

Rep: OEB
Doc: 11KBJ
Rev: 0

E.B.R.O. 456-4

IN THE MATTER OF the Ontario Energy Board Act, R.S.O.
1980, Chapter 332, as amended;

AND IN THE MATTER OF an Application by Union Gas
Limited to the Ontario Energy Board under Sections 15(8) and
19 of the said Act, for an Order or Orders approving or fixing
rates for the sale and transmission of gas.

BEFORE: S.J. Wychowanec, Q.C., Chairman and Presiding Member

J.C. Butler, Vice-Chairman

D.A. Dean, Member

O.J. Cook, Member

C.A. Wolf Jr, Member

R.M.R. Higgin, Member

April 14, 1989

ORDER

(RE: GAS COSTS)

UPON Union Gas Limited ("Union") having applied to the Ontario Energy Board (the "Board") on August 31, 1988 pursuant to Section 19 of the Ontario Energy Board Act (the

Was Page 2. See Image [OEB:11KBH-0:2]

"Act") for an Order or Orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas effective April 1, 1989 based on projected results for Union's 1990 fiscal year;

AND UPON Union also having applied to the Board in the aforesaid Application for an Order or Orders authorizing Union to set aside in an account differences in amounts paid by Union for gas supplies relative to the amounts approved for inclusion in rates, and for such interim order or orders as are necessary to reflect in rates the gas costs flowing from gas purchase agreements, including agreements with TransCanada PipeLines Limited ("TCPL") and Western Gas Marketing Limited ("WGML") in the delivery period commencing November 1, 1988;

AND UPON the Board having issued an Order dated October 31, 1988 making Union's rates interim as of November 1, 1988;

AND UPON the Board having varied the order dated October 31, 1988 by issuing a Vary Order dated November 14, 1988 declaring Union's rates interim for all purposes effective November 1, 1988 and subject to change retroactive to that date;

Was Page 3. See Image [OEB:11KBH-0:3]

AND UPON the Order dated October 31, 1988, also having made provision for the continuation on an interim basis of Union's existing rate schedules, including Market Fund rebates provided for in those rate schedules, and authorizing Union to establish certain deferral accounts;

AND UPON Union having, by Notice of Motion dated December 21, 1988, applied to the Board for an order or orders to provide for a hearing respecting Union's gas costs;

AND UPON the Board having conducted a hearing commencing February 9, 1989, relating to Union's application for an interim order or orders to reflect, in rates, gas costs flowing from the gas purchasing agreements as aforesaid and for authority to establish a Purchase Gas Variation Account ("PGVA");

AND UPON the Board having issued its Decision with Reasons dated April 14, 1989, respecting these matters.

IT IS ORDERED THAT:

1. Union's forecast costs of gas, including the costs of gas flowing under the gas supply contract

between Union and WGML made as of February 1, 1989, are hereby approved for inclusion in Union's rates. The changes to Union's rates resulting from these gas costs changes are set out in Appendix "A" hereto and shall be effective February 1, 1989. The rates changes set out in Appendix "A" are interim for all purposes pending the Board's final Decision under Board docket number E.B.R.O. 456 respecting Union's rates for the period commencing April 1, 1989 and are subject to change retroactive to that date.

Was Page 4. See Image [\[OEB:11KBH-0:4\]](#)

24

2. For the purposes of the rates approved in this Order and the PGVA referred to in paragraph 11 hereof, the approved weighted average cost of gas delivered to Union's system shall be \$105.625/10(3)m(3).

3. Market Fund rebates payable to Union's customers continued by the Board in paragraphs 3, 4 and 5 of its Interim Order dated October 31, 1988 in these proceedings shall be terminated effective February 1, 1989.

4. The price payable by Union under buy/sell contracts with its customers that provide for an obligation to deliver, as provided for in paragraph 13 hereof, shall, effective February 1, 1989, be \$75.398/10(3)m(3) at the Alberta or Saskatchewan borders. In the case of such contracts providing for delivery by the customer to Union's system in Ontario, Union shall also pay the customer the applicable FS or FST tolls charged by TCPL for delivery to Union's system.

Was Page 5. See Image [\[OEB:11KBH-0:5\]](#)

27

5. Union shall make the necessary adjustments to its customers' bills for the period commencing February 1, 1989 to reflect the termination of Market Fund Rebates as provided for in paragraph 3 hereof as well as the rate changes provided for in paragraph 1 hereof.

6. Interest at the rate of 10.4 percent per annum shall be calculated on rebates or credits payable to Union's customers as a result of this Order and shall be recorded in the PGVA referred to in paragraph 11 hereof for future disposition by the Board.

7. Any amounts payable by or to Union as a result of the retroactive effect of this Order, which Union is unable to pay or collect due to its inability to locate customers or obtain payment from customers, shall be recorded in Deferral Account Number 179-26 together with interest calculated at the rate of 10.4 percent per annum for future disposition by the Board in accordance with Appendix "E" hereto.

8. The Rate Schedules attached to this Order as Appendix "B" are approved effective February 1, 1989 and are interim.

9. The approved balances in certain of Union's deferral accounts as at January 31, 1989, are as follows:

Was Page 6. See Image [\[OEB:11KBH-0:6\]](#)

32

Such balances, together with the amount of \$2,424,000 payable to Union by WGML, shall be applied to reduce the price of gas inventories held by Union on January 31, 1989.

10. The aforesaid deferral accounts shall be closed effective January 31, 1989 when the transfer authorized in the foregoing paragraph has been completed.

11. Effective February 1, 1989, Union is authorized to record, in a deferral account to be designated as PGVA, Deferral Account Number 179-24, for future disposition by the Board, differences between actual costs of gas supplied to Union and the forecast cost of gas of \$105.625/10(3)m(3) approved for inclusion in Union's rates in accordance with Appendix "F" hereto. Union is authorized to record in the PGVA a debit balance of \$1,423,000 effective February 1, 1989 to reflect the shortfall between the aforesaid deferred account balances and the amount required to reduce the price of inventory such that the rate changes referred to in paragraph 1 hereof can be implemented as of February 1, 1989. Balances in the PGVA shall bear simple interest to be computed monthly on the opening balance in the Account at the month end prime bank rate charged to Union by the Canadian Imperial Bank of Commerce.

Was Page 7. See Image [\[OEB:11KBH-0:7\]](#)

12. Effective February 1, 1989, the amount of the SNG premium shall be calculated as the amount by which Union's cost of SNG exceeds Union's delivered cost of gas purchased from WGML under FS service from TCPL.

13. Union is authorized to require that all customers entering into buy/sell contracts with Union shall undertake an obligation to deliver gas to Union, and Union is authorized to require that such customers contract for firm transportation service on all pipeline systems used to supply such gas to Union's system.

14. Notwithstanding the terms of contracts of customers served under Union's M5A, M7 and T-1 (Interruptible) rates, the prices prescribed in each contract shall be adjusted by the amounts set out in Appendix "C" hereto effective February 1, 1989.

Was Page 8. See Image [\[OEB:11KBH-0:8\]](#)

15. The Industrial Gas Users Association is awarded 70 percent of its reasonably incurred costs of these proceedings. The Ontario Petroleum Institute is awarded 60 percent of such costs. The Consumers Association of Canada (Ontario) is awarded 100 percent of the costs of its consultant, Dr. T.I. Gunton, and 50 percent of the balance of its reasonably incurred costs of these proceedings. Northridge Petroleum Marketing Inc., North Canadian Marketing Inc., Direct Energy Marketing Limited, Pembina Exploration Corp. and the City of Kitchener are each awarded 50 percent of their reasonably incurred costs of these proceedings. In all cases, these awards are subject to the Board's assessment process, following which an Order shall be issued by the Board requiring Union to pay intervenor costs as fixed therein.

16. Union shall pay the Board's costs of these proceedings as soon as they are fixed.

17. The forms of notice attached to this Order as Appendix "D" are approved and the appropriate form of notice is directed to be given to all customers with the first invoice reflecting the rates set out in Appendix "B" to this Order.

ISSUED at Toronto this 26th day of May, 1989.

ONTARIO ENERGY BOARD

<signed>
S.A.C. Thomas
Board Secretary

Appendix "A" to Board Order
E.B.R.O. 456-4 dated
May 26, 1989.

<signed> S.A.C. Thomas Board Secretary

EBRO 456-4
Appendix A
Page 1 of 11

UNION GAS LIMITED

Summary of Changes to Rates

EBRO 456-4
Appendix A
Page 2 of 11

UNION GAS LIMITED

Summary of Changes to Rates

EBRO 456-4
Appendix A
Page 3 of 11

UNION GAS LIMITED

Summary of Changes to Rates

EBRO 456-4
Appendix A
Page 4 of 11

UNION GAS LIMITED

Summary of Changes to Rates

EBRO 456-4
Appendix A
Page 5 of 11

UNION GAS LIMITED

Summary of Changes to Rates

EBRO 456-4
Appendix A
Page 6 of 11

UNION GAS LIMITED

Summary of Changes to Rates

56

57

58

Was Page 4. See Image [\[OEB:11KBH-0:13\]](#)
59

60

61

62

Was Page 5. See Image [\[OEB:11KBH-0:14\]](#)
63

64

65

66

Was Page 6. See Image [\[OEB:11KBH-0:15\]](#)
67

68

69

70

EBRO 456-4
Appendix A
Page 7 of 11

Was Page 7. See Image [\[OEB:11KBH-0:16\]](#)
71

UNION GAS LIMITED

72

Summary of Changes to Rates

73

4

74

EBRO 456-4
Appendix A
Page 8 of 11

Was Page 8. See Image [\[OEB:11KBH-0:17\]](#)
75

UNION GAS LIMITED

76

Summary of Changes to Rates

77

4

78

EBRO 456-4
Appendix A
Page 9 of 11

Was Page 9. See Image [\[OEB:11KBH-0:18\]](#)
79

UNION GAS LIMITED

80

Summary of Changes to Rates

81

4

82

EBRO 456-4
Appendix A
Page 10 of 11

Was Page 10. See Image [\[OEB:11KBH-0:19\]](#)
83

UNION GAS LIMITED

84

Summary of Changes to Rates

85

EBRO 456-4
Appendix A
Page 11 of 11

UNION GAS LIMITED

Summary of Changes to Rates

Appendix "B" to Board Order
E.B.R.O. 456-4 dated
May 26, 1989.

<signed> S.A.C. Thomas E.B.R.O. 456-4 Appendix B UNION GAS LIMITED RATE M2 GENERAL
SERVICE RATE

Availability

The entire gas service area of the Company.

Applicability

To residential and non-contract commercial and industrial customers.

Rate

Monthly fixed charge \$ 7.25

and First 1 400 m(3) consumed per month 17.7750 per m(3) Next 4 600 m(3) consumed per month
14.9228 per m(3) Next 124 000 m(3) consumed per month 13.9738 per m(3) Next 270 000 m(3)
consumed per month 13.7987 per m(3) All over 400 000 m(3) consumed per month 13.4748 per m(3)

Pro-ration of Monthly Fixed Charge

During any month in which a customer terminates service or begins service, the fixed charge for the

month will be prorated to such customer.

Monthly Readings

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

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 unreasonably 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. In such cases an additional service charge shall be rendered each month in the amount of \$15.00 per month for each additional meter so combined.

Was Page 2. See Image [\[OEB:11KBH-0:22\]](#)

Delayed Payment

When payment in full is not made on or before the due date shown on the bill, which date shall be not less than 16 days after the date of the mailing or delivery of the bill by Union Gas Limited, the overdue balance of the current gas portion of the bill shall be increased by five percent (5%) which increased amount shall be due and payable thereafter.

Effective - February 1, 1989 O.E.B. Interim Order # E.B.R.O. Chatham, Ontario.

Supersedes E.B.R.O. 456-4 Rate Schedule effective November 1, 1988

Company Policy Relating to Terms of Service

- 1) 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.
- 2) 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 99.285 kilopascals (absolute) regardless of the actual atmospheric pressure at which the gas is measured and delivered.

Was Page 1. See Image [\[OEB:11KBH-0:23\]](#)

UNION GAS LIMITED

RATE M4 FIRM INDUSTRIAL AND COMMERCIAL CONTRACT RATE	114
Availability	115
The entire gas service area of the Company.	116
Applicability	117
To a customer who enters into a contract for a minimum term of one year that specifies a daily contracted demand as follows:	118
For the period:	119
June 1, 1986 - March 31, 1987 Between 7 000 m(3) and 140 870 m(3) inclusive	120
Effective April 1, 1987 Between 4 800 m(3) and 140 870 m(3)	121
Rate	122
Bills will be rendered monthly and shall be the total of:	123
a) A Monthly Demand Charge	124
For each m(3) of the first 8 450 m(3) of the daily contracted demand 24.4500 For each m(3) of the next 19 700 m(3) of the daily contracted demand 21.7880 For each m(3) of daily contracted demand over 28 150 m(3) 19.1260	125
b) A Monthly Commodity Charge	126
For the first 422 250 m(3) plus a volume equal to 15 days use of daily contracted demand (15 x the daily contracted demand) 10.9815 per m(3) For the remainder of such use 10.6265 per m(3)	127
c) Over-run Charge	128
Unauthorized overrun in any month shall be paid for at the rate of 17.7750 per m(3).	129
Authorized overrun gas is available provided that it is authorized by the Company in advance. The	130

Company will not unreasonably withhold authorization. Authorized overrun will be available April 1 through October 31 and will be paid for at the rate of 11.7853 per m(3).

Was Page 2. See Image [OEB:11KBH-0:24]

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and

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d) An Annual Minimum Charge

133

In each contract year the customer shall purchase from the Company or pay for a minimum volume of gas equivalent to 146 days use of contracted demand. Overrun gas volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume the customer shall pay an amount equal to the deficiency from the minimum volume times a commodity charge of 2.6833 per m(3).

134

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

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Delayed Payment

136

When payment in full is not made on or before the due date shown on the bill, a date not less than 16 days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

137

Definitions

138

"Month" means a period beginning at 0800 hours local time on the first day of a calendar month and ending at 0800 hours local time on the first day of the following calendar month.

139

"Day" means a period of 24 consecutive hours beginning at 0800 hours local time.

140

"Contracted Demand" means the maximum volume of gas the Company is obligated to deliver to the consumer on any one day.

141

"Over-run" means gas taken on any day in excess of 103% of contracted daily demand.

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Effective - February 1, 1989 O.E.B. Interim Order # E.B.R.O. Chatham, Ontario

143

Supersedes E.B.R.O. 456-4 rate schedule effective November 1, 1988

Was Page 1. See Image [OEB:11KBH-0:25]

144

UNION GAS LIMITED

RATE M5A INTERRUPTIBLE INDUSTRIAL AND COMMERCIAL CONTRACT RATE

Availability

The entire gas service area of the Company.

Applicability

To a customer who enters into a contract for a minimum term of one year that specifies a daily contracted demand between 4 800 m(3) and 140 870 m(3) inclusive.

Rate

1. The price of all gas delivered by the Company pursuant to any contract, contract amendment, or contract renewal entered into on and after April 1, 1981 shall be determined on the basis of the following schedules:

a)	Daily Contracted Demand Level (CD)	Price per m(3) (P)
----	------------------------------------	--------------------

/m(3)

4800	m(3) ó CD < 17000 m(3)	12.1798
17000	m(3) ó CD < 30000 m(3)	12.0499
30000	m(3) ó CD < 50000 m(3)	11.9816
50000	m(3) ó CD < 70000 m(3)	11.9337
70000	m(3) ó CD < 100000 m(3)	11.8994
100000	m(3) ó CD < 140870 m(3)	11.8657

- b) Days Use of Contracted Demand

- i. For contracts entered into prior to April 24, 1984

The price determined under Paragraph 1(a) of "Rate" will be reduced by the amount based on the number of Days Use of Contracted Demand as scheduled below: Price Reduction Days Use of Contracted Demand (D) /m(3)

50 6 D < 75 .000 75 6 D < 100 .053 100 6 D < 125 .106 125 6 D < 150 .159 150 6 D < 175 .212 175 6 D < 200 .265 200 6 D < 225 .318 225 6 D < 250 .371 250 6 D < 275 .424 275 6 D < .477

Was Page 2. See Image [\[OEB:11KBH-0:26\]](#)

ii. For contracts entered into on or after April 24, 1984

The price determined under Paragraph 1(a) of "Rate" 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 .053/m(3)

For each additional days use of contracted demand up to a maximum of days use of 275 an additional discount of .00212/m(3)

2. In each contract year, the customer shall purchase from the Company 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 and which will not be less than 700,000 m(3) per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times a commodity charge of 3.8816 per m(3)

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

3. Overrun gas is available without penalty provided that it is authorized by the Company in advance and the Company will not unreasonably withhold authorization. Unauthorized over-run gas taken in any month shall be paid for at the rate of 17.7750 per m(3).

4. Non-Interruptible Service

a) For contracts signed before June 1, 1986

The Company 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 the Company and the customer. The contract commodity price for all volumes contracted by the customer shall be the weighted average of (a) the rate for firm service at the Company's firm rates net of a monthly demand charge of 21.268 for each m(3) of daily contracted demand and (b) the interruptible rate established

under 1 above.

Was Page 3. See Image [OEB:11KBH-0:27]

169

b) For contracts signed on or after June 1, 1986

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The Company 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 the Company and the customer.

171

(i) The monthly demand charge for firm daily deliveries will be 21.268 per m(3).

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(ii) The commodity charge for firm service shall be the rate for firm service at the Company's firm rates net of a monthly demand charge of 21.268 per m(3) of daily contracted demand.

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(iii) The interruptible commodity charge will be established under Clause 1 of this schedule.

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Delayed Payment

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When payment in full is not made on or before the due date shown on the bill, a date not less than 16 days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

176

Definitions

177

"Month" means a period beginning at 0800 hours local time on the first day of a calendar month and ending at 0800 hours local time on the first day of the following calendar month.

178

"Day" means a period of 24 consecutive hours beginning at 0800 hours local time.

179

"Contracted Demand" means the maximum volume of gas the Company is obligated to deliver to the customer on any one day.

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"Over-run" means gas taken on any one day in excess of 105% of contracted daily demand.

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Effective - February 1, 1989 O.E.B. Interim Order #E.B.R.O. Chatham, Ontario

182

Supersedes E.B.R.O. 456-4 rate schedule effective November 1, 1988

Was Page 1. See Image [OEB:11KBH-0:28]

183

UNION GAS LIMITED

RATE M6A SEASONAL INDUSTRIAL AND COMMERCIAL CONTRACT RATE

Availability

The entire gas service area of the Company.

Applicability

To a customer who enters into a contract for a supply of gas during a season or seasons only that specifies a daily contracted demand between 4 800 m(3) and 140 870 m(3) inclusive.

Rate

1. The price of all gas delivered by the Company pursuant to any contract, contract amendment or contract renewal entered into on and after April 1, 1981 shall be as set forth below and shall be subject to paragraphs 2 and 3:

A commodity charge of 12.2716 per m(3)

2. Minimum Monthly Bill

A minimum monthly bill will apply equal to a daily charge of \$66.22 times the number of days in which gas is taken.

3. Overrun gas is available without penalty provided that it is authorized by the Company in advance and the Company will not unreasonably withhold authorization. Unauthorized over-run gas taken in any month shall be paid for at the price of gas plus a charge of 7.0985 per m(3).

Delayed Payment

When payment in full is not made on or before the due date shown on the bill, a date not less than 16 days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

Was Page 2. See Image [\[OEB:11KBH-0:29\]](#)

Definitions

"Month" means a period beginning at 0800 hours local time on the first day of a calendar month and ending at 0800 hours local time on the first day of the following calendar month.

"Day" means a period of 24 consecutive hours beginning at 0800 hours local time.

"Contracted Demand" means the maximum volume of gas the Company is obligated to deliver to the customer on any one day.

"Season" means any pre-determined number of days between 04-01 and 10- 31 next following.

"Over-run" means gas taken on any one day in excess of 105% of contracted daily demand.

Effective - February 1, 1989 O.E.B. Interim Order # E.B.R.O. Chatham, Ontario

Supersedes E.B.R.O. 456-4 rate schedule effective November 1, 1988

Was Page 1. See Image [\[OEB:11KBH-0:30\]](#)

UNION GAS LIMITED

RATE M7-C SPECIAL LARGE COMBINED VOLUME INDUSTRIAL AND COMMERCIAL
CONTRACT RATE

Availability

The entire gas service area of the Company.

Applicability

To a customer who enters into a contract on or after September 1, 1979 for a minimum term of one year under which the Company agrees to supply gas at a daily contracted demand of at least 140 870 m(3).

Rate

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

a) A monthly demand charge of 18.6846 per m(3) for each m(3) of daily contracted firm demand

b) A monthly firm commodity charge of 10.7666 per m(3) for each m(3) of firm commodity

c) A monthly interruptible commodity charge to be negotiated between the company and the customer not to exceed an annual average of 12.3527 per m(3) not to be less than an annual average of 10.7181 per m(3),

and

d) An Over-run charge for the volumes of unauthorized over-run gas taken in any month calculated at the rate of 17.7750 per m(3).

2. In negotiating the interruptible price the matters to be considered include:

a) The volume of gas for which the customer is willing to contract,

b) The load factor of the customer's anticipated gas consumption, the pattern of annual use, and the minimum Annual quantity of gas which the customer is willing to contract to take or in any event pay for,

c) Interruptible or curtailment provisions,

d) Competition.

3. In each contract year the customer shall purchase from the Company, 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.

Was Page 2. See Image [OEB:11KBH-0:31]

Delayed Payment

When payment in full is not made on or before the due date shown on the bill, a date not less than 16 days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

Effective - February 1, 1989 O.E.B. Interim Order E.B.R.O. Chatham, Ontario

Supersedes E.B.R.O. 456-4 rate schedule effective November 1, 1988

Was Page 0. See Image [OEB:11KBH-0:32]

UNION GAS LIMITED

RATE M7-F SPECIAL LARGE FIRM VOLUME INDUSTRIAL AND COMMERCIAL CONTRACT RATE

Availability 230

The entire gas service area of the Company. 231

Applicability 232

To a customer who enters into a contract on or after September 1, 1979 for a minimum term of one year under which the Company agrees to supply gas at a daily contracted demand of at least 140 870 m(3). 233

Rate 234

1. Bills will be rendered monthly and shall be the total of: 235

a) A Monthly Demand Charge of 18.6846 for each of daily contracted demand. 236

b) A Monthly Commodity Charge of 10.7666 per m(3) of commodity 237

and 238

c) An Over-run Charge for the volumes of unauthorized over-run gas taken in any month calculated at the rate of 17.7750, per m(3). 239

2. In each contract year the customer shall purchase from the Company, 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. 240

3 The contract may provide that the Monthly Demand Charge specified in Rate Section 1(a) above shall not apply on all or part of the daily contracted demand used by the Customer during the testing, commissioning and phasing in of gas using equipment for a period not to exceed one year (the "build up period"). In such event, the contract will provide for a Monthly Commodity Charge or Monthly Commodity Charges to be applied on such volume during the build up period of 11.5857 cents per m(3). 241

Delayed Payment 242

When payment in full is not made on or before the due date shown on the bill, a date not less than 16 days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, 243

including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

Effective - February 1, 1989 O.E.B. Interim Order # E.B.R.O. Chatham, Ontario

Supersedes E.B.R.O. 456-4 rate schedule effective November 1, 1988

Was Page 1. See Image [\[OEB:11KBH-0:33\]](#)

UNION GAS LIMITED

RATE M7-I SPECIAL LARGE INTERRUPTIBLE VOLUME INDUSTRIAL AND COMMERCIAL
CONTRACT RATE

Availability

The entire gas service area of the Company.

Applicability

To a customer who enters into a contract on or after September 1, 1979 for a minimum term of one year under which the Company agrees to supply gas at a daily contracted demand of at least 140 870 m(3)

Rate

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

a) A Monthly Commodity Charge to be negotiated between the Company and the customer not to exceed an annual average of 12.3527 per m(3) nor to be less than an annual average of 10.7181 per m(3),

and

b) An Over-run Charge for the volume of unauthorized over-run gas taken in any month calculated at the M2 rate in effect at the time when the over-run occurs.

2. In negotiating the price 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,

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c) Interruptible or curtailment provisions.

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d) Competition.

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3. In each contract year the customer shall purchase from the Company, 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.

Was Page 2. See Image [\[OEB:11KBH-0:34\]](#)

263

Delayed Payment

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When payment in full is not made on or before the due date shown on the bill, a date not less than 16 days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

265

Effective - February 1, 1989 O.E.B. Interim Order # E.B.R.O. Chatham, Ontario

266

Supersedes E.B.R.O. 456-4 rate schedule effective November 1, 1988

Was Page 1. See Image [\[OEB:11KBH-0:35\]](#)

267

UNION GAS LIMITED RATE M7-S SPECIAL LARGE SEASONAL VOLUME INDUSTRIAL AND COMMERCIAL CONTRACT RATE

268

Availability

269

The entire gas service area of the Company.

270

Applicability

271

To a customer who enters into a contract on or after September 1, 1979 for a minimum term of one year under which the Company agrees to supply gas at a daily contracted demand of at least 140 870 m(3).

272

Rate

273

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

- a) A Monthly Commodity Charge to be negotiated between the Company and the customer not to exceed an annual average of 11.9264 per m(3) nor to be less than an annual average of 10.2918 per m(3)

and

- b) An Over-run Charge for the volume of unauthorized over-run gas taken in any month calculated at the M2 rate in effect at the time when the over-run occurs.

2. In negotiating the price the matters to be considered include:

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

3. In each contract year the customer shall purchase from the Company, or in any event pay for if available and not accepted by the customer, a minimum annual volume of gas as specified in the contract between the parties. Overrun gas volumes will not contribute to the minimum volume.

Was Page 2. See Image [OEB:11KBH-0:36]

Delayed Payment

When payment in full is not made on or before the due date shown on the bill, a date not less than 16 days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

Effective - February 1, 1989 O.E.B. Interim Order E.B.R.O. Chatham, Ontario

Supersedes E.B.R.O. 456-4 rate schedule effective November 1, 1988

Was Page 0. See Image [OEB:11KBH-0:37]

UNION GAS LIMITED

RATE M9 LARGE WHOLESALE SERVICE RATE

Availability

The entire gas service area of the Company.

Applicability

To a distributor who enters into a contract to purchase 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.

Rate

- 1) A Monthly Demand Charge of 17.2919 per m(3) 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,

and

- 2) A Commodity Charge of 10.8502 per m(3) for gas delivered under the service contract.

Delayed Payment

When payment in full is not made on or before the due date shown on the bill, a date not less than 16 days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

Effective - February 1, 1989 O.E.B. Interim Order # E.B.R.O. Chatham, Ontario

Supersedes E.B.R.O. 456-4 rate schedule effective November 1, 1988

Was Page 0. See Image [\[OEB:11KBH-0:38\]](#)

UNION GAS LIMITED

RATE M10 SMALL WHOLESALE SERVICE RATE

Availability

The entire gas service area of the Company.

304

Applicability

305

To a non-contract distributor who purchases a firm supply of gas for distribution only to its own customers.

306

Rate

307

1. A commodity charge of 14.1005 per m(3).

308

Delayed Payment

309

When payment in full is not made on or before the due date shown on the bill, a date not less than 16 days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

310

Effective - February 1, 1989 O.E.B. Interim Order # E.B.R.O. Chatham, Ontario

311

Supersedes E.B.R.O. 456-4 rate schedule effective November 1, 1988

312

Was Page 1. See Image [\[OEB:11KBH-0:39\]](#)

313

UNION GAS LIMITED

RATE M12

314

STORAGE AND TRANSPORTATION RATES WITH RESPECT TO SERVICE UNDER THE BELOW LISTED CONTRACTS

315

(A) Applicability

316

The charges under this schedule shall be applicable to the following contracts or any amendments, thereto or substitutions therefore:

317

1.	November 1, 1977	- Storage and Transportation Agreement
----	------------------	--

318

with The Consumers' Gas Company Ltd ("Consumers")

319

*2.	April 1, 1969	- Agreement with Consumers' for deliveries
-----	---------------	--

320

from the Port Stanley Delivery Point.

321

*3.	November 1, 1969	- Agreement with Consumers' for deliveries
-----	------------------	--

322

from the Kimbal Delivery Point.

323

*4.	May 25, 1970	- Agreement with Consumers' for deliveries
-----	--------------	--

324

from the Becher Delivery Point.

325

*5.	July 16, 1979	- Agreement with Consumers' for deliveries
-----	---------------	--

326

from the Morpeth Delivery Point.

327

6.	November 1, 1983	- Transportation Service Contract with
----	------------------	--

328

TransCanada PipeLines Limited ("TCPL").

329

7.	January 15, 1985	- Storage and Transportation Service
----	------------------	--------------------------------------

330

Contract with The Public Utilities

331

Commission of the City of Kingston.

332

8.	June 5, 1986	- Storage and Transportation Service
----	--------------	--------------------------------------

333

Contract with Northern and Central Gas Corporation Limited.

334

9.	August 30, 1985	- Storage and Transportation Service
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335

Contract with Gaz Metropolitan, inc.

336

10.	April 1, 1988	- Storage and Transportation Service
-----	---------------	--------------------------------------

337

Contract with Gaz Metropolitan, inc.

338

11.	April 1, 1989	- Storage and Transportation Service
-----	---------------	--------------------------------------

339

Contract with Gaz Metropolitan, inc.

340

* The rates specified herein are in addition to the charges which are applicable under these Agreements for all gas deemed delivered from the Delivery Point to Dawn under Rate M13.

341

Was Page 2. See Image [\[OEB:11KBH-0:40\]](#)

342

(B) Rates

343

Was Page 3. See Image [\[OEB:11KBH-0:41\]](#)

344

(C) Overrun

Authorized

Authorized overrun rates will be payable on all volumes in excess of Seller'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.

\$/10(3)m(3)

Storage Commodity:

- Injection 2.016

- Withdrawal 2.638

- Dehydration - Tecumseh .170

- Others .057

Transportation Commodity: *

- Without Dawn Compression - Easterly	2.427	- With Dawn Compression - Easterly - TCPL
	3.132	- Others 3.038 - Westerly 3.360 - SNG Premium
	0.630	

Unauthorized

- Authorized overrun rates payable on all volumes up to 2% in excess of Seller's contractual obligation.

- \$353/10(3)m(3) for all usage on any day in excess of 102% of Seller's contractual obligation.

* For purposes of applying the YCRR Formula (Section (D)) to transportation overrun volumes, the transportation commodity revenue will be deemed to be equal to the commodity charge of the applicable service as detailed in Section (B).

Was Page 4. See Image [\[OEB:11KBH-0:42\]](#)

(D) Transportation Commodity

The annual commodity charge 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" Formula). An appropriate adjustment in the commodity charges will be made in May for the previous 12 months ending March 31st to obtain the annual commodity charges as calculated using the "YCRR" Formula. $12 \text{ YCRR} = \ddot{a} (\text{VT1} \times 0.0074 + \text{VT2} \times 0.005) \text{ R} + (\text{FE}) \text{ R}$ For Easterly Flow 1

$12 \ddot{a} (\text{VT3} \times 0.008) \text{ R} + (\text{FW}) \text{ R}$ For Westerly Flow 1

in which:

YCRR = Yearly Commodity Revenue Required

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

VT1 = Monthly volumes in 10(3)m(3) transported easterly hereunder which was received at Dawn at not less than 4 850 kPa but less than 5 860 kPa (compression required at Dawn).

VT2 = Monthly volumes in 10(3)m(3) transported easterly hereunder which was received at Dawn at not less than 5 860 kPa (no compression required at Dawn).

VT3 = Monthly volumes in 10(3)m(3) transported westerly hereunder which was received at the Delivery Point in the Lisgar Measuring Station ("Lisgar" or "Oakville") at not less than 3 450 kPa (compression required at Trafalgar Compressor Station ("Trafalgar") and Dawn.

FE = The individual customers' monthly share of compressor fuel used in 10(3)m(3) which was required at Union's Lobo, Bright and Trafalgar Compressor stations ("Lobo", "Bright", and "Trafalgar") to transport the same customer's VT1 and VT2 monthly volumes easterly.

The Lobo and Bright compressor fuel required by each customer will be calculated each month.

Was Page 5. See Image [\[OEB:11KBH-0:43\]](#)

The monthly Lobo and Bright compressor fuel will be allocated to each user in the same proportion as the customers monthly commodity kilometres measured easterly from each station is to the total monthly commodity kilometres for all customers including Union measured easterly from each station. Commodity kilometre shall mean the volume leaving the Compressor station in question multiplied by the distance it actually travelled along Union's Dawn-Oakville facilities from that Station to the point where it left or was deemed to have left the system.

The monthly Trafalgar compressor fuel used for easterly flow will be allocated to each user in the same proportion as the monthly volume compressed for each user in an easterly direction is to the total monthly volume compressed for all users including Union in an easterly direction.

FW = The individual customers' monthly share of compressor fuel used in 10(3)m(3) which was

required at Union's Trafalgar compressor station to transport the same customers VT3 monthly volumes westerly.

The Trafalgar compressor fuel required by each customer will be calculated each month.

The monthly Trafalgar compressor fuel used for westerly flow will be allocated to each user in the same proportion as the users monthly commodity kilometres measured westerly from Trafalgar is to the total monthly commodity kilometres for all users including Union measured westerly from Trafalgar. Commodity kilometre shall mean the volume leaving Trafalgar during the time compression was required multiplied by the distance it actually travelled along Union's Dawn-Oakville facilities in a westerly direction to the point where it left or was deemed to have left the system.

In the case of Westerly flow, deliveries to Union's Dawn-Oakville markets will be deemed to leave the system at a load centre calculated from Union's Dawn-Oakville July Markets for the year in question.

R = .120% of the average CD gas costs to Union, in $\$/10(3)m(3)$, during the month to which the calculation applies for firm gas purchases from TCPL under their CD rates calculated at a 100% load factor on an annual basis plus any natural gas levied by the Parliament of Canada.

Was Page 6. See Image [OEB:11KBH-0:44]

i) In the case of Easterly flow, direct deliveries by TCPL to Union or on behalf of Union to Union's storage and transportation customers will be allocated to supply Union's markets on the Dawn-Oakville facilities starting at Lisgar and proceeding westerly to successive laterals until exhausted. There will be no commodity kilometres associated with these direct deliveries in the application of the YCRR formula.

ii) Volumes transported by Union for TCPL and deemed to be delivered to Union at Lisgar will be allocated to supply Union's markets on the Dawn-Oakville facilities starting at Lisgar or at the location where the direct deliveries were exhausted and proceeding westerly to successive laterals until these deemed volumes are exhausted. The commodity kilometres associated with these deemed volumes will be charged to TCPL in the application of the YCRR formula.

Effective - February 1, 1989 O.E.B. Interim Order # E.B.R.O. Chatham, Ontario

Supersedes E.B.R.O. 456-4 rate schedule effective November 1, 1988

Was Page 0. See Image [OEB:11KBH-0:45]

UNION GAS LIMITED

RATE M13 SPECIAL CONTRACTS WITH THE CONSUMERS' GAS COMPANY FOR
TRANSPORTATION OF LOCALLY PURCHASED AND PRODUCED GAS OF THAT COMPANY

(A) Availability

This rate is limited to existing contracts for deliveries made at the following delivery points:

Port Stanley - under Contract dated April 1, 1969; Kimball - under Contract dated November 1, 1969;
Becher - under Contract dated May 25, 1970; Morpeth - under Contract dated July 16, 1979;

(B) Rates

(i) for all gas deemed to be delivered to Dawn under these Contracts a demand charge of 12,333 dollars per month.

(ii) for all gas deemed to be delivered to Dawn under these Contracts a commodity charge of 1.401 dollars per 10(3)m(3).

These charges are in addition to the transportation and storage charges which shall be billed and paid for under Rate M12.

Effective - February 1, 1989 O.E.B. Interim Order # E.B.R.O. Chatham, Ontario

Supersedes E.B.R.O. 456-4 rate schedule effective November 1, 1988

Was Page 0. See Image [\[OEB:11KBH-0:46\]](#)

UNION GAS LIMITED

RATE M14 BICKFORD/SOMBRA TRANSPORTATION SERVICES TRANSMISSION AND
COMPRESSION CHARGES

(A) Availability

The charges under this schedule shall be applicable for transportation service rendered by Union under a Joint Venture Agreement dated December 19, 1968, between Imperial Oil Limited and Union Gas Limited covering all volumes transported from Dawn to the Bickford-Sombra Storage Pools and from the Bickford-Sombra Storage Pools back to Dawn.

(B) Rates

(i) .500 dollars per 10(3)m(3) for all gas transmitted to the Bickford-Sombra Storage Pools and from Dawn during each month.

(ii) .500 dollars per 10(3)m(3) for all gas transmitted to Dawn from the Bickford-Sombra Storage Pools during each month.

(iii) for all gas transported from Dawn to the Bickford-Sombra Storage Pools and from the Bickford-Sombra Storage Pools back to Dawn, a demand charge of 64,500 dollars per month.

(iv) charges aforesaid in respect of any month shall be payable not later than the twenty-fifth day of the succeeding month.

Effective: - February 1, 1989 O.E.B. Interim Order # E.B.R.O. Chatham, Ontario

Supersedes E.B.R.O. 456-4 rate schedule effective November 1, 1988

Was Page 0. See Image [\[OEB:11KBH-0:47\]](#)

UNION GAS LIMITED

RATE M30

Transportation Toll for Interruptible and Reasonable Efforts Service Ojibway Redelivery Point and Dawn Redelivery Point

(A) Applicability

To a customer who enters into a transportation contract with Union for the delivery by customer of customer-owned gas to Union at Dawn or Oakville for redelivery by Union to customer at Ojibway on an interruptible and reasonable efforts basis; and to a customer who enters into a transportation contract with Union for the delivery of customer-owned gas to Union at Ojibway for redelivery by Union to customer at Dawn on an interruptible and reasonable efforts basis. Gas transported under this toll shall not be delivered or sold to an end-use customer of Union Gas Limited.

(B) Toll

For all gas transported or deemed to be transported, a charge not to exceed \$13.321 per 10(3)m(3) nor to be less than \$2.143 per 10(3)m(3). In negotiating price the matters to be considered include:

a. The volume of gas 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 customers is willing to contract or in any event pay for,

c. Competition.

(C) Overrun

Authorized

For all authorized overrun gas transported or deemed to be transported, a charge not to exceed \$13.321 per 10(3)m(3) nor to be less than \$2.143 per 10(3)m(3).

Unauthorized

For all gas transported or deemed to be transported on any day in excess of the authorized level, a charge of \$353.00 per 10(3)m(3).

Was Page 0. See Image [OEB:11KBH-0:48]

(D) Monthly Customer Charge

In addition to the transportation toll, the customer will pay to Union a monthly customer charge based upon the "Maximum Daily Delivery" volume as specified in the transportation contract:

Maximum Daily Delivery	Monthly Customer
------------------------	------------------

(10(3)m(3)/day)	Charge
-----------------	--------

0 - 280	\$ 500	281 - 425	\$ 1,000	426 - 570	\$ 1,500	over - 570	\$ 2,000
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Effective - February 1, 1989 O.E.B. Interim Order # E.B.R.O. Chatham, Ontario

Supersedes E.B.R.O. 456-4 rate schedule effective November 1, 1988

Was Page 0. See Image [OEB:11KBH-0:49]

UNION GAS LIMITED

RATE M32

Transportation Toll for Interruptible and Reasonable Efforts Service - Oakville Redelivery Point

(A) Applicability

To a customer who enters into a transportation contract with Union for the delivery by customer of customer-owned gas to Union at Dawn or Ojibway for redelivery by Union to customer at Oakville on an interruptible and reasonable efforts basis. The customer-owned gas transported under this toll shall not

remain within Union's service territory.

(B) Toll

For all gas transported or deemed to be transported, a charge not to exceed \$13.321 per 10(3)m(3) nor to be less than \$2.143 per 10(3)m(3). In negotiating the price 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 customers anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which the customer is will to contract or in any event pay for,
- c. Competition.

(C) Overrun

Authorized

For all authorized overrun gas transported or deemed to be transported, a charge not to exceed \$13.321 per 10(3)m(3) nor to be less than \$2.143 per 10(3)m(3).

Unauthorized

For all gas transported or deemed to be transported on any day in excess of the authorized level, a charge of \$353.00 per 10(3)m(3).

Was Page 0. See Image [\[OEB:11KBH-0:50\]](#)

(D) Monthly Customer Charge

In addition to the transportation toll, the customer will pay to Union a monthly customer charge based upon the "Maximum Daily Delivery" volume as specified in the transportation contract:

Maximum Daily Delivery	Monthly Customer
------------------------	------------------

(10(3)m(3)/day)	Charge
-----------------	--------

0 - 280	\$ 500	281 - 425	\$ 1,000	426 - 570	\$ 1,500	over - 570	\$ 2,000
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Effective - February 1, 1989 O.E.B. Interim Order # E.B.R.O. Chatham, Ontario

Supersedes E.B.R.O. 456-4 rate schedule effective November 1, 1988

446

Was Page 0. See Image [OEB:11KBH-0:51]

447

UNION GAS LIMITED

448

RATE SCHEDULE T-1

449

Storage and Transportation Tolls
for Contract Carriage Customers

450

Availability

451

The entire gas service area of the Company.

452

Applicability

453

To a Customer;

454

a) whose combined minimum annual transportation of natural gas is 700,000 m(3) or greater; and

455

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

456

c) who has a charted meter or meters at each Point of Redelivery; and

457

d) for whom Union has determined transportation and/or storage capacity is available.

458

Tolls

459

The following tolls shall be charged for all volumes contracted or handled as appropriate:

460

Was Page 0. See Image [OEB:11KBH-0:52]

461

UNION GAS LIMITED

462

RATE SCHEDULE T-1

463

Storage and Transportation Tolls

for Contract Carriage Customers

464

Notes:

465

1. Demand charges for Annual Services are paid Monthly during the Term of the Contract for not less than 1 Year unless Union, in its sole discretion, accepts a Term of less than 1 Year.

466

2. Demand charges for Seasonal Services are paid Monthly for number of Months Seasonal service is contracted.

467

3. All Injection Rights are equal to 100% of their respective Withdrawal Rights.

468

4. Seasonal injections are available during the period December 1 to August 31.

469

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

470

Was Page 0. See Image [\[OEB:11KBH-0:53\]](#)

471

UNION GAS LIMITED

RATE SCHEDULE T-1

472

Storage and Transportation Tolls
for Contract Carriage Customers

473

TRANSPORTATION SERVICE:

474

Notes:

475

1. All demand charges are paid Monthly during the Term of the Contract for not less than 1 Year unless Union in its sole discretion, accepts a Term of less than 1 Year.

476

2. In negotiating the rate to be charged for the transportation of Gas under Interruptible Transportation, the matters that are to be considered include:

477

a) the amount of the interruptible transportation for which Customer is willing to contract, b) the

478

479

anticipated load factor for the interruptible transportation volumes.

3. In each Contract year, 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.

Was Page 0. See Image [\[OEB:11KBH-0:54\]](#)

UNION GAS LIMITED

RATE SCHEDULE T-1

Storage and Transportation Tolls
for Contract Carriage Customers

SUPPLEMENTAL SERVICES:

Notes:

1. All demand charges are paid Monthly during the Term of the Contract for not less than 1 Year unless Union, in its sole discretion, accepts a Term of less than 1 Year.
2. Reasonable Efforts Backstop Gas, Supplemental Inventory and Supplemental Gas Sales Service are provided on a reasonable efforts basis only.

Was Page 0. See Image [\[OEB:11KBH-0:55\]](#)

UNION GAS LIMITED

RATE SCHEDULE T-1

Storage and Transportation Tolls
for Contract Carriage Customers

OVERRUN SERVICE:

1. Annual or Seasonal Storage Space:

Authorized:

The Authorized Overrun rate of 0.0015/m(3) will be payable on all volumes on any Day in excess of the Customer's contracted Maximum Storage Space. Overrun will be authorized by Union Gas at their sole discretion. Storage space overrun equal to 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 on any Day, Customer has Gas in storage in excess of the Maximum Storage Space, and which has not been authorized by Union, the unauthorized overrun rate will be 17.7750/m(3). This is charged on every ms above the Maximum Storage Space each Day the Customer is operating above the Maximum Storage Space.

If on any Day the Gas storage balance for the account of Customer is less than zero, the unauthorized overrun charge shall be 17.7750/m(3) for each m(3) 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 Customer at the Reasonable Efforts Backstop Gas rate provided in this Toll Schedule.

2. Injections, Withdrawals and Transportation:

Authorized:

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

Automatic authorization of injection overrun will be given during all Days a Customer has been interrupted.

Was Page 0. See Image [\[OEB:11KBH-0:56\]](#)

UNION GAS LIMITED

RATE SCHEDULE T-1

Storage and Transportation Tolls
for Contract Carriage Customers

Unauthorized:

For all volumes on any Day in excess of 103% of the Customer's contractual rights, for which authorization has not been received, Customer will be charged 17.7750/m(3).

UNION GAS LIMITED

RATE SCHEDULE T-1

Storage and Transportation Tolls
for Contract Carriage Customers

OTHER SERVICES & CHARGES:

1. Customer Charge

In addition to the tolls and charges described previously for each Point of Redelivery, a Customer Charge shall be applied as follows:

Total Daily Contract	Monthly Demand for Customer Transportation Charge
----------------------	---

0 to 4800 m(3)/day	\$ 50.00	4801 to 140870 m(3)/day	\$1,000.00	Over 140870 m(3)/day	\$5,000.00
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2. Redelivery During Periods of Curtailment or Interruption

If on any Day Union shall have curtailed or interrupted Redelivery, any Gas taken in excess of the allowed limits during Curtailment or interruption shall be deemed to have been sold to Customer at the Reasonable Efforts Backstop Gas rate plus a charge equal to the unauthorized withdrawal overrun rate.

3. Supplemental Service

Combination of readings from more than one meter with individual volumes less than 700,000 m(3) may be authorized by Union and Union will not unreasonably withhold authorization in cases where these meters are located on contiguous pieces of property of the same owner not divided by a public right-of-way. In such cases, an additional service charge shall be rendered each Month in the amount of \$15.00 per Month for each additional meter so combined.

4. Diversion of Gas

For customers requesting to divert gas amongst affiliates, among related parties not covered by common T-service contracts, or when parties outside Union's franchise are involved, 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. There will be no charge for diversions among customers served by a common T-service contract, diversions that occur within storage, or diversions that occur upstream of Union. Diversion of gas between non-affiliated corporate entities is not permitted

without prior approval from the Ontario Energy Board.

Was Page 0. See Image [\[OEB:11KBH-0:58\]](#)

UNION GAS LIMITED

523

RATE SCHEDULE T-1

524

Storage and Transportation Tolls
for Contract Carriage Customers

525

Delayed Payment

526

When payment in full is not made on or before the due date show on the bill, a date not less than 16 Days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

527

Combined Sales Service with Contract Carriage

528

Union, at its sole discretion, may allow a Customer to combine a Sales Service with a Contract Carriage Service.

529

Approval of the Ontario Energy Board

530

In the event that avoided or added costs are significant, application can be made to the Ontario Energy Board.

531

Effective - February 1, 1989 O.E.B. Interim Order # E.B.R.O. Chatham, Ontario

532

Supersedes EBRO 456-4 rate schedule effective November 1, 1988

533

Was Page 0. See Image [\[OEB:11KBH-0:59\]](#)

UNION GAS LIMITED

534

RATE SCHEDULE T-2

535

Contract Carriage Tolls for
General Service Customers

536

Availability

537

The entire Gas service area of the Company.

538

Applicability

539

To a Customer;

540

a) whose minimum annual transportation of natural gas is less than 700,000 m(3); and

541

b) who enters into a Carriage Service Contract with Union for the storage and transportation of Gas for use at facilities located within Union's Franchise Area; and

542

d) for whom Union has determined transportation and/or storage capacity is available.

543

c) who has one Point of Redelivery.

544

Tolls

545

The following tolls shall be charged for all volumes transported and shall be the sum of:

546

a) A Monthly Fixed Charge of \$7.25.

547

b) A Commodity Transportation Charge:

548

First 1 400 m(3) transported per Month 5.5619 per m(3) Next 4 600 m(3) transported per Month 2.7097 per m(3) Next 124 000 m(3) transported per Month 1.7607 per m(3) Next 270 000 m(3) transported per Month 1.5856 per m(3) All over 400 000 m(3) transported per Month 1.2617 per m(3)

549

Was Page 0. See Image [\[OEB:11KBH-0:60\]](#)

550

UNION GAS LIMITED

551

RATE SCHEDULE T-2

552

Contract Carriage Tolls for
General Service Customers

553

SUPPLEMENTAL SERVICES:

554

Notes:

1. All demand charges are paid Monthly during the Term of the Contract for not less than 1 Year unless Union, in its sole discretion, accepts a Term of less than 1 Year.
2. Reasonable Efforts Backstop Gas, Supplemental Inventory and Supplemental Gas Sales Service are provided on a reasonable efforts basis only.

Was Page 0. See Image [\[OEB:11KBH-0:61\]](#)

UNION GAS LIMITED

RATE SCHEDULE T-2

Contract Carriage Tolls for
General Service Customers

OTHER SERVICES & CHARGES:

1. Supplemental Service to Commercial and Industrial Customers Under Group Meters

Combination of readings from several meters may be authorized by the Company and Union will not unreasonably 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. In such cases an additional service charge shall be rendered each Month in the amount of \$15.00 per Month for each additional meter so combined.

2. Storage Space Overrun

Upon receipt of Customer's meter readings, Union shall compute Customer's Gas storage balance. If as of the date of such meter reading Union determines Customer has Gas in storage in excess of the Maximum Storage Space, Customer shall pay an overrun charge for every m(3) of Gas in excess of the Maximum Storage Space.

If the Gas in storage in excess of the Maximum Storage Space is authorized, the overrun charge will be 0.0457/m(3). If the excess has not been authorized by Union the overrun charge will be 17.7750/m(3). Overrun will be authorized by Union at their sole discretion.

If as of the date of such meter reading Customer's Gas storage balances is less than zero, Customer shall pay an additional charge of 17.7750/m(3) for every m(3) of Gas below a zero storage balance, and this amount of Gas shall be deemed not to have been withdrawn from storage and it shall be deemed to have been sold to Customer at the Reasonable Efforts Backstop Gas rate provided in this Toll Schedule.

3. Expiry or Termination

If at the expiry or termination of the Contract, there remains in storage with Union a volume of Gas for the account of Customer, Customer shall pay 0.0457 per m(3) of Gas in inventory.

Union Policy Relating to Terms of Service

1. 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.

2. Term of Contract is 1 Year unless Union, in its sole discretion, accepts a Term less than 1 Year.

Was Page 0. See Image [\[OEB:11KBH-0:62\]](#)

UNION GAS LIMITED

RATE SCHEDULE T-2

Contract Carriage Tolls for General Service Customers

3. Gas redelivered to the Customer's Point of Redelivery for each Customer under this Toll Schedule shall be determined by Monthly meter readings provided that in circumstances beyond the control of Union such as strikes or non-access to a meter, Union may estimate the consumption each Month as of the scheduled date of the regular Monthly meter reading and render a Monthly bill to the Customer therefore.

4. Gas to be delivered by Customer under this Toll Schedule shall be "firm" STT T-Service Contract only; for the purposes of this section, "firm" means Gas transportation service not normally subject to interruption or curtailment.

5. If on any Day Customer does not deliver to Union the amount properly nominated, such amount of Gas not delivered shall automatically be deemed to be properly nominated and authorized Reasonable Efforts Backstop Gas.

6. When payment in full is not made on or before the due date shown on the bill, which date shall be not less than 16 Days after the date of the mailing or delivery of the bill by Union Gas Limited, the overdue balance of the current Gas portion of the bill shall be increased by five percent (5%) which increased amount shall be due and payable thereafter.

General Terms and Conditions

The carriage Service General Terms and Conditions are applicable to this Toll Schedule and are hereby made a part hereof. If in the event of any conflict between the provisions of this Toll Schedule and those of the Carriage Service General Terms and Conditions, the provisions of this Toll Schedule shall prevail.

Service under Toll Schedule T-1

Customers contracting for less than 700,000 m(3)/year may apply to the Ontario Energy Board for service under Union's T-1 schedule.

Approval of the Ontario Energy Board

This Toll Schedule and the Carriage Service General Terms and Conditions are subject to the approval of the Ontario Energy Board.

In the event that avoided or added costs are significant, application can be made to the Ontario Energy Board.

Effective - February 1, 1989 O.E.B. Interim Order # E.B.R.O. Chatham, Ontario.

Supersedes E.B.R.O. 456-4 rate schedule effective November 1, 1988

Was Page 0. See Image [\[OEB:11KBH-0:63\]](#)

UNION GAS LIMITED

RATE SCHEDULE T-3

Storage and Transportation Tolls for Contract Carriage Customers

Availability

The entire Gas service area of the Company.

Applicability

To a Distributor;

- a) whose minimum annual transportation of natural gas is 700,000 m(3) 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 a charted meter or meters at each Point of Redelivery; and

d) for whom Union has determined transportation and/or storage capacity is available.

Tolls

The following tolls shall be charged for all volumes contracted or handled as appropriate:

STORAGE SERVICE

Was Page 0. See Image [\[OEB:11KBH-0:64\]](#)

UNION GAS LIMITED

RATE SCHEDULE T-3

Storage and Transportation Tolls for Contract Carriage Customers

Notes:

1. Demand charges for Annual Services are paid Monthly during the Term of the Contract for not less than 1 Year unless Union, in its sole discretion, accepts a Term of less than 1 Year.
2. Demand charges for Seasonal services are paid Monthly for number of Months Seasonal service is contracted.
3. All Injection Rights are equal to 100% of their respective Withdrawal Rights.
4. Seasonal injections are available during the period December 1 to August 31.
5. Storage Space and Withdrawal Rights are not assignable to any other party without the prior written consent of Union Gas.

UNION GAS LIMITED

RATE SCHEDULE T-3

Storage and Transportation Tolls
for Contract Carriage Customers

TRANSPORTATION SERVICE:

Notes:

1. All demand charges are paid Monthly during the Term of the Contract for not less than 1 Year unless Union in its sole discretion, accepts a Term of less than 1 Year.

UNION GAS LIMITED

RATE SCHEDULE T-3

Storage and Transportation Tolls
for Contract Carriage Customers

SUPPLEMENTAL SERVICES:

Notes:

1. All demand charges are paid Monthly during the Term of the Contract for not less than 1 Year unless Union, in its sole discretion, accepts a Term of less than 1 Year.
2. Reasonable Efforts Backstop Gas, Supplemental Inventory and Supplemental Gas Sales Service are provided on a reasonable efforts basis only.

UNION GAS LIMITED

RATE SCHEDULE T-3

Storage and Transportation Tolls
for Contract Carriage Customers

OVERRUN SERVICE:

a) Annual or Seasonal Storage Space:

Authorized:

The Authorized Overrun rate of 0.0015/m(3) will be payable on all volumes on any Day in excess of the Customer's contracted Maximum Storage Space. Overrun will be authorized by Union Gas at their sole discretion. Storage space overrun equal to 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 on any Day, Customer has Gas in storage in excess of the Maximum Storage Space, and which has not been authorized by Union, the unauthorized overrun rate will be 17.7750/m(3). This is charged on every m(3) above the Maximum Storage Space each Day the Customer is operating above the Maximum Storage Space.

If on any Day the Gas storage balance for the account of Customer is less than zero, the unauthorized overrun charge shall be 17.7750/m(3) for each m(3) of Gas below a zero inventory level and this amount of Gas shall be deemed not to have been withdrawn from storage and it shall be deemed to have been sold to Customer at the Reasonable Efforts Backstop Gas rate provided in this Toll Schedule.

b) Injections, Withdrawals and Transportation:

Authorized:

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

Automatic authorization of injection overrun will be given during the Days a Customer has been interrupted.

RATE SCHEDULE T-3

Storage and Transportation Tolls
for Contract Carriage Customers

Firm
Service

Storage Injections

from May 1 to Oct 31 0.1029/m(3) from Nov 1 to April 30 0

Storage Withdrawals

from May 1 to Oct 31 0 from Nov 1 to April 30 0.1029/m(3)

Transmission 0.4673/m(3)

Unauthorized:

For all volumes on any Day in excess of 103% of the Customer's contractual rights, for which authorization has not been received, Customer will be charged 17.7750/m(3).

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UNION GAS LIMITED

RATE SCHEDULE T-3

Storage and Transportation Tolls
for Contract Carriage Customers

OTHER SERVICES & CHARGES:

1. Customer Charge

In addition to the tolls and charges described previously for each Point of Redelivery, a Customer Charge shall be applied to each specific customer as follows:

Monthly
Customer

Customer Charge

City of Kitchener \$ 10,000.00

NRG \$ 500.00

2. Redelivery During Periods of Curtailment or Interruption

If on any Day Union shall have curtailed or interrupted Redelivery, any Gas taken in excess of the allowed limits during Curtailment or interruption shall be deemed to have been sold to Customer at the Reasonable Efforts Backstop Gas rate plus a charge equal to the unauthorized withdrawal overrun charge.

3. Supplemental Service

There will be a charge of \$15.00 per Month for each Point of Delivery in the Contract.

4. Monthly Supplementary Charge

Delayed Payment

When payment in full is not made on or before the due date shown on the bill, a date not less than 16 Days after the date of the mailing or the delivery of the bill by Union Gas Limited, the unpaid balance, including previous arrears, if any, shall be increased by two percent (2%) and the increased amount shall be due and payable thereafter.

Combined Sales Service with Contract Carriage

Union, at its sole discretion, may allow a Customer to combine a Sales Service with a Contract Carriage Service.

Was Page 0. See Image [\[OEB:11KBH-0:70\]](#)

UNION GAS LIMITED

RATE SCHEDULE T-3

Storage and Transportation Tolls
for Contract Carriage Customers

General Terms and Conditions

The Carriage Service General Terms and Conditions are applicable to this Toll Schedule and are hereby made a part hereof.

Approval of the Ontario Energy Board

This Toll Schedule and the Carriage Service General Terms and Conditions are subject to the approval of the Ontario Energy Board.

In the event that avoided or added costs are significant, application can be made to the Ontario Energy Board.

Effective - February 1, 1989 O.E.B. Interim Order # E.B.R.O. Chatham, Ontario

Supersedes E.R.R.O. 456-4 rate schedule effective November 1, 1988

Was Page 0. See Image [\[OEB:11KBH-0:71\]](#)

Appendix "C" to Board Order
E.B.R.O. 456-4 dated
May 26, 1989.

<signed>
S.A.C. Thomas
Board Secretary
E.B.R.O. 456-4
Appendix C

Appendix "D" to Board Order
E.B.R.O. 456-4 dated
May 26, 1989.

<signed>
S.A.C. Thomas
Board Secretary
Appendix D

LETTER TO RESIDENTIAL CUSTOMERS

The Ontario Energy Board has ordered rate changes which will reduce natural gas rates for Union's residential customers. The new rates result from decreases in the price of natural gas from the Company's suppliers and an overall lower cost of service.

Under these new rates, a typical residential customer's bill will decrease by approximately 8% or \$66.00 on an annual basis. The actual reduction will vary with the level of individual use. For your information the new rates are printed on the reverse side of this notice.

Since rate changes are approved for prior months' consumption, your current bill may also reflect reductions that relate to previous billing periods. Any reductions in previously billed amounts, including interest, is shown opposite the descriptions "rebate" and "retroactive rate reduction" on this month's bill. Also included in the "rebate" is an amount that reflects savings arising out of federal tax reform legislation effective July 1, 1988.

It should also be noted that these rate changes may be subject to further adjustment pending the outcome of Union's current rate application before the Board.

Yours truly,

Union Gas Limited

Was Page 0. See Image [\[OEB:11KBH-0:73\]](#)

LETTER TO GENERAL SERVICE CUSTOMERS

The Ontario Energy Board has ordered rate changes which will adjust natural gas rates for most general service customers. The new rates result from decreases in the price of natural gas from the Company's suppliers and an overall lower cost of service.

These new rates result in annual reductions of 7 to 9 percent for most general service customers. Customers consuming annual volumes of 700,000 m(3) or more that previously received Market Fund Rebates of 3.017 cents/m(3), will experience rate increases. All Market Fund Rebates have been discontinued effective February 1, 1989. For your information, the new rates are printed on the reverse side of this notice.

Since rate changes are approved for prior months' consumption, your current bill may also reflect rate changes that relate to previous billing periods. Any changes in previously billed amounts, including interest, is shown opposite the descriptions "rebate" and "retroactive rate adjustment" on this month's bill. Also included in the "rebate" is an amount that reflects savings arising out of federal tax reform legislation effective July 1, 1988.

For customers consuming gas under Buy Sell arrangements, the price paid for gas deliveries to Union will be reduced to reflect lower sales rates effective February 1, 1989. These gas purchase price adjustments will be made on Union's gas purchase invoice respecting April deliveries.

It should also be noted that these rate changes may be subject to further adjustment pending the outcome of Union's current rate application before the Board.

Yours truly,

Union Gas Limited

Was Page 0. See Image [\[OEB:11KBH-0:74\]](#)

LETTER TO CONTRACT SALES CUSTOMERS

The Ontario Energy Board has ordered rate changes which will reduce Union's sales rates for natural gas. The new rates result from decreases in the price of natural gas from the Company's suppliers and an overall lower cost of service.

These new gas sales rates show commodity rate reductions between 2.4678 cents/m(3) and 2.7469 cents/m(3) for customers served under rate schedules M4, M5A, M6A, M7, M9 and M10. For your information, the applicable rate schedule is enclosed with this notice.

Customers that previously received Market Fund Rebates may experience gas price increases with the implementation of these changes. All Market Fund Rebates have been discontinued effective February 1, 1989.

Since rate changes are approved for prior months' consumption, your current bill may also reflect rate changes that relate to previous billing periods. Any changes in previously billed amounts, including interest, is shown opposite the descriptions "rebate" and "retroactive rate adjustment" on this month's bill. Also included in the "rebate" is an amount that reflects savings arising out of federal tax reform legislation effective July 1, 1988.

For customers consuming gas under Buy Sell arrangements, the price paid for gas deliveries to Union will be reduced to reflect lower sales rates effective February 1, 1989. These gas purchase price adjustments will be made on Union's gas purchase invoice respecting April deliveries.

It should also be noted that these rate changes may be subject to further adjustment pending the outcome of Union's current rate application before the Board.

Yours truly,

Union Gas Limited

LETTER TO M12 CUSTOMERS

The Ontario Energy Board has ordered rate changes which will reduce rates for M12 customers. The new rates result from decreases in the price of natural gas from the Company's suppliers and an overall lower cost of service. For your information, an M12 rate schedule is enclosed with this notice.

The current bill also reflects the application of rate changes to previous billing periods. The amount and timing of these billing adjustments is given in Board orders that are also enclosed with this notice.

It should also be noted that these rate changes may be subject to further adjustment pending the outcome of Union's current rate application before the Board.

Yours truly,

Union Gas Limited

LETTER TO T-1 CUSTOMERS

The Ontario Energy Board has ordered rate changes which will reduce rates for T-1 customers. The new rates result from decreases in the price of natural gas from the Company's suppliers and an overall lower cost of service. For your information, a T-1 rate schedule is enclosed with this notice.

The current bill also reflects the application of rate changes to previous billing periods. The amount and timing of these billing adjustments is given in Board orders that are also enclosed with this notice. Also included in the "rebate" is an amount that reflects savings arising out of federal tax reform legislation effective July 1, 1988.

It should also be noted that these rate changes may be subject to further adjustment pending the outcome of Union's current rate application before the Board.

Yours truly,

Union Gas Limited

Appendix "E" to Board Order
E.B.R.O. 456-4 dated
May 26, 1989.

<signed>
S.A.C. Thomas
Board Secretary

EBRO 456-4
Appendix E

UNION GAS LIMITED

Basis of Accounting for
Certain Rebates or Credits

Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, made under the Ontario Energy Board Act.

Debit - Other Current and Accrued Liabilities Account (No. 259)

Credit - Deferred Customer Credits/Rebates Account (No. 179-26).

To record as a credit in a new Deferred Account Number 179-26 ("Other Deferred Charges"), the amounts of any credits or rebates arising from the Board Order EBRO 456-4 (Gas Costs) which cannot be credited or rebated to specific customers, as the customers cannot be located. The offsetting accounting entry shall be to Account No. 259 (Other Current and Accrued Liabilities).

Debit - Other Interest Expense (No. 323)

Credit - Deferred Customer Credits/Rebates Account (No. 179-26)

To record as a credit in a new Deferred Account Number 179-26 ("Other Deferred Charges"), simple interest on the balances in No. 179-26. Such interest to be computed monthly on the opening balance of the credits and rebates in the said account at the prescribed rate of 10.4% and shall not be compounded. The offsetting accounting entry shall be to Account No. 323 (Other Interest Expense).

Was Page 0. See Image [\[OEB:11KBH-0:78\]](#)

Appendix "F" to Board Order
E.B.R.O. 456-4 dated
May 26, 1989.

<signed>
S.A.C. Thomas
Board Secretary

EBRO 456-4
Appendix F

UNION GAS LIMITED

Basis of Accounting for Certain
Deferred Gas Costs

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

Effective February 1, 1989

Debit	-	Gas Purchases (No. 623)
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Credit	-	Purchased Gas Variation Account
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(No. 179-24)

To record as a credit (debit) in a new Deferred Account No. 179-24 ("Other Deferred Charges"), the difference between the unit costs of all gas purchased by Union including Company production and Union's weighted average cost of gas of \$105.625/10(3)m(3) approved for rate making purposes for the actual volumes taken each month and to record as a debit (credit) such amount to Account No. 623 ("Gas Purchase").

Debit	-	Other Interest Expense (No. 323)
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Credit	-	Deferred Interest Account (No. 179-25)
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To record as a credit (debit) in a new Deferred Account No. 179-25 ("Other Deferred Charges"), simple interest on the balances in No. 179-24. Such interest to be computed monthly on the opening balance in the said account, at the month end prime bank rate charged to Union by the Canadian Imperial Bank of

Commerce and shall not be compounded. The offsetting accounting entry shall be to Account No. 323 (other Interest Expense).