 DSM Budget (b)	Change (c) = (b - a)
	<u>Union North</u>			
1	Rate 01	8,100	9,124	1,024
2	Rate 10	2,951	3,093	142
3	Rate 20	1,734	1,773	39
4	Rate 100	1,882	1,895	13
5	Total Union North	<u>14,667</u>	<u>15,885</u>	<u>1,219</u>
	<u>Union South</u>			
6	Rate M1	21,550	24,375	2,825
7	Rate M2	9,992	10,442	451
8	Rate M4	2,696	2,742	46
9	Rate M5	3,589	3,638	49
10	Rate M7	940	964	24
11	Rate T1	1,532	1,573	41
12	Rate T2	3,605	3,653	49
13	Total Union South	<u>43,903</u>	<u>47,387</u>	<u>3,484</u>
14	Total Union (line 5 + line 13) (2)	<u>58,570</u>	<u>63,272</u>	<u>4,702</u>

Notes:

- (1) EB-2016-0245, Rate Order, Working Papers, Schedule 11, column (b).  
(2) EB-2015-0029, Decision and Order, p.56.

UNION GAS LIMITED  
Calculation of 2018 NAC Target Percentage Change  
to General Service Rate Classes

Line No.	Particulars (m <sup>3</sup> )	2015 Actual NAC (1)(2) (a)	2016 Actual NAC (1)(3) (b)	NAC Variance (c) = (b - a)	2018 NAC Target % Change (d) = (c / a)
1	Rate 01	2,844	2,771	(73)	-2.6%
2	Rate 10	164,329	158,894	(5,435)	-3.3%
3	Rate M1	2,738	2,654	(84)	-3.1%
4	Rate M2	166,297	159,319	(6,978)	-4.2%

Notes:

- (1) NAC based on 2013 Board-approved 50:50 weather normal methodology.
- (2) 2015 actual NAC calculated using 2017 weather normal.
- (3) 2016 actual NAC calculated using 2018 weather normal.

UNION GAS LIMITED  
Calculation of 2018 NAC Target Percentage Change  
Volumetric Adjustments to Union North General Service Rate Classes

Line No.	Particulars (10 <sup>3</sup> m <sup>3</sup> )	Approved 2017 Billing Units (1) (a)	2018 NAC Target % Change (2) (b)	Change in Billing Units (c) = (a x b)	Proposed 2018 Billing Units (d) = (a + c)
<u>Rate 01 Delivery</u>					
1	First 100 m <sup>3</sup>	268,242	-2.6%	(6,885)	261,357
2	Next 200 m <sup>3</sup>	304,582	-2.6%	(7,818)	296,764
3	Next 200 m <sup>3</sup>	132,871	-2.6%	(3,411)	129,460
4	Next 500 m <sup>3</sup>	90,752	-2.6%	(2,329)	88,423
5	All Over 100 m <sup>3</sup>	113,243	-2.6%	(2,907)	110,336
6	Total Rate 01 Delivery	<u>909,690</u>		<u>(23,350)</u>	<u>886,340</u>
<u>Rate 01 Storage</u>					
7	Union North West	262,839	-2.6%	(6,747)	256,092
8	Union North East	646,851	-2.6%	(16,603)	630,247
9	Total Rate 01 Storage	<u>909,690</u>		<u>(23,350)</u>	<u>886,340</u>
<u>Rate 10 Delivery</u>					
10	First 1,000 m <sup>3</sup>	24,725	-3.3%	(818)	23,907
11	Next 9,000 m <sup>3</sup>	133,487	-3.3%	(4,415)	129,072
12	Next 20,000 m <sup>3</sup>	84,909	-3.3%	(2,808)	82,100
13	Next 70,000 m <sup>3</sup>	64,380	-3.3%	(2,129)	62,251
14	All Over 100,000 m <sup>3</sup>	29,612	-3.3%	(979)	28,632
15	Total Rate 10	<u>337,112</u>		<u>(11,150)</u>	<u>325,962</u>
<u>Rate 10 Storage</u>					
16	Union North West	80,615	-3.3%	(2,666)	77,949
17	Union North East	256,497	-3.3%	(8,483)	248,013
18	Total Rate 10 Storage	<u>337,112</u>		<u>(11,150)</u>	<u>325,962</u>

Notes:

- (1) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (t).
- (2) Rate Order, Working Papers, Schedule 12, p.1, column (d).

UNION GAS LIMITED  
Calculation of 2018 NAC Target Percentage Change  
Volumetric Adjustments to Union South General Service Rate Classes

Line No.	Particulars (10 <sup>3</sup> m <sup>3</sup> )	Approved 2017 Billing Units (1) (a)	2018 NAC Target % Change (2) (b)	Change in Billing Units (c) = (a x b)	Proposed 2018 Billing Units (d) = (a + c)
<u>Rate M1 Delivery</u>					
1	First 100 m <sup>3</sup>	872,593	-3.1%	(26,771)	845,823
2	Next 150 m <sup>3</sup>	774,838	-3.1%	(23,772)	751,066
3	All Over 250 m <sup>3</sup>	1,249,748	-3.1%	(38,341)	1,211,407
4	Total Rate M1 Delivery	<u>2,897,179</u>		<u>(88,884)</u>	<u>2,808,296</u>
5	Rate M1 Storage	<u>2,897,179</u>	-3.1%	<u>(88,884)</u>	<u>2,808,296</u>
<u>Rate M2 Delivery</u>					
6	First 1,000 m <sup>3</sup>	61,283	-4.2%	(2,571)	58,711
7	Next 6,000 m <sup>3</sup>	298,234	-4.2%	(12,514)	285,720
8	Next 13,000 m <sup>3</sup>	336,990	-4.2%	(14,140)	322,850
9	All Over 20,000 m <sup>3</sup>	430,521	-4.2%	(18,065)	412,456
10	Total Rate M2 Delivery	<u>1,127,028</u>		<u>(47,291)</u>	<u>1,079,737</u>
11	Rate M2 Storage	<u>1,127,028</u>	-4.2%	<u>(47,291)</u>	<u>1,079,737</u>

Notes:

- (1) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (t).
- (2) Rate Order, Working Papers, Schedule 12, p.1, column (d).



UNION GAS LIMITED  
Summary of S&T Transactional Margin Included In 2018 In-Franchise Rates

Line No.	Particulars (\$000s)	Total Revenue (1) (a)	Allocated Cost (2) (b)	Total Margin (c) = (a - b)	Shareholder Portion of Margin (d) = (c) * 10%	Margin Included in 2013 In-Franchise Rates (e) = (c - d)	Margin Included in 2018 In-Franchise Rates (f)	Variance (g) = (f - e)
<b><u>Long-Term Transportation</u></b>								
1	M12 Long-term Transportation	120,604	125,384	(4,781)				
2	M12-X	13,896	11,623	2,272				
3	F24-T	359	359	0				
4	M12 Fuel	22,674	22,673	1				
5	C1 Long-term Transportation	6,954	1,669	5,286				
6	C1 Fuel	626	632	(6)				
7	M13	411	211	200				
8	M16	736	451	286				
9	Heritage Pool M16 Transmission Charge (3)			56				
10	Total Long-Term Transportation	<u>166,260</u>	<u>163,002</u>	<u>3,314</u>	<u>-</u>	<u>3,314</u>	<u>3,314</u>	<u>-</u>
<b><u>Short-Term Transportation</u></b>								
11	Short-term Transportation	11,067	5,843	5,224				
12	Other Transactional	<u>1,067</u>	<u>-</u>	<u>1,067</u>				
13	Total Short-Term Transportation	<u>12,134</u>	<u>5,843</u>	<u>6,291</u>	<u>-</u>	<u>6,291</u>	<u>6,291</u>	<u>-</u>
<b><u>Short-term Storage and Other Balancing Services Acct. 179-70</u></b>								
14	Short Term Peak Storage Services	7,883	5,626	2,257				
15	Less: Non-utility System Integrity Costs (4)	-	(300)	300				
16	Off Peak Storage/Balancing/Loans Services	<u>2,500</u>	<u>-</u>	<u>2,500</u>				
17	Total Short-term Storage and Other Balancing Services	<u>10,383</u>	<u>5,327</u>	<u>5,056</u>	<u>506</u>	<u>4,551</u>	<u>4,551</u>	<u>-</u>
18	Total S&T Transactional Margin Included in Rates	<u>188,777</u>	<u>174,171</u>	<u>14,661</u>	<u>506</u>	<u>14,156</u>	<u>14,156</u>	<u>-</u>

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, p. 9 - 11, column (g).  
(2) EB-2011-0210, Rate Order, Working Papers, Schedule 14, p. 9 - 11, column (e).  
(3) EB-2011-0210, Rate Order, Working Papers, Schedule 39, line 4.  
(4) Excludes the non-utility portion of system integrity costs of \$0.300 million as per EB-2011-0210 Board Decision.

UNION GAS LIMITED  
Summary of Gas Supply Optimization Margin

Line No.	Particulars (\$000s)	Total Revenue (1) (a)	Allocated Cost (b)	Total Margin (c) = (a - b)	Portion of Margin (d) = (c) * 10%	Margin in 2013 Gas Supply Rates (e) = (c - d)	Margin in 2018 Gas Supply Rates (f)	Variance (g) = (f - e)
	<u>Exchanges (2)</u>							
1	Base Exchanges	9,118	-	9,118	912	8,206	8,206	-
2	FT-RAM Related Exchanges	5,800	-	5,800	580	5,220	5,220	-
3	Total Exchanges Revenue	<u>14,918</u>	<u>-</u>	<u>14,918</u>	<u>1,492</u>	<u>13,426</u>	<u>13,426</u>	<u>-</u>

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, p.11, line 18, column (g).  
(2) EB-2011-0210, Board Decision, p.40.

UNION GAS LIMITED  
2018 Gas Supply Optimization Margin - Allocation of Ratepayer Portion and Calculation of Unit Rates

Line No.	Rate Class	Union North FT Demand Allocation Units TRANSALLO (\$000s) (a)	Union North Margin (\$000s) (b)	Union South Landed Supply Allocation Units S_SUPPLYVOL (10 <sup>3</sup> m <sup>3</sup> ) (c)	Union South Margin (\$000s) (d)	Total Margin (\$000s) (1) (e) = (b + d)	Billing Units (10 <sup>3</sup> m <sup>3</sup> ) (2) (f)	2018 Unit Rate (cents/m <sup>3</sup> ) (g) = (e / f)
1	Rate 01	65,876	(3,920)			(3,920)	926,963	(0.4229)
2	Rate 10	22,548	(1,342)			(1,342)	343,530	(0.3906)
3	Rate 20	8,016	(477)			(477) (3)		
4	Rate 100	-	-			-	-	-
5	Rate 25	1,961	(117)			(117)	42,913	(0.2720)
6	Total Union North	98,400	(5,856)			(5,856)		
7	Rate M1			2,271,443	(6,415)	(6,415)	2,271,443	(0.2824)
8	Rate M2			378,137	(1,068)	(1,068)	378,137	(0.2824)
9	Rate M4			16,855	(48)	(48)	16,855	(0.2824)
10	Rate M5 - Firm			226	(1)	(1)	226	(0.2824)
11	Rate M5 - Int			13,906	(39)	(39)	13,906	(0.2824)
12	Rate M10			48	(0)	(0)	48	(0.2824)
13	Total Union South			2,680,616	(7,571)	(7,571)	2,680,616	
14	Total Exchanges Revenue					(13,426)		

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 43, line 3, column (e).  
(2) Union North transportation billing units per Rate Order, Working Papers, Schedule 4, column (r).  
Union South billing units are 2013 Board-approved Sales volumes per EB-2011-0210.  
(3) Rate 20 margin with be refunded 60% in the Gas Supply Demand Charge and 40% in the Commodity Transportation 1 Charge.  
The Rate 20 unit rates are calculated below:

Margin Allocated to Gas Supply Demand Charge (\$000s)	(286)
Total Gas Supply Demand Billing Units (10 <sup>3</sup> m <sup>3</sup> )	6,873
Unit Rate (cents/m <sup>3</sup> )	(4.1642)
Margin Allocated to Commodity Transportation Charge 1 (\$000s)	(191)
Total Commodity Transportation 1 Billing Units (10 <sup>3</sup> m <sup>3</sup> )	73,456
Unit Rate (cents/m <sup>3</sup> )	(0.2597)

UNION GAS LIMITED  
Allocation of Long-term and Short-term Transportation-related S&T Margin to Union North and Union South

Line No.	Particulars (\$000s)	Design Day Demand (10 <sup>3</sup> m <sup>3</sup> /d) (1) (a)	Easterly Flow Volume (10 <sup>3</sup> m <sup>3</sup> /d) (2) (b)	Available Capacity (10 <sup>3</sup> m <sup>3</sup> /d) (c) = (a - b)	Distance (km) (d)	Available Capacity - Distance (10 <sup>3</sup> m <sup>3</sup> /d x km) (e) = (c x d)	Allocated Proportion (%) (f)	Allocated Proportion (\$000s) (g)
	<u>Union North</u>							
1	North In-fran	6,956	938	6,018	228.94	1,377,858	37%	3,513
	<u>Union South</u>							
2	South: In-fran	43,674	21,874	21,800	82.15	1,790,897	48%	4,566
3	St. Clair	2,833	1,419	1,414	29.40	41,571	1%	106
4	Ojibway	9,619	4,818	4,801	116.05	557,186	15%	1,420
5	Total Union South	56,126	28,111	28,015		2,389,654	63%	6,092
6	Total Union North and Union South	63,082	29,048	34,034		3,767,512	100%	9,605 (3)

Notes:

- (1) EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p.8, line 5, Union North, updated for EB-2011-0210 Board Decision.  
EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p.8, line 2, South In-fran, updated for EB-2011-0210 Board Decision.  
EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p.9, line 4, St. Clair-Ojibway, updated for EB-2011-0210 Board Decision.
- (2) Easterly annual volumes on Dawn to Parkway for Union North and Union South are 342,196 10<sup>3</sup>m<sup>3</sup> and 10,260,364 10<sup>3</sup>m<sup>3</sup> respectively divided by 365.
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 40, line 10 + line 13, column (e).

UNION GAS LIMITED  
Total Upstream Transportation Costs in Union North Rates  
Effective January 1, 2018

Line No.	Particulars (\$000s)	Upstream Transportation Costs per EB-2016-0245 (a)	January-17 QRAM Update (2) (b)	April-17 QRAM Update (3) (c)	July-17 QRAM Update (4) (d)	October-17 QRAM Update (5) (e)	January-18 QRAM Update (6) (f)	Upstream Transportation Costs per EB-2017-0351 (g) = sum(a:f)
<u>Rate 01</u>								
1	Delivery Rates	1,836	-	-	-	-	-	1,836
Transportation Rates								
2	Union North West	17,969	25	398	(21)	(56)	(7)	18,308
3	Union North East	17,840	33	293	(11)	(86)	(7)	18,061
Storage Rates								
4	Union North West	1,300	(1)	16	3	(30)	(2)	1,288
5	Union North East	28,656	13	327	7	(43)	(2)	28,958
<u>Rate 10</u>								
6	Delivery Rates	485	-	-	-	-	-	485
Transportation Rates								
7	Union North West	4,838	8	108	(6)	(17)	(2)	4,929
8	Union North East	6,549	13	108	(4)	(34)	(3)	6,629
Storage Rates								
9	Union North West	305	(0)	4	1	(9)	(0)	300
10	Union North East	7,956	5	90	3	(17)	(1)	8,036
<u>Rate 20</u>								
11	Delivery Rates	132	-	-	-	-	-	132
Gas Supply Demand								
12	Union North West	1,391.06	3	25	(2)	(9)	(1)	1,407
13	Union North East	1,605	4	25	(0)	(11)	(1)	1,622
Commodity Transportation 1								
14	Union North West	927	1	21	(1)	(5)	(1)	943
15	Union North East	1,070	2	22	(0)	(6)	(0)	1,089
Bundled Storage								
16	Demand	1,269	-	13	-	-	-	1,282
17	Commodity	14	1	(0)	0	(3)	(0)	12
<u>Rate 25</u>								
18	Delivery Rates	-	-	-	-	-	-	-
19	Transportation Rates	672	2	7	4	(5)	(0)	680
20	Storage Rates	-	-	-	-	-	-	-
<u>Rate 100</u>								
21	Delivery Rates	9	-	-	-	-	-	9
Gas Supply Demand								
22	Union North West	-	-	-	-	-	-	-
23	Union North East	-	-	-	-	-	-	-
Commodity Transportation 1								
24	Union North West	-	-	-	-	-	-	-
25	Union North East	-	-	-	-	-	-	-
Bundled Storage								
26	Demand	199	-	2	-	-	-	201
27	Commodity	2	0	(0)	0	(0)	(0)	2
28	Total Union North	95,025	(1) 109	1,460	(29)	(329)	(27)	96,209

Notes:

- (1) EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 1, p.2, column (h), line 22, updated for October 2016 QRAM and net of Gas Supply Optimization Credit per EB-2016-0245, Rate Order, Working Papers, Schedule 23, p. 1, column (f) and column (h).
- (2) EB-2016-0334, Tab 2, Schedule 2, p.3.
- (3) EB-2017-0089, Tab 2, Schedule 2, p.3.
- (4) EB-2017-0185, Tab 2, Schedule 2, p.3.
- (5) EB-2017-0278, Tab 2, Schedule 2, p.3.
- (6) EB-2017-0351, Tab 2, Schedule 2, p.3.

UNION GAS LIMITED  
Calculation of 2018 Gas Supply Administration Charge

Line No.	Particulars	2017 Approved EB-2017-0351 (a)	2018 Capital Pass- Throughs (3) (b)	2018 Proposed EB-2017-0087 (c) = (a + b)
1	Costs (\$000s)	6,723 (1)	(34)	6,689
2	2013 Approved Sales Volumes (10 <sup>3</sup> m <sup>3</sup> ) (2)	3,533,863		3,533,863
3	Gas Supply Admin Charge Unit Rate (cents/m <sup>3</sup> ) (4)	<u>0.1902</u>		<u>0.1893</u>

Notes:

- (1) EB-2016-0245, Rate Order, Working Papers, Schedule 16, column (c), line 1.
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (a).
- (3) Rate Order, Working Papers, Schedule 3, p.2, line 7, column (d) + column (k).
- (4) line 1 / line 2 x 100.

UNION GAS LIMITED  
Lost Revenue Adjustment Mechanism ("LRAM")  
Volume Adjustment for 2018 Rate Calculations

Line No.	Particulars (10 <sup>3</sup> m <sup>3</sup> )	2016 Pre-Audit Full Year Impact DSM Volumes by Rate Class (a)	Customer Rate Class Adjustment (1) (b)	Total Volume Adjustment by Rate Class (c) = (a + b)
<u>Union South</u>				
1	Rate M4	(9,648)	(399)	(10,047)
2	Rate M5	(8,574)	(6,788)	(15,362)
3	Rate M7	(12,774)	7,187	(5,587)
4	Rate T1	(3,895)	-	(3,895)
5	Rate T2	(30,384)	-	(30,384)
6	Total Union South	<u>(65,275)</u>	<u>-</u>	<u>(65,275)</u>
<u>Union North</u>				
7	Rate 20	(1,623)	1	(1,621)
8	Rate 100	(761)	(1)	(762)
9	Total Union North	<u>(2,384)</u>	<u>-</u>	<u>(2,384)</u>
10	Total (line 6 + line 9)	<u><u>(67,658)</u></u>	<u><u>-</u></u>	<u><u>(67,658)</u></u>

Notes:

- (1) To attribute the Rate M7 and Rate 20 LRAM volumes adjustments to Rate M4, Rate M5, and Rate 100 based on the rate class of the customer in 2013 Board-approved volumes.

**UNION GAS LIMITED**  
Union North  
Calculation of Supplemental Service Charges  
Commissioning and Decommissioning Rates  
Effective January 1, 2018

Line No.	Particulars	Union North West (a)	Union North East (b)
<b><u>Rate 20 - At 50% Load Factor</u></b>			
	<u>Delivery (cents / m<sup>3</sup>)</u>		
1	Monthly Demand (1)	28.6515	28.6515
2	Line 1 x 12 months	343.8180	343.8180
3	Line 2 / 365 days	0.9420	0.9420
4	Line 3 @ 50% Load Factor	1.8839	1.8839
5	Delivery Commodity Charge (1)	0.5403	0.5403
6	Total Delivery Commissioning and Decommissioning	<u>2.4242</u>	<u>2.4242</u>
	<u>Gas Supply (cents / m<sup>3</sup>)</u>		
7	Monthly Demand (1)	57.2390	50.8879
8	Gas Supply Demand - Price Adjustment (1)	-	-
9	(Line 7 + Line 8) x 12 months	686.8680	610.6548
10	Line 9 / 365 days	1.8818	1.6730
11	Line 10 @ 50% Load Factor	<u>3.7637</u>	<u>3.3461</u>
12	Commodity Transportation 1 (1)	3.6204	2.6441
13	Commodity Transportation 1 - Price Adjustment	<u>(0.0449)</u>	<u>0.1290</u>
14	(Line 12 + Line 13) x (4/5)	2.8604	2.2185
15	Commodity Transportation 2 (1)	-	-
16	Line 15 * (1/5)	-	-
17	Total Commodity Transportation Charge for Commissioning and Decommissioning Rate	<u>6.6241</u>	<u>5.5645</u>
<b><u>Rate 100 - At 70% Load Factor</u></b>			
	<u>Delivery (cents / m<sup>3</sup>)</u>		
18	Monthly Demand (2)	15.0877	15.0877
19	Line 18 x 12 months	181.0524	181.0524
20	Line 19 / 365 days	0.4960	0.4960
21	Line 20 @ 70% Load Factor	0.7086	0.7086
22	Commodity Charge (2)	0.2200	0.2200
23	Total Delivery Commissioning and Decommissioning	<u>0.9286</u>	<u>0.9286</u>
	<u>Gas Supply (cents / m<sup>3</sup>)</u>		
24	Monthly Demand (2)	112.8323	160.7242
25	Line 24 x 12 months	1,353.9876	1,928.6904
26	Line 25 / 365 days	3.7096	5.2841
27	Line 26 @ 70% Load Factor	<u>5.2994</u>	<u>7.5487</u>
28	Commodity Transportation 1 (2)	6.3322	9.1957
29	Line 28 * (3/7)	<u>2.7138</u>	<u>3.9410</u>
30	Commodity Transportation 2 (2)	-	-
31	Line 30 * (4/7)	-	-
32	Total Commodity Transportation Charge for Commissioning and Decommissioning Rate	<u>8.0132</u>	<u>11.4897</u>

**Notes:**

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



UNION GAS LIMITED  
Union South  
Calculation of Supplemental Service Charges  
Effective January 1, 2018

Line No.	Particulars	cents / m <sup>3</sup> (a)	\$ / GJ (b)
	<u>Minimum Annual Gas Supply Commodity Charge - Rate M4, Rate M5A</u>		
1	Compressor Fuel	-	
2	Transportation Tolls	-	
3	Administration Charge	0.1893	
4	Minimum annual gas supply commodity charge	<u>0.1893</u>	<u>0.049</u>
	<u>Gas Supply Commodity Charges</u>		
5	Commodity Cost of Gas	13.7182	
6	FT Transportation Commodity	-	
7	FT Fuel	-	
8	Total Gas Supply Commodity Charge	<u>13.7182</u>	<u>3.522</u>
	<u>Firm Gas Supply Service Monthly Demand Charge</u>		
9	FT Demand Charge	<u>234.8691</u>	<u>60.300</u>
	<u>Firm Backstop Gas:</u>		
	Demand:		
10	Monthly space charge	0.0428	
11	Units required (1)	43	
12	Number of months	<u>12</u>	22.1080 (a)
	Inventory carrying costs:		
13	Sales WACOG	13.6251	
14	Overrun storage withdrawal	<u>0.3389</u>	
15		13.9640	
16	Units required (m <sup>3</sup> )	43	
17	Pre-tax return (%)	8.170%	49.0568 (b)
18	Annual demand charge	<u>71.1648</u>	(a) + (b)
19	Number of months	<u>12</u>	
20	Monthly demand charge	<u>5.9304</u>	<u>1.523</u>
	Commodity:		
21	Sales WACOG	13.6251	
22	Overrun storage withdrawal	0.3389	
23	Rate T1 - Overrun transportation	1.4897	
24	Rate T1 - Cap-and-Trade Facility-Related charge	<u>0.0240</u>	
25	Commodity charge	<u>15.4777</u>	<u>3.974</u>

Notes:

(1) Each unit of added delivery requires 43 m<sup>3</sup> of additional inventory.

UNION GAS LIMITED  
Union South  
Calculation of Supplemental Service Charges  
Effective January 1, 2018

Line No.	Particulars	cents / m <sup>3</sup> (a)	\$ / GJ (b)
	<u>Reasonable Efforts Backstop Gas:</u>		
1	Rate M1 - Block 1 delivery rate	5.0911	
2	Rate M1 - Storage rate	0.7331	
3	Rate M1 - Cap-and-Trade Facility-Related charge	0.0240	
4	Sales WACOG	13.6251	
5	Total	19.4733	5.000
	<u>Supplemental Inventory:</u>		
6	Sales WACOG	13.6251	
7	Injection commodity	0.1521	
8	Space charge (p.2, line 10 x 12)	0.5141	
9		14.2913	3.669
	Carrying costs (1/2 year)		
10	(line 9 x p.2, line 17) / 2	0.5838	
11	Total (line 9 + line 10)	14.8751	3.819
	<u>Supplemental Gas Sales:</u>		
12	Supplemental inventory	14.8751	
13	Overrun storage withdrawal	0.3389	
14	Rate T1 - Overrun transportation	1.4897	
15	Rate T1 - Cap-and-Trade Facility-Related charge	0.0240	
16	Total	16.7277	
	<u>Failure to Deliver:</u>		
17	Rate M1 - Block 1 delivery rate	5.0911	
18	Rate M1 - Storage rate	0.7331	
19	Rate M1 - Cap-and-Trade Facility-Related charge	0.0240	0.006
20	Failure to Deliver Adjustment	5.1708	1.328
21	Failure to Deliver Charge	11.0190	2.829
	<u>Parkway Delivery Commitment Incentive ("PDCI")</u>		
22	Rate M12 Dawn to Parkway demand rate (1)		3.716
23	Line 22 x 12 months		44.5920
24	Line 23 / 365 days		0.122
25	Rate M12 average Dawn to Parkway (TCPL / EGT) fuel rate (2)		0.028
26	Rate M12 Dawn to Parkway Cap-and-Trade Facility-Related Charge (3)		0.006
27	Total (line 24 + line 25+ line 26)		(0.156)

Notes:

- (1) Appendix A, p.14, line 2, column (c).
- (2) Rate Order, Appendix B, Rate M12 Rate Schedule C, p.1, average of Dawn to Parkway (TCPL / EGT) monthly fuel ratio at October 2017 QRAM Dawn Reference WACOG.
- (3) Appendix A, p.14, line 10, column (c).

UNION GAS LIMITED  
Union South  
Calculation of Supplemental Service Charges  
Calculation of Minimum & Maximum Charges  
Effective January 1, 2018

Line No.	Particulars	cents / m <sup>3</sup> (a)
	<u>Minimum Charges</u>	
	Rate M4 (F)	
1	Minimum annual delivery commodity charge:	
2	Monthly delivery commodity charge (Rate M4 1st Block)	1.5591
3	Gas Supply Admin Charge	0.1893
	Minimum annual delivery commodity charge	1.7484
	Rate M4 (I) / M5	
4	Minimum annual delivery commodity charge:	
5	Monthly delivery commodity charge (Rate M5 1st Block)	3.0363
6	Gas Supply Admin Charge	0.1893
	Minimum annual delivery commodity charge	3.2256
	<u>Maximum Charges</u>	
	Rate 25 Interruptible	
7	Average Rate 10 Firm Delivery Charge	5.8365
8	Percent of Average Firm Delivery Price	90%
9	Rate 25 Maximum interruptible delivery commodity charge	5.2529
	Rate M7 Interruptible	
10	Maximum interruptible delivery commodity charge:	
11	Rate M7 firm commodity charge	0.3539
12	Rate M7 firm demand charge commoditized at a Load Factor of 18.69%	6.0962
	Rate M7 maximum interruptible charge	6.4501
13	Rate T1 Interruptible	6.4501
14	Rate T2 Interruptible	6.4501
	<u>Rate M7 - Commissioning and Decommissioning Rate</u>	
	Delivery (cents / m <sup>3</sup> )	
15	Monthly Demand (1)	34.6517
16	Annual Demand (line 15 x 12 months)	415.8204
17	Daily Demand (line 16 / 365 days)	1.1392
18	@ Class Average Firm Load Factor of 26.70%	4.2674
19	Delivery Commodity Charge (1)	0.3539
20	Delivery - Price Adjustment	-
21	Total Delivery Commissioning and Decommissioning (line 18 + line 19 + line 20)	4.6213

Notes:

(1) Appendix A, p.9.

UNION GAS LIMITED  
Union South  
Calculation of Supplemental Service Charges  
Effective January 1, 2018

Line No.	Particulars	Union Supplies Fuel (a)	Customer Supplies Fuel (b)
<u>Rate T1 / Rate T2 / Rate T3 - At 100% Load Factor</u>			
	Authorized Storage Overrun (\$ / GJ)		
1	Monthly Demand (1)	1.455	1.455
2	Annual Demand (line 1 x 12 months)	17.460	17.460
3	Daily Demand (line 2 / 365 days)	0.048	0.048
4	@ 100% Load Factor	0.048	0.048
5	Commodity Charge (2)	0.039	0.008
6	Total Storage Overrun (line 4 + line 5)	<u>0.087</u>	<u>0.056</u>
<u>Rate T1 - At 100% Load Factor</u>			
	Authorized Transportation Overrun (cents / m <sup>3</sup> )		
7	Monthly Demand (3)	40.5921	40.5921
8	Annual Demand (line 7 x 12 months)	487.1052	487.1052
9	Daily Demand (line 8 / 365 days)	1.3345	1.3345
10	@ 100% Load Factor	1.3345	1.3345
11	Commodity Charge (4)	0.1552	0.1109
12	Total Transportation Overrun (line 10 + line 11)	<u>1.4897</u>	<u>1.4454</u>
<u>Rate T2 - At 100% Load Factor</u>			
	Authorized Transportation Overrun (cents / m <sup>3</sup> )		
13	Monthly Demand (5)	32.0198	32.0198
14	Annual Demand (line 13 x 12 months)	384.2376	384.2376
15	Daily Demand (line 14 / 365 days)	1.0527	1.0527
16	@ 100% Load Factor	1.0527	1.0527
17	Commodity Charge (6)	0.0671	0.0266
18	Total Transportation Overrun (line 16 + line 17)	<u>1.1198</u>	<u>1.0793</u>
<u>Rate T3 - At 100% Load Factor</u>			
	Authorized Transportation Overrun (cents / m <sup>3</sup> )		
19	Monthly Demand (7)	17.9898	17.9898
20	Annual Demand (line 19 x 12 months)	215.8776	215.8776
21	Daily Demand (line 20 / 365 days)	0.5914	0.5914
22	@ 100% Load Factor	0.5914	0.5914
23	Commodity Charge (8)	0.1232	0.0667
24	Total Transportation Overrun (line 22 + line 23)	<u>0.7146</u>	<u>0.6581</u>

Notes:

- (1) Appendix A, p.10.
- (2) Column (a) calculated as  $WACOG / \text{Heat Value} * \text{Overrun Fuel Ratio} + \text{Injection Commodity} = \$137.182 / 10^3 \text{m}^3 / 38.95 \text{ GJ}/10^3 \text{m}^3 * 0.881\% + \$0.008/\text{GJ}$ .
- (3) Appendix A, p.10.
- (4) Column (a) calculated as  $WACOG / 10 * \text{Transportation Fuel Ratio} + \text{Firm Commodity Transport} = \$137.182 / 10^3 \text{m}^3 / 10 * 0.323\% + 0.1109 \text{ cents}/\text{m}^3$ .
- (5) Appendix A, p.11.
- (6) Column (a) calculated as  $WACOG / 10 * \text{Transportation Fuel Ratio} + \text{Firm Commodity Transport} = \$137.182 / 10^3 \text{m}^3 / 10 * 0.295\% + 0.0266 \text{ cents}/\text{m}^3$ .
- (7) Appendix A, p.12.
- (8) Column (a) calculated as  $WACOG / 10 * \text{Transportation Fuel Ratio} + \text{Firm Commodity Transport} = \$137.182 / 10^3 \text{m}^3 / 10 * 0.412\% + 0.0667 \text{ cents}/\text{m}^3$ .

UNION GAS LIMITED  
Union South  
Calculation of Union Supplied Fuel Rates for  
In-Franchise Semi-Unbundled Rate T1, Rate T2 and Rate T3  
Effective January 1, 2018

Line No.	Particulars	Union Supplies Fuel (a)	Customer Supplies Fuel (b)
<u>Rate T1 Transportation Service (cents/m³)</u>			
1	Dawn Price as per EB-2017-0087	13.7182	
2	2018 Fuel Ratio as per EB-2017-0087	0.323%	
3	Fuel Rate (line 1 x line 2)	0.0443	
4	Firm Transportation Commodity Charge	0.1109	0.1109
5	All Volumes	0.1552	0.1109
6	Interruptible Transportation Commodity Charge - Maximum	6.4501	6.4058
<u>Rate T2 Transportation Service (cents/m³)</u>			
7	Dawn Price as per EB-2017-0087	13.7182	
8	2018 Fuel Ratio as per EB-2017-0087	0.295%	
9	Fuel Rate (line 7 x line 8)	0.0405	
10	Firm Transportation Commodity Charge	0.0266	0.0266
11	All Volumes	0.0671	0.0266
12	Interruptible Transportation Commodity Charge - Maximum	6.4501	6.4096
<u>Rate T3 Transportation Service (cents/m³)</u>			
13	Dawn Price as per EB-2017-0087	13.7182	
14	2018 Fuel Ratio as per EB-2017-0087	0.412%	
15	Fuel Rate (line 13 x line 14)	0.0565	
16	Firm Transportation Commodity Charge	0.0667	0.0667
17	All Volumes	0.1232	0.0667
<u>Rate T1, Rate T2 &amp; Rate T3 Storage Service (\$/GJ)</u>			
18	Dawn Price as per EB-2017-0087	3.522	
19	2018 Fuel Ratio as per EB-2017-0087	0.408%	
20	Fuel Rate (line 18 x line 19)	0.014	
21	Storage Commodity Charge	0.008	0.008
22	All Volumes	0.022	0.008
<u>Rate T1, Rate T2 &amp; Rate T3 Annual Firm Injection/Withdrawal Right</u>		<u>\$ / GJ</u>	
		(a)	
23	Customer provides deliverability Inventory Rate	1.184 (1)	
Inventory Carrying Costs			
24	Space	75,177,124 (2)	
25	Inventory Percentage	20%	
26	Inventory (line 24 x line 25)	15,035,425	
27	Dawn Price as per EB-2017-0087	3.522	
28	ICC %	8.2%	
29	Inventory Carrying Costs (line 26 * line 27 * line 28 / 1000)	4,326	
30	Deliverability Demand Allocation Units	1,332,764 (3)	
31	Line 29 / line 30 x 1000 / 12	0.271	
32	Union provides deliverability Inventory as per EB-2017-0087 (line 23 + line 31)	1.455	

Notes:

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

UNION GAS LIMITED  
Southern Operations Area  
Bundled Storage Rate Detail  
Effective January 1, 2018

Line No.	Particulars	Billing Units	2018 Forecast (1) Usage (a)	SSS & SPS (\$000's) (b)	Gas Supply Balancing Costs (\$000's) (c)	Gas in Storage Inventory Carrying Costs (\$000's) (d)	Unbundled Storage Revenue (\$000's) (e) = (b+c+d)	Unbundled Storage Rates (cents/m³) (f) = (e / a)
<u>Rate M1</u>								
Monthly delivery commodity charge:								
1	First 100 m³	10³m³	845,823	4,002	-	2,196	6,199	0.7328
2	Next 150 m³	10³m³	751,066	3,554	-	1,950	5,504	0.7328
3	All over 250 m³	10³m³	1,211,407	5,732	-	3,145	8,878	0.7328
4	Total		<u>2,808,296</u>	<u>13,289</u> (2)	<u>-</u>	<u>7,291</u> (3)	<u>20,580</u>	
<u>Rate M2</u>								
Monthly delivery commodity charge:								
5	First 1,000 m³	10³m³	58,711	245	-	135	380	0.6481
6	Next 6,000 m³	10³m³	285,720	1,193	-	659	1,852	0.6481
7	Next 13,000 m³	10³m³	322,850	1,348	-	745	2,092	0.6481
8	All over 20,000 m³	10³m³	412,456	1,722	-	951	2,673	0.6481
9	Total		<u>1,079,737</u>	<u>4,507</u> (4)	<u>-</u>	<u>2,490</u> (5)	<u>6,997</u>	

Notes:

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

UNION GAS LIMITED  
Southern Operations Area  
Bundled Storage Cost Detail  
Effective January 1, 2018

Line No.	Particulars (\$000's)	Rate M1 (a)	Rate M2 (b)
	<u>SSS/SPS</u>		
1	Storage Dehydrator (1)	168	57
2	Storage Ex. Dehydrator (2)	9,565	3,236
3	Storage Space (3)	10,847	3,705
4	Storage	20,580	6,997
5	Less: ICC on Gas in Storage (4)	7,291	2,490
6	Total SSS/SPS	13,289	4,507
	<u>Gas Supply Balancing</u>		
7	Total Gas Supply Balancing	-	-
	<u>Gas In Storage Inventory Carrying Costs</u>		
8	Gas in Storage (5)	89,246	30,481
9	ICC %	8.2%	8.2%
10	Gas in Storage Inventory Carrying Costs	7,291	2,490

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 18, p. 2, line 1, updated for PCI and Capital Pass-Throughs per EB-2017-0087.
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 18, p. 2, line 2, updated for PCI and Capital Pass-Throughs per EB-2017-0087.
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 18, p. 2, line 3, updated for PCI and Capital Pass-Throughs per EB-2017-0087.
- (4) Per line 10.
- (5) EB-2011-0210, Exhibit G3, Tab 5, Schedule 9, p. 16 of 40, updated for EB-2011-0210 Board Decision.

UNION GAS LIMITED  
2018 Rate Adjustment Summary based on  
Parkway Delivery Obligation (PDO) Reduction Costs and Parkway Delivery Commitment Incentive (PDCI) Costs

Line No.	Particulars (\$000's)	PDO Costs			PDCI Costs			Total Costs		
		Dawn-Parkway Demand Costs (1)	Compressor Fuel Costs (2)	Total PDO Costs (c) = (a + b)	Dawn-Parkway Demand Costs (3)	Compressor Fuel Costs (4)	Total PDCI Costs (f) = (d + e)	Dawn-Parkway Demand Costs (g) = (a + d)	Compressor Fuel Costs (h) = (b + e)	Total Costs (i) = (g + h)
		(a)	(b)	(c) = (a + b)	(d)	(e)	(f) = (d + e)	(g) = (a + d)	(h) = (b + e)	(i) = (g + h)
1	Rate M1	4,934	287	5,222	5,226	1,019	6,245	10,160	1,307	11,467
2	Rate M2	1,658	102	1,759	1,756	361	2,116	3,413	462	3,876
3	Rate M4	482	46	528	511	164	675	993	211	1,203
4	Rate M5 - Firm	5	1	6	5	4	9	9	5	15
5	Rate M5 - Interruptible	-	32	32	-	114	114	-	146	146
6	Rate M7 - Firm	222	19	241	235	66	301	458	85	542
7	Rate M7 - Interruptible	-	-	-	-	-	-	-	-	-
8	Rate M9	79	10	89	84	34	118	164	44	207
9	Rate M10	2	0	2	3	0	3	5	0	5
10	Rate T1 - Firm	238	42	280	252	150	402	490	192	682
11	Rate T1 - Interruptible	-	4	4	-	16	16	-	20	20
12	Rate T2 - Firm	1,545	217	1,763	1,636	771	2,408	3,182	989	4,170
13	Rate T2 - Interruptible	-	5	5	-	18	18	-	23	23
14	Rate T3	560	43	603	593	152	745	1,153	195	1,348
15	Total South In-franchise	9,726	809	10,535	10,300	2,871	13,171	20,027	3,680	23,706
16	Excess Utility Storage Space	-	-	-	-	-	-	-	-	-
17	Rate C1 - Firm	-	7	7	-	-	-	-	7	7
18	Rate C1 - Interruptible	-	196	196	-	-	-	-	196	196
19	Rate M12	-	680	680	-	-	-	-	680	680
20	Rate M13	-	-	-	-	-	-	-	-	-
21	Rate M16	-	2	2	-	-	-	-	2	2
22	Total Ex-franchise	-	885	885	-	-	-	-	885	885
23	Rate 01	-	7	7	-	-	-	-	7	7
24	Rate 10	-	2	2	-	-	-	-	2	2
25	Rate 20	-	1	1	-	-	-	-	1	1
26	Rate 100	-	0	0	-	-	-	-	0	0
27	Rate 25	-	-	-	-	-	-	-	-	-
28	Total North In-franchise	-	11	11	-	-	-	-	11	11
29	Total Costs (line 15+line 22+line 28)	9,726	1,705	11,431	10,300	2,871	13,171	20,027	4,575	24,602

Notes:

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



UNION GAS LIMITED

2018 Delivery Impacts to Union South In-Franchise customers of M12 Demand Costs  
Based on 280 TJ per day of M12 Dawn-Parkway capacity and 62 TJ per day of T2 Billing Contract Demand Revenue Credit

Line No.	Particulars	2013 Approved Dawn-Parkway Design Day Demands (1) (10 <sup>3</sup> m <sup>3</sup> /d) (a)	Dawn-Parkway Demand Costs of 200 TJ/d (2) (\$000's) (b)	Dawn-Parkway Demand Costs of 19 TJ/d (3) (\$000's) (c)	Dawn-Parkway Demand Costs of 62 TJ/d (4) (\$000's) (d)	Dawn-Parkway Demand Costs of 280 TJ/d (\$000's) (e) = (b + c + d)	T2 BCD Revenue Credit of 62 TJ/d (\$000's) (f) = -(d)	Total Demand Costs (\$000's) (g) = (e + f)
1	Rate M1	22,132	4,514	420	1,402	6,337	(1,402)	4,934
2	Rate M2	7,435	1,517	141	471	2,129	(471)	1,658
3	Rate M4	2,162	441	41	137	619	(137)	482
4	Rate M5 Firm	20	4	0	1	6	(1)	5
5	Rate M5 Interruptible	-	-	-	-	-	-	-
6	Rate M7 Firm	997	203	19	63	285	(63)	222
7	Rate M7 Interruptible	-	-	-	-	-	-	-
8	Rate M9	356	73	7	23	102	(23)	79
9	Rate M10	11	2	0	1	3	(1)	2
10	Rate T1 Firm	1,068	218	20	68	306	(68)	238
11	Rate T1 Interruptible	-	-	-	-	-	-	-
12	Rate T2 Firm	6,931	1,414	132	439	1,984	(439)	1,545
13	Rate T2 Interruptible	-	-	-	-	-	-	-
14	Rate T3	2,511	512	48	159	719	(159)	560
15	Total	43,624	8,898 (5)	828 (6)	2,764 (7)	12,490	(2,764)	9,726

Notes:

- (1) Union South In-franchise Dawn-Parkway 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). The 200 TJ/d of Dawn-Parkway capacity includes 146 TJ/d per EB-2016-0245, Rate Order, Working Papers, Schedule 20, p. 2, column (b) + incremental Parkway Delivery Obligation shift of 54 TJ/d per Exhibit A, Tab 2, Attachment 1, line 11, column (j).
- (3) Allocated in proportion to column (a). The 19 TJ/d of Dawn-Parkway capacity includes 19 TJ/d per EB-2016-0245, Rate Order, Working Papers, Schedule 20, p. 2, column (c) + incremental Parkway Delivery Obligation shift of 0 TJ/d per Exhibit A, Tab 2, Attachment 1, line 17, column (j).
- (4) Allocated in proportion to column (a). The 62 TJ/d of Dawn-Parkway capacity includes 48 TJ/d per EB-2016-0245, Rate Order, Working Papers, Schedule 20, p. 2, column (d) + incremental Parkway Delivery Obligation shift of 14 TJ/d per Exhibit A, Tab 2, Attachment 1, line 21, column (j).
- (5) Calculated as 200 TJ x \$0.122/GJ/d x 365 = \$8.898 million. Rate represents the M12 Dawn-Parkway demand rate per EB-2017-0087.
- (6) Calculated as 19 TJ x \$0.122/GJ/d x 365 = \$0.828 million. Rate represents the M12 Dawn-Parkway demand rate per EB-2017-0087.
- (7) Calculated as 62 TJ x \$0.122/GJ/d x 365 = \$2.764 million. Rate represents the M12 Dawn-Parkway demand rate per EB-2017-0087.

UNION GAS LIMITED  
2018 Commodity Cost Adjustments based on  
Parkway Delivery Obligation Reduction of 218 TJ/d and 81 TJ/d of M12 Turnback

Line No.	Particulars	Adjusted Compressor Fuel Allocation				2013 Board-Approved Compressor Fuel Allocation				Difference (GJ)	Total Compressor Fuel Cost (1) (\$000's)
		Dawn Station Compressor Fuel (GJ)	D-P Easterly Compressor Fuel (GJ)	D-P Westerly Compressor Fuel (GJ)	Total Compressor Fuel (GJ)	Dawn Station Compressor Fuel (GJ)	D-P Easterly Compressor Fuel (GJ)	D-P Westerly Compressor Fuel (GJ)	Total Compressor Fuel (GJ)		
		(a)	(b)	(c)	(d) = (a + b + c)	(e)	(f)	(g)	(h) = (e + f + g)	(i) = (d - h)	(j)=(i x 3.549/1000)
1	Rate M1	74,915	81,364	-	156,280	37,867	37,469	-	75,337	80,943	287
2	Rate M2	26,504	28,786	-	55,290	13,397	13,256	-	26,653	28,637	102
3	Rate M4	12,081	13,121	-	25,203	6,107	6,042	-	12,149	13,053	46
4	Rate M5 - Firm	308	335	-	643	156	154	-	310	333	1
5	Rate M5 - Interruptible	8,375	9,096	-	17,471	4,233	4,189	-	8,422	9,049	32
6	Rate M7 - Firm	4,860	5,279	-	10,139	2,457	2,431	-	4,888	5,251	19
7	Rate M7 - Interruptible	-	-	-	-	-	-	-	-	-	-
8	Rate M9	2,495	2,710	-	5,205	1,261	1,248	-	2,509	2,696	10
9	Rate M10	8	8	-	16	4	4	-	8	8	0
10	Rate T1 - Firm	11,006	11,954	-	22,960	5,563	5,505	-	11,068	11,892	42
11	Rate T1 - Interruptible	1,173	1,274	-	2,447	593	587	-	1,179	1,267	4
12	Rate T2 - Firm	56,695	61,575	-	118,270	28,658	28,356	-	57,014	61,257	217
13	Rate T2 - Interruptible	1,332	1,447	-	2,779	673	666	-	1,340	1,439	5
14	Rate T3	11,202	12,166	-	23,368	5,662	5,603	-	11,265	12,103	43
15	Total South In-franchise	210,955	229,114	-	440,069	106,631	105,510	-	212,141	227,928	809
16	Excess Utility Storage Space	-	-	-	-	-	-	-	-	-	-
17	Rate C1 - Firm	35,342	11,076	5,691	52,110	35,316	10,023	4,718	50,057	2,052	7
18	Rate C1 - Interruptible	227,077	575,059	-	802,136	226,118	520,843	-	746,960	55,175	196
19	Rate M12	1,133,586	2,673,664	1,221	3,808,470	1,135,933	2,479,902	1,009	3,616,843	191,627	680
20	Rate M13	-	-	-	-	-	-	-	-	-	-
21	Rate M16	145	434	-	580	-	-	-	-	580	2
22	Total Ex-franchise	1,396,150	3,260,233	6,912	4,663,295	1,397,366	3,010,768	5,726	4,413,861	249,435	885
23	Rate 01	28,852	29,524	-	58,375	28,728	27,573	-	56,300	2,075	7
24	Rate 10	9,081	9,293	-	18,374	9,042	8,679	-	17,721	653	2
25	Rate 20	3,226	3,301	-	6,527	3,212	3,083	-	6,295	232	1
26	Rate 100	102	105	-	207	102	98	-	200	7	0
27	Rate 25	-	-	-	-	-	-	-	-	-	-
28	Total North In-franchise	41,262	42,222	-	83,484	41,084	39,432	-	80,516	2,968	11
29	Total (line 15 + line 22 + line 28)	1,648,367	3,531,570	6,912	5,186,849	1,545,082	3,155,710	5,726	4,706,518	480,331	1,705

Notes:

(1) Compressor fuel cost based on Oct 2017 QRAM Dawn Reference Price of \$3.549/GJ per EB-2017-0278.

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

Line No.	Particulars (GJ)	Allocation of Fuel (Updated for PDO)					Allocation of Fuel (as filed in EB-2011-0210)					Difference (k) = (e - j)
		Dawn	Lobo	Bright	Parkway	Total	Dawn	Lobo	Bright	Parkway	Total	
		(a)	(b)	(c)	(d)	(e) = (a+b+c+d)	(f)	(g)	(h)	(i)	(j) = (f+g+h+i)	
1	M12 Easterly	1,133,586	665,880	798,741	1,209,042	3,807,250	1,135,933	644,630	772,860	1,062,411	3,615,834	191,415
2	M12 Westerly	-	-	-	1,221	1,221	-	-	-	1,009	1,009	212
3	C1 LT Easterly	3,382	2,077	2,490	6,509	14,458	3,356	2,017	2,413	5,593	13,379	1,079
4	C1 ST Easterly	227,077	122,287	149,110	303,661	802,136	226,118	116,353	141,989	262,500	746,960	55,175
5	C1 LT Westerly	-	-	-	5,691	5,691	-	-	-	4,718	4,718	973
6	C1 ST Westerly	-	-	-	-	-	-	-	-	-	-	-
7	M16 to Pool	145	434	-	-	580	-	-	-	-	-	580
8	Infranchise - North	41,262	17,233	24,990	-	83,484	41,084	15,975	23,457	-	80,516	2,968
9	Infranchise - South	210,955	100,900	128,214	-	440,069	106,631	46,265	59,245	-	212,141	227,928
10	Total	1,616,407	908,812	1,103,546	1,526,124	5,154,888	1,513,121	825,240	999,964	1,336,232	4,674,557	480,331

Notes:

- (1) Sales of Dawn to Parkway transportation services were reduced by 81 TJ per day.
- (2) Compressor throughput was adjusted to account for a shift of 219 TJ of delivered supply from Parkway to Dawn and 81 TJ/d of M12 turnback.
- (3) Compressor fuel costs increased to reflect the change in flows outlined in note (2).
- (4) Based on contract quantities from 2013 Rates filing.
- (5) Allocation of fuel is consistent with YCR formula in the current M12 Rate Schedule.
- (6) The total fuel excludes C1 Dawn to Dawn-Vector and C1 Dawn to Dawn-TCPL fuel of 31,960 GJ.

UNION GAS LIMITED  
Derivation of the 2018 Sales Service PDCI Costs

Line No.	Particulars	Demand Costs		Commodity Costs		Total Sales Service PDCI Costs (\$000's) (e) = (b + d)
		2013 Approved Dawn-Parkway Design Day Demands (1) (10 <sup>3</sup> m <sup>3</sup> /d) (a)	11 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)	11 TJ Sales Service Fuel and UFG Costs (5) (\$000's) (d)	
1	Rate M1	22,132	249	1,823,853	48	297
2	Rate M2	7,435	83	645,259	17	101
3	Rate M4	2,162	24	294,126	8	32
4	Rate M5 Firm	20	0	7,501	0	0
5	Rate M5 Interruptible	-	-	203,891	5	5
6	Rate M7 Firm	997	11	118,324	3	14
7	Rate M7 Interruptible	-	-	-	-	-
8	Rate M9	356	4	60,750	2	6
9	Rate M10	11	0	189	0	0
10	Rate T1 Firm	1,068	12	267,950	7	19
11	Rate T1 Interruptible	-	-	28,552	1	1
12	Rate T2 Firm	6,931	78	1,380,265	37	115
13	Rate T2 Interruptible	-	-	32,431	1	1
14	Rate T3	2,511	28	272,712	7	35
15	Total	<u>43,624</u>	<u>490 (3)</u>	<u>5,135,803</u>	<u>137 (6)</u>	<u>626</u>

Notes:

- (1) Union South In-franchise Dawn-Parkway 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). Parkway Delivery Obligation of 11 TJ/d as per Exhibit A, Tab 2, Attachment 1, line 24, column (j).
- (3) Calculated as 11 TJ x \$0.122/GJ/d x 365 = \$0.490 million. Rate represents the M12 Dawn-Parkway demand rate per EB-2017-0087.
- (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 11 TJ x \$0.034/GJ/d x 365 = \$0.137 million. Rate represents the average Dawn-Parkway (TCPL / EGT) fuel ratio per EB-2017-0087 Rate M12 Schedule 'C' at October 2017 QRAM Dawn Reference WACOG, plus the M12 Dawn-Parkway Cap-and-Trade Facility-Related Charge per EB-2017-0087, Rate Order, Appendix A, p. 14, line 10.

UNION GAS LIMITED  
Derivation of the 2018 Direct Purchase (DP) PDCI Costs

Line No.	Particulars	Demand Costs		Commodity Costs		Total DP PDCI Costs (\$000's) (e) = (b+d)
		2013 Approved Dawn-Parkway Design Day Demands (1) (10 <sup>3</sup> m <sup>3</sup> /d) (a)	220 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)	220 TJ DP Fuel and UFG Costs (5) (\$000's) (d)	
1	Rate M1	22,132	4,977	1,823,853	971	5,948
2	Rate M2	7,435	1,672	645,259	344	2,016
3	Rate M4	2,162	486	294,126	157	643
4	Rate M5 Firm	20	5	7,501	4	9
5	Rate M5 Interruptible	-	-	203,891	109	109
6	Rate M7 Firm	997	224	118,324	63	287
7	Rate M7 Interruptible	-	-	-	-	-
8	Rate M9	356	80	60,750	32	113
9	Rate M10	11	2	189	0	3
10	Rate T1 Firm	1,068	240	267,950	143	383
11	Rate T1 Interruptible	-	-	28,552	15	15
12	Rate T2 Firm	6,931	1,559	1,380,265	735	2,293
13	Rate T2 Interruptible	-	-	32,431	17	17
14	Rate T3	2,511	565	272,712	145	710
15	Total	<u>43,624</u>	<u>9,811 (3)</u>	<u>5,135,803</u>	<u>2,734 (6)</u>	<u>12,545</u>

Notes:

- (1) Union South In-franchise Dawn-Parkway 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). Parkway Delivery Obligation of 220 TJ/d as per Exhibit A, Tab 2, Attachment 1, line 12, column (j) + line 18, column (j), adjusted by 8 TJ/d to reflect customer's with different summer and winter Parkway Delivery Obligations.
- (3) Calculated as 220 TJ x \$0.122/GJ/d x 365 = \$9.811 million. Rate represents the M12 Dawn-Parkway demand rate per EB-2017-0087.
- (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 220 TJ x \$0.034/GJ/d x 365 = \$2.734 million. Rate represents the average Dawn-Parkway (TCPL / EGT) fuel ratio per EB-2017-0087 Rate M12 Schedule 'C' at October 2017 QRAM Dawn Reference WACOG, plus the M12 Dawn-Parkway Cap-and-Trade Facility-Related Charge per EB-2017-0087, Rate Order, Appendix A, p. 14, line 10.

UNION GAS LIMITED  
Continuity of M12 Monthly Transportation Fuel Ratios and Rates including Parkway Delivery Obligation (PDO) Pass-through  
Firm or Interruptible Transportation Commodity  
Effective January 1, 2018

Line No.	Particulars	VT1 Easterly Dawn to Parkway (TCPL / EGT) With Dawn Compression						VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression						M12-X Westerly Kirkwall to Dawn					
		2017	PCI Adj	2018	PDO Adj	2018	2018	2017	PCI Adj	2018	PDO Adj	2018	2018	2017	PCI Adj	2018	PDO Adj	2018	2018
		Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	Fuel Rate (\$/GJ)	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	Fuel Rate (\$/GJ)	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	Fuel Rate (\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
1	April	0.825	0.004	0.829	0.050	0.879	0.031	0.548	0.003	0.550	(0.004)	0.546	0.019	0.157	0.001	0.158	-	0.158	0.006
2	May	0.583	0.003	0.586	0.040	0.626	0.022	0.369	0.002	0.371	0.002	0.373	0.013	0.157	0.001	0.158	-	0.158	0.006
3	June	0.476	0.002	0.479	0.044	0.523	0.018	0.267	0.001	0.268	0.007	0.275	0.010	0.157	0.001	0.158	-	0.158	0.006
4	July	0.464	0.002	0.466	0.042	0.508	0.018	0.255	0.001	0.256	0.007	0.262	0.009	0.157	0.001	0.158	-	0.158	0.006
5	August	0.365	0.002	0.367	0.038	0.405	0.014	0.158	0.001	0.159	(0.000)	0.159	0.006	0.157	0.001	0.158	-	0.158	0.006
6	September	0.362	0.002	0.363	0.037	0.401	0.014	0.158	0.001	0.159	(0.000)	0.159	0.006	0.157	0.001	0.158	-	0.158	0.006
7	October	0.716	0.004	0.720	0.030	0.750	0.026	0.476	0.002	0.479	(0.018)	0.461	0.016	0.157	0.001	0.158	-	0.158	0.006
8	November	0.863	0.004	0.868	0.026	0.894	0.031	0.621	0.003	0.624	0.001	0.624	0.022	0.157	0.001	0.158	-	0.158	0.006
9	December	0.971	0.005	0.976	0.036	1.012	0.036	0.722	0.004	0.726	0.017	0.743	0.026	0.157	0.001	0.158	-	0.158	0.006
10	January	1.116	0.006	1.122	0.044	1.166	0.041	0.854	0.004	0.858	0.023	0.882	0.031	0.157	0.001	0.158	-	0.158	0.006
11	February	1.062	0.005	1.067	0.040	1.107	0.039	0.808	0.004	0.812	0.019	0.831	0.029	0.157	0.001	0.158	-	0.158	0.006
12	March	1.000	0.005	1.005	0.028	1.033	0.036	0.739	0.004	0.743	(0.001)	0.742	0.026	0.157	0.001	0.158	-	0.158	0.006
		M12-X Easterly Kirkwall to Parkway (TCPL / EGT)						M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)						M12-X Westerly Parkway to Kirkwall, Dawn					
		2017	PCI Adj	2018	PDO Adj	2018	2018	2017	PCI Adj	2018	PDO Adj	2018	2018	2017	PCI Adj	2018	PDO Adj	2018	2018
		Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	Fuel Rate (\$/GJ)	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	Fuel Rate (\$/GJ)	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	Fuel Rate (\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
13	April	0.434	0.002	0.437	0.054	0.491	0.017	0.157	0.001	0.158	-	0.158	0.006	0.276	0.001	0.277	0.024	0.301	0.011
14	May	0.371	0.002	0.373	0.038	0.411	0.014	0.157	0.001	0.158	-	0.158	0.006	0.276	0.001	0.277	0.024	0.301	0.011
15	June	0.367	0.002	0.368	0.037	0.406	0.014	0.157	0.001	0.158	-	0.158	0.006	0.276	0.001	0.277	0.024	0.301	0.011
16	July	0.366	0.002	0.368	0.036	0.404	0.014	0.157	0.001	0.158	-	0.158	0.006	0.276	0.001	0.277	0.024	0.301	0.011
17	August	0.364	0.002	0.366	0.038	0.404	0.014	0.157	0.001	0.158	-	0.158	0.006	0.276	0.001	0.277	0.024	0.301	0.011
18	September	0.361	0.002	0.363	0.037	0.400	0.014	0.157	0.001	0.158	-	0.158	0.006	0.276	0.001	0.277	0.024	0.301	0.011
19	October	0.398	0.002	0.400	0.048	0.448	0.016	0.157	0.001	0.158	-	0.158	0.006	0.276	0.001	0.277	0.024	0.301	0.011
20	November	0.400	0.002	0.402	0.025	0.427	0.015	0.157	0.001	0.158	-	0.158	0.006	0.157	0.001	0.158	-	0.158	0.006
21	December	0.407	0.002	0.409	0.019	0.428	0.015	0.157	0.001	0.158	-	0.158	0.006	0.157	0.001	0.158	-	0.158	0.006
22	January	0.420	0.002	0.422	0.020	0.442	0.016	0.157	0.001	0.158	-	0.158	0.006	0.157	0.001	0.158	-	0.158	0.006
23	February	0.411	0.002	0.413	0.021	0.434	0.015	0.157	0.001	0.158	-	0.158	0.006	0.157	0.001	0.158	-	0.158	0.006
24	March	0.418	0.002	0.420	0.029	0.449	0.016	0.157	0.001	0.158	-	0.158	0.006	0.157	0.001	0.158	-	0.158	0.006

UNION GAS LIMITED  
Continuity of M12 Monthly Transportation Authorized Overrun Fuel Ratios and Rates including Parkway Delivery Obligation (PDO) Pass-through  
Firm or Interruptible Transportation Commodity  
Effective January 1, 2018

Line No.	Particulars	VT1 Easterly Dawn to Parkway (TCPL / EGT) With Dawn Compression						VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression						M12-X Westerly Kirkwall to Dawn					
		2017	PCI Adj	2018	PDO Adj	2018	2018	2017	PCI Adj	2018	PDO Adj	2018	2018	2017	PCI Adj	2018	PDO Adj	2018	2018
		Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	Fuel Rate	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	Fuel Rate	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
1	April	1.442	0.007	1.449	0.050	1.499	0.175	1.165	0.006	1.171	(0.004)	1.166	0.163	0.774	0.004	0.778	-	0.778	0.178
2	May	1.200	0.006	1.206	0.040	1.246	0.166	0.986	0.005	0.991	0.002	0.993	0.157	0.774	0.004	0.778	-	0.778	0.178
3	June	1.093	0.006	1.099	0.044	1.143	0.162	0.884	0.005	0.888	0.007	0.895	0.154	0.774	0.004	0.778	-	0.778	0.178
4	July	1.080	0.006	1.086	0.042	1.128	0.162	0.871	0.004	0.876	0.007	0.882	0.153	0.774	0.004	0.778	-	0.778	0.178
5	August	0.982	0.005	0.987	0.038	1.025	0.158	0.775	0.004	0.779	(0.000)	0.779	0.150	0.774	0.004	0.778	-	0.778	0.178
6	September	0.978	0.005	0.983	0.037	1.021	0.158	0.775	0.004	0.779	(0.000)	0.779	0.150	0.774	0.004	0.778	-	0.778	0.178
7	October	1.333	0.007	1.340	0.030	1.371	0.170	1.093	0.006	1.099	(0.018)	1.081	0.160	0.774	0.004	0.778	-	0.778	0.178
8	November	1.480	0.008	1.488	0.026	1.514	0.175	1.237	0.006	1.244	0.001	1.244	0.166	0.774	0.004	0.778	-	0.778	0.178
9	December	1.588	0.008	1.596	0.036	1.632	0.180	1.339	0.007	1.346	0.017	1.363	0.170	0.774	0.004	0.778	-	0.778	0.178
10	January	1.733	0.009	1.742	0.044	1.786	0.185	1.471	0.008	1.478	0.023	1.502	0.175	0.774	0.004	0.778	-	0.778	0.178
11	February	1.679	0.009	1.687	0.040	1.727	0.183	1.425	0.007	1.432	0.019	1.451	0.173	0.774	0.004	0.778	-	0.778	0.178
12	March	1.617	0.008	1.625	0.028	1.653	0.180	1.356	0.007	1.363	(0.001)	1.362	0.170	0.774	0.004	0.778	-	0.778	0.178
		M12-X Easterly Kirkwall to Parkway (TCPL / EGT)						M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)						M12-X Westerly Parkway to Kirkwall, Dawn					
		2017	PCI Adj	2018	PDO Adj	2018	2018	2017	PCI Adj	2018	PDO Adj	2018	2018	2017	PCI Adj	2018	PDO Adj	2018	2018
		Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	Fuel Rate	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	Fuel Rate	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
13	April	1.051	0.005	1.057	0.054	1.111	0.190	0.774	0.004	0.778	-	0.778	0.178	0.893	0.005	0.897	0.024	0.921	0.183
14	May	0.988	0.005	0.993	0.038	1.031	0.187	0.774	0.004	0.778	-	0.778	0.178	0.893	0.005	0.897	0.024	0.921	0.183
15	June	0.984	0.005	0.989	0.037	1.026	0.187	0.774	0.004	0.778	-	0.778	0.178	0.893	0.005	0.897	0.024	0.921	0.183
16	July	0.983	0.005	0.988	0.036	1.024	0.187	0.774	0.004	0.778	-	0.778	0.178	0.893	0.005	0.897	0.024	0.921	0.183
17	August	0.981	0.005	0.986	0.038	1.024	0.187	0.774	0.004	0.778	-	0.778	0.178	0.893	0.005	0.897	0.024	0.921	0.183
18	September	0.978	0.005	0.983	0.037	1.020	0.187	0.774	0.004	0.778	-	0.778	0.178	0.893	0.005	0.897	0.024	0.921	0.183
19	October	1.014	0.005	1.020	0.048	1.068	0.189	0.774	0.004	0.778	-	0.778	0.178	0.893	0.005	0.897	0.024	0.921	0.183
20	November	1.017	0.005	1.022	0.025	1.047	0.188	0.774	0.004	0.778	-	0.778	0.178	0.774	0.004	0.778	-	0.778	0.178
21	December	1.024	0.005	1.029	0.019	1.048	0.188	0.774	0.004	0.778	-	0.778	0.178	0.774	0.004	0.778	-	0.778	0.178
22	January	1.036	0.005	1.042	0.020	1.062	0.188	0.774	0.004	0.778	-	0.778	0.178	0.774	0.004	0.778	-	0.778	0.178
23	February	1.028	0.005	1.033	0.021	1.054	0.188	0.774	0.004	0.778	-	0.778	0.178	0.774	0.004	0.778	-	0.778	0.178
24	March	1.035	0.005	1.040	0.029	1.069	0.189	0.774	0.004	0.778	-	0.778	0.178	0.774	0.004	0.778	-	0.778	0.178

UNION GAS LIMITED

Continuity of M13, M16, Monthly Transportation Fuel Ratios and Rates including Parkway Delivery Obligation (PDO) Pass-through  
Firm or Interruptible Transportation Commodity  
Effective January 1, 2018

Line No.	Particulars	M13 Delivery Commodity Charge						M13 Authorized overrun - Delivery Commodity Charge					
		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018	
		Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	2018 Fuel Rate (\$/GJ)	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	2018 Fuel Rate (\$/GJ)
		(%)	(%)	(%)	(%)	(%)		(%)	(%)	(%)	(%)	(%)	
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
1		0.157	0.001	0.158	-	0.158	0.006	0.157	0.001	0.158	-	0.158	0.135
		M16 Fuel Charges to Dawn						M16 Fuel Charges to Pool					
		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018	
		Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	2018 Fuel Rate (\$/GJ)	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	2018 Fuel Rate (\$/GJ)
		(%)	(%)	(%)	(%)	(%)		(%)	(%)	(%)	(%)	(%)	
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
2	East	0.157	0.001	0.158	-	0.158	0.006	0.157	0.001	0.158	0.027	0.185	0.006
3	West	0.157	0.001	0.158	-	0.158	0.006	0.447	0.002	0.449	-	0.449	0.016
		M16 Authorized overrun - Fuel Charges to Dawn						M16 Authorized Overrun - Fuel Charges to Pool					
		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018	
		Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	2018 Fuel Rate (\$/GJ)	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (excl. PDO)	Fuel Ratio	Fuel Ratio (incl. PDO)	2018 Fuel Rate (\$/GJ)
		(%)	(%)	(%)	(%)	(%)		(%)	(%)	(%)	(%)	(%)	
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
4	East	0.157	0.001	0.158	-	0.158	0.066	0.157	0.001	0.158	0.027	0.185	0.032
5	West	0.157	0.001	0.158	-	0.158	0.135	0.447	0.002	0.449	-	0.449	0.111



UNION GAS LIMITED

Continuity of C1 Monthly Transportation Fuel Ratios and Rates including Parkway Delivery Obligation (PDO) Pass-through  
Firm or Interruptible Transportation Commodity  
Effective January 1, 2018

Line No.	Particulars	C1 St. Clair / Dawn						C1 Ojibway / Dawn						C1 Bluewater / Dawn					
		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018	
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
1	Summer	0.207	0.001	0.208	-	0.208	0.007	0.447	0.002	0.449	-	0.449	0.016	0.207	0.001	0.208	-	0.208	0.007
2	Winter	0.266	0.001	0.267	-	0.267	0.009	0.303	0.002	0.305	-	0.305	0.011	0.266	0.001	0.267	-	0.267	0.009
3	Summer	C1 Dawn to Dawn-TCPL						C1 Dawn to Dawn-Vector											
		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018							
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018						
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate						
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)						
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)						
4	Winter	0.157	0.001	0.158	-	0.158	0.006	0.339	0.002	0.341	-	0.341	0.012						
4	Winter	0.351	0.002	0.353	-	0.353	0.012	0.157	0.001	0.158	-	0.158	0.006						
5	Summer	C1 Parkway to Kirkwall						C1 Parkway to Dawn						C1 Kirkwall to Dawn					
		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018	
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
6	Winter	0.276	0.001	0.277	0.024	0.301	0.011	0.276	0.001	0.277	0.024	0.301	0.011	0.157	0.001	0.158	-	0.158	0.006
6	Winter	0.157	0.001	0.158	-	0.158	0.006	0.157	0.001	0.158	-	0.158	0.006	0.157	0.001	0.158	-	0.158	0.006
7	Summer	C1 Dawn to Kirkwall						C1 Dawn to Parkway (TCPL)						C1 Kirkwall to Parkway					
		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018	
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
8	Winter	0.319	0.002	0.320	(0.001)	0.319	0.011	0.541	0.003	0.544	0.040	0.585	0.021	0.380	0.002	0.382	0.041	0.423	0.015
8	Winter	0.749	0.004	0.753	0.012	0.764	0.027	1.002	0.005	1.008	0.035	1.042	0.037	0.411	0.002	0.413	0.023	0.436	0.015

UNION GAS LIMITED  
Continuity of C1 Monthly Transportation Authorized Overrun Fuel Ratios and Rates including Parkway Delivery Obligation (PDO) Pass-through  
Firm or Interruptible Transportation Commodity  
Effective January 1, 2018

Line No.	Particulars	C1 Authorized Overrun - St. Clair / Dawn						C1 Authorized Overrun - Ojibway / Dawn						C1 Authorized Overrun - Bluewater / Dawn					
		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018	
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
1	Summer	0.207	0.001	0.208	-	0.208	0.102	0.447	0.002	0.449	-	0.449	0.111	0.207	0.001	0.208	-	0.208	0.102
2	Winter	0.266	0.001	0.267	-	0.267	0.104	0.303	0.002	0.305	-	0.305	0.106	0.266	0.001	0.267	-	0.267	0.104

  

		C1 Authorized Overrun - Dawn to Dawn-TCPL						C1 Authorized Overrun - Dawn to Dawn-Vector					
		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018	
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
3	Summer	0.157	0.001	0.158	-	0.158	0.006	0.339	0.002	0.341	-	0.341	0.012
4	Winter	0.351	0.002	0.353	-	0.353	0.012	0.157	0.001	0.158	-	0.158	0.006

  

		C1 Authorized Overrun - Parkway to Kirkwall						C1 Authorized Overrun - Parkway to Dawn						C1 Authorized Overrun - Kirkwall to Dawn					
		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018	
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
5	Summer	0.893	0.005	0.897	0.024	0.921	0.155	0.893	0.005	0.897	0.024	0.921	0.155	0.774	0.004	0.778	-	0.778	0.078
6	Winter	0.774	0.004	0.778	-	0.778	0.150	0.774	0.004	0.778	-	0.778	0.150	0.774	0.004	0.778	-	0.778	0.078

  

		C1 Authorized Overrun - Dawn to Kirkwall						C1 Authorized Overrun - Dawn to Parkway (TCPL)						C1 Authorized Overrun - Kirkwall to Parkway					
		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018		2017	PCI Adj	2018	PDO Adj	2018	
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	2018
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Fuel Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
7	Summer	0.936	0.005	0.940	(0.001)	0.939	0.137	1.158	0.006	1.164	0.040	1.205	0.165	0.997	0.005	1.002	0.041	1.043	0.055
8	Winter	1.366	0.007	1.373	0.012	1.384	0.152	1.619	0.008	1.628	0.035	1.662	0.181	1.028	0.005	1.033	0.023	1.056	0.056

UNION GAS LIMITED  
Continuity of Rate T1, Rate T2, Rate T3 Firm and Interruptible Transportation Fuel Ratios  
Including the Parkway Delivery Obligation (PDO) Compressor Fuel Volumes  
Effective January 1, 2018

Line No.	Particulars	PCI Adjustment to 2017 Approved Fuel Ratios					Incremental 2018 PDO Fuel Adjustment				Total 2018 Transportation Fuel Ratio (%)
		2017 Fuel Ratio (incl. PDO) (%) (1)	Remove PDO Adj Fuel Ratio (%) (2)	2017 Fuel Ratio (excl. PDO) (%)	PCI Adj Fuel Ratio (%) (3)	2018 Fuel Ratio (excl. PDO) (%)	Incremental PDO Fuel Volumes (GJ) (4)	Incremental Fuel (10 <sup>3</sup> m <sup>3</sup> ) (5)	Annual Delivery Volume (10 <sup>3</sup> m <sup>3</sup> )	Incremental PDO Fuel Ratio (%)	
		(a)	(b)	(c) = (a + b)	(d)	(e) = (c + d)	(f)	(g) = (f) / HV	(h)	(i) = (g / h)	(j) = (e + i)
1	Rate T1	0.305%	-0.048%	0.257%	0.001%	0.258%	13,159	349	536,730	0.065%	0.323%
2	Rate T2	0.283%	-0.030%	0.254%	0.001%	0.255%	62,696	1,661	4,129,518	0.040%	0.295%
3	Rate T3	0.380%	-0.087%	0.293%	0.001%	0.294%	12,103	321	272,712	0.118%	0.412%

Notes:

- (1) EB-2016-0245, Rate Order, Working Papers, Schedule 22, column (j).
- (2) EB-2016-0245, Rate Order, Working Papers, Schedule 22, column (i).
- (3) PCI of 0.51% shown at Working Papers, Schedule 1, column (c) applied to column (c) above.
- (4) Rate Order, Working Papers, Schedule 20, p. 3, column (i).
- (5) Conversion to 10<sup>3</sup>m<sup>3</sup> based on a heating value (HV) of 37.75 GJ/10<sup>3</sup>m<sup>3</sup>.

UNION GAS LIMITED  
2018 Gas Supply Plan in Union North Rates  
Effective January 1, 2018

Line No.	Particulars (\$000s)	Upstream Transportation Costs per EB-2017-0351 (1) (a)	2018 Gas Supply Plan Update Cost Impacts (2) (b)	Upstream Transportation Costs per EB-2017-0087 (c) = (a + b)
	<u>Rate 01</u>			
1	Delivery Rates	1,836	-	1,836
	Transportation Rates			
2	Union North West	18,308	2	18,310
3	Union North East	18,061	176	18,238
	Storage Rates			
4	Union North West	1,288	2	1,289
5	Union North East	28,958	(1)	28,957
	<u>Rate 10</u>			
6	Delivery Rates	485	-	485
	Transportation Rates			
7	Union North West	4,929	0	4,929
8	Union North East	6,629	37	6,666
	Storage Rates			
9	Union North West	300	1	301
10	Union North East	8,036	(0)	8,036
	<u>Rate 20</u>			
11	Delivery Rates	132	-	132
	Gas Supply Demand			
12	Union North West	1,407	0	1,408
13	Union North East	1,622	(4)	1,618
	Commodity Transportation 1			
14	Union North West	943	0	943
15	Union North East	1,089	(3)	1,086
	Bundled Storage			
16	Demand	1,282	0	1,282
17	Commodity	12	(0)	12
	<u>Rate 25</u>			
18	Delivery Rates	-	-	-
19	Transportation Rates	680	(17)	663
20	Storage Rates	-	-	-
	<u>Rate 100</u>			
21	Delivery Rates	9	-	9
	Gas Supply Demand			
22	Union North West	-	-	-
23	Union North East	-	-	-
	Commodity Transportation 1			
24	Union North West	-	-	-
25	Union North East	-	-	-
	Bundled Storage			
26	Demand	201	0	201
27	Commodity	2	(0)	2
28	Total	96,209	193	96,402

Notes:

(1) Rate Order, Working Papers, Schedule 15, column (g).

(2) Rate Order, Working Papers, Schedule 23, p. 2, Lines 7, 14, 22, & 29.

UNION GAS LIMITED  
Allocation of Union North Transportation and Storage Cost Changes by Zone

Line No.	Particulars (\$000's)	Total (a)	Rate 01 (b)	Rate 10 (c)	Rate 20 (d)	Rate 100 (e)	Rate 25 (f)
<b><u>Union North West Zone</u></b>							
<u>Transportation Demand Costs</u>							
1	EB-2017-0351 January 2018 QRAM	26,406	18,814	5,067	2,395	-	130
2	EB-2017-0087 2018 Rates	26,406	18,814	5,067	2,395	-	130
3	Change in Costs (line 2 - line 1)	(0)	(0)	(0)	(0)	-	-
<u>Transportation Fuel Costs</u>							
4	EB-2017-0351 January 2018 QRAM	555	372	112	65	-	5
5	EB-2017-0087 2018 Rates	557	374	113	65	-	5
6	Change in Costs (line 5 - line 4)	2	2	0	0	-	-
7	<b>Total Change in Transportation Costs (line 3 + line 6)</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
<u>Storage Demand Costs</u>							
8	EB-2017-0351 January 2018 QRAM	1,616	1,244	282	90	-	-
9	EB-2017-0087 2018 Rates	1,616	1,244	282	90	-	-
10	Change in Costs (line 9 - line 8)	(0)	(0)	(0)	(0)	-	-
<u>Storage Fuel Costs</u>							
11	EB-2017-0351 January 2018 QRAM	244	165	50	30	-	-
12	EB-2017-0087 2018 Rates	247	166	50	30	-	-
13	Change in Costs (line 12 - line 11)	3	2	1	0	-	-
14	<b>Total Change in Storage Costs (line 10 + line 13)</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>-</b>	<b>-</b>
15	<b>Total Change in North West Zone Costs (line 7 + line 14)</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b><u>Union North East Zone</u></b>							
<u>Transportation Demand Costs</u>							
16	EB-2017-0351 January 2018 QRAM	29,646	19,707	7,228	2,074	-	636
17	EB-2017-0087 2018 Rates	29,824	19,876	7,261	2,067	-	620
18	Change in Costs (line 17 - line 16)	178	169	34	(8)	-	(17)
<u>Transportation Fuel Costs</u>							
19	EB-2017-0351 January 2018 QRAM	808	516	201	65	-	26
20	EB-2017-0087 2018 Rates	819	524	204	66	-	26
21	Change in Costs (line 20 - line 19)	11	8	3	1	-	(0)
22	<b>Total Change in Transportation Costs (line 18 + line 21)</b>	<b>189</b>	<b>176</b>	<b>37</b>	<b>(7)</b>	<b>-</b>	<b>(17)</b>
<u>Storage Demand Costs</u>							
23	EB-2017-0351 January 2018 QRAM	41,156	30,441	8,399	2,105	211	-
24	EB-2017-0087 2018 Rates	41,156	30,441	8,399	2,105	211	-
25	Change in Costs (line 24 - line 23)	0	0	0	0	0	-
<u>Storage Fuel Costs</u>							
26	EB-2017-0351 January 2018 QRAM	363	231	90	41	2	-
27	EB-2017-0087 2018 Rates	362	230	89	41	2	-
28	Change in Costs (line 27 - line 26)	(2)	(1)	(0)	(0)	(0)	-
29	<b>Total Change in Storage Costs (line 25 + line 28)</b>	<b>(2)</b>	<b>(1)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>-</b>
30	<b>Total Change in North East Zone Costs (line 22 + line 29)</b>	<b>188</b>	<b>175</b>	<b>36</b>	<b>(7)</b>	<b>(0)</b>	<b>(17)</b>
<u>Common Costs</u>							
31	EB-2017-0351 January 2018 QRAM	1,271	-	-	-	-	-
32	EB-2017-0087 2018 Rates	1,271	-	-	-	-	-
33	Change in Costs (line 32 - line 31)	-	-	-	-	-	-
34	<b>Total Change in Storage and Transportation Costs (line 15 + line 30)</b>	<b>193</b>	<b>179</b>	<b>37</b>	<b>(6)</b>	<b>(0)</b>	<b>(17)</b>

UNION GAS LIMITED  
Union North 2018 Gas Supply Plan as filed in EB-2015-0181 at January 2018 QRAM

Line No.	Particulars	2017 Gas Supply Plan (1)			2018 Gas Supply Plan (4)			Cost Variance (g) = (f - c)
		Annual Volume (TJ) (1) (a)	Rates (2) (\$ / GJ) (b)	Costs (3) (\$000's) (c)	Annual Volumes (TJ) (4) (d)	Rates (2) (\$ / GJ) (e)	Costs (\$000's) (f) = (d x e)	
	<b><u>Transportation Costs</u></b>							
	<b><u>Union North West Zone Demand Costs</u></b>							
1	TCPL MDA	2,031	21.804	1,456	2,031	21.804	1,456	-
2	TCPL SSMDA	2,972	43.860	4,286	2,972	43.860	4,286	-
3	TCPL WDA	18,764	31.350	19,340	18,764	31.350	19,340	(0)
4	CTHI/CPMI	2,066	19.506	1,325	2,066	19.506	1,325	-
5	Subtotal			26,406			26,406	(0)
	<b><u>Union North East Zone Demand Costs</u></b>							
6	TCPL NCDA	3,211	58.624	6,188	3,211	58.624	6,188	0
7	TCPL EDA	365	64.737	777	365	64.737	777	-
8	TCPL NDA	2,915	48.388	4,638	2,915	48.388	4,638	-
9	TCPL PKWY EDA	21,108	12.531	8,696	21,108	12.531	8,696	0
10	TCPL PKWY NDA	15,695	18.045	9,311	15,695	18.045	9,311	0
11	TCPL PKWY NCDA	122	8.900	36	730	8.900	214	178
12	Subtotal			29,646			29,824	178
	<b><u>Common Costs</u></b>							
13	LBA			1,200			1,200	-
14	TCPL Minimum Flow Charge			71			71	-
15	Subtotal			1,271			1,271	-
16	Demand Costs in Rates (line 5 + line 12 + line 15)			57,322			57,500	178
	<b><u>Union North West Zone Fuel Costs</u></b>							
17	TCPL MDA	6	2.567	16	6	2.567	16	-
18	TCPL SSMDA	54	2.567	138	54	2.567	138	0
19	TCPL WDA	155	2.567	398	156	2.567	400	2
20	CTHI/CPMI	1	2.567	3	1	2.567	3	-
21	Subtotal			555			557	2
	<b><u>Union North East Zone Fuel Costs</u></b>							
22	TCPL NCDA	87	2.567	222	91	2.567	234	11
23	TCPL EDA	11	2.567	28	11	2.567	28	-
24	TCPL NDA	70	2.567	179	70	2.567	179	-
25	TCPL PKWY EDA	52	3.522	185	53	3.522	185	0
26	TCPL PKWY NDA	55	3.522	194	55	3.522	193	(1)
27	TCPL PKWY NCDA	-	3.522	-	0	3.522	1	1
28	Subtotal			808			819	11
29	Fuel Costs in Rates (line 21 + line 28)			1,363			1,377	14
30	<b>Total Transportation Costs (line 16 + line 29)</b>			58,685			58,877	192
	<b><u>Storage Costs</u></b>							
	<b><u>Union North West Zone Demand Costs</u></b>							
31	TCPL WDA STS Injection	1,150	42.754	1,616	1,150	42.754	1,616	(0)
32	Subtotal			1,616			1,616	(0)
	<b><u>Union North East Zone Demand Costs</u></b>							
33	TCPL NDA STS Injection	17,921	18.045	10,632	17,921	18.045	10,632	-
34	TCPL EDA STS Withdrawal	9,845	12.531	4,056	9,845	12.531	4,056	-
35	TCPL Pkwy to EDA	19,042	12.531	7,845	19,042	12.531	7,845	0
36	TCPL Pkwy to EDA EMB	9,125	13.716	4,115	9,125	13.716	4,115	0
37	TCPL Pkwy to NDA	24,455	18.045	14,508	24,455	18.045	14,508	0
38	Subtotal			41,156			41,156	0
39	Demand Costs in Rates (line 32 + line 38)			42,772			42,772	0
	<b><u>Union North West Zone Fuel Costs</u></b>							
40	TCPL WDA STS Injection	14	2.567	37	15	2.567	39	3
41	TCPL SSMDA STS Withdrawal	28	3.522	98	28	3.522	98	-
42	TCPL WDA STS Withdrawal	31	3.522	110	31	3.522	110	-
43	Subtotal			244			247	3
	<b><u>Union North East Zone Fuel Costs</u></b>							
44	TCPL NCDA STS Injection	2	2.567	4	2	2.567	4	(0)
45	TCPL NCDA STS Withdrawal	8	3.522	29	8	3.522	27	(3)
46	TCPL Pkwy to EDA	8	3.522	27	8	3.522	30	2
47	TCPL Pkwy to EDA EMB	17	3.522	60	16	3.522	57	(3)
48	TCPL Pkwy to NDA	69	3.522	242	69	3.522	244	2
49	Subtotal			363			362	(2)
50	Fuel Costs in Rates (line 43 + line 49)			608			608	1
51	<b>Total Storage Costs (line 39 + line 50)</b>			43,379			43,380	1
52	<b>Total Storage and Transportation Costs</b>			102,064			102,257	193

Notes:

- (1) EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 1, p. 1-2, column (g).  
(2) EB-2017-0351, Tab 2, Schedule 2, p.2, column (d).  
(3) EB-2017-0351, Tab 2, Schedule 2, p.2, column (e).  
(4) EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 1, p. 1-2, column (j).

UNION GAS LIMITED  
Summary of 2018 Retroactive Rate Adjustments for General Service Rate Classes

Line No	Particulars	Total Amount for Recovery/(Refund) (\$ (1) (a)	Billing Units for Disposition (10 <sup>3</sup> m <sup>3</sup> ) (2) (b)	Unit Rate Adjustment for Prospective Recovery (cents/m <sup>3</sup> ) (c) = (a / b / 10)
	<u>Union North</u>			
	<u>Rate 01</u>			
1	Delivery	461,769	716,592	0.0644
	Transportation			
2	Union North West	410	216,576	0.0002
3	Union North East	35,609	532,860	0.0067
	Storage			
4	Union North West	102,083	207,085	0.0493
5	Union North East	401,218	509,508	0.0787
	Gas Supply Commodity			
6	Union North West	(330)	154,555	(0.0002)
7	Union North East	(780)	364,913	(0.0002)
8	Total Rate 01	<u>999,979</u>		
	<u>Rate 10</u>			
9	Delivery	110,989	274,728	0.0404
	Transportation			
10	Union North West	27	68,820	0.0000
11	Union North East	6,019	220,714	0.0027
	Storage			
12	Union North West	20,630	65,301	0.0316
13	Union North East	105,147	209,427	0.0502
	Gas Supply Commodity			
14	Union North West	(55)	31,739	(0.0002)
15	Union North East	(167)	100,447	(0.0002)
16	Total Rate 10	<u>242,589</u>		
	<u>Union South</u>			
	<u>Rate M1</u>			
17	Delivery	1,904,173	2,307,703	0.0825
18	Storage	89,105	2,307,703	0.0039
19	Gas Supply Commodity	(3,485)	1,782,802	(0.0002)
20	Total Rate M1	<u>1,989,793</u>		
	<u>Rate M2</u>			
21	Delivery	760,976	890,933	0.0854
22	Storage	43,614	890,933	0.0049
23	Gas Supply Commodity	(652)	361,490	(0.0002)
24	Total Rate M2	<u>803,938</u>		
25	Total - General Service	<u><u>4,036,299</u></u>		

Notes:

- (1) Total Amount per Schedule 24, pp.2 - 5, column (e).
- (2) Based on 2018 OEB-approved billing units (EB-2017-0087) for prospective recovery period of February 1, 2018 to December 31, 2018.

UNION GAS LIMITED  
Calculation of 2018 Retroactive Rate Adjustments for Rate 01

Line No	Particulars	EB-2017-0351 Approved January 1, 2018 (cents/m <sup>3</sup> ) (a)	EB-2017-0087 Approved January 1, 2018 (cents/m <sup>3</sup> ) (b)	Rate Change Difference (cents/m <sup>3</sup> ) (c) = (b - a)	Billing Units 10 <sup>3</sup> m <sup>3</sup> (1) (d)	Revenue Difference (\$) (e) = (c * d * 10)	Billing Units for Disposition (10 <sup>3</sup> m <sup>3</sup> ) (2) (f)	Unit Rate Adjustment for Prospective Recovery (cents/m <sup>3</sup> ) (g) = (e / f / 10)
	Monthly Delivery Charge - All Zones							
1	First 100 m <sup>3</sup>	9.0997	9.3875	0.2878	30,741	88,472		
2	Next 200 m <sup>3</sup>	8.8667	9.1476	0.2809	56,021	157,364		
3	Next 200 m <sup>3</sup>	8.4990	8.7683	0.2693	34,242	92,214		
4	Next 500 m <sup>3</sup>	8.1615	8.4201	0.2586	22,567	58,358		
5	Over 1,000 m <sup>3</sup>	7.8827	8.1324	0.2497	26,176	65,362		
6	Total				169,747	461,769	716,592	0.0644
	Gas Transportation Service							
7	Union North West	6.8558	6.8566	0.0008	51,254	410	216,576	0.0002
8	Union North East	2.9991	3.0273	0.0282	126,273	35,609	532,860	0.0067
9	Total				177,527	36,019		
	Storage Service							
10	Union North West	2.0541	2.2624	0.2083	49,008	102,083	207,085	0.0493
11	Union North East	6.6687	7.0010	0.3323	120,740	401,218	509,508	0.0787
12	Total				169,747	503,300		
	Commodity Cost of Gas and Fuel							
13	Union North West	10.1887	10.1878	(0.0009)	36,641	(330)	154,555	(0.0002)
14	Union North East	13.9084	13.9075	(0.0009)	86,706	(780)	364,913	(0.0002)
15	Total				123,347	(1,110)		
16	Total Rate 01					999,979		

Notes:

(1) Based on 2018 OEB-approved billing units (EB-2017-0087) for the retroactive period from January 1, 2018 to January 31, 2018.

(2) Based on 2018 OEB-approved billing units (EB-2017-0087) for the prospective period from February 1, 2018 to December 31, 2018.



UNION GAS LIMITED  
Calculation of 2018 Retroactive Rate Adjustments for Rate 10

Line No	Particulars	EB-2017-0351 Approved January 1, 2018 (cents/m <sup>3</sup> ) (a)	EB-2017-0087 Approved January 1, 2018 (cents/m <sup>3</sup> ) (b)	Rate Change Difference (cents/m <sup>3</sup> ) (c) = (b - a)	Billing Units 10 <sup>3</sup> m <sup>3</sup> (1) (d)	Revenue Difference (\$) (e) = (c * d * 10)	Billing Units for Disposition (10 <sup>3</sup> m <sup>3</sup> ) (2) (f)	Unit Rate Adjustment for Prospective Recovery (cents/m <sup>3</sup> ) (g) = (e / f / 10)
Monthly Delivery Charge - All Zones								
1	First 1,000 m <sup>3</sup>	7.6284	7.9111	0.2827	2,477	7,004		
2	Next 9,000 m <sup>3</sup>	6.1959	6.4255	0.2296	18,593	42,690		
3	Next 20,000 m <sup>3</sup>	5.5243	5.7547	0.2304	14,351	33,065		
4	Next 70,000 m <sup>3</sup>	4.9875	5.1955	0.2080	10,317	21,460		
5	Over 100,000 m <sup>3</sup>	2.9538	3.0770	0.1232	5,496	6,771		
6	Total				<u>51,235</u>	<u>110,989</u>	274,728	0.0404
Gas Transportation Service								
7	Union North West	6.0028	6.0030	0.0002	13,330	27	68,820	0.0000
8	Union North East	2.7609	2.7757	0.0148	40,666	6,019	220,714	0.0027
9	Total				<u>53,996</u>	<u>6,045</u>		
Storage Service								
10	Union North West	1.5431	1.7062	0.1631	12,648	20,630	65,301	0.0316
11	Union North East	4.7075	4.9800	0.2725	38,586	105,147	209,427	0.0502
12	Total				<u>51,235</u>	<u>125,777</u>		
Commodity Cost of Gas and Fuel								
13	Union North West	10.1887	10.1878	(0.0009)	6,149	(55)	31,739	(0.0002)
14	Union North East	13.9084	13.9075	(0.0009)	18,543	(167)	100,447	(0.0002)
15	Total				<u>24,692</u>	<u>(222)</u>		
16	Total Rate 10					<u><u>242,589</u></u>		

Notes:

- (1) Based on 2018 OEB-approved billing units (EB-2017-0087) for the retroactive period from January 1, 2018 to January 31, 2018.  
(2) Based on 2018 OEB-approved billing units (EB-2017-0087) for the prospective period from February 1, 2018 to December 31, 2018.

UNION GAS LIMITED  
Calculation of 2018 Retroactive Rate Adjustments for Rate M1

Line No	Particulars	EB-2017-0351 Approved January 1, 2018 (cents/m <sup>3</sup> ) (a)	EB-2017-0087 Approved January 1, 2018 (cents/m <sup>3</sup> ) (b)	Rate Change Difference (cents/m <sup>3</sup> ) (c) = (b - a)	Billing Units 10 <sup>3</sup> m <sup>3</sup> (1) (d)	Revenue Difference (\$) (e) = (c * d * 10)	Billing Units for Disposition (10 <sup>3</sup> m <sup>3</sup> ) (2) (f)	Unit Rate Adjustment for Prospective Recovery (cents/m <sup>3</sup> ) (g) = (e / f / 10)
	Monthly Delivery Charge							
1	First 100 m <sup>3</sup>	4.6590	5.0911	0.4321	93,462	403,848		
2	Next 150 m <sup>3</sup>	4.4181	4.8271	0.4090	131,939	539,629		
3	All over 250 m <sup>3</sup>	3.7957	4.1448	0.3491	275,192	960,695		
					<u>500,592</u>	<u>1,904,173</u>	2,307,703	0.0825
4	Storage Service	0.7153	0.7331	0.0178	<u>500,592</u>	<u>89,105</u>	2,307,703	0.0039
5	Commodity and Fuel	13.6260	13.6251	(0.0009)	<u>387,224</u>	<u>(3,485)</u>	1,782,802	(0.0002)
6	Total Rate M1					<u><u>1,989,793</u></u>		

Notes:

(1) Based on 2018 OEB-approved billing units (EB-2017-0087) for the retroactive period from January 1, 2018 to January 31, 2018.

(2) Based on 2018 OEB-approved billing units (EB-2017-0087) for the prospective period from February 1, 2018 to December 31, 2018.

UNION GAS LIMITED  
Calculation of 2018 Retroactive Rate Adjustments for Rate M2

Line No	Particulars	EB-2017-0351 Approved January 1, 2018 (cents/m <sup>3</sup> ) (a)	EB-2017-0087 Approved January 1, 2018 (cents/m <sup>3</sup> ) (b)	Rate Change Difference (cents/m <sup>3</sup> ) (c) = (b - a)	Billing Units 10 <sup>3</sup> m <sup>3</sup> (1) (d)	Revenue Difference (\$) (e) = (c * d * 10)	Billing Units for Disposition (10 <sup>3</sup> m <sup>3</sup> ) (2) (f)	Unit Rate Adjustment for Prospective Recovery (cents/m <sup>3</sup> ) (g) = (e / f / 10)
	Monthly Delivery Charge							
1	First 1,000 m <sup>3</sup>	4.6430	5.0630	0.4200	7,443	31,263		
2	Next 6,000 m <sup>3</sup>	4.5553	4.9670	0.4117	43,512	179,137		
3	Next 13,000 m <sup>3</sup>	4.3686	4.7855	0.4169	61,777	257,550		
4	All over 20,000 m <sup>3</sup>	4.0495	4.4347	0.3852	76,071	293,026		
					<u>188,804</u>	<u>760,976</u>	890,933	0.0854
5	Storage Service	0.6252	0.6483	0.0231	<u>188,804</u>	<u>43,614</u>	890,933	0.0049
6	Commodity and Fuel	13.6260	13.6251	(0.0009)	<u>72,416</u>	<u>(652)</u>	361,490	(0.0002)
7	Total Rate M2					<u><u>803,938</u></u>		

Notes:

(1) Based on 2018 OEB-approved billing units (EB-2017-0087) for the retroactive period from January 1, 2018 to January 31, 2018.

(2) Based on 2018 OEB-approved billing units (EB-2017-0087) for the prospective period from February 1, 2018 to December 31, 2018.