

March 9, 2018

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

Dear Ms. Walli:

RE: EB-2018-0104 – Union Gas Limited – April 1, 2018 QRAM Application

Enclosed is an application and evidence from Union Gas Limited ("Union") seeking changes to Union's commodity, storage, transportation and delivery rates to reflect changes to the forecasted costs of purchasing and transporting natural gas.

The application is made pursuant to section 36(1) of the Ontario Energy Board Act, 1998, and pursuant to the Quarterly Rate Adjustment Mechanism ("QRAM") established by the Board for Union to deal with changes in gas costs.

The application is submitted in accordance with the Board's EB-2008-0106 Decision and includes a schedule for: the review and comment of intervenors and Board staff; Union's response to any comments; and the Board's Decision and Order.

Union has enclosed an application to the Board for Orders effective April 1, 2018 to change the rates that were authorized by the Board's EB-2017-0087 Rate Order to reflect the commodity, storage, transportation and delivery rates proposed herein and to change the reference prices for use in determining amounts to be recorded in certain gas supply related deferral accounts. In Union's 2018 Cap-and-Trade Compliance Plan proceeding (EB-2017-0255) the Board determined that the 2017 Board-approved Cap-and-Trade rates would continue pending the final rate order.

As part of this QRAM, Union has included the recovery of deferral account balances related to spot gas purchases. These purchases were made to ensure adequate supplies were available to meet higher consumption levels and to ensure adequate storage balances.

The proposed Alberta Border Reference Price, based on the current 21-day strip price, is \$2.422/GJ. This is a decrease of \$0.145/GJ. The proposed Dawn Reference Price, based on the current 21-day strip price, is \$3.191/GJ. This is a decrease of \$0.331/GJ. Union is also proposing to prospectively dispose projected 12-month net gas cost deferral account charges of \$19.917 million.

The result of the changes noted above, including the impact of expiring April 1, 2017 prospective QRAM riders, is a net annual bill decrease for residential sales service customers in Union South of \$38.86 and a net annual bill decrease in Union North ranging from \$43.88 to \$57.54. Bundled direct purchase customers will see a net annual bill decrease of \$0.51 in Union South and a net annual bill decrease ranging from \$4.25 to \$21.15 in Union North.

This application is supported by the following evidence:

Tab 1 - Evidence of Ms. Mary Evers

Tab 2 - Evidence of Ms. Amy Mikhaila and Ms. Robin Stevenson

Union requests the Board's Decision on this application by Thursday, March 22, 2018. This is consistent with the current approved QRAM process timeline.

This application is being served on all intervenors in the EB-2017-0087 and EB-2008-0106 proceedings. This complete evidence package including the working papers is also available electronically in searchable PDF format through the following link on Union's website: <http://uniongas.com/gramapplication/>.

If you have any questions on this matter, please contact me at 519-436-5334.

Yours truly,

[Original signed by]

Vanessa Innis
Manager, Regulatory Applications

cc: EB-2017-0087/EB-2008-0106 Intervenors
Crawford Smith (Torys)

ONTARIO ENERGY BOARD

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

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

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism approved by the Ontario Energy Board in EB-2008-0106.

APPLICATION

1. Union Gas Limited (“Union”) was an applicant in a proceeding before the Board to fix just and reasonable rates and other charges for the sale, distribution and storage of natural gas effective January 1, 2018 under Board Docket Numbers EB-2017-0087 and EB-2017-0255. The rates were approved in the Board’s EB-2017-0087 Rate Order approved in Union’s 2018 Rates application dated January 18, 2018. On November 30, 2017, the Board determined the final 2017 Board-approved Cap-and-Trade charges shall continue until such time as the Board makes a determination of the approved 2018 Cap-and-Trade charges in EB-2017-0255.

2. Pursuant to Section 36(1) of the Ontario Energy Board Act, 1998 (the “Act”), and the Quarterly Rate Adjustment Mechanism approved by the Board, Union hereby applies to the Board for further Orders effective April 1, 2018 as follows:

(a) an Order establishing the reference prices specified in the table below:

	Current (Effective Jan. 1, 2018)	Proposed (Effective Apr. 1, 2018)
Alberta Border Reference Price ¹	2.567 \$/GJ 9.9985 cents/m ³	2.422 \$/GJ 9.4192 cents/m ³
Dawn Reference Price ²	3.522 \$/GJ 13.7182 cents/m ³	3.191 \$/GJ 12.4098 cents/m ³

Notes:

¹ *The Alberta Border Reference Price represents the Union North West Purchase Gas Variance Account (Deferral Account No. 179-147) reference price, and the Spot Gas Variance Account (Deferral Account No. 179-107) reference price for incremental gas purchased in the Union North West Zone.*

² *The Dawn Reference Price represents the South Purchase Gas Variance Account ("SPGVA") (Deferral Account No. 179-106) reference price, the Union North East Purchase Gas Variance Account (Deferral Account No. 179-148) reference price, the Spot Gas Variance Account (Deferral Account No. 179-107) reference price for incremental gas purchased in the Southern Operations Area or the Union North East Zone.*

(b) an Order to reflect the inventory revaluation adjustment resulting from changes in gas costs as of April 1, 2018;

(c) an Order reflecting the prospective disposition of the projected balance for the twelve month period ending March 31, 2019 recorded in the gas-supply deferral accounts;

(d) an Order reflecting adjustments to delivery rates to account for cost of gas changes in the carrying costs of gas in inventory, compressor fuel and UFG;

(e) an Order reflecting adjustments to Union North storage and transportation rates to account for changes in upstream costs; and,

(f) such further Order or Orders as Union may request and the Board may deem appropriate or necessary.

3. This application is supported by written evidence that has been pre-filed with the Board and provided by Union to all intervenors of record in EB-2017-0087 and EB-2008-0106.

4. Pursuant to the criteria established in the Board's EB-2008-0106 Decision, below is the Board's direction with respect to the timeline for processing the application:

- Parties to this proceeding wishing to make comments on the application may do so by filing such submissions with the Board Secretary (two hard copies plus an electronic copy by e-mail) and Union no later than 4:45 p.m. Wednesday, March 14, 2018.
- Union shall reply to any comments received by filing such replies with the Board Secretary (two hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:45 p.m. Friday, March 16, 2018.
- The Board issues its Decision and Order by Thursday, March 22, 2018 for implementation effective April 1, 2018.

5. The intervenors eligible for a cost award may submit their cost claims with supporting rationale as to how their participation contributed to the Board's ability to decide on this matter.

All cost claims for QRAM applications are subject to the following procedure:

- Cost claims must be filed with the Board and Union no later than ten days from the date of the Board's Decision and Order.
- Union must forward any concerns with the cost claims to the Board and the claimant within seven days of receiving the claims.
- Any response to Union's comments must be filed with the Board and Union within seven days of receiving the comments.

6. The address of service for Union is:

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

Attention: Vanessa Innis
Manager, Regulatory Applications
Telephone: (519) 436-5334
Fax: (519) 436-4641

- and -

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

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

DATED March 9, 2018.

UNION GAS LIMITED

[original signed by]

Vanessa Innis
Manager, Regulatory Applications

1 **PREFILED EVIDENCE OF**

2 **MARY EVERS, MANAGER, GAS SUPPLY**

3

4 **INTRODUCTION AND OVERVIEW**

5 The purpose of this evidence is to set deferral account reference prices to reflect Union's gas cost
6 forecast for the 12-month period commencing April 1, 2018 pursuant to the Quarterly Rate
7 Adjustment Mechanism ("QRAM") as approved by the Board.

8

9 In addition, Union is seeking disposition of deferral account balances in this QRAM due to the
10 need to purchase 8.3 PJ of spot gas. The spot gas was required to ensure adequate supplies were
11 available to meet higher consumption levels primarily as a result of colder than normal weather
12 and to ensure adequate storage balances through February and at March 31, to maintain in-
13 franchise system integrity. Further detail regarding the spot gas purchases is provided at section
14 3.0 of this evidence.

15

16 On December 19, 2017, the National Energy Board ("NEB") approved the transportation tolls
17 and abandonment surcharges TransCanada charges for firm transportation services on the
18 Mainline on an interim basis effective January 1, 2018. Other approved upstream toll changes
19 include Centra Transmission Holdings Inc. ("CTHI") and Centra Pipelines Minnesota Inc.
20 ("CPMI").

21

22

As part of this QRAM filing, Union has reflected a delay in the NEXUS Pipeline capacity in-service date to September 1, 2018. In order to backstop delays to the NEXUS in-service date, Union has increased its DTE/MichCon capacity by 30,000 Dth/day to hold 90,000 Dth/day of capacity until NEXUS is in-service. This DTE/MichCon contract expiry is tied to the earlier of the NEXUS in-service date or October 31, 2018. From April 1, 2018, until the NEXUS in-service date, Union is also reflecting Dawn supplies of 60,000 Dth/day. This combination of DTE/MichCon and Dawn supply will fully backstop the 150,000 Dth/day of NEXUS capacity until the in-service date.

1. CURRENT GAS MARKET OUTLOOK

The NYMEX strip has decreased by \$0.177 (US\$/MMBtu) or approximately 6% since the Board-approved January 1, 2018 QRAM filing (EB-2017-0351). The foreign exchange has weakened (Canadian dollar strengthened) from \$1.272 to \$1.256 over the same period.

The Empress basis has changed from negative \$0.954 (US\$/MMBtu) to negative \$0.862 (US\$/MMBtu) and the Dawn basis has changed from negative \$0.105 (US\$/MMBtu) to negative \$0.167 (US\$/MMBtu). The calculation of the Alberta Border Reference Price and the Dawn Reference Price is shown at Tab 1, Schedule 1.

2. PRICING

2.1 Alberta Border Reference Price

The approved method for calculating the Alberta Border Reference Price uses the 21-day

1 average of the twelve month NYMEX strip. The NYMEX strip used in this application is for
2 April 2018 to March 2019. The one-year NYMEX strip is converted to an Alberta Border
3 Reference Price by taking into account the Empress-NYMEX basis and the foreign exchange
4 rate for the April 2018 to March 2019 period (see Tab 1, Schedule 1 for the details of this
5 calculation).

6
7 Based on the approved method, the Alberta Border Reference Price for the period April 1, 2018
8 to March 31, 2019 is \$2.422/GJ. This represents a decrease of \$0.145/GJ from the Alberta
9 Border Reference Price of \$2.567/GJ last approved by the Board in EB-2017-0351.

10
11 The Alberta Border Reference Price will be the reference price for the North West PGVA
12 (Account No. 179-147). It will also be the reference price for the Spot Gas Variance Account
13 (Account No. 179-107) for incremental purchases made at Empress.

14 15 2.2 Dawn Reference Price

16 The approved method for calculating the Dawn Reference Price also uses the 21-day average of
17 the twelve month NYMEX strip. The NYMEX strip used in this application is for April 2018 to
18 March 2019. The one-year NYMEX strip is converted to a Dawn Reference Price by taking into
19 account the Dawn-NYMEX basis and the foreign exchange rate for the April 2018 to March
20 2019 period (see Tab 1, Schedule 1 for the details of this calculation).

21
22 Based on the approved method, the Dawn Reference Price for the period April 1, 2018 to March

31, 2019 is \$3.191/GJ. This represents a decrease of \$0.331/GJ from the Dawn Reference Price of \$3.522/GJ last approved by the Board in EB-2017-0351.

The Dawn Reference Price will be the reference price for the North East PGVA (Account No. 179-148). The Dawn Reference Price will also be the reference price for the South Purchased Gas Variance Account ("SPGVA") (Account No. 179-106) and the Spot Gas Variance Account (Account No. 179-107), for incremental purchases made at Dawn.

3. Spot Gas Purchases

3.1 Spot Gas Purchase Overview

Union is seeking disposition of deferral account balances in this QRAM due to the need to purchase 8.3 PJ of spot gas.

In total, Union purchased 14.6 PJ of incremental supply, relative to plan, for the winter of 2017/18. This included a net total of 8.3 PJ of spot gas, in addition to filling 6.3 PJ of planned UDC. The spot gas was required to ensure adequate supplies were available to meet higher consumption levels primarily as a result of colder than normal weather and to ensure adequate storage balances through February and at March 31, to maintain in-franchise system integrity. Union continued its past practices of frequently monitoring and layering in spot gas purchases so that it was buying the gas required proactively in the forward market rather than in the day market.

As shown in Table 1, by January 25, 2018, Union purchased 7.3 PJ of spot gas for actual increased consumption primarily due to colder than normal weather relative to forecast. During the last week of January, the weather forecast for February and March got progressively colder. At January 30, 2018, February was forecast to be 18.6% colder than normal and March was forecast to be 8.7% colder than normal supporting a further spot requirement of 6.0 PJ (4.2 PJ for February and 1.8 PJ for March). To ensure adequate inventory through February 28, 2018, Union purchased half of the expected requirement (3.0 PJ) of additional spot supply on January 30, 2018 for delivery in February. Union continued to closely monitor actual and forecast consumption and weather to determine if additional spot purchases would be required for the balance of February and March to ensure that Union could continue its past practice of layering in additional spot gas purchases proactively for the balance of February and in March to avoid price volatility of the day market.

The timing of Union's spot purchases and the average cost is summarized in Table 1.

Table 1
Winter 2017/18 Spot Purchases (as of January 30, 2018)

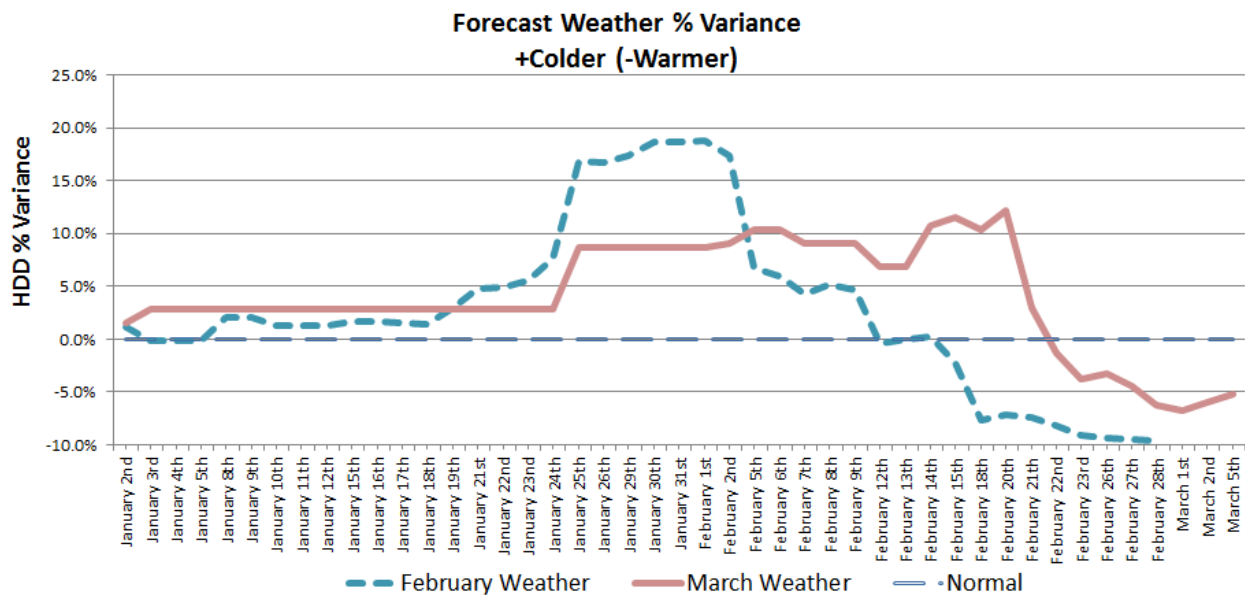
	Date Purchased	Total Landed Volume (PJ)	Estimated Cdn \$/GJ*	Total Cost (\$ million)	Delivery Date	Purchase Justification
1	Jan 3/18	4.3	\$4.54	\$19.60	February	Actual Use, Weather&UFG
2	Jan 11/18	2.0	\$4.49	\$9.00	February	Actual Use, Weather&UFG
3	Jan 25/18	1.0	\$4.18	\$4.20	March	Actual Use, Weather&UFG
4	Jan 30/18	3.0	\$4.81	\$14.40	February	Forecast Weather
5	Total	<u>10.3</u>	<u>\$4.57</u>	<u>\$47.20</u>		

*estimated assuming exchange rate of 1.25

As the winter progressed, the forecast February and March weather changed. As shown in Figure 1, the weather forecast for February declined from 18.8% colder than normal to 7.7% warmer than normal by February 18, 2018. As a result, Union no longer required and therefore did not purchase the remaining 3 PJ of the spot requirement forecasted on January 30, 2018.

In addition, Union determined that it did not require, and therefore did not purchase, 2.0 PJ of planned March Dawn supply. The resulting incremental spot gas purchased for the winter of 2017/18 was 8.3 PJ.

Figure 1



An overview of the variance drivers supporting Union's spot gas purchases are described in more detail below.

3.2 Spot Gas Purchases – Variance Drivers

As described above, Union purchased a net total of 8.3 PJ of incremental spot gas at Dawn for delivery through the end of March 2018. This gas was purchased:

- 1) to meet incremental winter requirements for actual and projected demand variances for Union South sales service customers;
- 2) to manage unaccounted for gas variances; and
- 3) for incremental Rate 25 sales service activity.

Table 2 provides a breakdown of the quantities purchased for each group of customers.

Table 2
Spot Gas Purchase Breakdown by Customer Group (net of planned UDC filled)

	PJ
Union South Sales Service Customers	5.7
Union North West Sales Service and Bundled DP Customers	0.0
Union North East Sales Service and Bundled DP Customers	0.0
Unaccounted For Gas Variances	2.6
Union North West Rate 25 Variance	(0.1)
Union North East Rate 25 Variance	0.1
TOTAL	8.3

3.2.1 Union South Sales Service Customers

Union purchased 5.7 PJ of spot gas and filled 3.0 PJ of Union North Planned UDC to meet actual demands above forecast for November 1, 2017 to January 31, 2018 and projected variances above forecast for February 1, 2018 to March 31, 2018 for Union South sales service customers.

The primary drivers for the spot gas requirement for Union South sales service customers are provided in Table 3.

Table 3
Union South Sales Service Customer Variances

Variance Driver (PJ)	Actual Variances (Nov/17 to Jan/18)	Projected Variances (Feb & Mar/18)	Total Variances
1 Weather	4.0	1.2	5.2
2 Use and RTS Variances	1.3		1.3
3 Variance in Opening Storage Position	0.8		0.8
4 Other	1.4		1.4
5	<u>7.5</u>	<u>1.2</u>	<u>8.7</u>
6 Less North Planned UDC Filled			<u>3.0</u>
7 Spot Gas Purchased for Union South			<u><u>5.7</u></u>

In addition to the 4.0 PJ required due to colder than normal weather, Union experienced other variances that influenced the amount of gas purchased. These included higher general service use and return to sales service of 1.3 PJ and a variance in the opening storage position of 0.8 PJ.

The variance in the opening storage position of 0.8 PJ was a result of actual variances realized in October 2017. In the summer/fall of 2017, Union purchased supply to meet the targeted sales service inventory level for November 1, 2017 based on forecast activity; however, actual activity in October resulted in Union being 0.8 PJ short at November 1, 2017.

The difference between the January 1, 2018 Dawn Reference Price of \$3.522/GJ and the actual average cost of \$4.57/GJ of incremental gas purchased results in a debit of \$5.97 million in the South Purchase Gas Variance Account (SPGVA Deferral No. 179-106) attributable to Union South sales service customers.

3.2.2 *Union North West Sales Service and North Bundled DP Customers*

The actual demands above forecast for November 1, 2017 to January 31, 2018 and projected variances above forecast for February 1, 2018 to March 31, 2018 for Union North West sales service and bundled DP customers is shown in Table 4. Union filled 0.9 PJ of planned UDC for Union North West over the period November 1, 2017 to March 31, 2018.

Table 4
Union North West Sales Service Customer Variances

Variance Driver (PJ)	Actual Variances (Nov/17 to Jan/18)	Projected Variances (Feb & Mar/18)	Total Variances
Weather	0.5	0.2	0.7
Use and RTS Variances	0.2		0.2
Variance in Opening Storage Position	0.1		0.1
Other	0.0		0.0
	<u>0.7</u>	<u>0.2</u>	<u>0.9</u>
Less North Planned UDC Filled			<u>0.9</u>
Spot Gas Purchased for Union North West			<u>0.0</u>

Similar to Union South, the variance in the opening storage position of 0.1 PJ was a result of actual variances realized in October 2017. In the summer/fall of 2017, Union purchased supply to meet the targeted inventory level for November 1, 2017 based on forecast activity; however, actual activity in October resulted in Union being 0.1 PJ short at November 1.

Union North East Sales Service and North Bundled DP Customers

The actual demands above forecast for November 1, 2017 to January 31, 2018 and projected variances above forecast for February 1, 2018 to March 31, 2018 for Union North East sales service and bundled DP customers is shown in Table 5. Union filled 2.4 PJ of planned UDC for Union North East over the period of November 1, 2017 to March 31, 2018.

Table 5
Union North East Sales Service Customer Variances

Variance Driver (PJ)	Actual Variances (Nov/17 to Jan/18)	Projected Variances (Feb & Mar/18)	Total Variances
Weather	1.2	0.5	1.7
Use and RTS Variances	0.5		0.5
Variance in Opening Storage Position	0.2		0.2
Other	0.0		0.0
	<u>1.9</u>	<u>0.5</u>	<u>2.4</u>
Less North Planned UDC Filled			<u>2.4</u>
Spot Gas Purchased for Union North East			<u>0.0</u>

Similar to Union South, the variance in the opening storage position of 0.2 PJ was a result of actual variances realized in October 2017. In the summer/fall of 2017, Union purchased supply to meet the targeted inventory level for November 1, 2017 based on forecast activity; however, actual activity in October resulted in Union being 0.2 PJ short at November 1.

1 3.2.3 *Unaccounted For Gas Variances*

2 Union purchased 2.6 PJ of spot gas to manage Unaccounted for Gas (“UFG”) variances. Because
3 the average cost of spot gas purchases was greater than the Dawn Reference Price, the UFG price
4 variance is a debit of \$2.72 million.

5
6 In the Board’s October 30, 2014 Decision in Union’s EB-2014-0145 proceeding, at page 7, the
7 Board found that *“cost causality requires that the price variances associated with UFG be*
8 *allocated in the same way as the underlying costs, both in the current proceeding and going*
9 *forward. Therefore, the Board finds that the UFG price variance should be allocated to sales*
10 *service customers and the direct purchase customers for which Union provides fuel.”*

11
12 The portion of the purchased spot volume that is specifically identified as replacing UFG volume
13 variances from forecast have an associated price variance that will be excluded from the SPGVA
14 in QRAM reporting. The price variance associated with the spot purchase related to UFG
15 variances will be captured in the Unaccounted for Gas (UFG) Price Variance Account (Deferral
16 Account No. 179-141) consistent with the Board’s decision in the EB-2015-0010 proceeding.
17 Balances in the Unaccounted for Gas Price Variance Account will be included in Union’s 2018
18 annual non-commodity deferral account disposition application.

19
20 3.2.4 *Union North Rate 25 Variance*

21 Union manages the costs of serving Rate 25 customers within the rate class and, as such, is not
22 seeking recovery of costs to purchase spot gas to manage Rate 25 consumption variances.

1 **4. DEFERRAL ACCOUNT ADJUSTMENTS**

2 To ensure that there is continued alignment between the QRAM deferral account schedules and
3 Union's financial records, a reconciliation of each deferral account occurs on a monthly basis
4 and any adjustments are included in the QRAM deferral account schedules.

6 **5. PROSPECTIVE RECOVERY OF DEFERRAL ACCOUNT BALANCES**

7 The deferral account balances as of April 1, 2018, are based on the actual and forecast gas costs
8 for April 1, 2017 to March 31, 2018 as compared to the reference prices approved each quarter in
9 Union's QRAM. In addition, the prospective recovery of deferral account balances will include
10 forecast variances for April 1, 2018 to March 31, 2019.

12 Deferral account balances relating to the North PGVA, North Tolls and Fuel, South PGVA,
13 Inventory Revaluation, and Spot Gas accounts are provided in the following schedules attached
14 to this evidence:

- 15 • Union North West PGVA Account (Account No. 179-147) as identified in Tab 1, Schedule
16 2, Page 2;
- 17 • Union North East PGVA Account (Account No. 179-148) as identified in Tab 1, Schedule 2,
18 Page 3;
- 19 • Union North West Transportation and Fuel Account (Account No. 179-145) as identified in
20 Tab 1, Schedule 2, Page 4;
- 21 • Union North East Transportation and Fuel Account (Account No. 179-146) as identified in
22 Tab 1, Schedule 2, Page 4;

- 1 • South PGVA Account (Account No. 179-106) as identified in Tab 1, Schedule 2, Page 5;
- 2 • Inventory Revaluation Account (Account No. 179-109) as identified in Tab 1, Schedule 2,
- 3 Page 6; and
- 4 • Spot Gas Variance Account (Account No. 179-107) as identified in Tab 1, Schedule 2, Page
- 5 7.

6

7 **6. UNABSORBED DEMAND COST (“UDC”) ACCOUNT**

8 The joint UDC Account balances are not prospectively recovered in accordance with the current

9 Board-approved QRAM process. Union will dispose of any deferral account balances through

10 the annual deferral account disposition process.

UNION GAS LIMITED
Calculation of Alberta Border and Dawn Reference Prices
For the 12 month period ending March 31, 2019

Line No.	Particulars	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total or Average	
	Days	30	31	30	31	31	30	31	30	31	31	28	31	365	
1	NYMEX 21 Day Average (US\$/MMBtu)	(1)	2.691	2.711	2.746	2.788	2.795	2.780	2.799	2.847	2.977	3.066	3.038	2.940	2.848
2	Foreign Exchange		1.259	1.258	1.258	1.257	1.256	1.256	1.255	1.255	1.254	1.254	1.253	1.253	1.256
<u>Calculation of Alberta Border Reference Price</u>															
3	Empress Basis (US\$/MMBtu)		(0.896)	(0.941)	(0.868)	(0.945)	(0.853)	(0.748)	(0.780)	(0.821)	(0.848)	(0.871)	(0.879)	(0.897)	(0.862)
4	Alberta Border (Cdn\$/GJ)	(2)	2.141	2.111	2.239	2.195	2.312	2.419	2.402	2.409	2.531	2.609	2.564	2.427	2.363
5	Forecast Purchase Volume - Union North West (PJ's)		1.10	0.61	0.59	0.61	0.61	0.59	0.88	1.90	1.97	1.97	1.78	1.97	14.56
6	Cost at Market Price (\$000's) (line 4 * line 5)		2,350	1,282	1,316	1,333	1,404	1,421	2,109	4,589	4,981	5,133	4,558	4,776	35,252
7	Alberta Border Reference Price (Cdn\$/GJ) (line 6 / line 5)		2.141	2.111	2.239	2.195	2.312	2.419	2.402	2.409	2.531	2.609	2.564	2.427	2.422
<u>Calculation of Dawn Reference Price</u>															
8	Dawn Basis (US\$/MMBtu)		(0.047)	(0.160)	(0.237)	(0.280)	(0.288)	(0.312)	(0.278)	(0.122)	(0.069)	(0.041)	(0.073)	(0.101)	(0.167)
9	Dawn (Cdn\$/GJ)	(3)	3.154	3.042	2.991	2.988	2.985	2.939	2.999	3.242	3.457	3.595	3.522	3.372	3.190
10	Forecast Purchase Volume - Union South and Union North East (PJ's)		13.69	14.15	13.69	14.15	14.15	14.01	14.48	14.11	14.58	14.58	13.17	14.58	169.34
11	Cost at Market Price (\$000's) (line 9 * line 10)		43,189	43,039	40,961	42,280	42,241	41,166	43,412	45,740	50,403	52,416	46,377	49,155	540,379
12	Dawn Reference Price (Cdn\$/GJ) (line 11 / line 10)		3.154	3.042	2.991	2.988	2.985	2.939	2.999	3.242	3.457	3.595	3.522	3.372	3.191

Notes:
(1) 21 Day Strip dates used: January 31 - March 1, 2018.
(2) Alberta Border Price = ((NYMEX 21 Day Average (line 1) + Empress Basis (line 3)) * (Foreign Exchange Rate (line 2)) / MMBtu to GJ Conversion Rate (4).
(3) Dawn Price = ((NYMEX 21-Day Average (line 1) + Dawn Basis (line 8)) * (Foreign Exchange Rate (line 2)) / MMBtu to GJ Conversion Rate (4).
(4) MMBtu to GJ Conversion Rate: 1.055056 GJ /MMBtu.

UNION GAS LIMITED
Summary of Gas Supply Deferral Accounts

								Joint Account		Joint Account		
Line			Union North West PGVA (179-147)	Union North East PGVA (179-148)	Union North West Tolls & Fuel (179-145)	Union North East Tolls & Fuel (179-146)	South PGVA (179-106)	Inventory Revaluation (179-109)	Load Balancing & Spot Gas Purchases (179-107)	Unabsorbed Demand Costs (179-108)	Total	
No.	Particulars		(\$000's) (1)	(\$000's) (2)	(\$000's) (3)	(\$000's) (4)	(\$000's) (5)	(\$000's) (6)	(\$000's) (7)	(\$000's) (8)	(\$000's)	
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)=sum of (a) to (h)	
1	April, 2017	*	\$ (606)	\$ (391)	\$ (26)	\$ (48)	\$ 4,377	\$ 950	\$ (0)	\$ 534	\$ 4,790	
2	May	*	\$ (242)	\$ (646)	\$ (85)	\$ (653)	\$ 2,248	\$ 12	\$ (0)	\$ 1,626	\$ 2,259	
3	June	*	\$ (55)	\$ (434)	\$ 48	\$ 130	\$ 2,122	\$ 11	\$ (0)	\$ 968	\$ 2,790	
4	July, 2017	*	\$ (100)	\$ (2,335)	\$ (57)	\$ (163)	\$ (6,003)	\$ (3,075)	\$ (0)	\$ 1,208	\$ (10,525)	
5	August	*	\$ (118)	\$ (2,962)	\$ (83)	\$ (147)	\$ (7,858)	\$ 8	\$ (0)	\$ 1,381	\$ (9,779)	
6	September	*	\$ (153)	\$ (2,679)	\$ 23	\$ 266	\$ (4,900)	\$ 8	\$ (0)	\$ 462	\$ (6,974)	
7	October, 2017	*	\$ (502)	\$ (540)	\$ (62)	\$ 1,060	\$ 1,004	\$ 35,811	\$ (0)	\$ 231	\$ 37,002	
8	November	*	\$ (424)	\$ 23	\$ (76)	\$ (1,875)	\$ 918	\$ 50	\$ (0)	\$ 280	\$ (1,104)	
9	December	*	\$ (272)	\$ 639	\$ 323	\$ 876	\$ 4,878	\$ 43	\$ (0)	\$ 257	\$ 6,743	
10	January, 2018		\$ (1,108)	\$ (1,287)	\$ (105)	\$ (806)	\$ (689)	\$ 1,084	\$ (0)	\$ -	\$ (2,910)	
11	February		\$ (89)	\$ 1,770	\$ 3	\$ 18	\$ 16,439	\$ 27	\$ (0)	\$ -	\$ 18,168	
12	March		\$ (1,330)	\$ (350)	\$ (5)	\$ 1	\$ 198	\$ 27	\$ (0)	\$ -	\$ (1,459)	
13	Total (Lines 1 to 12)		\$ (4,999)	\$ (9,193)	\$ (103)	\$ (1,342)	\$ 12,735	\$ 34,956	\$ (2)	\$ 6,947	\$ 38,998	
<u>Current QRAM Period</u>												
14	April, 2018		\$ (308)	\$ (377)	\$ (6)	\$ (16)	\$ 894	\$ 3,608	\$ -	\$ -	\$ 3,795	
15	May		\$ (189)	\$ (689)	\$ (5)	\$ (18)	\$ 35	\$ -	\$ -	\$ -	\$ (866)	
16	June		\$ (108)	\$ (759)	\$ (2)	\$ (15)	\$ 65	\$ -	\$ -	\$ -	\$ (819)	
17	July, 2018		\$ (138)	\$ (804)	\$ (3)	\$ (16)	\$ (209)	\$ -	\$ -	\$ -	\$ (1,170)	
18	August		\$ (66)	\$ (779)	\$ (1)	\$ (14)	\$ (223)	\$ -	\$ -	\$ -	\$ (1,084)	
19	September		\$ (2)	\$ 17	\$ (0)	\$ (13)	\$ 541	\$ -	\$ -	\$ -	\$ 543	
20	October, 2018		\$ (18)	\$ 285	\$ (1)	\$ (14)	\$ 2,018	\$ -	\$ -	\$ -	\$ 2,271	
21	November		\$ (24)	\$ 1,102	\$ (0)	\$ (11)	\$ 4,299	\$ -	\$ -	\$ -	\$ 5,366	
22	December		\$ 215	\$ 1,899	\$ 5	\$ 1	\$ 6,974	\$ -	\$ -	\$ -	\$ 9,095	
23	January, 2019		\$ 367	\$ 2,436	\$ 9	\$ 11	\$ 8,724	\$ -	\$ -	\$ -	\$ 11,546	
24	February		\$ 253	\$ 2,080	\$ 6	\$ 5	\$ 7,472	\$ -	\$ -	\$ -	\$ 9,816	
25	March		\$ 10	\$ 1,823	\$ 1	\$ 7	\$ 6,196	\$ -	\$ -	\$ -	\$ 8,036	
26	Total (Lines 14 to 25)		\$ (7)	\$ 6,235	\$ -	\$ (93)	\$ 36,785	\$ 3,608	\$ -	\$ -	\$ 46,529	

* Reflects actual information.

Notes:

- (1) See page 2.
- (2) See page 3.
- (3) See page 4.
- (4) See page 4.
- (5) See page 5.
- (6) See page 6.
- (7) See page 7.
- (8) Union is not proposing to recover the deferral balance for the Unabsorbed Demand Charge (Account No. 179-108) deferral account in the current QRAM.

UNION GAS LIMITED
Deferral Account for
North West Purchased Gas Variance Account
(Deferral Account 179-147)

Line No.	Particulars	Purchase Cost (\$000's)	Volume (GJ)	Weighted Avg. Price (\$/GJ)	Alberta Border Reference Price (\$/GJ)(1)	Unit Rate Difference (\$/GJ)	Deferral Amount Before Interest (\$000's)	Adjustments (\$000's)	Total Deferral Before Interest (\$000's)	Interest (\$000's) (2)	Total Deferral Amount (\$000's)
		(a)	(b)	(c)= (a)/(b)	(d)	(e) = (c) - (d)	(f) = (b) x (e)	(g)	(h) = (f) + (g)	(i)	(j) = (h) + (i)
1	April, 2017	\$ 3,641	1,349,692	\$ 2.697	\$ 3.146	\$ (0.449)	\$ (606)	\$ -	\$ (606)	\$ 0	\$ (606)
2	May	\$ 1,902	681,178	\$ 2.793	\$ 3.146	\$ (0.354)	\$ (241)	\$ -	\$ (241)	\$ (1)	\$ (242)
3	June	\$ 509	179,190	\$ 2.841	\$ 3.146	\$ (0.305)	\$ (55)	\$ -	\$ (55)	\$ (1)	\$ (55)
4	July, 2017	\$ 313	137,688	\$ 2.275	\$ 2.999	\$ (0.724)	\$ (100)	\$ -	\$ (100)	\$ (0)	\$ (100)
5	August	\$ 220	112,412	\$ 1.953	\$ 2.999	\$ (1.046)	\$ (118)	\$ -	\$ (118)	\$ (1)	\$ (118)
6	September	\$ 92	80,035	\$ 1.153	\$ 2.999	\$ (1.846)	\$ (148)	\$ -	\$ (148)	\$ (6)	\$ (153)
7	October, 2017	\$ 1,645	820,256	\$ 2.006	\$ 2.616	\$ (0.610)	\$ (501)	\$ -	\$ (501)	\$ (1)	\$ (502)
8	November	\$ 4,766	1,983,782	\$ 2.403	\$ 2.616	\$ (0.213)	\$ (423)	\$ -	\$ (423)	\$ (2)	\$ (424)
9	December	\$ 5,052	2,034,556	\$ 2.483	\$ 2.616	\$ (0.133)	\$ (270)	\$ -	\$ (270)	\$ (2)	\$ (272)
10	January, 2018	\$ 4,197	2,065,488	\$ 2.032	\$ 2.567	\$ (0.535)	\$ (1,105)	\$ -	\$ (1,105)	\$ (2)	\$ (1,108)
11	February	\$ 4,534	1,800,105	\$ 2.519	\$ 2.567	\$ (0.048)	\$ (87)	\$ -	\$ (87)	\$ (2)	\$ (89)
12	March	\$ 3,618	1,926,820	\$ 1.878	\$ 2.567	\$ (0.689)	\$ (1,328)	\$ -	\$ (1,328)	\$ (2)	\$ (1,330)
13	Total (Lines 1 to 12)	\$ 30,489	13,171,202				\$ (4,981)	\$ -	\$ (4,981)	\$ (19)	\$ (4,999)
<u>Current QRAM Period</u>											
14	April, 2018	\$ 2,350	1,097,655	\$ 2.141	\$ 2.422	\$ (0.281)	\$ (308)	\$ -	\$ (308)	\$ -	\$ (308)
15	May	\$ 1,282	607,244	\$ 2.111	\$ 2.422	\$ (0.311)	\$ (189)	\$ -	\$ (189)	\$ -	\$ (189)
16	June	\$ 1,316	587,620	\$ 2.239	\$ 2.422	\$ (0.183)	\$ (108)	\$ -	\$ (108)	\$ -	\$ (108)
17	July, 2018	\$ 1,333	607,012	\$ 2.195	\$ 2.422	\$ (0.227)	\$ (138)	\$ -	\$ (138)	\$ -	\$ (138)
18	August	\$ 1,404	606,963	\$ 2.312	\$ 2.422	\$ (0.110)	\$ (66)	\$ -	\$ (66)	\$ -	\$ (66)
19	September	\$ 1,421	587,383	\$ 2.419	\$ 2.422	\$ (0.003)	\$ (2)	\$ -	\$ (2)	\$ -	\$ (2)
20	October, 2018	\$ 2,109	878,213	\$ 2.402	\$ 2.422	\$ (0.020)	\$ (18)	\$ -	\$ (18)	\$ -	\$ (18)
21	November	\$ 4,589	1,904,415	\$ 2.409	\$ 2.422	\$ (0.013)	\$ (24)	\$ -	\$ (24)	\$ -	\$ (24)
22	December	\$ 4,981	1,967,896	\$ 2.531	\$ 2.422	\$ 0.109	\$ 215	\$ -	\$ 215	\$ -	\$ 215
23	January, 2019	\$ 5,133	1,967,896	\$ 2.609	\$ 2.422	\$ 0.187	\$ 367	\$ -	\$ 367	\$ -	\$ 367
24	February	\$ 4,558	1,777,454	\$ 2.564	\$ 2.422	\$ 0.142	\$ 253	\$ -	\$ 253	\$ -	\$ 253
25	March	\$ 4,776	1,967,896	\$ 2.427	\$ 2.422	\$ 0.005	\$ 10	\$ -	\$ 10	\$ -	\$ 10
26	Total (Lines 14 to 25)	\$ 35,252	14,557,646				\$ (7)	\$ -	\$ (7)	\$ -	\$ (7)

* Reflects actual information.

Notes:

- (1) The reference price from April 2017 to June 2017 is as approved in EB-2017-0089.
The reference price from July 2017 to September 2017 is as approved in EB-2017-0185.
The reference price from October 2017 to December 2017 is as approved in EB-2017-0278.
The reference price from January 2018 to March 2018 is as approved in EB-2017-0351.
The reference price from April 2018 to March 2019 is as proposed in EB-2018-0104.
- (2) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.

UNION GAS LIMITED
Deferral Account for
North East Purchased Gas Variance Account
(Deferral Account 179-148)

Line No.	Particulars	Purchase Cost (\$000's)	Volume (GJ)	Weighted Avg. Price (\$/GJ)	Dawn Reference Price (\$/GJ)(1)	Unit Rate Difference (\$/GJ)	Deferral Amount Before Interest (\$000's)	Adjustments (\$000's)	Total Deferral Before Interest (\$000's)	Interest (\$000's) (2)	Total Deferral Amount (\$000's)
		(a)	(b)	(c)= (a)/(b)	(d)	(e) = (c) - (d)	(f) = (b) x (e)	(g)	(h) = (f) + (g)	(i)	(j) = (h) + (i)
1	April, 2017	\$ 8,662	2,211,313	\$ 3.917	\$ 4.095	\$ (0.178)	\$ (393)	\$ -	\$ (393)	\$ 2	\$ (391)
2	May	\$ 6,736	1,803,243	\$ 3.735	\$ 4.095	\$ (0.359)	\$ (648)	\$ -	\$ (648)	\$ 2	\$ (646)
3	June	\$ 10,978	2,787,278	\$ 3.939	\$ 4.095	\$ (0.156)	\$ (435)	\$ -	\$ (435)	\$ 1	\$ (434)
4	July, 2017	\$ 9,781	2,880,607	\$ 3.395	\$ 4.206	\$ (0.811)	\$ (2,336)	\$ -	\$ (2,336)	\$ 2	\$ (2,335)
5	August	\$ 9,108	2,869,269	\$ 3.174	\$ 4.206	\$ (1.032)	\$ (2,961)	\$ -	\$ (2,961)	\$ (1)	\$ (2,962)
6	September	\$ 9,094	2,794,952	\$ 3.254	\$ 4.206	\$ (0.953)	\$ (2,663)	\$ -	\$ (2,663)	\$ (16)	\$ (2,679)
7	October, 2017	\$ 9,742	2,894,510	\$ 3.366	\$ 3.549	\$ (0.184)	\$ (532)	\$ -	\$ (532)	\$ (9)	\$ (540)
8	November	\$ 9,281	2,605,611	\$ 3.562	\$ 3.549	\$ 0.012	\$ 32	\$ -	\$ 32	\$ (9)	\$ 23
9	December	\$ 10,027	2,642,448	\$ 3.794	\$ 3.549	\$ 0.245	\$ 647	\$ -	\$ 647	\$ (8)	\$ 639
10	January, 2018	\$ 8,441	2,760,152	\$ 3.058	\$ 3.522	\$ (0.464)	\$ (1,280)	\$ -	\$ (1,280)	\$ (7)	\$ (1,287)
11	February	\$ 11,508	2,763,110	\$ 4.165	\$ 3.522	\$ 0.643	\$ 1,777	\$ -	\$ 1,777	\$ (7)	\$ 1,770
12	March	\$ 9,776	2,873,064	\$ 3.403	\$ 3.522	\$ (0.119)	\$ (343)	\$ -	\$ (343)	\$ (7)	\$ (350)
13	Total (Lines 1 to 12)	\$ 113,134	31,885,557				\$ (9,136)	\$ -	\$ (9,136)	\$ (57)	\$ (9,193)
<u>Current QRAM Period</u>											
14	April, 2018	\$ 8,495	2,780,293	\$ 3.055	\$ 3.191	\$ (0.136)	\$ (377)	\$ -	\$ (377)	\$ -	\$ (377)
15	May	\$ 8,478	2,872,970	\$ 2.951	\$ 3.191	\$ (0.240)	\$ (689)	\$ -	\$ (689)	\$ -	\$ (689)
16	June	\$ 8,113	2,780,239	\$ 2.918	\$ 3.191	\$ (0.273)	\$ (759)	\$ -	\$ (759)	\$ -	\$ (759)
17	July, 2018	\$ 8,362	2,872,613	\$ 2.911	\$ 3.191	\$ (0.280)	\$ (804)	\$ -	\$ (804)	\$ -	\$ (804)
18	August	\$ 8,388	2,872,538	\$ 2.920	\$ 3.191	\$ (0.271)	\$ (779)	\$ -	\$ (779)	\$ -	\$ (779)
19	September	\$ 8,888	2,779,876	\$ 3.197	\$ 3.191	\$ 0.006	\$ 17	\$ -	\$ 17	\$ -	\$ 17
20	October, 2018	\$ 9,452	2,872,538	\$ 3.290	\$ 3.191	\$ 0.099	\$ 285	\$ -	\$ 285	\$ -	\$ 285
21	November	\$ 10,761	3,026,924	\$ 3.555	\$ 3.191	\$ 0.364	\$ 1,102	\$ -	\$ 1,102	\$ -	\$ 1,102
22	December	\$ 11,880	3,127,821	\$ 3.798	\$ 3.191	\$ 0.607	\$ 1,899	\$ -	\$ 1,899	\$ -	\$ 1,899
23	January, 2019	\$ 12,417	3,127,821	\$ 3.970	\$ 3.191	\$ 0.779	\$ 2,436	\$ -	\$ 2,436	\$ -	\$ 2,436
24	February	\$ 11,095	2,825,129	\$ 3.927	\$ 3.191	\$ 0.736	\$ 2,080	\$ -	\$ 2,080	\$ -	\$ 2,080
25	March	\$ 11,804	3,127,821	\$ 3.774	\$ 3.191	\$ 0.583	\$ 1,823	\$ -	\$ 1,823	\$ -	\$ 1,823
26	Total (Lines 14 to 25)	\$ 118,133	35,066,584				\$ 6,235	\$ -	\$ 6,235	\$ -	\$ 6,235

* Reflects actual information.

Notes:

- (1) The reference price from April 2017 to June 2017 is as approved in EB-2017-0089.
The reference price from July 2017 to September 2017 is as approved in EB-2017-0185.
The reference price from October 2017 to December 2017 is as approved in EB-2017-0278.
The reference price from January 2018 to March 2018 is as approved in EB-2017-0351.
The reference price from April 2018 to March 2019 is as proposed in EB-2018-0104.
- (2) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.

UNION GAS LIMITED
Deferral Account for
Transportation Tolls and Fuel

Line No.	Particulars	Union North West Operations Area (179-145)			Union North East Operations Area (179-146)		
		Deferral Amount Before Interest (\$000's)	Interest (\$000's) (1)	Deferral Amount With Interest (\$000's) (c) = (a) + (b)	Deferral Amount Before Interest (\$000's)	Interest (\$000's) (1)	Deferral Amount With Interest (\$000's) (f) = (d) + (e)
		(a)	(b)	(c) = (a) + (b)	(d)	(e)	(f) = (d) + (e)
1	April, 2017	\$ (27)	\$ 0	\$ (26)	\$ (49)	\$ 2	\$ (48)
2	May	\$ (86)	\$ 0	\$ (85)	\$ (655)	\$ 2	\$ (653)
3	June	\$ 48	\$ 0	\$ 48	\$ 129	\$ 1	\$ 130
4	July, 2017	\$ (57)	\$ (0)	\$ (57)	\$ (163)	\$ 0	\$ (163)
5	August	\$ (82)	\$ (0)	\$ (83)	\$ (148)	\$ 0	\$ (147)
6	September	\$ 24	\$ (2)	\$ 23	\$ 270	\$ (4)	\$ 266
7	October, 2017	\$ (62)	\$ (0)	\$ (62)	\$ 1,060	\$ 0	\$ 1,060
8	November	\$ (76)	\$ (0)	\$ (76)	\$ (1,877)	\$ 2	\$ (1,875)
9	December	\$ 324	\$ (0)	\$ 323	\$ 876	\$ (0)	\$ 876
10	January, 2018	\$ (105)	\$ 0	\$ (105)	\$ (807)	\$ 1	\$ (806)
11	February	\$ 3	\$ 0	\$ 3	\$ 17	\$ 1	\$ 18
12	March	\$ (5)	\$ 0	\$ (5)	\$ (0)	\$ 1	\$ 1
13	Total (Lines 1 to 12)	\$ (102)	\$ (1)	\$ (103)	\$ (1,348)	\$ 6	\$ (1,342)
<u>Current QRAM Period</u>							
14	April, 2018	\$ (6)	\$ -	\$ (6)	\$ (16)	\$ -	\$ (16)
15	May	\$ (5)	\$ -	\$ (5)	\$ (18)	\$ -	\$ (18)
16	June	\$ (2)	\$ -	\$ (2)	\$ (15)	\$ -	\$ (15)
17	July, 2018	\$ (3)	\$ -	\$ (3)	\$ (16)	\$ -	\$ (16)
18	August	\$ (1)	\$ -	\$ (1)	\$ (14)	\$ -	\$ (14)
19	September	\$ (0)	\$ -	\$ (0)	\$ (13)	\$ -	\$ (13)
20	October, 2018	\$ (1)	\$ -	\$ (1)	\$ (14)	\$ -	\$ (14)
21	November	\$ (0)	\$ -	\$ (0)	\$ (11)	\$ -	\$ (11)
22	December	\$ 5	\$ -	\$ 5	\$ 1	\$ -	\$ 1
23	January, 2019	\$ 9	\$ -	\$ 9	\$ 11	\$ -	\$ 11
24	February	\$ 6	\$ -	\$ 6	\$ 5	\$ -	\$ 5
25	March	\$ 1	\$ -	\$ 1	\$ 7	\$ -	\$ 7
26	Total (Lines 14 to 25)	\$ -	\$ -	\$ -	\$ (93)	\$ -	\$ (93)

* Reflects actual information.

Notes:

(1) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.

UNION GAS LIMITED
Deferral Account for
South Purchased Gas Variance Account
(Deferral Account 179-106)

Line No.	Particulars	Purchase Cost (\$000's)	Volume (GJ)	Weighted Avg. Price (\$/GJ)	Dawn Reference Price (\$/GJ)(1)	Unit Rate Difference (\$/GJ)	Monthly Deferral Amount (\$000's)	Southern Portfolio Cost Differential Adjustment (\$000's)	Deferral Amount Before Interest (\$000's)	Adjustments (\$000's)	Total Deferral Before Interest (\$000's)	Interest (\$000's) (2)	Total Deferral Amount (\$000's)
		(a)	(b)	(c) = (a)/(b)	(d)	(e) = (c) - (d)	(f) = (b) x (e)	(g)	(h) = (f) + (g)	(i)	(j) = (h) + (i)	(k)	(l) = (j) + (k)
1	April, 2017	\$ 38,079	8,335,512	\$ 4.568	\$ 4.095	\$ 0.473	\$ 3,946	\$ 410	\$ 4,357	\$ -	\$ 4,357	\$ 21	\$ 4,377
2	May	\$ 46,564	10,827,873	\$ 4.300	\$ 4.095	\$ 0.206	\$ 2,226	\$ -	\$ 2,226	\$ -	\$ 2,226	\$ 22	\$ 2,248
3	June	\$ 47,810	11,162,585	\$ 4.283	\$ 4.095	\$ 0.188	\$ 2,101	\$ -	\$ 2,101	\$ -	\$ 2,101	\$ 21	\$ 2,122
4	July, 2017	\$ 42,574	11,553,529	\$ 3.685	\$ 4.206	\$ (0.522)	\$ (6,026)	\$ -	\$ (6,026)	\$ -	\$ (6,026)	\$ 23	\$ (6,003)
5	August	\$ 36,513	10,551,759	\$ 3.460	\$ 4.206	\$ (0.746)	\$ (7,873)	\$ -	\$ (7,873)	\$ -	\$ (7,873)	\$ 15	\$ (7,858)
6	September	\$ 33,557	9,143,357	\$ 3.670	\$ 4.206	\$ (0.536)	\$ (4,905)	\$ -	\$ (4,905)	\$ -	\$ (4,905)	\$ 5	\$ (4,900)
7	October, 2017	\$ 31,387	8,559,026	\$ 3.667	\$ 3.549	\$ 0.118	\$ 1,006	\$ -	\$ 1,006	\$ -	\$ 1,006	\$ (2)	\$ 1,004
8	November	\$ 41,220	11,353,030	\$ 3.631	\$ 3.549	\$ 0.081	\$ 922	\$ -	\$ 922	\$ -	\$ 922	\$ (4)	\$ 918
9	December	\$ 46,396	11,693,785	\$ 3.968	\$ 3.549	\$ 0.418	\$ 4,889	\$ -	\$ 4,889	\$ -	\$ 4,889	\$ (12)	\$ 4,878
10	January, 2018	\$ 41,002	11,831,976	\$ 3.465	\$ 3.522	\$ (0.057)	\$ (670)	\$ -	\$ (670)	\$ -	\$ (670)	\$ (19)	\$ (689)
11	February	\$ 86,547	19,900,388	\$ 4.349	\$ 3.522	\$ 0.827	\$ 16,458	\$ -	\$ 16,458	\$ -	\$ 16,458	\$ (19)	\$ 16,439
12	March	\$ 37,547	10,599,103	\$ 3.542	\$ 3.522	\$ 0.020	\$ 217	\$ -	\$ 217	\$ -	\$ 217	\$ (19)	\$ 198
13	Total (Lines 1 to 12)	\$ 529,195	135,511,924				\$ 12,293	\$ 410	\$ 12,703	\$ -	\$ 12,703	\$ 32	\$ 12,735

Current QRAM Period

14	April, 2018	\$ 35,718	10,912,906	\$ 3.273	\$ 3.191	\$ 0.082	\$ 894	\$ -	\$ 894	\$ -	\$ 894	\$ -	\$ 894
15	May	\$ 36,019	11,276,669	\$ 3.194	\$ 3.191	\$ 0.003	\$ 35	\$ -	\$ 35	\$ -	\$ 35	\$ -	\$ 35
16	June	\$ 34,888	10,912,906	\$ 3.197	\$ 3.191	\$ 0.006	\$ 65	\$ -	\$ 65	\$ -	\$ 65	\$ -	\$ 65
17	July, 2018	\$ 35,775	11,276,669	\$ 3.172	\$ 3.191	\$ (0.019)	\$ (209)	\$ -	\$ (209)	\$ -	\$ (209)	\$ -	\$ (209)
18	August	\$ 35,761	11,276,669	\$ 3.171	\$ 3.191	\$ (0.020)	\$ (223)	\$ -	\$ (223)	\$ -	\$ (223)	\$ -	\$ (223)
19	September	\$ 36,374	11,229,417	\$ 3.239	\$ 3.191	\$ 0.048	\$ 541	\$ -	\$ 541	\$ -	\$ 541	\$ -	\$ 541
20	October, 2018	\$ 39,045	11,603,730	\$ 3.365	\$ 3.191	\$ 0.174	\$ 2,018	\$ -	\$ 2,018	\$ -	\$ 2,018	\$ -	\$ 2,018
21	November	\$ 39,662	11,082,159	\$ 3.579	\$ 3.191	\$ 0.388	\$ 4,299	\$ -	\$ 4,299	\$ -	\$ 4,299	\$ -	\$ 4,299
22	December	\$ 43,516	11,451,564	\$ 3.800	\$ 3.191	\$ 0.609	\$ 6,974	\$ -	\$ 6,974	\$ -	\$ 6,974	\$ -	\$ 6,974
23	January, 2019	\$ 45,266	11,451,510	\$ 3.953	\$ 3.191	\$ 0.762	\$ 8,724	\$ -	\$ 8,724	\$ -	\$ 8,724	\$ -	\$ 8,724
24	February	\$ 40,477	10,343,300	\$ 3.913	\$ 3.191	\$ 0.722	\$ 7,472	\$ -	\$ 7,472	\$ -	\$ 7,472	\$ -	\$ 7,472
25	March	\$ 42,738	11,451,510	\$ 3.732	\$ 3.191	\$ 0.541	\$ 6,196	\$ -	\$ 6,196	\$ -	\$ 6,196	\$ -	\$ 6,196
26	Total (Lines 14 to 25)	\$ 465,237	134,269,010				\$ 36,785	\$ -	\$ 36,785	\$ -	\$ 36,785	\$ -	\$ 36,785

* Reflects actual information.

Notes:

- (1) The reference price from April 2017 to June 2017 is as approved in EB-2017-0089.
The reference price from July 2017 to September 2017 is as approved in EB-2017-0185.
The reference price from October 2017 to December 2017 is as approved in EB-2017-0278.
The reference price from January 2018 to March 2018 is as approved in EB-2017-0351.
The reference price from April 2018 to March 2019 is as proposed in EB-2018-0104.
- (2) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.

UNION GAS LIMITED
Deferral Account for
Inventory Revaluation
(Deferral Account 179-109)

Line No.	Effective Date	Proceeding Number	Reference Price (C\$/GJ) (a)	Price Difference from Previous Approved Price (\$/GJ) (b)	Inventory Levels Forecast/ Actual (PJ) (c)	Inventory Revaluation Forecast/ Actual (\$000's) (d) = -(b) x (c)	Interest (\$000's) (1) (e)	Total Deferral Amount (\$000's) (f) = (d) + (e)
1	April, 2017	* EB-2017-0089	4.095	\$ (0.056)	16.3	\$ 939	\$ 12	\$ 950
2	May	*					\$ 12	\$ 12
3	June	*					\$ 11	\$ 11
4	July, 2017	* EB-2017-0185	4.206	\$ 0.112	28.1	\$ (3,087)	\$ 11	\$ (3,075)
5	August	*					\$ 8	\$ 8
6	September	*					\$ 8	\$ 8
7	October, 2017	* EB-2017-0278	3.549	\$ (0.657)	54.6	\$ 35,801	\$ 10	\$ 35,811
8	November	*					\$ 50	\$ 50
9	December	*					\$ 43	\$ 43
10	January, 2018	* EB-2017-0351	3.522	\$ (0.028)	39.3	\$ 1,057	\$ 27	\$ 1,084
11	February						\$ 27	\$ 27
12	March						\$ 27	\$ 27
13	Total (Lines 1 to 12)					<u>\$ 34,710</u>	<u>\$ 247</u>	<u>\$ 34,956</u>
<u>Current QRAM Period</u>								
14	April, 2018	EB-2018-0104	\$ 3.191	\$ (0.331)	10.9	\$ 3,608	\$ -	\$ 3,608
15	May						\$ -	\$ -
16	June						\$ -	\$ -
17	July, 2018					\$ -	\$ -	\$ -
18	August						\$ -	\$ -
19	September						\$ -	\$ -
20	October, 2018					\$ -	\$ -	\$ -
21	November						\$ -	\$ -
22	December						\$ -	\$ -
23	January, 2019					\$ -	\$ -	\$ -
24	February						\$ -	\$ -
25	March						\$ -	\$ -
26	Total (Lines 14 to 25)					<u>\$ 3,608</u>	<u>\$ -</u>	<u>\$ 3,608</u>

* Reflects actual information

Notes:

(1) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.

UNION GAS LIMITED
Deferral Account for
Spot Gas Variance Account
(Deferral Account 179-107)

		Spot Gas Purchases			Load Balancing					
Line No.	Particulars	Deferral Amount Before Interest (\$000's)	Interest (\$000's) (1)	Deferral Balance (\$000's)	Load Balancing Deferral (\$000's)	North Load Balancing Revenue (\$000's)	South Load Balancing Revenue (\$000's)	Deferral Amount Before Interest (\$000's)	Interest (\$000's) (1)	Deferral Balance (\$000's)
		(a)	(b)	(c) = (a) + (b)	(d)	(e)	(f)	(g) = (d) + (e) + (f)	(h)	(i) = (g) + (h)
1	April, 2017	* \$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
2	May	* \$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
3	June	* \$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
4	July, 2017	* \$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
5	August	* \$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
6	September	* \$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
7	October, 2017	* \$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
8	November	* \$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
9	December	* \$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
10	January, 2018	\$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
11	February	\$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
12	March	\$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
13	Total (Lines 1 to 12)	-	(2)	(2)	-	-	-	-	(0)	(0)
Current QRAM Period										
14	April, 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	May	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	June	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	July, 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	August	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	September	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	October, 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	November	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	December	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	January, 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	February	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	March	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Total (Lines 14 to 25)	-	-	-	-	-	-	-	-	-

* Reflects actual information.

Notes:

(1) Interest is computed on the deferral amount balance net of the actual prospective recovery amount for the quarter prior to the current QRAM period.

PREFILED EVIDENCE OF

AMY MIKHAILA, MANAGER, RATES AND PRICING

AND

ROBIN STEVENSON, TEAM LEAD, RATES AND PRICING

5

The purpose of this evidence is to address proposed changes to Union’s gas supply commodity, gas transportation, storage, and delivery rates effective April 1, 2018.

gas transportation, storage, and delivery rates effective April 1, 2018.

8

The proposed changes to rates (Appendix A), rate schedules (Appendix B), and the summary of interruptible rate changes (Appendix C) are attached. Supplemental charges are provided at Working Papers, Schedule 1.

interruptible rate changes (Appendix C) are attached. Supplemental charges are provided at

Working Papers, Schedule 1.

12

1. GAS SUPPLY COMMODITY RATES

The gas supply commodity rates for the Union South operating area and the Union North East

zone are set based on the Dawn Reference Price, which decreased to \$3.191/GJ (12.4098

cents/m³), per Tab 1, Schedule 1, line 12. The gas commodity rates for the Union North West

zone are set based on the Alberta Border Reference Price, which decreased to \$2.422/GJ (9.4192

cents/m³), per Tab 1, Schedule 1, line 7. The proposed April 1, 2018 prices reflect the heat value

conversion factor of 38.89 GJ/10³m³. The gas supply commodity unit rate changes applicable to

Union's operating areas are provided at Tab 2, Schedule 1.

1 **2. UNION NORTH GAS TRANSPORTATION AND STORAGE RATES**

2 Union North transportation and storage rates are updated each quarter for changes in upstream
3 transportation tolls and changes in the reference prices used to calculate the upstream compressor
4 fuel requirements. The Union North transportation and storage unit rate changes are provided at
5 Tab 2, Schedule 2, p.1.

6
7 On December 19, 2017, the National Energy Board (“NEB”) approved the transportation tolls
8 and abandonment surcharges TransCanada charges for firm transportation services on the
9 Mainline on an interim basis effective January 1, 2018. Other approved upstream toll changes
10 include Centra Transmission Holdings Inc. (“CTHI”) and Centra Pipelines Minnesota Inc.
11 (“CPMI”).

12
13 The compressor fuel requirements from Empress to the respective delivery areas are set based on
14 the Alberta Border Reference Price, which decreased to \$2.422/GJ (9.4192 cents/m³). The
15 compressor fuel requirements from Dawn or Parkway to the respective delivery areas are set
16 based on the Dawn Reference Price, which decreased to \$3.191/GJ (12.4098 cents/m³).

17
18 The changes to upstream tolls and the reference prices used to calculate the compressor fuel
19 requirements decreases Union’s total annual gas supply transportation and storage costs by
20 \$8.956 million. The total decrease to Union’s annual gas supply transportation and storage costs
21 is as shown at Tab 2, Schedule 2, p.2.

Consistent with Board-approved methodology, the cost changes are allocated to rate classes in proportion to the approved 2013 allocation of Union North storage and transportation costs, as provided at Tab 2, Schedule 2, p.3.

3. COST OF GAS IN DELIVERY RATES

Delivery rates are updated each quarter for changes to the reference price used to calculate compressor fuel, unaccounted for gas and inventory carrying costs. The unit rate changes included in delivery rates are provided at Tab 2, Schedule 3.

Per Union's 2018 Rates (EB-2017-0087), the cost of gas previously included in Union's delivery rates was 13.7182 cents/m³ based on the Dawn Reference Price. Effective April 1, 2018, the cost of gas included in delivery rates is 12.4098 cents/m³, which represents a decrease of 1.3084 cents/m³.

Consistent with Board-approved methodology, the decrease in the cost of gas in delivery rates is allocated to rate classes in proportion to the approved 2013 allocation of compressor fuel, unaccounted for gas and inventory carrying costs.

1 **4. RATE RIDERS**

2 In addition to the forecast reference price changes identified above, changes to previously
3 approved rate riders are required to reflect quarterly updates to gas cost deferral account
4 balances. Each quarter Union projects the balance expected in each gas cost deferral account
5 over the next 12-month period. In addition, Union tracks recovery variances (differences
6 between what Union intended to recover in previous rate riders and what was actually
7 recovered). Each quarter Union includes that variance in the rate riders established for the next
8 12-month period. Rates are changed every quarter to reflect updated projected deferral account
9 balances and historical recovery variances.

10
11 A summary of deferral account activity and proposed rate rider unit rate changes are provided at
12 Tab 2, Schedule 4, pp.1-2. Projected deferral account balances (line 3) are compared to
13 previously projected balances (line 7) in each gas cost deferral account and variances are
14 identified (line 8). In addition, the difference between what was actually recovered in previous
15 rate riders and what Union intended to recover is identified (line 11). This is the difference
16 between forecast and actual volumes (last three months of actual volumes) multiplied by the
17 previously approved rate riders. The net amount to be recovered prospectively (line 13) is the
18 amount which has not been included in rate riders to date. The unit rate rider in the current
19 GRAM (line 15) is the net amount in each gas cost deferral account prospectively recovered over
20 forecast consumption in the next 12 months (line 14).

1 Union introduced new Union North deferral accounts as part of the Dawn Reference Price
2 Settlement Proposal (EB-2015-0181) to replace the Union North PGVA (Account No. 179-105)
3 and Union North Tolls and Fuel (Account No. 179-100) deferral accounts. Union transitioned the
4 forecast and actual variances to the new Union North deferral accounts effective January 1, 2017.
5 To prepare to close the Union North PGVA and Union North Tolls and Fuel deferral accounts,
6 Union is proposing to transfer the balance associated with recovery variances from these deferral
7 accounts to the new Union North deferral accounts. The new Union North deferral accounts in
8 effect starting January 1, 2017 are:

- 9 • Transportation Tolls and Fuel – Union North West Operations Area (Account No. 179-145);
- 10 • Transportation Tolls and Fuel – Union North East Operations Area (Account No. 179-146);
- 11 • Union North West Purchase Gas Variance Account (Account No. 179-147); and
- 12 • Union North East Purchase Gas Variance Account (Account No. 179-148).

13
14 As part of the April 2017 QRAM (EB-2017-0089), Union recorded and disposed of the actual
15 deferral account variances up to and including December 31, 2016 through the Union North
16 PGVA and Union North Tolls and Fuel deferral accounts. Union continues to track and record
17 the recovery variance associated with these deferral accounts (for activity up to and including
18 December 31, 2016) to account for the difference between what was actually recovered in
19 previous rate riders and what Union forecast to recover. Consistent with January 2018 QRAM
20 (EB-2017-0351), Union has transferred the recovery variances to the new Union North deferral
21 accounts in the current QRAM and will continue to transfer the variances in the following

QRAM proceeding until the recovery variance and unit rate for recovery are zero. Following this, Union will propose to close the Union North PGVA and Union North Tolls and Fuel deferral accounts.

Union has transferred the recovery variance from the Union North PGVA and Union North Tolls and Fuel deferral accounts to the new Union North deferral accounts in proportion to the forecast billing units by Zone. To recognize that prior to January 1, 2017 bundled-T customers provided fuel in kind, Union has transferred the Union North Fuel recovery variance to the new Union North PGVA deferral accounts by Zone, so that the variance will be recovered from sales service customers only. In total, Union is proposing to transfer a net debit of \$0.005 million to the new Union North deferral accounts. A summary of the adjustment is provided at Table 1. The transfer is also reflected at Tab 2, Schedule 4, p.1, line 12.

Table 1
Calculation of Prospective Recovery Amount Deferral Transfer

Line No.	Particulars (\$000)	Balance to Transfer	Balance Transferred to:			
			North West PGVA (179-147)	North East PGVA (179-148)	North West Tolls & Fuel (179-145)	North East Tolls & Fuel (179-146)
		(a)	(b)	(c)	(d)	(e)
1	Forecast Billing Units (10 ³ m ³)		296,593	776,354	379,412	1,041,669
2	North PGVA (179-105)	(44)	(12)	(32)	-	-
3	North Tolls (179-100)	33	-	-	9	24
4	North Fuel (179-100)	15	4	11	-	-
5	Total	5	(8)	(20)	9	24

1 In total, the change in gas cost-related deferrals in the current QRAM is a net decrease of
2 \$19.917 million. This amount excludes the balance in the joint Unabsorbed Demand Costs
3 Deferral Account (Deferral Account No. 179-108) which is not prospectively recovered as per
4 the current approved QRAM process.

5
6 Tab 2, Schedule 4, pp. 1-2, line 21 shows the net prospective rider for each deferral account for
7 the current QRAM period. The net prospective rider reflects the unit rate change calculated at
8 Tab 2, Schedule 4, pp. 1-2, line 22. The net prospective rider includes: (i) the introduction of the
9 unit rate change and (ii) the elimination of expiring riders which have been in place for 12
10 months.

11
12 The unit rates for prospective recovery of the gas cost deferral accounts are summarized at Tab
13 2, Schedule 4, p.3. The detailed calculation for each deferral account is provided at Working
14 Papers, Schedule 2.

15 16 **6. CUSTOMER BILL IMPACTS**

17 General service annual customer bill impacts, including the prospective recovery of deferral
18 account balances are provided at Tab 2, Schedule 5. The bill impacts shown at Tab 2, Schedule 5
19 reflect (i) the introduction of April 1, 2018 proposed QRAM changes detailed above and (ii) the
20 elimination of expiring April 1, 2017 prospective QRAM riders.

1 A typical sales service Rate M1 residential customer consuming 2,200 m³ per year will see a net
2 bill decrease of \$38.86 per year. A typical bundled Rate M1 direct purchase customer will see a
3 bill decrease of \$0.51 per year. A typical sales service Rate 01 residential customer consuming
4 2,200 m³ per year will see a net bill decrease ranging from \$43.88 to \$57.54 per year. A typical
5 bundled Rate 01 direct purchase customer will see a net bill decrease ranging from \$4.25 to
6 \$21.15 per year.

7
8 **7. CUSTOMER NOTICES**

9 Customer notices that accompany the April 1, 2018 bills will reflect approved rates in this
10 proceeding compared with the current approved rates in Union's 2018 Rates (EB-2017-0087)
11 proceeding.

UNION GAS LIMITED
Derivation of Gas Supply Commodity Charges

Line No.	Particulars	EB-2017-0087 Effective January 1, 2018		EB-2018-0104 Effective April 1, 2018		Change Effective April 1, 2018	
		(cents/m ³)	(\$/GJ)	(cents/m ³)	(\$/GJ)	(cents/m ³)	(\$/GJ)
		(a)	(b)	(c)	(d)	(e)= (c) - (a)	(f)= (d) - (b)
	<u>Union South</u>						
	<u>Commodity Rate</u>						
1	Dawn Reference Price (1)	13.7182	3.522	12.4098	3.191 (3)	(1.3084)	(0.331)
3	Gas Supply Optimization Margin Credit	(0.2824) (5)	(0.073)	(0.2824) (5)	(0.073)	-	-
4	Administration Charge	0.1893	0.049	0.1893	0.049	-	-
5	Gas Supply Commodity Rate	<u>13.6251</u>	<u>3.498</u>	<u>12.3167</u>	<u>3.167</u>	<u>(1.3084)</u>	<u>(0.331)</u>
6	Transportation Rate	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7	Total Gas Supply Commodity Charge (line 5+6)	<u>13.6251</u>	<u>3.498</u>	<u>12.3167</u>	<u>3.167</u>	<u>(1.3084)</u>	<u>(0.331)</u>
	<u>Union North - Rate 01 & Rate 10</u>						
	<u>Union North West Zone</u>						
8	Alberta Border Reference Price (1)	9.9985	2.567	9.4192	2.422 (4)	(0.5793)	(0.145)
9	Administration Charge	0.1893	0.049	0.1893	0.049	-	-
10	Gas Supply Commodity Rate	<u>10.1878</u>	<u>2.616</u>	<u>9.6085</u>	<u>2.471</u>	<u>(0.5793)</u>	<u>(0.145)</u>
	<u>Union North East Zone</u>						
11	Dawn Reference Price (1)	13.7182	3.522	12.4098	3.191 (3)	(1.3084)	(0.331)
12	Administration Charge	0.1893	0.049	0.1893	0.049	-	-
13	Gas Supply Commodity Rate	<u>13.9075</u>	<u>3.571</u>	<u>12.5991</u>	<u>3.240</u>	<u>(1.3084)</u>	<u>(0.331)</u>
	<u>Union North - Rate 20 & Rate 100</u>						
	<u>Union North West Zone</u>						
14	Alberta Border Reference Price (2)	9.7264	2.567	9.1770	2.422 (4)	(0.5494)	(0.145)
15	Administration Charge	0.1893	0.050	0.1893	0.050	-	-
16	Gas Supply Commodity Rate	<u>9.9157</u>	<u>2.617</u>	<u>9.3663</u>	<u>2.472</u>	<u>(0.5494)</u>	<u>(0.145)</u>
	<u>Union North East Zone</u>						
17	Dawn Reference Price (2)	13.3449	3.522	12.0907	3.191 (3)	(1.2542)	(0.331)
18	Administration Charge	0.1893	0.050	0.1893	0.050	-	-
19	Gas Supply Commodity Rate	<u>13.5342</u>	<u>3.572</u>	<u>12.2800</u>	<u>3.2410</u>	<u>(1.2542)</u>	<u>(0.331)</u>

Notes:

- (1) EB-2017-0087 conversion to GJs based on 38.95 GJ / 10³m³ and EB-2018-0104 conversion to GJs based on 38.89 GJ / 10³m³.
- (2) Conversion to GJs based on 37.89 GJ / 10³m³.
- (3) Tab 1, Schedule 1, Line 12.
- (4) Tab 1, Schedule 1, Line 7.
- (5) EB-2011-0210, Rate Order, Working Papers, Schedule 44, Column (g), Lines 7-12.

UNION GAS LIMITED
Derivation of Unit Rate Changes related to Union North Transportation and Storage Rates
Union North West Zone and Union North East Zone by Rate Class

Line No.	Particulars	Cost Variance (1) (\$000's) (a)	Billing Units (2) (10 ³ m ³) (b)	Rate Change (cents/m ³) (c) = (b / a x 100)	EB-2017-0087 Effective January 1, 2018 Unit Rate (3) (cents/m ³) (d)	EB-2018-0104 Effective April 1, 2018 Unit Rate (cents/m ³) (e) = (c + d)
	<u>Rate 01</u>					
	Gas Transportation					
1	Union North West	(508)	267,830	(0.1897)	6.8566	6.6669
2	Union North East	(1,859)	659,134	(0.2821)	3.0273	2.7452
	Gas Storage					
3	Union North West	(170)	256,092	(0.0664)	2.2624	2.1960
4	Union North East	(3,859)	630,247	(0.6124)	7.0010	6.3886
	<u>Rate 10</u>					
	Gas Transportation					
5	Union North West	(138)	82,150	(0.1674)	6.0030	5.8356
6	Union North East	(680)	261,380	(0.2602)	2.7757	2.5155
	Gas Storage					
7	Union North West	(40)	77,949	(0.0510)	1.7062	1.6552
8	Union North East	(1,067)	248,013	(0.4303)	4.9800	4.5497
	<u>Rate 20 (4)</u>					
	Gas Supply Demand					
9	Union North West	(40)	2,962	(1.3437)	57.2390	55.8953
10	Union North East	(132)	3,911	(3.3847)	50.8879	47.5032
	Commodity Transportation 1					
11	Union North West	(32)	28,383	(0.1118)	3.6204	3.5086
12	Union North East	(194)	45,073	(0.4315)	2.6441	2.2126
	<u>Rate 25</u>					
13	Gas Supply Transportation	(64)	42,913	(0.1494)	1.5775	1.4281
	<u>Rate 100 (5)</u>					
	Gas Supply Demand					
14	Union North West	-	-	(3.2907)	112.8323	109.5416
15	Union North East	-	-	(6.3775)	160.7242	154.3467
	Commodity Transportation 1					
16	Union North West	-	-	(0.1846)	6.3322	6.1476
17	Union North East	-	-	(0.3649)	9.1957	8.8308
	<u>Rate 20/100 Bundled Storage (\$/GJ)</u>					
18	Monthly Demand (GJ/d)	(170)	114,888	(1.476)	20.569	19.093
19	Commodity Charge (GJ)	(2)	739,477	(0.002)	0.208	0.206
20	Total	<u>(8,956)</u>				

Notes:

- (1) Tab 2, Schedule 2, p. 3.
- (2) EB-2017-0087, Rate Order, Working Papers, Schedule 4, Column (r).
- (3) EB-2017-0087, Rate Order, Appendix A, Column (c), pp. 1- 5.
- (4) The Rate 20 cost variance, excluding Bundled Storage, is recovered 60% in the Gas Supply Demand Charge and 40% in the Commodity Transportation 1 Charge.
- (5) Rate 100 Gas Supply Demand and Commodity Transportation 1 rates updated based on changes in upstream transportation rates and reference price.

UNION GAS LIMITED
Union North 2018 Gas Supply Plan as filed in EB-2015-0181 at April 2018 QRAM

Line No.	Particulars	EB-2017-0087		EB-2018-0104		Cost Variance (f) = (e - c)	
		Annual	Effective January 1, 2018	Effective April 1, 2018			
		Volume (1) (TJ) (a)	Rates (2) (\$ / GJ) (b)	Costs (2) (\$000's) (c)	Rates (\$ / GJ) (d)		Costs (\$000's) (e)
Transportation Costs							
<u>Union North West Zone Demand Costs</u>							
1	TCPL MDA	2,031	21.804	1,456	21.225	1,417	(39)
2	TCPL SSMDA	2,972	43.860	4,286	42.691	4,172	(114)
3	TCPL WDA	18,764	31.350	19,340	30.516	18,825	(514)
4	CTHI/CPMI	2,066	19.506	1,325	19.267	1,308	(16)
5	Subtotal			26,406		25,722	(684)
<u>Union North East Zone Demand Costs</u>							
6	TCPL NCDA	3,211	58.624	6,188	55.997	5,911	(277)
7	TCPL EDA	365	64.737	777	61.836	742	(35)
8	TCPL NDA	2,915	48.388	4,638	47.098	4,514	(124)
9	TCPL PKWY EDA	21,108	12.531	8,696	10.947	7,597	(1,100)
10	TCPL PKWY NDA	15,695	18.045	9,311	15.775	8,140	(1,171)
11	TCPL PKWY NCDA	730	8.900	214	7.768	186	(27)
12	Subtotal			29,824		27,090	(2,734)
<u>Common Costs</u>							
13	LBA			1,200		1,200	-
14	TCPL Minimum Flow Charge			71		71	-
15	Subtotal			1,271		1,271	-
16	Demand Costs in Rates (line 5 + line 12 + line 15)			57,500		54,083	(3,417)
<u>Union North West Zone Fuel Costs</u>							
17	TCPL MDA	6	2.567	16	2.422	16	(1)
18	TCPL SSMDA	54	2.567	138	2.422	130	(8)
19	TCPL WDA	156	2.567	400	2.422	377	(23)
20	CTHI/CPMI	1	2.567	3	2.422	3	(0)
21	Subtotal			557		526	(31)
<u>Union North East Zone Fuel Costs</u>							
22	TCPL NCDA	91	2.567	234	2.422	221	(13)
23	TCPL EDA	11	2.567	28	2.422	27	(2)
24	TCPL NDA	70	2.567	179	2.422	169	(10)
25	TCPL PKWY EDA	53	3.522	185	3.191	168	(17)
26	TCPL PKWY NDA	55	3.522	193	3.191	175	(18)
27	TCPL PKWY NCDA	0	3.522	1	3.191	0	(0)
28	Subtotal			819		759	(60)
29	Fuel Costs in Rates (line 21 + line 28)			1,377		1,285	(92)
30	Total Transportation Costs (line 16 + line 29)			58,877		55,367	(3,509)
Storage Costs							
<u>Union North West Zone Demand Costs</u>							
31	TCPL WDA STS Injection	1,150	42.754	1,616	37.410	1,414	(202)
32	Subtotal			1,616		1,414	(202)
<u>Union North East Zone Demand Costs</u>							
33	TCPL NDA STS Injection	17,921	18.045	10,632	15.775	9,295	(1,337)
34	TCPL EDA STS Withdrawal	9,845	12.531	4,056	10.947	3,543	(513)
35	TCPL Pkwy to EDA	19,042	12.531	7,845	10.947	6,853	(992)
36	TCPL Pkwy to EDA EMB	9,125	13.716	4,115	11.977	3,593	(522)
37	TCPL Pkwy to NDA	24,455	18.045	14,508	15.775	12,683	(1,825)
38	Subtotal			41,156		35,967	(5,189)
39	Demand Costs in Rates (line 32 + line 38)			42,772		37,381	(5,391)
<u>Union North West Zone Fuel Costs</u>							
40	TCPL WDA STS Injection	15	2.567	39	2.422	37	(2)
41	TCPL SSMDA STS Withdrawal	28	3.522	98	3.191	89	(9)
42	TCPL WDA STS Withdrawal	31	3.522	110	3.191	99	(10)
43	Subtotal			247		225	(22)
<u>Union North East Zone Fuel Costs</u>							
44	TCPL NCDA STS Injection	2	2.567	4	2.422	4	(0)
45	TCPL NCDA STS Withdrawal	8	3.522	27	3.191	24	(2)
46	TCPL Pkwy to EDA	8	3.522	30	3.191	27	(3)
47	TCPL Pkwy to EDA EMB	16	3.522	57	3.191	52	(5)
48	TCPL Pkwy to NDA	69	3.522	244	3.191	221	(23)
49	Subtotal			362		328	(34)
50	Fuel Costs in Rates (line 43 + line 49)			608		553	(56)
51	Total Storage Costs (line 39 + line 50)			43,380		37,934	(5,446)
52	Total Storage and Transportation Costs			102,257		93,302	(8,956)

Notes:

- (1) EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 1, p. 1-2, column (j).
(2) EB-2017-0087, Rate Order, Working Papers, Schedule 23, p.3, columns (e) & (f).

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)
	<u>Union North West Zone</u>						
	<u>Transportation Demand Costs</u>						
1	EB-2017-0087 2018 Rates Application	26,406	18,814	5,067	2,395	-	130
2	EB-2018-0104 April 2018 QRAM	25,722	18,327	4,936	2,333	-	126
3	Change in Costs (line 2 - line 1)	(684)	(487)	(131)	(62)	-	(3)
	<u>Transportation Fuel Costs</u>						
4	EB-2017-0087 2018 Rates Application	557	374	113	65	-	5
5	EB-2018-0104 April 2018 QRAM	526	353	107	61	-	5
6	Change in Costs (line 5 - line 4)	(31)	(21)	(6)	(4)	-	(0)
7	Total Change in Transportation Costs (line 3 + line 6)	(715)	(508)	(138)	(66)	-	(4)
	<u>Storage Demand Costs</u>						
8	EB-2017-0087 2018 Rates Application	1,616	1,244	282	90	-	-
9	EB-2018-0104 April 2018 QRAM	1,414	1,089	247	78	-	-
10	Change in Costs (line 9 - line 8)	(202)	(156)	(35)	(11)	-	-
	<u>Storage Fuel Costs</u>						
11	EB-2017-0087 2018 Rates Application	247	166	50	30	-	-
12	EB-2018-0104 April 2018 QRAM	225	152	46	27	-	-
13	Change in Costs (line 12 - line 11)	(22)	(15)	(4)	(3)	-	-
14	Total Change in Storage Costs (line 10 + line 13)	(224)	(170)	(40)	(14)	-	-
15	Total Change in North West Zone Costs (line 7 + line 14)	(939)	(678)	(177)	(80)	-	(4)
	<u>Union North East Zone</u>						
	<u>Transportation Demand Costs</u>						
16	EB-2017-0087 2018 Rates Application	29,824	19,876	7,261	2,067	-	620
17	EB-2018-0104 April 2018 QRAM	27,090	18,055	6,596	1,878	-	561
18	Change in Costs (line 17 - line 16)	(2,734)	(1,821)	(665)	(189)	-	(58)
	<u>Transportation Fuel Costs</u>						
19	EB-2017-0087 2018 Rates Application	819	524	204	66	-	26
20	EB-2018-0104 April 2018 QRAM	759	485	189	61	-	24
21	Change in Costs (line 20 - line 19)	(60)	(39)	(15)	(5)	-	(2)
22	Total Change in Transportation Costs (line 18 + line 21)	(2,794)	(1,859)	(680)	(194)	-	(60)
	<u>Storage Demand Costs</u>						
23	EB-2017-0087 2018 Rates Application	41,156	30,441	8,399	2,105	211	-
24	EB-2018-0104 April 2018 QRAM	35,967	26,603	7,340	1,839	184	-
25	Change in Costs (line 24 - line 23)	(5,189)	(3,838)	(1,059)	(265)	(27)	-
	<u>Storage Fuel Costs</u>						
26	EB-2017-0087 2018 Rates Application	362	230	89	41	2	-
27	EB-2018-0104 April 2018 QRAM	328	208	81	37	2	-
28	Change in Costs (line 27 - line 26)	(34)	(21)	(8)	(4)	(0)	-
29	Total Change in Storage Costs (line 25 + line 28)	(5,223)	(3,859)	(1,067)	(269)	(27)	-
30	Total Change in North East Zone Costs (line 22 + line 29)	(8,017)	(5,719)	(1,747)	(463)	(27)	(60)
	<u>Common Costs</u>						
31	EB-2017-0087 2018 Rates Application	1,271	-	-	-	-	-
32	EB-2018-0104 April 2018 QRAM	1,271	-	-	-	-	-
33	Change in Costs (line 32 - line 31)	-	-	-	-	-	-
34	Total Change in Storage and Transportation Costs (line 15 + line 30)	(8,956)	(6,397)	(1,925)	(543)	(27)	(64)

UNION GAS LIMITED
 Derivation of Unit Rate Changes related to Gas Costs in Distribution Rates
 Effective April 1, 2018

Line No.	Derivation of Amounts for Recovery		
	<u>Change in Gas Cost:</u>		
1	Dawn Reference Price as per EB-2018-0104	(\$/10 ³ m ³)	124.098
2	Dawn Reference Price as per EB-2017-0087	(\$/10 ³ m ³)	137.182
3	Change in Gas Cost (line 1 - line 2)	(\$/10 ³ m ³)	(13.084)
4	Fuel and UFG volume: 2013 approved	(10 ³ m ³)	85,662
5	Amount for Recovery - Fuel & UFG (line 3 x line 4)	(\$000's)	(1,120)
6	Average Gas in Inventory: 2013 approved	(10 ³ m ³)	774,843
7	Change in Gas Costs related to Inventory (line 3 x line 6)	(\$000's)	(10,138)
8	Composite Rate of Return	5.18%	(1)
9	Amount for Recovery - Gas in Storage (line 7 x line 8)	(\$000's)	(526)
10	Total Gas Cost Change to Distribution Rates (line 5 + line 9)	(\$000's)	(1,646)

Derivation of Unit Rate Changes by Rate Class									
Rate Class	Fuel & Unaccounted for Gas			Gas in Storage Carrying Costs			Total Gas Cost Change to Distribution Rates	Current Approved Distribution Volume	Unit Rate Change
	Cost Allocation (2)	Allocation Factor	Amount for Recovery	Cost Allocation (3)	Allocation Factor	Amount for Recovery	Rates	Volume (4)	Change (5)
	(\$000's)	(%)	(\$000's)	(\$000's)	(%)	(\$000's)	(\$000's)	(10 ³ m ³)	(cents/m ³)
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (c + f)	(h)	(i) = (g / h)
11 R01	1,615	24.64%	(273)	21,804	18.30%	(72)	(345)	886,340	(0.0390)
12 R10	508	7.76%	(86)	5,717	4.80%	(19)	(105)	325,962	(0.0322)
13 R20	181	2.76%	(31)	1,533	1.29%	(5)	(36)	604,555	(0.0059)
14 R25	-	0.00%	-	-	0.00%	-	-	159,555	-
15 R100	6	0.09%	(1)	107	0.09%	(0)	(1)	1,814,105	(0.0001)
16 M1	2,466	37.62%	(417)	60,609	50.86%	(200)	(617)	2,808,296	(0.0220)
17 M2	824	12.57%	(139)	20,667	17.34%	(68)	(208)	1,079,737	(0.0192)
18 M4	342	5.22%	(58)	3,024	2.54%	(10)	(68)	339,216	(0.0200)
19 M5A	431	6.57%	(73)	4,078	3.42%	(13)	(86)	450,088	(0.0192)
20 M7	127	1.94%	(22)	1,113	0.93%	(4)	(25)	119,242	(0.0211)
21 M9	54	0.83%	(9)	511	0.43%	(2)	(11)	60,750	(0.0179)
22 M10	0	0.00%	(0)	5	0.00%	(0)	(0)	189	(0.0243)
								(GJ)	(\$/GJ)
23 T1	-	0.00%	-	-	0.00%	(13)	(13) (5)	507,339	(0.026)
24 T2	-	0.00%	-	-	0.00%	(119)	(119) (5)	4,566,884	(0.026)
25 T3	-	0.00%	-	-	0.00%	-	- (5)	-	-
26 M12	-	0.00%	-	-	0.00%	-	- (5)	5,934,507	(0.001)
27 M13	-	0.00%	(3)	-	0.00%	-	(3) (5)		
28 M16	-	0.00%	(9)	-	0.00%	-	(9) (5)(6)		
29 C1	-	0.00%	-	-	0.00%	-	- (5)		
30 Total	6,554	100.00%	(1,120)	119,168	100.00%	(526)	(1,646)		

Notes:

- (1) Calculation of the Composite Return:
- | | | | |
|---------------------------|--------|-------|-------|
| Common Equity (after tax) | 36.00% | 8.93% | 3.21% |
| Gross-Up for tax (@ 26%) | | | 1.13% |
| Common Equity (pre-tax) | | | 4.34% |
| Short-Term Debt | 64.00% | 1.31% | 0.84% |
| Composite Rate of Return | | | 5.18% |
- (2) EB-2011-0210, Decision Cost Study, Operating Expenses, A. Cost of Gas & Production, Other Supplies - UFG and EB-2011-0210, Decision Cost Study, Operating Expenses, C. Underground Storage & D. Transmission, Compressor Fuel.
- (3) EB-2011-0210, Decision Cost Study, Working Capital, Gas in Storage.
- (4) EB-2017-0087, Rate Order, Working Papers, Schedule 4, Column (r).
- (5) Union supplied fuel (USF) rate changes for Rates T1, T2, T3, M12, M13, M16 and C1 are based on approved 2013 fuel ratios and proposed Ontario Landed Reference Price. Changes in Union-supplied fuel rates for Rate T1, T2, T3, M12, M13, M16 and C1 are presented at Appendix A, Schedule "C", and EB-2013-0365, Working Papers, Schedule 1, p. 6.

(6) Rate changes for M16 is broken down into four paths.

M16 Storage Transportation Service			
	Billing Units	Rate Change	Cost Recovery
	(GJs)	(\$/GJ)	(\$000's)
Charges West of Dawn:			
Fuel & UFG to Dawn	4,098,775	(0.001)	(2)
Fuel & UFG to Pool	4,098,775	(0.001)	(2)
Charges East of Dawn:			
Fuel & UFG to Dawn	2,137,619	(0.001)	(3)
Fuel & UFG to Pool	2,137,619	(0.001)	(1)
Total Rate M16			(9)

UNION GAS LIMITED
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	North PGVA (179-105) (a)	North West PGVA (179-147) (b)	North East PGVA (179-148) (c)	North Tolls (179-100) (d)	North Fuel (179-100) (e)	North West Tolls & Fuel (179-145) (f)	North East Tolls & Fuel (179-146) (g)
<u>Deferral Amounts for Recovery</u>									
	Change in 12-month deferral account projection:								
1	12-month projection from current QRAM application (1)	(\$000's)	-	(7)	6,235	-	-	-	(93)
2	Less: Projection from previous QRAM application (2)	(\$000's)	-	1	2,029	-	-	(3)	(108)
3	Change (Line 1 - Line 2)		-	(7)	4,206	-	-	3	15
<u>Previous Quarter: True-up of Deferral Balances</u>									
	Variance between projected and actual deferral balances for month(s) with actual data since previous QRAM application:								
4	Actual deferral amount (3)	(\$000's)	-	(1,198)	122	-	-	185	61
5	Current projected deferral amount (4)	(\$000's)	-	(2,527)	133	-	-	(107)	(787)
6	Less: Previous projection included in recovery (2)	(\$000's)	-	(1,370)	(320)	-	-	(74)	1,037
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	-	(2,356)	575	-	-	152	(1,763)
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	-	(2,363)	4,781	-	-	155	(1,748)
<u>Previous Quarter: True-up of Prospective Recovery Amounts</u>									
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:								
9	Forecast prospective recovery amount	(\$000's)	391	(362)	(1,312)	(773)	(139)	79	305
10	Less: Actual prospective recovery amount	(\$000's)	435	(408)	(1,455)	(806)	(155)	84	316
11	Variance (Line 9 - Line 10)	(\$000's)	(44)	47	143	33	15	(5)	(11)
12	Prospective Recovery Amount Deferral Transfer	(\$000's)	44	(8)	(20)	(33)	(15)	9	24
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + Line 12)	(\$000's)	-	(2,324)	4,904	-	-	159	(1,734)
<u>Calculation of Current Unit Rate for Prospective Recovery</u>									
14	Applicable Forecast Billing Units (April 1, 2018 to March 31, 2019) (2)	(10 ³ m ³)	1,072,948	296,593	776,354	1,421,081	1,072,948	379,412	1,041,669
15	Current QRAM Unit Rate (Line 13 / Line 14 * 100)	(cents/m ³)	-	(0.7835)	0.6317	-	-	0.0420	(0.1665)
<u>Summary of Unit Rates</u>									
16	Expiring Unit Rate Q1 (2)	(cents/m ³)	0.4394	0.0611	0.5993	(0.1155)	(0.0063)	0.0541	(0.0218)
17	Unit Rate Q1 (2)	(cents/m ³)	-	(0.5589)	(0.4598)	-	-	(0.0287)	0.1193
18	Unit Rate Q2 Expiring rider replaced by new rider (Line 15) (2)	(cents/m ³)	-	(0.7835)	0.6317	-	-	0.0420	(0.1665)
19	Unit Rate Q3 (2)	(cents/m ³)	-	(0.3930)	0.3475	-	-	0.0673	0.2146
20	Unit Rate Q4 (2)	(cents/m ³)	-	(0.0483)	(1.0114)	-	-	(0.0366)	(0.0821)
21	Total Unit Rate - Prospective Recovery	(cents/m ³)	-	(1.7837)	(0.4920)	-	-	0.0440	0.0853
22	Change in Unit Rate (Line 15 - Line 16)	(cents/m ³)	(0.4394)	(0.8446)	0.0324	0.1155	0.0063	(0.0121)	(0.1447)

Notes:

- (1) Tab 1, Schedule 2, p. 1, Line 26.
(2) Working Papers, Schedule 2.
(3) Tab 1, Schedule 2, p. 1, Lines 7+8+9.
(4) Tab 1, Schedule 2, p. 1, Lines 10+11+12.

UNION GAS LIMITED
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	South PGVA (179-106) (h)	Inventory Revaluation (179-109) (i)	Load Balancing Rate 01 (179-107) (j)	Load Balancing Rate 10 (179-107) (k)	Load Balancing Rate 20 (179-107) (l)	Spot Gas Variance Acct (179-107) (m)	Total (n) = sum (a):(m)
<u>Deferral Amounts for Recovery</u>									
	Change in 12-month deferral account projection:								
1	12-month projection from current QRAM application	(1)	(\$000's)	36,785	3,608	-	-	-	46,529
2	Less: Projection from previous QRAM application	(2)	(\$000's)	33,543	1,268	-	-	-	36,729
3	Change (Line 1 - Line 2)			3,242	2,340	-	-	-	9,800
<u>Previous Quarter: True-up of Deferral Balances</u>									
	Variance between projected and actual deferral balances for month(s) with actual data since previous QRAM application:								
4	Actual deferral amount	(3)	(\$000's)	6,800	1,177	-	-	-	7,147
5	Current projected deferral amount	(4)	(\$000's)	15,949	55	-	-	-	12,715
6	Less: Previous projection included in recovery	(2)	(\$000's)	5,974	20	(0)	(0)	(0)	5,266
7	Variance (Line 4 + Line 5 - Line 6)		(\$000's)	16,775	1,212	0	0	0	14,596
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)		(\$000's)	20,017	3,552	0	0	0	24,395
<u>Previous Quarter: True-up of Prospective Recovery Amounts</u>									
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:								
9	Forecast prospective recovery amount		(\$000's)	18,430	22,359	(2)	(0)	3	38,967
10	Less: Actual prospective recovery amount		(\$000's)	20,082	25,367	(2)	(0)	2	43,446
11	Variance (Line 9 - Line 10)		(\$000's)	(1,652)	(3,008)	0	0	1	(4,479)
12	Prospective Recovery Amount Deferral Transfer		(\$000's)	-	-	-	-	-	-
13	Total Amount for Prospective Recovery (Line 8 + Line 11)		(\$000's)	18,365	544	0	0	1	19,917
<u>Calculation of Current Unit Rate for Prospective Recovery</u>									
14	Applicable Forecast Billing Units (April 1, 2018 to March 31, 2019)	(2)	(10 ³ m ³)	3,413,760	4,486,708	955,981	350,975	114,124	1,072,948
15	Current QRAM Unit Rate (Line 12 / Line 13 * 100)		(cents/m ³)	0.5380	0.0121	-	-	0.0006	0.0002
<u>Summary of Unit Rates</u>									
16	Expiring Unit Rate Q1	(2)	(cents/m ³)	1.0286	(0.0425)	(0.0002)	-	0.0036	(0.0007)
17	Unit Rate Q1	(2)	(cents/m ³)	0.0303	0.0658	-	-	0.0011	(0.0010)
18	Unit Rate Q2 Expiring rider replaced by new rider (Line 15)	(2)	(cents/m ³)	0.5380	0.0121	-	-	0.0006	0.0002
19	Unit Rate Q3	(2)	(cents/m ³)	0.9471	(0.0744)	(0.0002)	-	0.0065	(0.0013)
20	Unit Rate Q4	(2)	(cents/m ³)	(0.7026)	0.7999	-	-	0.0033	(0.0010)
21	Total Unit Rate - Prospective Recovery		(cents/m ³)	0.8128	0.8034	(0.0002)	-	0.0115	(0.0031)
22	Change in Unit Rate (Line 15 - Line 16)		(cents/m ³)	(0.4906)	0.0546	0.0002	-	(0.0030)	0.0009

Notes:

- (1) Tab 1, Schedule 2, p. 1, Line 26.
(2) Working Papers, Schedule 2.
(3) Tab 1, Schedule 2, p. 1, Lines 7+8+9 except Inventory Revaluation (179-109), which is Tab 1, Schedule 2, p.1., Lines 8+9+10.
(4) Tab 1, Schedule 2, p. 1, Lines 10+11+12 except Inventory Revaluation (179-109), which is Tab 1, Schedule 2, p.1, Lines 11+12.

UNION GAS LIMITED
Summary of Unit Rates for Prospective Recovery

Line No.	Particulars (cents/m ³)	EB-2017-0087 Effective January 1, 2018 Unit Rate for Prospective Recovery (1) (a)	Change in Rider (2) (b)	EB-2018-0104 Effective April 1, 2018 Unit Rate for Prospective Recovery (3) (c) = (a + b)
<u>Commodity Unit Rates for Prospective Recovery</u>				
<u>Union North</u>				
Common Union North Commodity				
1	North Purchase Gas Variance Account	0.4394	(0.4394)	-
2	Inventory Revaluation	0.7488	0.0546	0.8034
3	Spot Gas	(0.0040)	0.0009	(0.0031)
4	North Fuel	(0.0063)	0.0063	-
5	Total Common Union North Commodity Unit Rate	1.1779	(0.3776)	0.8003
Union North Commodity by Zone				
6	Union North West Purchase Gas Variance Account	(0.9391)	(0.8446)	(1.7837)
7	Union North East Purchase Gas Variance Account	(0.5244)	0.0324	(0.4920)
8	Total Union North West Commodity Unit Rate (line 5 + line 6)	0.2388	(1.2222)	(0.9834)
9	Total Union North East Commodity Unit Rate (line 5 + line 7)	0.6535	(0.3452)	0.3083
<u>Union South</u>				
10	South Purchase Gas Variance Account	1.3034	(0.4906)	0.8128
11	Inventory Revaluation	0.7488	0.0546	0.8034
12	Spot Gas	-	-	-
13	Total South Commodity Unit Rate	2.0522	(0.4360)	1.6162
<u>Union North Transportation Unit Rates for Prospective Recovery</u>				
Common Union North Transportation				
14	North Tolls	(0.1155)	0.1155	-
Load balancing				
15	Rate 01	(0.0004)	0.0002	(0.0002)
16	Rate 10	-	-	-
17	Rate 20	0.0145	(0.0030)	0.0115
Union North Transportation by Zone				
18	Union North West Tolls & Fuel Account	0.0561	(0.0121)	0.0440
19	Union North East Tolls & Fuel Account	0.2300	(0.1447)	0.0853
Total Union North West Transportation Unit Rate				
20	Rate 01 (line 14 + line 15 + line 18)	(0.0598)	0.1036	0.0438
21	Rate 10 (line 14 + line 16 + line 18)	(0.0594)	0.1034	0.0440
22	Rate 20 (line 14 + line 17 + line 18)	(0.0449)	0.1004	0.0555
Total Union North East Transportation Unit Rate				
23	Rate 01 (line 14 + line 15 + line 19)	0.1141	(0.0290)	0.0851
24	Rate 10 (line 14 + line 16 + line 19)	0.1145	(0.0292)	0.0853
25	Rate 20 (line 14 + line 17 + line 19)	0.1290	(0.0322)	0.0968

Notes:

- (1) EB-2017-0351, Tab 2, Schedule 4, p.3, Column (c).
- (2) Tab 2, Schedule 4, p. 1-2, line 22
- (3) Tab 2, Schedule 4, p. 1-2, line 21.

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-2017-0087	EB-2018-0104	Impact (\$) (c) = (b) - (a)	EB-2017-0087	EB-2018-0104	Impact (\$) (f) = (e) - (d)
		Approved 01-Jan-18	Proposed 01-Apr-18		Approved 01-Jan-18	Proposed 01-Apr-18	
		Total Bill (\$) (1) (a)	Total Bill (\$) (1) (b)		Total Bill (\$) (1) (d)	Total Bill (\$) (1) (e)	
	<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	Cap-and-Trade Facility-Related Charge	0.54	0.54	-	17.53	17.53	-
4	Other Delivery Commodity	106.02	105.51	(0.51)	3,604.90	3,590.90	(14.00)
5	Prospective Recovery - Delivery	-	-	-	-	-	-
6	Storage Services	16.12	16.12	-	473.26	473.26	-
7	Total Delivery Charge	447.68	447.17	(0.51)	7,357.92	7,343.92	(14.00)
	<u>Supply Charges</u>						
8	Transportation to Union	-	-	-	-	-	-
9	Commodity	299.74	270.98	(28.76)	9,946.33	8,991.20	(955.13)
10	Prospective Recovery - Commodity	45.15 (2)	35.56 (3)	(9.59)	1,498.11 (2)	1,179.83 (3)	(318.28)
11	Subtotal	344.89	306.54	(38.35)	11,444.44	10,171.03	(1,273.41)
12	Total Gas Supply Charge	344.89	306.54	(38.35)	11,444.44	10,171.03	(1,273.41)
	<u>Total Bill</u>						
13	Including Cap-and-Trade Customer-Related Charge	792.57	753.71	(38.86)	18,802.36	17,514.95	(1,287.41)
14	Excluding Cap-and-Trade Customer-Related Charge	719.57	680.71	(38.86)	16,380.13	15,092.72	(1,287.41)
	<u>Impacts</u>						
15	Sales Service			(38.86)			(1,287.41)
16	Direct Purchase			(0.51)			(14.00)
17	Commodity Bill Impact			(11.1%) (4)			(11.1%) (4)
	<u>Total Bill Impact</u>						
18	Including Cap-and-Trade Customer-Related Charge			(4.9%)			(6.8%)
19	Excluding Cap-and-Trade Customer-Related Charge			(5.4%)			(7.9%)

Notes:

- (1) Excludes temporary charges/(credits).
(2) Prospective recovery charge of 2.0522 cents/m³ for 12 months.
(3) Prospective recovery charge of 1.6162 cents/m³ for 12 months.
(4) Commodity bill impact reflects the impact of the gas commodity bill change divided by the current approved gas commodity bill shown at line 11.

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	Union North West Rate 01 - Residential (Annual Consumption of 2,200 m³)			Union North East Rate 01 - Residential (Annual Consumption of 2,200 m³)		
		EB-2017-0087 Approved 01-Jan-18 Total Bill (\$) (1) (a)	EB-2018-0104 Proposed 01-Apr-18 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)	EB-2017-0087 Approved 01-Jan-18 Total Bill (\$) (1) (d)	EB-2018-0104 Proposed 01-Apr-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	73.00	73.00	-	73.00	73.00	-
3	Cap-and-Trade Facility-Related Charge	0.52	0.52	-	0.52	0.52	-
4	Other Delivery Commodity	203.13	202.27	(0.86)	203.13	202.27	(0.86)
5	Total Delivery Charge	528.65	527.79	(0.86)	528.65	527.79	(0.86)
	<u>Supply Charges</u>						
6	Transportation to Union	150.85	146.67	(4.18)	66.60	60.40	(6.20)
7	Prospective Recovery - Transportation	(1.33) (2)	0.94 (3)	2.27	2.49 (4)	1.87 (5)	(0.62)
8	Storage Services	49.78	48.30	(1.48)	154.02	140.55	(13.47)
9	Prospective Recovery - Storage	-	-	-	-	-	-
10	Subtotal	199.30	195.91	(3.39)	223.11	202.82	(20.29)
11	Commodity	224.14	211.38	(12.76)	305.97	277.17	(28.80)
12	Prospective Recovery - Commodity & Fuel	5.24 (6)	(21.63) (7)	(26.87)	14.38 (8)	6.79 (9)	(7.59)
13	Subtotal	229.38	189.75	(39.63)	320.35	283.96	(36.39)
14	Total Gas Supply Charge	428.68	385.66	(43.02)	543.46	486.78	(56.68)
	<u>Total Bill</u>						
15	Including Cap-and-Trade Customer-Related Charge	957.33	913.45	(43.88)	1,072.11	1,014.57	(57.54)
16	Excluding Cap-and-Trade Customer-Related Charge	884.33	840.45	(43.88)	999.11	941.57	(57.54)
	<u>Impacts</u>						
17	Sales Service			(43.88)			(57.54)
18	Direct Purchase			(4.25)			(21.15)
19	Commodity Bill Impact			(17.3%) (10)			(11.4%) (10)
	<u>Total Bill Impact</u>						
20	Including Cap-and-Trade Customer-Related Charge			(4.6%)			(5.4%)
21	Excluding Cap-and-Trade Customer-Related Charge			(5.0%)			(5.8%)

Notes:

- (1) Excludes temporary charges/(credits).
(2) Prospective recovery charge of 0.0598 cents/m³ for 12 months.
(3) Prospective recovery charge of 0.0438 cents/m³ for 12 months.
(4) Prospective recovery charge of 0.1141 cents/m³ for 12 months.
(5) Prospective recovery charge of 0.0851 cents/m³ for 12 months.
(6) Prospective recovery charge of 0.2388 cents/m³ for 12 months.
(7) Prospective recovery charge of 0.9834 cents/m³ for 12 months.
(8) Prospective recovery charge of 0.6535 cents/m³ for 12 months.
(9) Prospective recovery charge of 0.3083 cents/m³ for 12 months.
(10) Commodity bill impact reflects the impact of the gas commodity bill change divided by the current approved gas commodity bill shown at line 13.

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-2017-0087 Approved 01-Jan-18 Total Bill (\$) (1)	EB-2018-0104 Proposed 01-Apr-18 Total Bill (\$) (1)	Impact (\$) (c) = (b) - (a)	EB-2017-0087 Approved 01-Jan-18 Total Bill (\$) (1)	EB-2018-0104 Proposed 01-Apr-18 Total Bill (\$) (1)	Impact (\$) (f) = (e) - (d)
		(a)	(b)		(d)	(e)	
	<u>Delivery Charges</u>						
1	Monthly Charge	840.00	840.00	-	840.00	840.00	-
	Delivery Commodity Charge						
2	Cap-and-Trade Customer-Related	3,085.83	3,085.83	-	3,085.83	3,085.83	-
3	Cap-and-Trade Facility-Related Charge	22.33	22.33	-	22.33	22.33	-
4	Other Delivery Commodity	6,075.25	6,045.32	(29.93)	6,075.25	6,045.32	(29.93)
5	Total Delivery Charge	10,023.41	9,993.48	(29.93)	10,023.41	9,993.48	(29.93)
	<u>Supply Charges</u>						
6	Transportation to Union	5,582.79	5,427.10	(155.69)	2,581.40	2,339.43	(241.97)
7	Prospective Recovery - Transportation	(55.23) (2)	40.92 (3)	96.15	106.47 (4)	79.32 (5)	(27.15)
8	Storage Services	1,586.76	1,539.33	(47.43)	4,631.41	4,231.22	(400.19)
9	Prospective Recovery - Storage	-	-	-	-	-	-
10	Subtotal	7,114.32	7,007.35	(106.97)	7,319.28	6,649.97	(669.31)
11	Commodity	9,474.66	8,935.89	(538.77)	12,933.98	11,717.15	(1,216.83)
12	Prospective Recovery - Commodity & Fuel	222.09 (6)	(914.56) (7)	(1,136.65)	607.77 (8)	286.69 (9)	(321.08)
13	Subtotal	9,696.75	8,021.33	(1,675.42)	13,541.75	12,003.84	(1,537.91)
14	Total Gas Supply Charge	16,811.07	15,028.68	(1,782.39)	20,861.03	18,653.81	(2,207.22)
	<u>Total Bill</u>						
15	Including Cap-and-Trade Customer-Related Charge	26,834.48	25,022.16	(1,812.32)	30,884.44	28,647.29	(2,237.15)
16	Excluding Cap-and-Trade Customer-Related Charge	23,748.65	21,936.33	(1,812.32)	27,798.61	25,561.46	(2,237.15)
	<u>Impacts</u>						
17	Sales Service			(1,812.32)			(2,237.15)
18	Direct Purchase			(136.90)			(699.24)
19	Commodity Bill Impact			(17.3%) (10)			(11.4%) (10)
	<u>Total Bill Impact</u>						
20	Including Cap-and-Trade Customer-Related Charge			(6.8%)			(7.2%)
21	Excluding Cap-and-Trade Customer-Related Charge			(7.6%)			(8.0%)

Notes:

- (1) Excludes temporary charges/(credits).
(2) Prospective recovery charge of (0.0594) cents/m³ for 12 months.
(3) Prospective recovery charge of 0.0440 cents/m³ for 12 months.
(4) Prospective recovery charge of 0.1145 cents/m³ for 12 months.
(5) Prospective recovery charge of 0.0853 cents/m³ for 12 months.
(6) Prospective recovery charge of 0.2388 cents/m³ for 12 months.
(7) Prospective recovery charge of (0.9834) cents/m³ for 12 months.
(8) Prospective recovery charge of 0.6535 cents/m³ for 12 months.
(9) Prospective recovery charge of 0.3083 cents/m³ for 12 months.
(10) Commodity bill impact reflects the impact of the gas commodity bill change divided by the current approved gas commodity bill shown at line 13.

EB-2018-0104
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UNION GAS LIMITED
Union North
Summary of Changes to Sales Rates
Rate 01A - Small Volume General Firm Service

Line No.	Particulars (cents/m ³)	EB-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 1, 2018 Rate (c)
1	Monthly Charge - All Zones	\$21.00		\$21.00
	Monthly Delivery Charge - All Zones			
2	First 100 m ³	9.3875	(0.0390)	9.3485
3	Next 200 m ³	9.1476	(0.0390)	9.1086
4	Next 200 m ³	8.7683	(0.0390)	8.7293
5	Next 500 m ³	8.4201	(0.0390)	8.3811
6	Over 1,000 m ³	8.1324	(0.0390)	8.0934
7	Delivery - Price Adjustment (All Volumes)	1.2863 (1)	(1.2219)	0.0644 (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	6.8566	(0.1897)	6.6669
11	Union North East Zone	3.0273	(0.2821)	2.7452
12	Transportation - Price Adjustment (Union North West)	0.7082 (3)	(0.6642)	0.0440 (5)
13	Transportation - Price Adjustment (Union North East)	0.8886 (4)	(0.7968)	0.0918 (6)
	Storage Service			
14	Union North West Zone	2.2624	(0.0664)	2.1960
15	Union North East Zone	7.0010	(0.6124)	6.3886
16	Storage - Price Adjustment (Union North West)	0.0493 (7)		0.0493 (7)
17	Storage - Price Adjustment (Union North East)	0.0787 (8)		0.0787 (8)
	Commodity Cost of Gas and Fuel			
18	Union North West Zone	10.1878	(0.5793)	9.6085
19	Union North East Zone	13.9075	(1.3084)	12.5991
20	Commodity and Fuel - Price Adjustment (Union North West)	0.2386 (9)	(1.2222)	(0.9836) (9)
21	Commodity and Fuel - Price Adjustment (Union North East)	0.6533 (9)	(0.3452)	0.3081 (9)
22	System Expansion Surcharge (if applicable)	23.0000		23.0000

Notes:

- (1) Includes a temporary charge of 1.2219 cents/m³ expiring March 31, 2018, and a temporary charge of 0.0644 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (2) Includes a temporary charge of 0.0644 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (3) Prospective Recovery of gas supply deferral accounts, a temporary charge of 0.7678 cents/m³ expiring March 31, 2018, and a temporary charge of 0.0002 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (4) Prospective Recovery of gas supply deferral accounts, a temporary charge of 0.7678 cents/m³ expiring March 31, 2018, and a temporary charge of 0.0067 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (5) Prospective Recovery of gas supply deferral accounts, and a temporary charge of 0.0002 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (6) Prospective Recovery of gas supply deferral accounts, and a temporary charge of 0.0067 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (7) Includes a temporary charge of 0.0493 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (8) Includes a temporary charge of 0.0787 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (9) Prospective Recovery of gas supply deferral accounts, and a temporary credit of (0.0002) cents/m³ 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 ³)	EB-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 1, 2018 Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
2	First 1,000 m ³	7.9111	(0.0322)	7.8789
3	Next 9,000 m ³	6.4255	(0.0322)	6.3933
4	Next 20,000 m ³	5.7547	(0.0322)	5.7225
5	Next 70,000 m ³	5.1955	(0.0322)	5.1633
6	Over 100,000 m ³	3.0770	(0.0322)	3.0448
7	Delivery - Price Adjustment (All Volumes)	1.1261 (1)	(1.0857)	0.0404 (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	6.0030	(0.1674)	5.8356
11	Union North East Zone	2.7757	(0.2602)	2.5155
12	Transportation - Price Adjustment (Union North West)	0.7845 (3)	(0.7405)	0.0440 (5)
13	Transportation - Price Adjustment (Union North East)	0.9611 (4)	(0.8731)	0.0880 (6)
	Storage Service			
14	Union North West Zone	1.7062	(0.0510)	1.6552
15	Union North East Zone	4.9800	(0.4303)	4.5497
16	Storage - Price Adjustment (Union North West)	0.0316 (7)		0.0316 (7)
17	Storage - Price Adjustment (Union North East)	0.0502 (8)		0.0502 (8)
	Commodity Cost of Gas and Fuel			
18	Union North West Zone	10.1878	(0.5793)	9.6085
19	Union North East Zone	13.9075	(1.3084)	12.5991
20	Commodity and Fuel - Price Adjustment (Union North West)	0.2386 (9)	(1.2222)	(0.9836) (9)
21	Commodity and Fuel - Price Adjustment (Union North East)	0.6533 (9)	(0.3452)	0.3081 (9)
22	System Expansion Surcharge (if applicable)	23.0000		23.0000

Notes:

- (1) Includes a temporary charge of 1.0857 cents/m³ expiring March 31, 2018, and a temporary charge of 0.0404 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (2) Includes a temporary charge of 0.0404 cents/m³ 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/m³ expiring March 31, 2018.
- (4) Prospective Recovery of gas supply deferral accounts, a temporary charge of 0.8439 cents/m³ expiring March 31, 2018, and a temporary charge of 0.0027 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (5) Prospective Recovery of gas supply deferral accounts.
- (6) Prospective Recovery of gas supply deferral accounts, and a temporary charge of 0.0027 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (7) Includes a temporary charge of 0.0316 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (8) Includes a temporary charge of 0.0502 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (9) Prospective Recovery of gas supply deferral accounts, and a temporary credit of (0.0002) cents/m³ 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 ³)	EB-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 1, 2018 Rate (c)
1	Monthly Charge	\$860.69		\$860.69
	Delivery Demand Charge			
2	First 70,000 m ³	28.6515		28.6515
3	All over 70,000 m ³	16.8485		16.8485
	Delivery Commodity Charge			
4	First 852,000 m ³	0.5403	(0.0059)	0.5344
5	All over 852,000 m ³	0.3862	(0.0059)	0.3803
	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	57.2390	(1.3437)	55.8953
9	Union North East Zone	50.8879	(3.3847)	47.5032
10	Gas Supply Demand - Price Adjustment (All Zones)	-		-
	Commodity Transportation 1			
11	Union North West Zone	3.6204	(0.1118)	3.5086
12	Union North East Zone	2.6441	(0.4315)	2.2126
13	Transportation 1 - Price Adjustment (Union North West)	(0.0449) (1)	0.1004	0.0555 (1)
14	Transportation 1 - Price Adjustment (Union North East)	0.1290 (1)	(0.0322)	0.0968 (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	9.9157	(0.5494)	9.3663
18	Union North East Zone	13.5342	(1.2542)	12.2800
19	Commodity and Fuel - Price Adjustment (Union North West)	0.2388 (1)	(1.2222)	(0.9834) (1)
20	Commodity and Fuel - Price Adjustment (Union North East)	0.6535 (1)	(0.3452)	0.3083 (1)
	Bundled Storage Service (\$/GJ)			
21	Monthly Demand Charge	20.569	(1.476)	19.093
22	Commodity Charge	0.208	(0.002)	0.206
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 ³)	EB-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 1, 2018 Rate (c)
1	Monthly Charge	\$1,341.41		\$1,341.41
2	Delivery Demand Charge All Zones	15.0877		15.0877
3	Delivery Commodity Charge All Zones	0.2200	(0.0001)	0.2199
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	112.8323	(3.2907)	109.5416
7	Union North East Zone	160.7242	(6.3775)	154.3467
8	Gas Supply Demand - Price Adjustment (All Zones)	-		-
9	Commodity Transportation 1 Union North West Zone	6.3322	(0.1846)	6.1476
10	Union North East Zone	9.1957	(0.3649)	8.8308
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	9.9157	(0.5494)	9.3663
16	Union North East Zone	13.5342	(1.2542)	12.2800
17	Commodity and Fuel - Price Adjustment (Union North West)	0.2388 (1)	(1.2222)	(0.9834) (1)
18	Commodity and Fuel - Price Adjustment (Union North East)	0.6535 (1)	(0.3452)	0.3083 (1)
19	Bundled Storage Service (\$/GJ) Monthly Demand Charge	20.569	(1.476)	19.093
20	Commodity Charge	0.208	(0.002)	0.206
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 ³)	EB-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 1, 2018 Rate (c)
1	<u>Rate 25 - Large Volume Interruptible Service</u> Monthly Charge	\$289.76		\$289.76
2	Delivery Charge - All Zones (1) Maximum	5.2529	(0.0290)	5.2239
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 ³)	EB-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 1, 2018 Rate (c)
	<u>Utility Sales</u>			
1	Commodity and Fuel	13.6251	(1.3084)	12.3167
2	Commodity and Fuel - Price Adjustment	2.2891 (1)	(0.6731)	1.6160 (2)
3	Transportation	-	-	-
4	Total Gas Supply Commodity Charge	<u>15.9142</u>	<u>(1.9815)</u>	<u>13.9327</u>
	<u>M4 Firm Commercial/Industrial</u>			
5	Minimum annual gas supply commodity charge	0.1893		0.1893
	<u>M4 / M5A Interruptible Commercial/Industrial</u>			
6	Minimum annual gas supply commodity charge	0.1893		0.1893
	<u>Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3</u>	<u>\$/GJ</u>		<u>\$/GJ</u>
	Monthly demand charges: (\$/GJ)			
7	Firm gas supply service	60.300	(2.702)	57.598
8	Firm backstop gas	1.523	(0.099)	1.424
	Commodity charges:			
9	Gas supply	3.522	(0.331)	3.191
10	Backstop gas	3.974	(0.336)	3.638
11	Reasonable Efforts Backstop Gas	5.000	(0.334)	4.665
12	Supplemental Inventory	Note (3)		Note (3)
13	Supplemental Gas Sales Service (cents/m ³)	16.7277	(1.3950)	15.3327
14	Failure to Deliver	2.829	(0.001)	2.828
15	Discretionary Gas Supply Service (DGSS)	Note (4)		Note (4)

Notes:

- (1) Prospective Recovery of gas supply deferral accounts, a temporary charge of 0.2371 cents/m³ expiring March 31, 2018, and a temporary credit of (0.0002) cents/m³ for the period February 1, 2018 to December 31, 2018.
- (2) Prospective Recovery of gas supply deferral accounts, and a temporary credit of (0.0002) cents/m³ 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 ³)	EB-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 1, 2018 Rate (c)
	<u>Rate M1 - Small Volume General Service Rate</u>			
1	Monthly Charge	\$21.00		\$21.00
2	First 100 m ³	5.0911	(0.0220)	5.0691
3	Next 150 m ³	4.8271	(0.0220)	4.8051
4	All over 250 m ³	4.1448	(0.0220)	4.1228
5	Delivery - Price Adjustment (All Volumes)	0.5968 (1)	(0.5143)	0.0825 (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	0.7331		0.7331
9	Storage - Price Adjustment	0.0039 (3)		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 ³	5.0630	(0.0192)	5.0438
13	Next 6,000 m ³	4.9670	(0.0192)	4.9478
14	Next 13,000 m ³	4.7855	(0.0192)	4.7663
15	All over 20,000 m ³	4.4347	(0.0192)	4.4155
16	Delivery - Price Adjustment (All Volumes)	0.4217 (4)	(0.3363)	0.0854 (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	0.6483		0.6483
20	Storage - Price Adjustment	0.0049 (6)		0.0049 (6)
21	System Expansion Surcharge (if applicable)	23.0000		23.0000

Notes:

- Includes a temporary charge of 0.5143 cents/m³ expiring March 31, 2018, and a temporary charge of 0.0825 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (1) 31, 2018.
- (2) Includes a temporary charge of 0.0825 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (3) Includes a temporary charge of 0.0039 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (4) Includes a temporary charge of 0.3363 cents/m³ expiring March 31, 2018, and a temporary charge of 0.0854 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (5) Includes a temporary charge of 0.0854 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (6) Includes a temporary charge of 0.0049 cents/m³ 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 ³)	EB-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 1, 2018 Rate (c)
	<u>Rate M4 - Firm comm/ind contract rate</u>			
	Monthly demand charge:			
1	First 8,450 m ³	61.7447		61.7447
2	Next 19,700 m ³	27.6848		27.6848
3	All over 28,150 m ³	23.2590		23.2590
	Monthly delivery commodity charge:			
4	First block	1.5591	(0.0200)	1.5391
5	All remaining use	0.5996	(0.0200)	0.5796
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	1.7484	(0.0200)	1.7284
	<u>Interruptible contracts (1)</u>			
10	Monthly Charge	\$644.34		\$644.34
	Daily delivery commodity charge:			
11	2,400 m ³ to 17,000 m ³	3.0363	(0.0192)	3.0171
12	17,000 m ³ to 30,000 m ³	2.9064	(0.0192)	2.8872
13	30,000 m ³ to 50,000 m ³	2.8381	(0.0192)	2.8189
14	50,000 m ³ to 60,000 m ³	2.7902	(0.0192)	2.7710
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	3.2256	(0.0192)	3.2064
	<u>Rate M5A - interruptible comm/ind contract</u>			
	<u>Firm contracts (1)</u>			
19	Monthly demand charge	34.4858		34.4858
20	Monthly delivery commodity charge	2.3525	(0.0192)	2.3333
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	\$644.34		\$644.34
	Daily delivery commodity charge:			
25	2,400 m ³ to 17,000 m ³	3.0363	(0.0192)	3.0171
26	17,000 m ³ to 30,000 m ³	2.9064	(0.0192)	2.8872
27	30,000 m ³ to 50,000 m ³	2.8381	(0.0192)	2.8189
28	50,000 m ³ to 60,000 m ³	2.7902	(0.0192)	2.7710
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	3.2256	(0.0192)	3.2064

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 ³)	EB-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 1, 2018 Rate (c)
	<u>Rate M7 - Special large volume contract</u>			
	<u>Firm</u>			
1	Monthly demand charge	34.6517		34.6517
2	Monthly delivery commodity charge	0.3539	(0.0211)	0.3328
3	Delivery - Price Adjustment	-		-
	<u>Interruptible (1)</u>			
4	Monthly delivery commodity charge: Maximum	6.4501	(0.0211)	6.4290
5	Delivery - Price Adjustment	-		-
	<u>Seasonal (1)</u>			
6	Monthly delivery commodity charge: Maximum	6.2060	(0.0211)	6.1849
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	23.5428		23.5428
11	Monthly delivery commodity charge	0.1723	(0.0179)	0.1544
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	7.1728	(0.0243)	7.1485
	<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 ³)	EB-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 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	1.455	(0.026)	1.429
3	Customer provides deliverability inventory	1.184		1.184
4	Firm incremental injection	1.184		1.184
5	Interruptible withdrawal	1.184		1.184
	Commodity charges:			
6	Withdrawal	0.022	(0.001)	0.021
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.022	(0.001)	0.021
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - customer provides fuel	0.408%		0.408%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge first 28,150 m ³	40.5921		40.5921
12	Monthly demand charge next 112,720 m ³	28.0445		28.0445
	Firm commodity charges:			
13	Union provides compressor fuel - All volumes	0.1552	(0.0042)	0.1510
14	Customer provides compressor fuel - All volumes	0.1109		0.1109
	Interruptible commodity charges: (1)			
15	Maximum - Union provides compressor fuel	6.4501	(0.0211)	6.4290
16	Maximum - customer provides compressor fuel	6.4058	(0.0169)	6.3889
	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	0.323%		0.323%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
20	Injection / Withdrawals	0.087	(0.004)	0.083
21	Customer provides compressor fuel	0.056	(0.001)	0.055
22	Transportation commodity charge (cents/m ³)	1.4897	(0.0042)	1.4855
23	Customer provides compressor fuel	1.4454		1.4454
24	<u>Monthly Charge</u>	\$1,896.28		\$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 ³)	EB-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 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	1.455	(0.026)	1.429
3	Customer provides deliverability inventory	1.184		1.184
4	Firm incremental injection	1.184		1.184
5	Interruptible withdrawal	1.184		1.184
	Commodity charges:			
6	Withdrawal	0.022	(0.001)	0.021
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.022	(0.001)	0.021
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - customer provides fuel	0.408%		0.408%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge first 140,870 m ³	32.0198		32.0198
12	Monthly demand charge all over 140,870 m ³	16.9369		16.9369
	Firm commodity charges:			
13	Union provides compressor fuel - All volumes	0.0671	(0.0039)	0.0632
14	Customer provides compressor fuel - All volumes	0.0266		0.0266
	Interruptible commodity charges: (1)			
15	Maximum - Union provides compressor fuel	6.4501	(0.0211)	6.4290
16	Maximum - customer provides compressor fuel	6.4096	(0.0172)	6.3924
	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	0.295%		0.295%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
20	Injection / Withdrawals	0.087	(0.004)	0.083
21	Customer provides compressor fuel	0.056	(0.001)	0.055
22	Transportation commodity charge (cents/m ³)	1.1198	(0.0039)	1.1159
23	Customer provides compressor fuel	1.0793		1.0793
24	<u>Monthly Charge</u>	\$5,440.88		\$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 ³)	EB-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 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	1.455	(0.026)	1.429
3	Customer provides deliverability inventory	1.184		1.184
4	Firm incremental injection	1.184		1.184
5	Interruptible withdrawal	1.184		1.184
	Commodity charges:			
6	Withdrawal	0.022	(0.001)	0.021
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.022	(0.001)	0.021
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - Customer provides fuel	0.408%		0.408%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge	17.9898		17.9898
12	Union provides compressor fuel - All volumes	0.1232	(0.0054)	0.1178
13	Customer provides compressor fuel - All volumes	0.0667		0.0667
	Cap-and-Trade Charges			
14	Cap-and-Trade Facility-Related Charge	0.0240		0.0240
15	Transportation fuel ratio - Customer provides fuel	0.412%		0.412%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
16	Injection / Withdrawals	0.087	(0.004)	0.083
17	Customer provides compressor fuel	0.056	(0.001)	0.055
18	Transportation commodity charge (cents/m ³)	0.7146	(0.0054)	0.7092
19	Customer provides compressor fuel	0.6581		0.6581
	<u>Monthly Charge</u>			
20	City of Kitchener	\$19,843.96		\$19,843.96
21	Natural Resource Gas	\$3,046.25		\$3,046.25
22	Six Nations	\$1,015.42		\$1,015.42

UNION GAS LIMITED
Union South
Summary of Changes to Unbundled Rates

Line No.	Particulars (cents/m ³)	EB-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 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	1.028		1.028
4	Incremental firm withdrawal right	1.028		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	0.408%		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-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 1, 2018 Rate (c)
	<u>M12 Transportation Service</u>			
	<u>Firm transportation</u>			
	Monthly demand charges:			
1	Dawn to Kirkwall	3.154		3.154
2	Dawn to Parkway	3.716		3.716
3	Kirkwall to Parkway	0.561		0.561
4	F24-T	0.070		0.070
	<u>M12-X Firm Transportation</u>			
5	Between Dawn, Kirkwall and Parkway	4.590		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) to Parkway (Cons)	0.006		0.006
	<u>Limited Firm/Interruptible</u>			
	Monthly demand charges:			
16	Maximum	8.918		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	0.104 (1)		0.104 (1)
22	Dawn to Parkway - Shipper supplied fuel	0.122 (1)		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	0.151 (1)		0.151 (1)
	<u>M13 Transportation of Locally Produced Gas</u>			
26	Monthly fixed charge per customer station	\$957.58		\$957.58
27	Transmission commodity charge to Dawn	0.035		0.035
28	Commodity charge - Union supplies fuel	0.006	(0.001)	0.005
29	Commodity charge - Shipper supplies fuel	Note (2)		Note (2)
30	Cap-and-Trade Facility-Related Charge	0.006		0.006
31	Authorized Overrun - Union supplies fuel	0.135		0.135
32	Authorized Overrun - Shipper supplies fuel	0.130 (2)		0.130 (2)

Notes:

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

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 1, 2018 Rate (c)
	<u>M16 Storage Transportation Service</u>			
1	Monthly fixed charge per customer station	\$1,523.40		\$1,523.40
	Monthly demand charges:			
2	East of Dawn	0.774		0.774
3	West of Dawn	2.888		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	(0.001)	0.005
6	West of Dawn - Union supplied fuel	0.006	(0.001)	0.005
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	0.006		0.006
10	West of Dawn - Union supplied fuel	0.016	(0.002)	0.014
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	0.066	(0.001)	0.065
18	West of Dawn - Union supplied fuel	0.135		0.135
19	East of Dawn - Shipper supplied fuel	0.060 (1)		0.060 (1)
20	West of Dawn - Shipper supplied fuel	0.130 (1)		0.130 (1)
	Transportation Fuel Charges to Pool :			
21	East of Dawn - Union supplied fuel	0.032	(0.001)	0.031
22	West of Dawn - Union supplied fuel	0.111	(0.002)	0.109
23	East of Dawn - Shipper supplied fuel	0.025 (1)		0.025 (1)
24	West of Dawn - Shipper supplied fuel	0.095 (1)		0.095 (1)
	<u>C1 - Cross Franchise Transportation Service</u>			
	<u>Transportation service</u>			
	Monthly demand charges:			
25	St. Clair / Bluewater & Dawn	2.888		2.888
26	Ojibway & Dawn	2.888		2.888
27	Parkway to Dawn	0.874		0.874
28	Parkway to Kirkwall	0.874		0.874
29	Kirkwall to Dawn	1.542		1.542
30	Dawn to Kirkwall	3.154		3.154
31	Dawn to Parkway	3.716		3.716
32	Kirkwall to Parkway	0.561		0.561
33	Dawn to Dawn-Vector	0.030		0.030
34	Dawn to Dawn-TCPL	0.139		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	(0.001)	0.010
38	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.016	(0.002)	0.014
39	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.006	(0.001)	0.005
40	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.011	(0.001)	0.010
41	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.006	(0.001)	0.005
42	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.006	(0.001)	0.005
43	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.027	(0.003)	0.024
44	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.011	(0.001)	0.010
45	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.037	(0.004)	0.033
46	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.021	(0.002)	0.019
47	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.015	(0.001)	0.014
48	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.015	(0.001)	0.014

Notes:

(1) Plus customer supplied fuel per rate schedule.

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2017-0087 Approved January 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0104 Approved April 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)	0.104	(0.001)	0.103
33	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.102		0.102
34	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.106	(0.001)	0.105
35	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.111	(0.002)	0.109
36	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.150	(0.003)	0.147
37	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.155	(0.003)	0.152
38	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.078	(0.002)	0.076
39	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.078	(0.002)	0.076
40	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.152	(0.004)	0.148
41	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.137	(0.003)	0.134
42	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.181	(0.006)	0.175
43	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.165	(0.004)	0.161
44	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.056	(0.004)	0.052
45	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.055	(0.003)	0.052
46	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.095 (1)		0.095 (1)
47	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.095 (1)		0.095 (1)
48	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.095 (1)		0.095 (1)
49	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.095 (1)		0.095 (1)
50	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.122 (1)		0.122 (1)
51	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.122 (1)		0.122 (1)
52	Kirkwall to Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.051 (1)		0.051 (1)
53	Kirkwall to Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.051 (1)		0.051 (1)
54	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.104 (1)		0.104 (1)
55	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.104 (1)		0.104 (1)
56	Dawn to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.122 (1)		0.122 (1)
57	Dawn to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	0.122 (1)		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 customer supplied fuel per rate schedule.



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

ELIGIBILITY

Any customer in Union's North West and North East Zones who is an end user whose total gas requirements at that location are equal to or less than 50,000 m³ per year.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

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

(c) **Bundled Transportation Service**

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

MONTHLY RATES AND CHARGES

<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 m³</u>	<u>¢ per m³</u>
First 100 m ³ per month @	9.3485	9.3485
Next 200 m ³ per month @	9.1086	9.1086
Next 200 m ³ per month @	8.7293	8.7293
Next 500 m ³ per month @	8.3811	8.3811
Over 1,000 m ³ per month @	8.0934	8.0934
Delivery-Price Adjustment (All Volumes) (1)	0.0644	0.0644
<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 0.0644 cents/m³ for the period February 1, 2018 to December 31, 2018.



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2018-04-01
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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:

<u>Community Expansion Project</u>	<u>SES Rate (¢ per m³)</u>	<u>SES Term Expiry</u>
Prince Township	23.0000	December 31, 2039

MONTHLY BILL

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

MINIMUM MONTHLY BILL

The Minimum Monthly Bill shall be the Monthly Charge.

DELAYED PAYMENT

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

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

1. If multiple end-users are receiving service from a customer under this rate, for billing purposes, the Monthly Charge, the Delivery Charge and any other charge that is specific to the location of each end-user shall be used to develop a monthly bill for each end-user at each location. Upon request, possibly for a fee, Union will combine the individual bills on a single invoice or statement for administrative convenience. However, Union will not combine the quantities or demands of several end-use locations so that eligibility to a different rate class will result. Further, Union will not combine the monthly billing data of individual end-users to generate a single bill which is less than the sum of the monthly bills of the individual end-users involved.
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 April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 Rate Schedule effective January 1, 2018.

RATE 10 - LARGE VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

Any customer in Union's North West and North East Zones who is an end-user whose total firm gas requirements at one or more Company-owned meters at one location exceed 50,000 m³ per year.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) Sales Service

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

(b) Transportation Service

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

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

(c) Bundled Transportation Service

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

MONTHLY RATES AND CHARGES

<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 m³</u>	<u>¢ per m³</u>
First 1,000 m ³ per month @	7.8789	7.8789
Next 9,000 m ³ per month @	6.3933	6.3933
Next 20,000 m ³ per month @	5.7225	5.7225
Next 70,000 m ³ per month @	5.1633	5.1633
Over 100,000 m ³ per month @	3.0448	3.0448
Delivery-Price Adjustment (All Volumes) (1)	0.0404	0.0404
<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 0.0404 cents/m³ for the period February 1, 2018 to December 31, 2018.



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2018-04-01
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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 m³)
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 m³ per day must enter into a Service Agreement with Union.

TERMS AND CONDITIONS OF SERVICE

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

Effective April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 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 m³ or more.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) Sales Service

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

(b) Transportation Service

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

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

(c) Bundled Transportation Service

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

(d) Storage Service

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

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

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

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 ³)	
Monthly Demand Charge for first 70,000 m ³ of Contracted Daily Demand	28.6515
Monthly Demand Charge for all units over 70,000 m ³ of Contracted Daily Demand	16.8485
Commodity Charge for first 852,000 m ³ of gas volumes delivered	0.5344
Commodity Charge for all units over 852,000 m ³ of gas volumes delivered	0.3803
<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 (m³) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per m³, respectively.

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



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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 m³</u>	<u>cents per m³</u>
Commodity Charge for each unit of gas volumes delivered	2.4183	2.4183
<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)	\$19.093
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Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$/GJ/Month)	-
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Commodity Charge for each unit of gas withdrawn from storage (\$/GJ)	\$0.206
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Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ)	\$0.834
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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 April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 Rate Schedule effective January 1, 2018.

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

Any customer in Union's North West and North East Zones who is an end-user or who is authorized to serve an end-user of gas through one or more Company-owned meters at one location, and whose total maximum daily interruptible requirement is 3,000 m³ or more or the interruptible portion of a maximum daily requirement for combined firm and interruptible service is 14,000 m³ or more and whose operations, in the judgement of Union, can readily accept interruption and restoration of gas service.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) Sales Service

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

(b) Transportation Service

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

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

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

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

<u>MONTHLY CHARGE</u>	\$289.76
<u>DELIVERY CHARGES</u>	<u>cents per m³</u>
A Delivery Price for all volumes delivered to the customer to be negotiated between Union and the customer and the average price during the period in which these rates remain in effect shall not exceed:	5.2239
<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 m³</u>
Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect.	233.3400

Notes:

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



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ADDITIONAL CHARGES FOR SALES SERVICE

Gas Supply Charge

As per applicable rate provided in Schedule "A".

Interruptible Service

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

HEAT CONTENT ADJUSTMENT

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

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

ADDITIONAL CHARGES FOR TRANSPORTATION – ALL ZONES

MONTHLY TRANSPORTATION ACCOUNT CHARGE:

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

\$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 April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 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 10³m³ plus the greater of the incremental cost of gas for Union and the customer's gas supply charge.

SHORT TERM STORAGE / BALANCING SERVICE

Short Term Storage / Balancing Service is:

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

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

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

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

THE BILL

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

SERVICE AGREEMENT

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

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 April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 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 m³ or more, and whose annual requirement for firm service is equal to or greater than its maximum daily requirement multiplied by 256.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) Sales Service

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

(b) Transportation Service

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

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

(c) Bundled Transportation Service

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

(d) Storage Service

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

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

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

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

<u>MONTHLY CHARGE</u>	\$1,341.41
<u>DELIVERY CHARGES</u> (cents per Month per m ³ of Daily Contract Demand)	
Monthly Demand Charge for each unit of Contracted Daily Demand	15.0877
Commodity Charge for each unit of gas volumes delivered (cents/m ³)	0.2199
<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 (m³) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per m³, respectively.

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



COMMISSIONING AND DECOMMISSIONING RATE

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

	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 m³)</u>		
Commodity Charge for each unit of gas volumes delivered	0.9285	0.9285
<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)	\$19.093
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Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$/GJ/Month)	-
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Commodity Charge for each unit of gas withdrawn from storage (\$/GJ)	\$0.206
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Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ)	\$0.834
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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

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 April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 Rate Schedule effective January 1, 2018.



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Schedule "A"
Page 1 of 2

Union Gas Limited
Union North
Gas Supply Charges

(A) Availability

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

(B) Applicability:

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

(C) Rates

<u>Utility Sales</u>	<u>Union North West</u>	<u>Union North East</u>
<u>Rate 01A (cents / m³)</u>		
Storage	2.1960	6.3886
Storage - Price Adjustment	0.0493 (1)	0.0787 (2)
Commodity and Fuel (3)	9.6085	12.5991
Commodity and Fuel - Price Adjustment (4)	(0.9836)	0.3081
Transportation	6.6669	2.7452
Transportation - Price Adjustment	0.0440 (5)	0.0918 (6)
Total Gas Supply Charge	<u>17.5811</u>	<u>22.2115</u>
 <u>Rate 10 (cents / m³)</u>		
Storage	1.6552	4.5497
Storage - Price Adjustment	0.0316 (7)	0.0502 (8)
Commodity and Fuel (3)	9.6085	12.5991
Commodity and Fuel - Price Adjustment (4)	(0.9836)	0.3081
Transportation	5.8356	2.5155
Transportation - Price Adjustment	0.0440 (9)	0.0880 (10)
Total Gas Supply Charge	<u>16.1913</u>	<u>20.1106</u>

Notes:

- (1) Includes a temporary charge of 0.0493 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (2) Includes a temporary charge of 0.0787 cents/m³ 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/m³.
- (4) Prospective Recovery of gas supply deferral accounts, and a temporary credit of (0.0002) cents/m³ for the period February 1, 2018 to December 31, 2018.
- (5) Prospective Recovery of gas supply deferral accounts, and a temporary charge of 0.0002 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (6) Prospective Recovery of gas supply deferral accounts, and a temporary charge of 0.0067 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (7) Includes a temporary charge of 0.0316 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (8) Includes a temporary charge of 0.0502 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (9) Prospective Recovery of gas supply deferral accounts.
- (10) Prospective Recovery of gas supply deferral accounts, and a temporary charge of 0.0027 cents/m³ for the period February 1, 2018 to December 31, 2018.



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2018-04-01
Schedule "A"
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Union Gas Limited
Union North
Gas Supply Charges

Utility Sales

Rate 20 (cents / m³)

	<u>Union North West</u>	<u>Union North East</u>
Commodity and Fuel (1)	9.3663	12.2800
Commodity and Fuel - Price Adjustment (2)	(0.9834)	0.3083
Commodity Transportation - Charge 1	3.5086	2.2126
Transportation 1 - Price Adjustment (2)	0.0555	0.0968
Commodity Transportation - Charge 2	-	-
Monthly Gas Supply Demand	55.8953	47.5032
Gas Supply Demand - Price Adjustment	-	-
Commissioning and Decommissioning Rate	6.5266	4.9710

Rate 100 (cents / m³)

Commodity and Fuel (1)	9.3663	12.2800
Commodity and Fuel - Price Adjustment (2)	(0.9834)	0.3083
Commodity Transportation - Charge 1	6.1476	8.8308
Commodity Transportation - Charge 2	-	-
Monthly Gas Supply Demand	109.5416	154.3467
Commissioning and Decommissioning Rate	7.7795	11.0338

Rate 25 (cents / m³)

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/m³.
- (2) Prospective Recovery of gas supply deferral accounts.
- (3) Billing in energy (\$/GJ) will only apply to the Natural Gas Liquefaction Service.

Effective April 1, 2018
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Chatham, Ontario

Supersedes EB-2017-0087 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 m³ per year.

(C) Rates

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

a) Monthly Charge			\$21.00
b) Delivery Charge			
First	100 m ³	5.0691	¢ per m ³
Next	150 m ³	4.8051	¢ per m ³
All Over	250 m ³	4.1228	¢ per m ³
Delivery - Price Adjustment (All Volumes) (1)		0.0825	¢ per m ³
<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>			
Cap-and-Trade Customer-Related Charge (if applicable)		3.3181	¢ per m ³
Cap-and-Trade Facility-Related Charge		0.0240	¢ per m ³
c) Storage Charge (if applicable)		0.7331	¢ per m ³
Storage - Price Adjustment (All Volumes) (2)		0.0039	¢ per m ³

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

d) Gas Supply Charge (if applicable)

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

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 m³)</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 0.0825 cents/m³ for the period February 1, 2018 to December 31, 2018.
(2) Includes a temporary charge of 0.0039 cents/m³ 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.



(E) Delayed Payment

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

(F) Direct Purchase

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

(G) Overrun Charge

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. The customer may pay for the identified delivery charge and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³.

Overrun Delivery Charge	5.8022	¢ per m ³
<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181	¢ per m ³
Cap-and-Trade Facility-Related Charge	0.0240	¢ per m ³

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

- 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>	Assumed Atmospheric Pressure <u>kPa</u>		Assumed Atmospheric Pressure <u>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 April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 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 m³ per year.

(C) Rates

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

a) Monthly Charge \$70.00

b) Delivery Charge

First	1 000 m ³	5.0438	¢ per m ³
Next	6 000 m ³	4.9478	¢ per m ³
Next	13 000 m ³	4.7663	¢ per m ³
All Over	20 000 m ³	4.4155	¢ per m ³

Delivery – Price Adjustment (All Volumes) (1) 0.0854 ¢ per m³

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

Cap-and-Trade Customer-Related Charge (if applicable) 3.3181 ¢ per m³

Cap-and-Trade Facility-Related Charge 0.0240 ¢ per m³

c) Storage Charge (if applicable) 0.6483 ¢ per m³

Storage - Price Adjustment (All Volumes) (2) 0.0049 ¢ per m³

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 m³)</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 0.0854 cents/m³ for the period February 1, 2018 to December 31, 2018.

(2) Includes a temporary charge of 0.0049 cents/m³ 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 m³, plus 7¢ per m³.

Overrun Delivery Charge	5.6921	¢ per m ³
<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181	¢ per m ³
Cap-and-Trade Facility-Related Charge	0.0240	¢ per m ³

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

- 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 April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 Rate Schedule effective January 1, 2018.



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Rate M4
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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 m³ and 60 000 m³.

(C) Rates

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

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

(i) A Monthly Demand Charge

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

(ii) A Monthly Delivery Commodity Charge

First 422 250 m ³ delivered per month	1.5391	¢ per m ³
Next volume equal to 15 days use of daily contracted demand	1.5391	¢ per m ³
For remainder of volumes delivered in the month	0.5796	¢ per m ³

Delivery - Price Adjustment (All Volumes)	-	¢ per m ³
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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 ³
Cap-and-Trade Facility-Related Charge	0.0240	¢ per m ³

(iii) Gas Supply Charge (if applicable)

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

2. Overrun Charge

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

Authorized Overrun Delivery Charge	3.5691	¢ per m ³
Unauthorized Overrun Delivery Charge	5.8022	¢ per m ³

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

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

3. Firm Minimum Annual Charge

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

Firm Minimum Annual Delivery Charge	1.7284	¢ per m ³
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In the event that the contract period exceeds one year the annual minimum volume will be prorated for any part year.

4. Interruptible Service

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

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

a) (i) Monthly Delivery Commodity Charge

Daily Contracted Demand Level (CD)

2 400 m ³ ≤ CD < 17 000 m ³	3.0171	¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³	2.8872	¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³	2.8189	¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³	2.7710	¢ per m ³

Delivery - Price Adjustment (All Volumes)	-	¢ per m ³
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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 ³
Cap-and-Trade Facility-Related Charge	0.0240	¢ per m ³

(ii) Days Use of Interruptible Contract Demand

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

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

(iii) Gas Supply Charge (if applicable)

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

(iv) Monthly Charge	\$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 m³ per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times the identified interruptible minimum annual delivery charge, and if applicable, a gas supply charge provided in Schedule "A".

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

Interruptible Minimum Annual Delivery Charge	3.2064	¢ per m ³
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- c) Overrun gas is available without penalty provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization. Overrun means gas taken on any day in excess of 105% of contracted daily demand.

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

Unauthorized Overrun Delivery Charge	5.8022	¢ per m ³
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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 ³
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Cap-and-Trade Facility-Related Charge	0.0240	¢ per m ³
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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 233.3400 ¢ per m³ (\$60 per GJ) for the delivery.

(D) Delayed Payment

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

(E) Direct Purchase

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

(F) Bundled Direct Purchase Delivery

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

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

Effective April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 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 m³ and 60 000 m³ inclusive.

(C) Rates

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

1. Interruptible Service

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

(i) Monthly Delivery Commodity Charge

Daily Contracted Demand Level (CD)

2 400 m ³ ≤ CD < 17 000 m ³	3.0171	¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³	2.8872	¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³	2.8189	¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³	2.7710	¢ per m ³

Delivery - Price Adjustment (All Volumes)	-	¢ per m ³
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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 ³
Cap-and-Trade Facility-Related Charge	0.0240	¢ per m ³

(ii) Days Use of Interruptible Contract Demand

The price determined under Paragraph 1(a) of "Rates" will be reduced by the amount based on the number of Days Use of Contracted Demand as scheduled below:

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

(iii) Gas Supply Charge (if applicable)

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

(iv) Monthly Charge \$644.34 per month

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

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

Interruptible Minimum Annual Delivery Charge	3.2064	¢ per m ³
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3. Overrun gas is available without penalty provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization. Overrun means gas taken on any day in excess of 105% of contracted daily demand.

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

Unauthorized Overrun Delivery Charge	5.8022	¢ per m ³
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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 ³
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Cap-and-Trade Facility-Related Charge	0.0240	¢ per m ³
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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 233.3400 ¢ per m³ (\$60 per GJ) for the delivery.

4. Non-Interruptible Service

Union may agree, in its sole discretion, to combine an interruptible service with a firm service in which case the amount of firm daily demand to be delivered shall be agreed upon by Union and the customer.

- a) The monthly demand charge for firm daily deliveries will be 34.4858 ¢ per m³.
- b) The commodity charge for firm service shall be the rate for firm service at Union's firm rates net of a monthly demand charge of 34.4858 ¢ per m³ 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 April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 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 m³; and
- b) who has site specific energy measuring equipment that will be used in determining energy balances.

(C) Rates

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

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

(i) A Monthly Demand Charge

A negotiated Monthly Demand Charge for each m ³ of daily contracted firm demand up to	34.6517 ¢ per m ³
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(ii) A Monthly Delivery Commodity Charge

(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of	0.3328 ¢ per m ³
and a Delivery - Price Adjustment of	- ¢ per m ³

(2) A Monthly Interruptible Delivery Commodity Charge for all interruptible volumes to be negotiated between Union and the customer not to exceed an annual average of	6.4290 ¢ per m ³
and a Delivery - Price Adjustment of	- ¢ per m ³

(3) A Monthly Seasonal Delivery Commodity Charge for all seasonal volumes to be negotiated between Union and the customer not to exceed an annual average of	6.1849 ¢ per m ³
and a Delivery - Price Adjustment of	- ¢ per m ³

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

Cap-and-Trade Customer-Related Charge (if applicable)	3.3181 ¢ per m ³
Cap-and-Trade Facility-Related Charge	0.0240 ¢ per m ³

(iii) Gas Supply Charge (if applicable)

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

(iv) Overrun Gas

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

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

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

Cap-and-Trade Customer-Related Charge (if applicable)	3.3181 ¢ per m ³
Cap-and-Trade Facility-Related Charge	0.0240 ¢ per m ³

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 233.3400 ¢ per m³ (\$60 per GJ) for the delivery.

2. In negotiating the Monthly Interruptible and Seasonal Commodity Charges, the matters to be considered include:
 - (a) The volume of gas for which the customer is willing to contract,
 - (b) The load factor of the customer's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for,
 - (c) Interruptible or curtailment provisions, and
 - (d) Competition.
3. In each contract year, the customer shall take delivery from Union, or in any event, pay for if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun gas volumes will not contribute to the minimum volume.
4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the customer during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the "transition period"). In such event, the contract will provide for a Monthly Delivery Commodity Charge to be applied on such volume during the transition at the identified commissioning and decommissioning rate and the total gas supply charge for utility sales provided in Schedule "A" per m³, if applicable.

Commissioning and Decommissioning Rate	4.6002	¢ per m ³
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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 ³
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Cap-and-Trade Facility-Related Charge	0.0240	¢ per m ³
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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 April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 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 ³
(ii) A Delivery Commodity Charge for gas delivered of	0.1544 ¢ per m ³
and a Delivery - Price Adjustment of	- ¢ per m ³
<u>Cap-and-Trade Charges (in addition to Delivery Commodity Charge)</u>	
Cap-and-Trade Facility-Related Charge	0.0240 ¢ per m ³

(iii) Gas Supply Charge (if applicable)

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

(D) Delayed Payment

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

(E) Direct Purchase

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



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(F) Overrun Charge

Authorized:

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

Unauthorized:

For all quantities on any day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged at the identified unauthorized overrun delivery charge.

Authorized Overrun Delivery Charge	0.9284 ¢ per m ³
Unauthorized Overrun Delivery Charge	36.0000 ¢ per m ³
<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>	
Cap-and-Trade Facility-Related Charge	0.0240 ¢ per m ³

(G) Bundled Direct Purchase Delivery

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

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

Effective April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 Rate Schedule effective January 1, 2018.

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 7.1485 ¢ per m³

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

Cap-and-Trade Facility-Related Charge 0.0240 ¢ per m³

2. Gas Supply Charge (if applicable)

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

(D) Delayed Payment

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

(E) Direct Purchase

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

(F) Overrun Charge

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

Unauthorized Overrun Delivery Charge 5.8022 ¢ per m³

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

Cap-and-Trade Facility-Related Charge 0.0240 ¢ per m³

(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 April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 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	\$1.424	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$3.638
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$4.665
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		\$2.828
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)



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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 April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 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 m³ or greater and has a daily firm contracted demand up to 140,870 m³; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for use at facilities located within Union's gas franchise area; and
- c) who has meters with electronic recording at each Point of Consumption; and
- d) who has site specific energy measuring equipment that will be used in determining energy balances; and
- e) for whom Union has determined transportation and/or storage capacity is available.

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

(C) Rates

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

STORAGE SERVICE:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.429			
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>	For Customers Providing <u>Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum				
Daily Storage Withdrawal Quantity		\$0.021	0.408%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.021	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/m³/mo</u>	<u>Rate/m³</u>		<u>Rate/m³</u>
a) Annual Firm Transportation Applied to the Firm Daily Contract Demand				
First 28,150 m ³ per month	40.5921 ¢			
Next 112,720 m ³ 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)		0.1510 ¢	0.323%	0.1109 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum		6.4290 ¢	0.323%	6.3889 ¢
<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	\$0.083/GJ	0.881%	\$0.055/GJ
Storage Withdrawals	\$0.083/GJ	0.881%	\$0.055/GJ
Transportation	1.4855 ¢/m ³	0.323%	1.4454 ¢/m ³
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>			
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181 ¢/m ³		3.3181 ¢/m ³
Cap-and-Trade Facility-Related Charge	0.0240 ¢/m ³		0.0240 ¢/m ³

Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged the identified unauthorized overrun charge, as appropriate.

Unauthorized Overrun Storage Injections and Withdrawals Charge	\$1.492	per GJ
Unauthorized Overrun Transportation Charge	5.8022	¢ per m ³
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181	¢ per m ³
Cap-and-Trade Facility-Related Charge	0.0240	¢ per m ³

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 233.3400 ¢ per m³ (\$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

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.

Effective April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 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) who has a daily firm contracted demand of at least 140 870 m³. Firm and/or interruptible daily contracted demand of less than 140,870 m³ cannot be combined for the purposes of qualifying for this rate class; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for use at facilities located within Union's gas franchise area; and
- c) who has meters with electronic recording at each Point of Consumption; and
- d) who has site specific energy measuring equipment that will be used in determining energy balances; and
- e) for whom Union has determined transportation and/or storage capacity is available.

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

(C) Rates

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

STORAGE SERVICE:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.429			
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		\$0.021	0.408%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.021	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		\$0.083	0.881%	\$0.055

Notes:

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

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

3.1 Aggregate Excess

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

3.2 Obligated daily contract quantity multiple of 15

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

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

3.4 Contract Demand multiple of 10

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

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

4. Annual Injection/Withdrawal Right

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

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

4.2 For new, large (daily firm transportation demand requirements in excess of 1,200,000 m³/day) gas fired power generation customers, the maximum entitlement of firm storage deliverability is 24 times the customer's peak hourly consumption, with 1.2% firm deliverability available at the rates specified 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/m³/mo</u>	<u>Rate/m³</u>		<u>Rate/m³</u>
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand				
First 140,870 m ³ per month	32.0198 ¢			
All over 140,870 m ³ per month	16.9369 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption Commodity Charge (All volumes)		0.0632 ¢	0.295%	0.0266 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum		6.4290 ¢	0.295%	6.3924 ¢
<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 m³/day and who are directly connected to i) the Dawn-Trafalgar transmission system in close proximity to Parkway or ii) a third party pipeline, have the option to pay for service using a Billing Contract Demand. The Billing Contract Demand shall be determined by Union such that the annual revenues over the term of the contract will recover the invested capital, return on capital and operating and maintenance costs associated with the dedicated service in accordance with Union's system expansion policy. The firm transportation demand charge will be applied to the Billing Contract Demand. For customers choosing the Billing Contract Demand option, the authorized transportation overrun rate will apply to all volumes in excess of the Billing Contract Demand but less than the daily firm demand requirement.
3. In negotiating the rate to be charged for the transportation of gas under Interruptible Transportation, the matters that are to be considered include:
 - a) The amount of the interruptible transportation for which customer is willing to contract,
 - b) The anticipated load factor for the interruptible transportation quantities,
 - c) Interruptible or curtailment provisions, and
 - d) Competition.
4. In each contract year, the customer shall pay for a Minimum Interruptible Transportation Activity level as specified in the Contract. Overrun activity will not contribute to the minimum activity level.
5. Transportation fuel ratios do not apply to customers served from dedicated facilities directly connected to third party transmission systems with custody transfer metering at the interconnect.
6. Firm transportation fuel ratio does not apply to new customers or existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day that contract for M12 Dawn to Parkway transportation service equivalent to 100% of their daily firm demand requirement. If a customer with a daily firm demand requirement in excess of 1,200,000 m³/day contracts for M12 Dawn to Parkway transportation service at less than 100% of their firm daily demand requirement, the firm transportation fuel ratio will be applicable to daily volumes not transported under the M12 transportation contract.
7. Either Union or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.

SUPPLEMENTAL CHARGES:

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

Notes:

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

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

Authorized

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

Unauthorized

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

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

2. Injection, Withdrawals and Transportation

Authorized

The following Overrun rates are applied to any quantities transported, injected or withdrawn in excess of 103% of the Contract parameters. Overrun will be authorized by Union at its sole discretion. The Authorized Overrun rates are not applicable to the Daily Variance Account.

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

	Union Providing Compressor Fuel Commodity Charge	For Customers Providing Their Own Compressor Fuel Fuel Ratio	Commodity Charge
Storage Injections	\$0.083/GJ	0.881%	\$0.055/GJ
Storage Withdrawals	\$0.083/GJ	0.881%	\$0.055/GJ
Transportation	1.1159 ¢/m ³	0.295%	1.0793 ¢/m ³
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>			
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181 ¢/m ³		3.3181 ¢/m ³
Cap-and-Trade Facility-Related Charge	0.0240 ¢/m ³		0.0240 ¢/m ³

Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged the identified unauthorized overrun charge, as appropriate. 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	\$1.492	per GJ
Unauthorized Overrun Transportation Charge	5.8022	¢ per m ³
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	3.3181	¢ per m ³
Cap-and-Trade Facility-Related Charge	0.0240	¢ per m ³

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 233.3400 ¢ per m³ (\$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

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

4. Nominations

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day who have non obligated deliveries may contract to use Union's 5 additional nomination windows (13 in total) for the purposes of delivering gas to Union. These windows are in addition to the standard NAESB and TCPL STS nomination windows. Customers taking the additional nomination window service will pay an additional monthly demand charge of \$0.070/GJ/day/month multiplied by the non-obligated daily contract quantity.

5. Additional Service Information

Additional information on Union's T2 service offering can be found at:
www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features

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

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

6. Parkway Delivery Commitment Incentive ("PDCI")

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

Rate/GJ

PDCI

\$(0.156)

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

(C) Rates

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

STORAGE SERVICE:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.429			
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		\$0.021	0.408%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.021	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/m³/mo</u>	<u>Rate/m³</u>		<u>Rate/m³</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		0.1178 ¢	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	\$0.083/GJ	0.881%	\$0.055/GJ
Storage Withdrawals	\$0.083/GJ	0.881%	\$0.055/GJ
Transportation	0.7092 ¢/m ³	0.412%	0.6581 ¢/m ³
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>			
Cap-and-Trade Facility-Related Charge	0.0240 ¢/m ³		0.0240 ¢/m ³

Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged the identified unauthorized overrun charge, as appropriate.

Unauthorized Overrun Storage Injections and Withdrawals Charge	\$9.257	per GJ
Unauthorized Overrun Transportation Charge	36.0000	¢ per m ³
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>		
Cap-and-Trade Facility-Related Charge	0.0240	¢ per m ³

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
2018-04-01
Schedule "A"

Gas Supply Charges

(A) Availability:

Available to customers in Union's Southern Delivery Zone.

(B) Applicability:

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

(C) Rates:

cents / m³

Utility Sales

Commodity and Fuel	12.3167 (1)
Commodity and Fuel - Price Adjustment	1.6160 (2)
Transportation	-
Total Gas Supply Commodity Charge	<u>13.9327</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	0.1893
--	--------

Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3

\$/GJ

Monthly demand charges:	
Firm gas supply service	57.598
Firm backstop gas	1.424
Commodity charges:	
Gas supply	3.191
Backstop gas	3.638
Reasonable Efforts Backstop Gas	4.665
Supplemental Inventory	Note (3)
Supplemental Gas Sales Service (cents / m ³)	15.3327
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.828
Discretionary Gas Supply Service (DGSS)	Note (4)

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1893 cents/m³.
- (2) Prospective Recovery of gas supply deferral accounts, and a temporary credit of (0.0002) cents/m³ 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 April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 Rate Schedule effective January 1, 2018.

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		

	<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:

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

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

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

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

OVERRUN SERVICE

1. Injection and Withdrawal

Authorized	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	0.881%	\$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 / Lisgar		\$0.006	\$0.006
Dawn to Parkway		\$0.006	\$0.006
Kirkwall to Parkway / Lisgar		\$0.006	\$0.006
Parkway to Dawn / Kirkwall		\$0.006	\$0.006
Kirkwall to Dawn		\$0.006	\$0.006
Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar (2)		\$0.006	\$0.006

(C) Rates (Cont'd)
Authorized Overrun (3)

Authorized overrun rates will be payable on all quantities in excess of Union's obligation on any day. The overrun charges payable will be calculated at the following rates. Overrun will be authorized at Union's sole discretion.

	<u>Fuel and Commodity Charges</u>			
	Union Supplied Fuel Fuel and Commodity Charge Rate/GJ	Shipper Supplied Fuel		
		Fuel Ratio %	AND	Commodity Charge Rate/GJ
<u>Transportation Overrun</u>				
Dawn to Parkway	Monthly fuel and commodity	Monthly fuel ratios shall		\$0.122
Dawn to Kirkwall	rates shall be in accordance	be in accordance with		\$0.104
Kirkwall to Parkway	with schedule "C".	schedule "C".		\$0.018
Parkway (TCPL) Overrun (4)	n/a	0.721%		n/a
<u>M12-X Firm Transportation</u>				
Between Dawn, Kirkwall and Parkway	Monthly fuel and commodity	Monthly fuel ratios shall		\$0.151
	rates shall be in accordance	be in accordance with		
	with schedule "C".	schedule "C".		
<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

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

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

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

plus

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

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

in which:

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

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

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

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

(D) Transportation Commodity (Cont'd)

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

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

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

Notes

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

(E) Provision for Compressor Fuel

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

Transportation Fuel

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

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

Transportation Fuel Quantity = Transportation Quantity x Transportation Fuel Ratio.

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

Nominations

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

(F) Terms of Service

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

(G) Nominations

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

(H) Monthly Fuel Rates and Ratios

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

(I) Receipt and Delivery Points and Pressures

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

**RATE M12
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

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

1. "Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;
2. "cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
3. "day" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Standard time. The reference date for any day shall be the calendar date upon which the twenty-four (24) hour period shall commence;
4. "delivery" shall mean any gas that is delivered by Union into Shipper's possession, or to the possession of Shipper's agent;
5. "firm" shall mean service not subject to curtailment or interruption except under Articles XI and XII of this Schedule "A";
6. "gas" shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time;
7. "gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
8. "interruptible service" shall mean service subject to curtailment or interruption, after notice, at any time;
9. "Interconnecting Pipeline" shall mean a pipeline that directly connects to the Union pipeline system;
10. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
11. "limited interruptible service" shall mean gas service subject to interruption or curtailment on a limited number of days as specified in the Contract;
12. "m³" shall mean cubic metre of gas and "10³m³" shall mean 1,000 cubic metres of gas;
13. "month" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
14. "OEB" means the Ontario Energy Board;
15. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
16. "receipt" shall mean any gas that is delivered into Union's possession, or the possession of Union's agent;
17. "Shipper" shall have the meaning as defined in the Contract and shall also include Shipper's agent(s);

SCHEDULE "A"

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

II. GAS QUALITY

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

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

III. MEASUREMENTS

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

IV. RECEIPT POINT AND DELIVERY POINT

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

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VI. FACILITIES ON SHIPPER'S PROPERTY

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

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

VII. MEASURING EQUIPMENT

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

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

VIII. BILLING

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

IX. PAYMENTS

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

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

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

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

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

X. ARBITRATION

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

XI. FORCE MAJEURE

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

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

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XV. LAWS, REGULATIONS AND ORDERS

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

**RATE M12
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"NAESB" shall mean North American Energy Standards Board;

"OEB" means the Ontario Energy Board;

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

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

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

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

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

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

"TCPL" means TransCanada PipeLines Limited;

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

II. GAS QUALITY

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

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

III. MEASUREMENTS

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

IV. RECEIPT POINT AND DELIVERY POINT

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

1. Possession of Gas: Union accepts no responsibility for any gas prior to such gas being delivered to Union at the Receipt Point or after its delivery by Union at the Delivery Point. As between the parties hereto, Union shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Union's system until such gas is delivered to Shipper.
2. Liability: Shipper agrees that Union is not a common carrier and is not an insurer of Shipper's gas, and that Union shall not be liable to Shipper or any third party for loss of gas in Union's possession, except to the extent such loss is caused entirely by Union's negligence or wilful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

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

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

VII. MEASURING EQUIPMENT

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by its regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the redelivery point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the delivery point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.

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

VIII. BILLING

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

IX. PAYMENTS

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

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

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

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

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

X. ARBITRATION

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

XI. FORCE MAJEURE

1. Definition: The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. Notice: In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Exclusions: Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. Notice of Remedy: The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.
5. Obligation to Perform: An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Firm Transportation Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.
8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm Contract Demand for that Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the M12 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. Proration of Firm Transportation Service: If, due to the occurrence of an event of force majeure as outlined above, the capacity for gas deliveries by Union is impaired, it will be necessary for Union to curtail Shipper's gas receipts to Union hereunder, via proration based on utilization of such facilities for the Day. This prorating shall be determined by

multiplying the capability of such facilities as available downstream of the impairment on the Day, by a fraction where the numerator is Shipper's nominated firm quantity and the denominator is the total of all such nominated firm quantities for nominated services and planned consumption for in-franchise customers on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Union to in-franchise customers and ex-franchise shippers.

XII. DEFAULT AND TERMINATION

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

XIII. AMENDMENT

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

XIV. NON-WAIVER AND FUTURE DEFAULT

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

XV. LAWS, REGULATIONS AND ORDERS

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

XVI. ALLOCATION OF CAPACITY

1. Requests for Transportation Service: A potential shipper may request firm transportation service on Union's system at any time. Any request for firm M12 transportation service must include: potential shipper's legal name, Receipt Point(s), Delivery Point(s), Commencement Date, Initial Term, Contract Demand and proposed payment. This is applicable for M12 service requests for firm transportation service with minimum terms of ten (10) years where Expansion Facilities are required or a minimum term of five (5) years for use of existing capacity.
2. Expansion Facilities: If requests for firm transportation services cannot be met through existing capacity such that the only way to satisfy the requests for transportation service would require the construction of Expansion Facilities which create new capacity, Union shall allocate any such new capacity by open season, subject to the terms of the open season, and these General Terms and Conditions.

3. Open Seasons: If requests for long-term firm transportation service can be met through existing facilities upon which long-term capacity is becoming available, Union shall allocate such long-term capacity by open season, subject to the terms of the open season, and these General Terms and Conditions. "**Long-term**", for the purposes of this Article XVI, means, in the case of a transportation service, a service that has a term of one year or greater.
4. Awarding Open Season Capacity: Capacity requests received during an open season shall be awarded starting with those bids with the highest economic value. If the economic values of two or more independent bids are equal, then service shall be allocated on a pro-rata basis. The economic value shall be based on the net present value which shall be calculated based on the proposed per-unit rate and the proposed term of the contract and without regard to the proposed Contract Demand ("**NPV**").
5. Available Capacity Previously Offered in Open Season: Union may at any time allocate capacity to respond to any M12 transportation service request through an open season. If a potential shipper requests M12 transportation service that can be provided through Available Capacity that was previously offered by Union in an open season but was not awarded, then:
 - a. Any such request must conform to the requirements of Section 1 of this Article XVI;
 - b. Union shall allocate capacity to serve such request pursuant to this Section 5, and subject to these General Terms and Conditions and Union's standard form M12 transportation contract;
 - c. Union may reject a request for M12 transportation service for any of the following reasons:
 - i) if there is insufficient Available Capacity to fully meet the request, but if that is the only reason for rejecting the request for service, Union must offer to supply the Available Capacity to the potential shipper;
 - ii) if the proposed monthly payment is less than Union's Monthly demand charge plus fuel requirements for the applicable service;
 - iii) if prior to Union accepting the request for transportation service Union receives a request for transportation service from one or more other potential shippers and there is, as a result, insufficient Available Capacity to service all the requests for service, in which case Union shall follow the procedure in Section 5 d hereof; -
 - iv) if Union does not provide the type of transportation service requested; or
 - v) if all of the conditions precedent specified in Article XXI Sections 1 and 2 herein have not been satisfied or waived.
 - d. Union will advise the potential shipper in writing whether Union accepts or rejects the request for service, subject to Article XVI 5 c, within 5 calendar days of receiving a request for M12 transportation service. If Union rejects a request for service, Union shall inform the potential shipper of the reasons why its request is being rejected; and
 - e. If Union has insufficient Available Capacity to service all pending requests for transportation service Union may:
 - i) Reject all the pending requests for transportation service and conduct an open season; or
 - ii) Union shall inform all the potential shippers who have submitted a pending request for transportation service that it does not have sufficient capacity to service all pending requests for service, and Union shall provide all such potential shippers with an equal opportunity to submit a revised request for service. Union shall then allocate the Available Capacity to the request for transportation service with the highest economic value to Union. If the economic values of two or more requests are equal, then service shall be allocated on a pro-rata basis. The economic value of any request shall be based on the NPV.

XVII. RENEWALS

Contracts with an Initial Term of five (5) years or greater will continue in full force and effect beyond the Initial Term, automatically renewing for a period of one (1) year, and every one (1) year thereafter. Shipper may reduce the Contract Demand or terminate the Contract with notice in writing by Shipper at least two (2) years prior to the expiration thereof.

XVIII. SERVICE CURTAILMENT

1. Right to Curtail: Union shall have the right to curtail or not to schedule part or all of Transportation Services, in whole or in part, on all or a portion of its pipeline system at any time for reasons of Force Majeure or when, in Union sole discretion, acting reasonably, capacity or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating changes to its pipeline system. Union shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. If due to any cause whatsoever Union is unable to receive or deliver the quantities of Gas which Shipper has requested, then Union shall order curtailment by all Shippers affected and to the extent necessary to remove the effect of the disability. Union has a priority of service policy to determine the order of service curtailment. In order to place services on the priority of service list, Union considers the following business principles: appropriate level of access to core services, customer commitment, encouraging appropriate contracting, materiality, price and term, and promoting and enabling in-franchise consumption.

The Priority ranking for all services utilizing Union Gas' storage, transmission and distribution system as applied to both in-franchise and ex-franchise services are as follows; with number 1 having the highest priority and the last interrupted.

1. Firm In-franchise Transportation and Distribution services and firm Ex-franchise services (Note 1)
2. In-franchise Interruptible Distribution services
3. C1/M12 IT Transport and IT Exchanges with Take or Pay rates
4. Balancing (Hub Activity) < = 100 GJ/d; Balancing (Direct Purchase) < = 500 GJ/d; In-franchise distribution authorized overrun (Note 3)
5. C1/M12 IT Transport and IT Exchanges at premium rates
6. C1/M12 Overrun < = 20% of CD (Note 4)
7. Balancing (Direct Purchase) > 500 GJ/d
8. Balancing (Hub Activity) > 100 GJ/d; C1/M12 IT Transport and IT Exchanges
9. C1/M12 Overrun > 20% of CD
10. C1/M12 IT Transport and IT Exchanges at a discount
11. Late Nominations

Notes:

1. Nominated services must be nominated on the NAESB Timely Nomination Cycle otherwise they are considered to be late nomination and are therefore interruptible.
 2. Higher value or more reliable IT is contemplated in the service and contract, when purchase at market competitive prices.
 3. Captures the majority of customers that use Direct Purchase balancing transactions.
 4. Captures the majority of customers that use overrun.
2. Capacity Procedures: Union reserves the right to change its procedures for sharing interruptible capacity and will provide Shipper with two (2) months prior notice of any such change.
 3. Maintenance: Union's facilities from time to time may require maintenance or construction. If such maintenance or construction is required, and in Union's sole opinion, acting reasonably, such maintenance or construction may impact Union's ability to meet Shipper's requirements, Union shall provide at least ten (10) days notice to Shipper, except in the case of an emergency. In the event the maintenance impacts Union's ability to meet Shipper's requirements, Union shall not be liable for any damages and shall not be deemed in breach of the Contract. To the extent that Union's ability to accept and/or deliver Shipper's gas is impaired, the Monthly demand charge shall be reduced in accordance with Article XI Section 8 and available capacity allocated in accordance with Article XI Section 9 herein.

Union shall use reasonable efforts to determine a mutually acceptable period during which such maintenance or construction will occur and also to limit the extent and duration of any impairments. Union will endeavour to schedule and complete the maintenance and construction, which would normally be expected to impact on Union's ability to meet Shipper's requirements, during the period from April 1 through to November 1.

XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES

1. Shipper's Warranty: Shipper warrants that it will, if required, maintain, or have maintained on its behalf, all external approvals including the governmental, regulatory, import/export permits and other approvals or authorizations that are required from any federal, state or provincial authorities for the gas quantities to be handled under the Contract. Shipper further warrants that it shall maintain in effect the Facilitating Agreements.
2. Financial Representations: Shipper represents and warrants that the financial assurances (including the Initial Financial Assurances and Security) (if any) shall remain in place throughout the term hereof, unless Shipper and Union agree otherwise. Shipper shall notify Union in the event of any change to the financial assurances throughout the term hereof. Should Union have reasonable grounds to believe that Shipper will not be able to perform or continue to perform any of its obligations under the Contract as a result of one of the following events ("**Material Event**");
 - a. Shipper is in default, which default has not been remedied, of the Contract or is in default of any other material contract with Union or another party; or,
 - b. Shipper's corporate or debt rating falls below investment grade according to at least one nationally recognized rating agency; or,
 - c. Shipper ceases to be rated by a nationally recognized agency; or,
 - d. Shipper has exceeded credit available as determined by Union from time to time,

then Shipper shall within fourteen (14) days of receipt of written notice by Union, obtain and provide to Union a letter of credit or other security in the form and amount reasonably required by Union (the "**Security**"). The Security plus the Initial Financial Assurances shall not exceed twelve (12) months of Monthly demand charges (in accordance with Article IX herein) multiplied by Contract Demand. In the event that Shipper does not provide to Union such Security within such fourteen (14) day period, Union may deem a default under the Default and Termination provisions of Article XII herein.

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

XX. MISCELLANEOUS PROVISIONS

1. Permanent Assignment: Shipper may assign the Contract to a third party ("Assignee"), up to the Contract Demand, (the "Capacity Assigned"). Such assignment shall require the prior written consent of Union and release of obligations by Union for the Capacity Assigned from the date of assignment. Such consent and release shall not be unreasonably withheld and shall be conditional upon the Assignee providing, amongst other things, financial assurances as per Article XXI herein. Any such assignment will be for the full rights, obligations and remaining term of the Contract as relates to the Capacity Assigned.
2. Temporary Assignment: Shipper may, upon notice to Union, assign all or a part of its service entitlement under the Contract (the "Assigned Quantity") and the corresponding rights and obligations to an Assignee on a temporary basis for not less than one calendar month. Such assignment shall not be unreasonably withheld and shall be conditional upon the Assignee executing the Facilitating Agreement as per Article XXI herein. Notwithstanding such assignment, Shipper shall remain obligated to Union to perform and observe the covenants and obligations contained herein in regard to the Assigned Quantity to the extent that Assignee fails to do so.
3. Title to Gas: Shipper represents and warrants to Union that Shipper shall have good and marketable title to, or legal authority to deliver to Union, all gas delivered to Union hereunder. Furthermore, Shipper hereby agrees to indemnify and save Union harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all third parties to such gas or on account of Taxes, or other charges thereon.

XXI. PRECONDITIONS TO TRANSPORTATION SERVICES

1. Union Conditions: The obligations of Union to provide Transportation Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Transportation Services; and,
 - b. Union shall have obtained all internal approvals that are necessary or appropriate to provide the transportation Services; and,
 - c. Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of the Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by Union; and,
 - d. Shipper and Union shall have entered into the Interruptible Service HUB Contract or equivalent (the "**Facilitating Agreement**") with Union.
2. Shipper Conditions: The obligations of Shipper hereunder are subject to the following conditions precedent, which are for the sole benefit of Shipper and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Shipper shall, as required, have entered into the necessary contracts with Union and/or others to facilitate the Transportation Services contemplated herein, including contracts for upstream and downstream transportation, and shall specifically have an executed and valid Facilitating Agreement; and shall, as required, have entered into the necessary contracts to purchase the gas quantities handled under the Contract; and,
 - b. Shipper shall have obtained, in form and substance satisfactory to Shipper, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required from federal, state, or provincial authorities for the gas quantities handled under the Contract; and,
 - c. Shipper shall have obtained all internal approvals that are necessary or appropriate for the Shipper to execute the Contract.
3. Satisfaction of Conditions: Union and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in this Article XXI Section 1 a, c, and d and Section 2 a and b. Each party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such party's benefit. If a party concludes that it will not be able to satisfy a condition precedent that is for its benefit, such party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations thereunder.
4. Non-Satisfaction of Conditions: If any of the conditions precedent in this Article XXI Section 1 c or Section 2 are not satisfied or waived by the party entitled to the benefit of that condition by the Conditions Date as such term is defined in the Contract, then either party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder, provided that any rights or remedies that a party may have for breaches of the Contract prior to such termination and any liability a party may have incurred before such termination shall not thereby be released.

**RATE M12
NOMINATIONS**

- a) For Services provided either under this rate schedule or referenced to this rate schedule:
- i) For Services required on any day Shipper shall provide Union with details regarding the quantity it desires to be handled at the applicable Receipt Point(s) and/or Delivery Point(s), and such additional information as Union determines to be necessary (a "**Nomination**").
 - ii) All Nominations shall be submitted by electronic means via *Unionline*. Union, in its sole discretion, may amend or modify the nominating procedures or *Unionline* at any time. Nominations shall be submitted so as to be received by Union in accordance with timelines established by Union, which reflect the NAESB standard nomination cycles. Union will accept all Nominations on each of the nomination cycles. Nominations made after the applicable deadline shall not be accepted except at the sole discretion of Union. The nomination cycle timelines are posted on Union's website and the nomination deadlines are provided in *Unionline*.
 - iii) For customers electing firm all day transportation service, nominations shall be provided to Union's Gas Management Services as outlined in the F24 –T Agreement.
- b) Union shall determine whether or not all or any portion of the Nomination will be accepted. In the event Union determines that it will not accept such Nomination, Union shall advise Shipper of the reduced quantity (the "**Quantity Available**") for Services at the applicable points as outlined in each nomination cycle. After receiving such advice from Union but no later than one half hour after the Quantities Available deadline as outlined in each nomination cycle, Shipper shall provide a "**Revised Nomination**" to Union which shall be no greater than the Quantity Available. If such Revised Nomination is not provided within the time allowed as required above or such Revised Nomination is greater than the Quantity Available, then the Revised Nomination shall be deemed to be the Quantity Available. If the Revised Nomination (delivered within the time allowed as required above) is less than the Quantity Available, then such lesser amount shall be the Revised Nomination.
- c) That portion of a Shipper's Nomination or Revised Nomination, as set out in (a) and (b), above, which Union shall accept for Services hereunder, shall be known as Shipper's "**Authorized Quantity**".
- d) If on any day the actual quantities handled by Union, for each of the Services authorized, exceed Shipper's Authorized Quantity, and such excess was caused by either Shipper's incorrect nomination or by its delivering or receiving too much gas, then the amount by which the actual quantities handled for each of the Services exceed Shipper's Authorized Quantity, such excess shall be deemed "**Unauthorized Overrun**".
- e) The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however, Union shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth (1/20) of the quantity received for that day. Union shall have the right to limit Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20) of the quantity handled for that day, for each applicable Service.
- f) A nomination for a daily quantity of gas on any day shall remain in effect and apply to subsequent days unless and until Union receives a new nomination from Shipper or unless Union gives Shipper written notice that it is not acceptable in accordance with either (a) or (b) of this schedule.
- g) Except for periods of gas or quantity balancing as provided in the Contract, nominations by Shipper for deliveries to Union and redeliveries by Union shall be the same delivery of gas by Union either to Shipper or a Shipper's Account with Union.

**RATE M12
NOMINATIONS**

1. For Transportation Services required on any Day under the Contract, Shipper shall provide Union with details regarding the quantity of Gas it desires to be handled at the applicable Receipt Point(s) and/or Delivery Point(s), and such additional information as Union determines to be necessary (a "**Nomination**").
2. All Nominations shall be submitted by electronic means via *Unionline*. Union, in its sole discretion, may amend or modify the nominating procedures or *Unionline* at any time. Nominations shall be submitted so as to be received by Union in accordance with timelines established by Union, which reflect the NAESB standard nomination cycles. Union will accept all Nominations on each of the nomination cycles. Nominations made after the applicable deadline shall not be accepted except at the sole discretion of Union. The nomination cycle timelines are posted on Union's website and the nomination deadlines are provided in *Unionline*.
3. Union shall determine whether or not all or any portion of the Nomination will be scheduled at each nomination cycle. With respect to each nomination cycle, in the event Union determines that it will not schedule such Nomination, Union shall advise Shipper of the reduced quantity (the "**Quantities Available**") for Transportation Services at the applicable points as outlined in each nomination cycle. After receiving such advice from Union, but no later than one half hour after the Quantities Available deadline as outlined in each nomination cycle, Shipper shall provide a revised nomination ("**Revised Nomination**") to Union which shall be no greater than the Quantity Available. If such Revised Nomination is not provided within the time allowed as required above or such Revised Nomination is greater than the Quantities Available, then the Revised Nomination shall be deemed to be the Quantities Available. If the Revised Nomination (delivered with the time allowed as required above) is less than the Quantity Available, then such lesser amount shall be the Revised Nomination.
4. For Shippers electing firm all day transportation service, nominations shall be provided to Union's Gas Management Services as outlined in the F24 –T Agreement.
5. For Transportation Services requiring Shipper to provide compressor fuel in kind, the nominated fuel requirements will be calculated by rounding to the nearest whole GJ.
6. All Timely Nominations shall have rollover options. Specifically, Shippers shall have the ability to nominate for several days, months or years, provided the Nomination start date and end date are both within the term of the Transportation Agreement.
7. Nominations received after the nomination deadline shall, if accepted by Union, be scheduled after Nominations received before the nomination deadline.
8. All Services are required to be nominated in whole Gigajoules (GJ).
9. To the extent Union is unable to complete a Nomination confirmation due to inaccurate, untimely or incomplete data involving an Interconnecting Pipeline entity, Union shall undertake reasonable efforts to confirm the transaction on a non-discriminatory basis until such time that the transaction is adequately verified by the parties, or until such time that Union determines that the Nomination is invalid at which time the Union shall reject the Nomination.
10. That portion of a Shipper's Nomination or Revised Nomination, as set out in paragraphs 1 and 3 above, which Union shall schedule for Transportation Services hereunder, shall be known as Shipper's "**Authorized Quantity**".
11. If on any day the actual quantities handled by Union, for each of the Transportation Services authorized, exceed Shipper's Authorized Quantity, and such excess was caused by either Shipper's incorrect nomination or by its delivering or receiving too much gas, then the amount by which the actual quantities handled for each of the Transportation

SCHEDULE "B 2010"

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

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

UNION GAS LIMITED

M12 Monthly Transportation Fuel Ratios and Fuel Rates

Firm or Interruptible Transportation Commodity

Effective April 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 (\$/GJ)	Fuel Ratio (%)	Fuel Rate (\$/GJ)	Fuel Ratio (%)	Fuel Rate (\$/GJ)
April	0.879	0.028	0.546	0.017	0.158	0.005
May	0.626	0.020	0.373	0.012	0.158	0.005
June	0.523	0.016	0.275	0.009	0.158	0.005
July	0.508	0.016	0.262	0.008	0.158	0.005
August	0.405	0.013	0.159	0.005	0.158	0.005
September	0.401	0.013	0.159	0.005	0.158	0.005
October	0.750	0.024	0.461	0.014	0.158	0.005
November	0.894	0.028	0.624	0.020	0.158	0.005
December	1.012	0.033	0.743	0.024	0.158	0.005
January	1.166	0.037	0.882	0.028	0.158	0.005
February	1.107	0.035	0.831	0.026	0.158	0.005
March	1.033	0.033	0.742	0.024	0.158	0.005

Month	M12-X Easterly Kirkwall to Parkway (TCPL), Parkway (EGT)		M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)		M12-X Westerly Parkway to Kirkwall, Dawn	
	Fuel Ratio (%)	Fuel Rate (\$/GJ)	Fuel Ratio (%)	Fuel Rate (\$/GJ)	Fuel Ratio (%)	Fuel Rate (\$/GJ)
April	0.491	0.015	0.158	0.005	0.301	0.010
May	0.411	0.013	0.158	0.005	0.301	0.010
June	0.406	0.013	0.158	0.005	0.301	0.010
July	0.404	0.013	0.158	0.005	0.301	0.010
August	0.404	0.013	0.158	0.005	0.301	0.010
September	0.400	0.013	0.158	0.005	0.301	0.010
October	0.448	0.015	0.158	0.005	0.301	0.010
November	0.427	0.014	0.158	0.005	0.158	0.005
December	0.428	0.014	0.158	0.005	0.158	0.005
January	0.442	0.015	0.158	0.005	0.158	0.005
February	0.434	0.014	0.158	0.005	0.158	0.005
March	0.449	0.015	0.158	0.005	0.158	0.005

UNION GAS LIMITED

M12 Monthly Transportation Authorized Overrun Fuel Ratios and Fuel Rates

Firm or Interruptible Transportation Commodity

Effective April 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	0.170	1.166	0.159	0.778	0.175
May	1.246	0.162	0.993	0.154	0.778	0.175
June	1.143	0.158	0.895	0.151	0.778	0.175
July	1.128	0.158	0.882	0.150	0.778	0.175
August	1.025	0.155	0.779	0.147	0.778	0.175
September	1.021	0.155	0.779	0.147	0.778	0.175
October	1.371	0.165	1.081	0.156	0.778	0.175
November	1.514	0.170	1.244	0.162	0.778	0.175
December	1.632	0.175	1.363	0.165	0.778	0.175
January	1.786	0.179	1.502	0.170	0.778	0.175
February	1.727	0.177	1.451	0.168	0.778	0.175
March	1.653	0.175	1.362	0.165	0.778	0.175

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	0.186	0.778	0.175	0.921	0.180
May	1.031	0.184	0.778	0.175	0.921	0.180
June	1.026	0.184	0.778	0.175	0.921	0.180
July	1.024	0.184	0.778	0.175	0.921	0.180
August	1.024	0.184	0.778	0.175	0.921	0.180
September	1.020	0.184	0.778	0.175	0.921	0.180
October	1.068	0.185	0.778	0.175	0.921	0.180
November	1.047	0.185	0.778	0.175	0.778	0.175
December	1.048	0.185	0.778	0.175	0.778	0.175
January	1.062	0.184	0.778	0.175	0.778	0.175
February	1.054	0.185	0.778	0.175	0.778	0.175
March	1.069	0.185	0.778	0.175	0.778	0.175

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

1. Receipt and Delivery Points:

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

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

2. Receipt and Delivery Pressures:

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

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

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

TRANSPORTATION OF LOCALLY PRODUCED GAS

(A) Applicability

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

Applicable Points

Dawn as a delivery point: Dawn (Facilities).

(B) Rates

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

Demand Commodity

	Demand Charge <u>Rate/Month</u>	Commodity Charge <u>Rate/GJ</u>	Union Supplied Fuel Fuel and Commodity Charge <u>Rate/GJ</u>	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			\$0.005	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 April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 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/10³m³ and may be adjusted from time to time by Union;

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

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

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

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

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

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

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

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

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

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

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

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

permitted difference between the Dawn Quantity and the Market Quantity;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

II. GAS QUALITY

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

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

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

3. **Non-conforming Gas:**

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

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

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

III. MEASUREMENTS

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

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

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

IV. RECEIPT POINT AND DELIVERY POINT

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

1. Possession of Gas: Union accepts no responsibility for any gas prior to such gas being delivered to Union at the Receipt Point or after its delivery by Union at the Delivery Point. As between the parties hereto, Union shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Union's system until such gas is delivered to Shipper.
2. Liability: Shipper agrees that Union is not a common carrier and is not an insurer of Shipper's gas, and that Union shall not be liable to Shipper or any third party for loss of gas in Union's possession, except to the extent such loss is caused entirely by Union's negligence or wilful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

1. Meter Station: Union shall provide, at the Receipt Point(s), according to the terms hereunder, the meter station required to receive and measure the Produced Volume of gas received by Union from Shipper. Shipper agrees, if requested by Union, to provide Union with sufficient detailed information regarding Shipper's current and expected operations in order to aid Union in Union's design of the meter station.
2. Union Obligations: Pursuant to Article VI. Section 1 herein, Union shall purchase, install and maintain, at the Receipt Point(s):
 - a. a meter and any associated recording gauges as are necessary; and,
 - b. a suitable gas odourizing injection facility where Union deems such facility to be necessary.
3. Union Equipment: All equipment installed by Union at the Receipt Point(s) shall remain the property of Union at all times, notwithstanding the fact that it may be affixed to Shipper's property. Union shall be entitled to remove said equipment at any time within a period of sixty (60) days from any termination or expiry of the Contract. Shipper shall take all necessary steps to ensure Union may enter onto the Receipt Point(s) to remove such equipment for a period of sixty (60) days after termination or expiry of the Contract or the Sales Agreement.
4. Shipper Obligations: Upon Union's request Shipper shall, at Shipper's own cost and expense:
 - a. obtain a registered lease or freehold ownership at the Receipt Point(s) sufficient to provide Union with free uninterrupted access to, from, under and above the Receipt Point(s), for a term (and extended terms) identical to the Contract, plus sixty (60) days, and shall provide Union with a bona fide copy of such lease agreement prior to Union commencing the construction of the meter station;
 - b. furnish, install, set, and maintain suitable pressure and volume control equipment and such additional equipment as required on Shipper's delivery system, to protect against the overpressuring of Union's facilities, and to limit the daily flow of gas to the corresponding Maximum Daily Quantity applicable to the Receipt Point(s);
 - c. supply, install and maintain a gravel or cut stone covering on each Receipt Point and shall maintain such Receipt Point(s) in a safe and workmanlike manner; and,
 - d. install and maintain a fence satisfactory to Union around the perimeter of each Receipt Point which will adequately secure and protect Union's equipment therein.
5. Maintenance Costs: Shipper shall within thirty (30) days of the delivery of an invoice by Union, reimburse Union for any actual costs reasonably incurred by Union for any repair, replacement, relocation, or upgrading of any meter station

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

VII. MEASURING EQUIPMENT

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

VIII. BILLING

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

IX. PAYMENTS

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

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

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

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

mobile equipment, but shall exclude the purchase costs of gas pressure control equipment and gas meters installed by Union.

X. ARBITRATION

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

XI. FORCE MAJEURE

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

by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.

8. **Firm Daily Variability Demand Charge Relief:** Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the Firm Daily Variability Demand for that Contract, then for that Day the Monthly charge shall be reduced by an amount equal to the applicable Firm Daily Variability Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Firm Daily Variability Demand Rate**" shall mean the monthly Firm Daily Variability Demand charge as provided in Schedule 2 of the Contract, divided by the number of days in the month for which such rate is being calculated.

XII. DEFAULT AND TERMINATION

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

In the event that the Contract is terminated pursuant to this Article XII, the parties hereto agree that they shall continue to be bound only by the terms and conditions set forth in the Contract but only for the purpose of determining the actual quantities in Shipper's Producer Balancing Account with such determination being subject to Article X. Such extended period of time shall not exceed one (1) year from the date of termination of the Contract.

XIII. AMENDMENT

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

XIV. NON-WAIVER AND FUTURE DEFAULT

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

XV. LAWS, REGULATIONS AND ORDERS

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

XVI. RESERVED FOR FUTURE USE

N/A

XVII. RENEWALS

The Contract will continue in full force and effect beyond the Initial Term, automatically renewing for a period of one (1) year, and every one (1) year thereafter, subject to notice in writing by either party of termination at least three (3) months prior to the expiration thereof.

XVIII. SERVICE CURTAILMENT

1. Verbal Notice: Excepting instances of emergency, Shipper and Union agree to give at least twenty-four (24) hours verbal notice before a planned curtailment of receipt or delivery, shut-down or start-up.
2. Emergency: Shipper shall complete and maintain a plan which depicts all of the Shipper's gas production facilities including all emergency shut off valves and emergency equipment and provide a copy to Union upon Union's request. Shipper shall provide to Union the names and telephone numbers of those persons whom Union may contact in the event of an emergency situation arising within the Shipper's facilities.
3. Emergency Notice: In the event that Union is notified by a third party or if Union becomes aware of an emergency situation in which Shipper's gas production site, pipeline or associated equipment is involved, Union shall immediately notify Shipper or Shipper's representative of such emergency condition.
4. Right to Modify: Union shall have the right, at all times, to reconstruct or modify Union's pipeline and distribution system and the pressure carried therein, notwithstanding that such reconstruction or modification may reduce the System Capacity available to receive Shipper's gas, or Shipper's ability to deliver gas to Union. Should Union expect any such reconstruction or modification to reduce the delivery or receipt of gas by either party, Union will, where able, provide Shipper with six (6) months' notice or as much notice as is reasonably practical in the circumstances. Union shall use reasonable efforts to assist the Shipper in meeting its Market Quantity in these circumstances.

XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES

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

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

3. Licence: Shipper represents and warrants to Union that Shipper possesses a licence to produce gas in the Province of Ontario.

XX. MISCELLANEOUS PROVISIONS

1. Assignment: Shipper may assign the Contract to a third party ("**Assignee**"), up to the Maximum Daily Quantity, (the "**Capacity Assigned**"). Such assignment shall require the prior written consent of Union and release of obligations by Union for the Capacity Assigned from the date of assignment. Such consent and release shall not be unreasonably withheld and shall be conditional upon the Assignee providing, amongst other things, financial assurances as per Article XXI herein. Any such assignment will be for the full rights, obligations and remaining term of the Contract as relates to the Capacity Assigned.
2. Title to Gas: Shipper represents and warrants to Union that Shipper shall have good and marketable title to, or legal authority to deliver to Union, all gas delivered to Union hereunder. Furthermore, Shipper hereby agrees to indemnify and save Union harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all third parties to such gas or on account of Taxes, or other charges thereon.

XXI. PRECONDITIONS TO SERVICES

1. Union Conditions: The obligations of Union to provide Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Services; and,
 - b. Union shall have obtained all internal approvals that are necessary or appropriate to provide the Services; and,
 - c. Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of the Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by Union; and,
 - d. Shipper and Union shall have entered into the Interruptible Service HUB Contract or equivalent (the "**Facilitating Agreement**") with Union; and,
 - e. Union shall, where applicable, have obtained all internal and external approvals including the governmental, regulatory and other approvals or authorizations required to construct any facilities necessary to provide the Services hereunder, which approvals and authorizations, if granted upon conditions, shall be conditions satisfactory to Union; and,
 - f. Union shall, where applicable, have completed and placed into service those facilities necessary to provide the Services hereunder; and,
 - g. Further to Article IX Section 6 herein, Shipper shall pay to Union a payment ("**First Prepayment**") towards the Aid to Construction at the time of the execution of this Agreement. Shipper shall pay a payment prior to installation of the meter station ("**Second Prepayment**"). The foregoing payments are specified in the attached Schedule 1 for the first meter station ("**Receipt Point #1**") to be installed under the Contract. Payments for additional meter stations will be handled by written mutual agreement between the parties. Shipper shall pay Union the difference if the actual Aid to Construction is more than the Prepayments, within thirty (30) days of the delivery of an invoice from Union on which the actual costs for construction and installation of facilities are stated. Union shall pay Shipper the difference if the actual Aid to Construction is less than the Prepayments. In the event Shipper terminates this Agreement prior to Union incurring any costs related to the construction, installation or connection of the meter station, Shipper's Prepayments shall be returned to Seller, without interest, within fifteen (15) days notice to Union of such termination by Shipper. In the event Union has incurred costs, as set out herein, relative to the construction, installation or connection of the meter station prior to being notified by Shipper of Shipper's intention to terminate the Agreement, Union shall deduct such actual costs from Union's return of Shipper's Prepayments. "**Prepayments**" shall mean the sum of the First Prepayment and the Second

Prepayment.

2. Shipper Conditions: The obligations of Shipper hereunder are subject to the following conditions precedent, which are for the sole benefit of Shipper and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Shipper shall, as required, have entered into the necessary contracts with Union and/or others to facilitate the Services contemplated herein, including contracts for upstream and downstream transportation, and shall specifically have an executed and valid Facilitating Agreement; and,
 - b. Shipper shall have obtained, in form and substance satisfactory to Shipper, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required from federal, state, or provincial authorities for the gas quantities handled under the Contract; and,
 - c. Shipper shall have obtained all internal approvals that are necessary or appropriate for the Shipper to execute the Contract; and,
 - d. Shipper shall have cancelled or renegotiated its Sales Agreement, on terms satisfactory to Union, as applicable.
3. Satisfaction of Conditions: Union and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in this Article XXI Section 1 a, c, d, e, f, g, and Section 2 a, b, and d. Each party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such party's benefit. If a party concludes that it will not be able to satisfy a condition precedent that is for its benefit, such party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations thereunder.
4. Non-Satisfaction of Conditions: If any of the conditions precedent in this Article XXI Section 1 c or Section 2 are not satisfied or waived by the party entitled to the benefit of that condition by the Conditions Date as such term is defined in the Contract, or if any of the Shipper payments required under the condition precedent in this Article XXI Section 1 g have not been paid as required in such section, then either party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder, provided that any rights or remedies that a party may have for breaches of the Contract prior to such termination and any liability a party may have incurred before such termination shall not thereby be released.

STORAGE AND TRANSPORTATION SERVICES TRANSPORTATION CHARGES

(A) Availability

The charges under this rate schedule shall be applicable for transportation service rendered by Union for all quantities transported to and from embedded storage pools located within Union's franchise area and served using Union's distribution and transmission assets.

Applicable Points

Dawn as a receipt point: Dawn (Facilities).
Dawn as a delivery point: Dawn (Facilities).

(B) Rates

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

a) Charges Applicable to both Firm and/or Interruptible Transportation Services:

Monthly Fixed Charge per customer station (\$ per month) (1)	\$1,523.40
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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)	\$0.005	\$0.005
Fuel Ratio - Shipper supplied fuel (%)	0.158%	0.158%
Fuel Charges to the Pool		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.006	\$0.014
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



Effective
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(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)	\$0.065	\$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)	\$0.031	\$0.109
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.

Effective April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 Rate Schedule effective January 1, 2018.

SCHEDULE "A"

GENERAL TERMS & CONDITIONS M16 TRANSPORTATION AGREEMENT

I. DEFINITIONS

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

1. "Banking Day" shall mean a day on which the general offices of the Canadian Imperial Bank of Commerce, 99 King St. W., Chatham, Ontario are open for business;
2. "business day" shall mean a day on which the general offices of Union in Chatham, Ontario are open for business;
3. "Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;
4. "contract year" shall mean a period of three hundred and sixty-five (365) consecutive days, beginning on the day agreed upon by Union and Shipper as set forth in the Contract, or on any anniversary of such date; provided, however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days;
5. "day" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Standard time. The reference date for any day shall be the calendar date upon which the twenty-four (24) hour period shall commence;
6. "month" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
7. "firm" shall mean service not subject to curtailment or interruption except under Articles XI and XII of this Schedule "B";
8. "interruptible service" shall mean service subject to curtailment or interruption, after notice, at any time;
9. "gas" shall mean gas as defined in the Ontario Energy Board Act, R.S.O. 1980, c. 332, as amended, supplemented or reenacted from time to time;
10. "cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
11. "m³" shall mean cubic metre of gas and "10³m³" shall mean 1,000 cubic metres of gas;
12. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
13. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
14. "gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
15. "Shipper" shall have the meaning as defined in the Contract, and shall also include Shipper's agent(s);
16. "subsidiary" means a company in which more than fifty (50) per cent of the issued share capital (having full voting

SCHEDULE "A"

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

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

II. GAS QUALITY

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

SCHEDULE "A"

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

III. MEASUREMENTS

SCHEDULE "A"

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

IV. POINT OF RECEIPT AND POINT OF DELIVERY

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

N/A

VI. FACILITIES ON SHIPPER'S PROPERTY

N/A

VII. MEASURING EQUIPMENT

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

SCHEDULE "A"

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

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

VIII. BILLING

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

IX. PAYMENTS

SCHEDULE "A"

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

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

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

X. ARBITRATION

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

XI. FORCE MAJEURE

N/A

XII. DEFAULT AND TERMINATION

N/A

XIII. MODIFICATION

N/A

XIV. NONWAIVER AND FUTURE DEFAULT

N/A

XV. LAWS, REGULATIONS AND ORDERS

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

**RATE M16
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"OEB" means the Ontario Energy Board;

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

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

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

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

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

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

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

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

"TCPL" means TransCanada PipeLines Limited;

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

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

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

II. GAS QUALITY

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

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

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

3. **Non-conforming Gas:**

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

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

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

6. **Odourization of Gas:**

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

III. MEASUREMENTS

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

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

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

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

IV. RECEIPT POINT AND DELIVERY POINT

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

- 1. Possession of Gas: Union accepts no responsibility for any gas prior to such gas being delivered to Union at the Receipt Point or after its delivery by Union at the Delivery Point. As between the parties hereto, Union shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Union's system until such gas is delivered to Shipper.
- 2. Liability: Shipper agrees that Union is not a common carrier and is not an insurer of Shipper's gas, and that Union shall not be liable to Shipper or any third party for loss of gas in Union's possession, except to the extent such loss is caused entirely by Union's negligence or wilful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

- 1. Union Equipment: All of the Union Expansion Facilities shall remain the property of Union. Union shall be entitled to remove said equipment at any time within a period of sixty (60) days from any termination or expiry of the Contract. Shipper shall take all necessary steps to ensure Union may enter the Pool Station to remove such equipment for a period of sixty (60) days after termination or expiry of the Contract.
- 2. Shipper Obligations: Shipper shall, at Shipper's own cost and expense:
 - a. obtain the Pool Station Land Rights; and
 - b. furnish, install, set, and maintain suitable pressure and quantity control equipment and such additional equipment as required on Shipper's delivery system, to protect against the over pressuring of Union's facilities as set out in Article VI of the Contract and Schedule 1 of the Contract, protect Union from receiving gas not meeting the quality specification as set out in Article II herein, and to limit the daily flow of gas to the corresponding parameters as set out in the Article II of the Contract.
- 3. Maintenance Costs: Shipper shall within thirty (30) days of the delivery of an invoice by Union, reimburse Union for any actual costs reasonably incurred by Union for any repair, replacement, relocation, or upgrading of any meter station or any Union Expansion Facilities requested by Shipper, or as required by law or by duly constituted regulatory body, or through good engineering practice. Union shall be responsible for any costs incurred by Union to correct an error made by Union.

4. Operation and Maintenance: Subject to this Article VI Section 3, each party shall be fully responsible for the continued operation, maintenance, repair and replacement of its respective facilities. Both parties agree to maintain cathodic protection on their respective facilities.
5. Inspection: Each party shall inspect its facilities as required by industry standards or by the appropriate regulatory body.
6. Repair or Replacement: Each party shall decide, in its sole discretion, whether its facilities need to be repaired or replaced. In the event that repair or replacement is needed, the party undertaking such work will, to the extent possible, give the other party sixty (60) days' notice and will ensure that the work be done in a manner so as to minimize the amount of time the pipeline has restricted flows.

VII. MEASURING EQUIPMENT

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

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

VIII. BILLING

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

IX. PAYMENTS

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

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

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

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

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

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

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

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

X. ARBITRATION

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

XI. FORCE MAJEURE

1. Definition: The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and

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

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

XII. DEFAULT AND TERMINATION

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

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

XIII. AMENDMENT

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

XIV. NON-WAIVER AND FUTURE DEFAULT

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

XV. LAWS, REGULATIONS AND ORDERS

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

XVI. RESERVED FOR FUTURE USE

N/A

XVII. RENEWALS

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

XVIII. SERVICE CURTAILMENT

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

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

XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES

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

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

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

XX. MISCELLANEOUS PROVISIONS

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

XXI. PRECONDITIONS TO TRANSPORTATION SERVICES

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

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



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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>	Union Supplied Fuel <u>Fuel and Commodity Charge</u> Apr.1-Oct.31 Nov.1-Mar.31 <u>Rate/GJ</u> <u>Rate/GJ</u>		Fuel and Commodity Charges Shipper Supplied Fuel <u>Fuel Ratio</u> Apr.1-Oct.31 Nov.1-Mar.31 <u>%</u> <u>%</u> <u>AND</u>			Commodity <u>Charge</u> <u>Rate/GJ</u>
a)	Firm Transportation							
	Between:							
	St.Clair & Dawn	\$2.888	\$0.007	\$0.009	0.208%	0.267%		
	Ojibway & Dawn	\$2.888	\$0.014	\$0.010	0.449%	0.305%		
	Bluewater & Dawn	\$2.888	\$0.007	\$0.009	0.208%	0.267%		
	From:							
	Parkway to Kirkwall	\$0.874	\$0.010	\$0.005	0.301%	0.158%		
	Parkway to Dawn	\$0.874	\$0.010	\$0.005	0.301%	0.158%		
	Kirkwall to Dawn	\$1.542	\$0.005	\$0.005	0.158%	0.158%		
	Dawn to Kirkwall	\$3.154	\$0.010	\$0.024	0.319%	0.764%		
	Dawn to Parkway	\$3.716	\$0.019	\$0.033	0.585%	1.042%		
	Kirkwall to Parkway	\$0.561	\$0.014	\$0.014	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					

(C) Rates (Cont'd)

		<u>Fuel and Commodity Charges</u>				
		<u>Union Supplied Fuel</u>		<u>Shipper Supplied Fuel</u>		
		<u>Fuel and Commodity Charge</u>		<u>Fuel Ratio</u>		<u>Commodity</u>
		<u>Apr.1-Oct.31</u>	<u>Nov.1-Mar.31</u>	<u>Apr.1-Oct.31</u>	<u>Nov.1-Mar.31</u>	<u>Charge</u>
		<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.

		<u>Union Supplied Fuel</u>		<u>Shipper Supplied Fuel</u>		
		<u>Fuel and Commodity Charge</u>		<u>Fuel Ratio</u>		<u>Commodity</u>
		<u>Apr.1-Oct.31</u>	<u>Nov.1-Mar.31</u>	<u>Apr.1-Oct.31</u>	<u>Nov.1-Mar.31</u>	<u>Charge</u>
		<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	\$0.103	0.208%	0.267%	\$0.095
	Ojibway & Dawn	\$0.109	\$0.105	0.449%	0.305%	\$0.095
	Bluewater & Dawn	\$0.102	\$0.103	0.208%	0.267%	\$0.095
	From:					
	Parkway to Kirkwall	\$0.152	\$0.147	0.921%	0.778%	\$0.122
	Parkway to Dawn	\$0.152	\$0.147	0.921%	0.778%	\$0.122
	Kirkwall to Dawn	\$0.076	\$0.076	0.778%	0.778%	\$0.051
	Dawn to Kirkwall	\$0.134	\$0.148	0.939%	1.384%	\$0.104
	Dawn to Parkway	\$0.161	\$0.175	1.205%	1.662%	\$0.122
	Kirkwall to Parkway	\$0.052	\$0.052	1.043%	1.056%	\$0.018
b)	Firm Transportation between two points 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
	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.



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(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.

Effective April 1, 2018
Implemented April 1, 2018
O.E.B. Order # EB-2018-0104

Chatham, Ontario

Supersedes EB-2017-0087 Rate Schedule effective January 1, 2018.

**RATE C1
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

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

1. "Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;
2. "cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
3. "day" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Standard time. The reference date for any day shall be the calendar date upon which the twenty-four (24) hour period shall commence;
4. "delivery" shall mean any gas that is delivered by Union into Shipper's possession, or to the possession of Shipper's agent;
5. "firm" shall mean service not subject to curtailment or interruption except under Articles XI and XII of this Schedule "A";
6. "gas" shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time;
7. "gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
8. "interruptible service" shall mean service subject to curtailment or interruption, after notice, at any time;
9. "Interconnecting Pipeline" shall mean a pipeline that directly connects to the Union pipeline system;
10. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
11. "limited interruptible service" shall mean gas service subject to interruption or curtailment on a limited number of days as specified in the Contract;
12. "m³" shall mean cubic metre of gas and "10³m³" shall mean 1,000 cubic metres of gas;
13. "month" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
14. "OEB" means the Ontario Energy Board;
15. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
16. "receipt" shall mean any gas that is delivered into Union's possession, or the possession of Union's agent;
17. "Shipper" shall have the meaning as defined in the Contract and shall also include Shipper's agent(s);

SCHEDULE "A"

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

II. GAS QUALITY

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

SCHEDULE "A"

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

III. MEASUREMENTS

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

IV. RECEIPT POINT AND DELIVERY POINT

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

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VI. FACILITIES ON SHIPPER'S PROPERTY

SCHEDULE "A"

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

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

VII. MEASURING EQUIPMENT

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

SCHEDULE "A"

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

VIII. BILLING

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

IX. PAYMENTS

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

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

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

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

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

X. ARBITRATION

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

XI. FORCE MAJEURE

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

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

XII. DEFAULT AND TERMINATION

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

XIII. MODIFICATION

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

XIV. NON-WAIVER AND FUTURE DEFAULT

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XV. LAWS, REGULATIONS AND ORDERS

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

**RATE C1
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

II. GAS QUALITY

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

2. Freedom from objectionable matter: The gas to be delivered to/by Union hereunder,
- a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
 - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas,
 - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
 - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
 - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
 - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
 - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
 - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
 - i. shall not have a cricondentherm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
 - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas.
3. Non-conforming Gas: In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
4. Quality of Gas Received: The quality of the gas to be received by Union hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will also accept gas of a quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Union's C1 Rate Schedule.

III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.
2. Determination of Volume and Energy:
- a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
 - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas

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Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.

- c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
- d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

IV. RECEIPT POINT AND DELIVERY POINT

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

- 1. Possession of Gas: Union accepts no responsibility for any gas prior to such gas being delivered to Union at the Receipt Point or after its delivery by Union at the Delivery Point. As between the parties hereto, Union shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Union's system until such gas is delivered to Shipper.
- 2. Liability: Shipper agrees that Union is not a common carrier and is not an insurer of Shipper's gas, and that Union shall not be liable to Shipper or any third party for loss of gas in Union's possession, except to the extent such loss is caused entirely by Union's negligence or wilful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

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

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

VII. MEASURING EQUIPMENT

- 1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.

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

VIII. BILLING

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

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

IX. PAYMENTS

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

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

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

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

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

5. Set Off: If either party shall, at any time, be in arrears under any of its payment obligations to the other party under the Contract, then the party not in arrears shall be entitled to reduce the amount payable by it to the other party in arrears under the Contract, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to the other party. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under the Contract or any enhancement to the Contract, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.

X. ARBITRATION

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

XI. FORCE MAJEURE

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

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

XII. DEFAULT AND TERMINATION

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

XIII. AMENDMENT

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

XIV. NON-WAIVER AND FUTURE DEFAULT

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

XV. LAWS, REGULATIONS AND ORDERS

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

XVI. ALLOCATION OF CAPACITY

1. Requests for Transportation Service: A potential shipper may request transportation service on Union's system at any time. Any request for C1 transportation service must include: potential shipper's legal name, Receipt Point(s), Delivery Point(s), Commencement Date, Initial Term, Contract Demand, proposed payment, and type of transportation service requested.
2. Expansion Facilities: If requests for firm transportation services cannot be met through existing capacity such that the only way to satisfy the requests for transportation service would require the construction of Expansion Facilities which create new capacity, Union shall allocate any such new capacity by open season, subject to the terms of the open season, and these General Terms and Conditions.
3. Open Seasons: If requests for long-term transportation service can be met through existing facilities upon which long-term capacity is becoming available, Union shall allocate such long-term capacity by open season, subject to the terms of the open season, and these General Terms and Conditions. "**Long-term**", for the purposes of this Article XVI, means, in the case of a transportation service, a service that has a term of one year or greater.
4. Awarding Open Season Capacity: Capacity requests received during an open season shall be awarded starting with those bids with the highest economic value. If the economic values of two or more independent bids are equal, then service shall be allocated on a pro-rata basis. The economic value shall be based on the net present value which shall be calculated based on the proposed per- unit rate and the proposed term of the contract and without regard to the proposed Contract Demand ("**NPV**").
5. Available Capacity Previously Offered in Open Season: Union may at any time allocate capacity to respond to any C1 transportation service request through an open season. If a potential shipper requests C1 transportation service that can be provided through Available Capacity that was previously offered by Union in an open season but was not awarded, then:
 - a. Any such request must conform to the requirements of Section 1 of this Article XVI;
 - b. Union shall allocate capacity to serve such request pursuant to this Section 5, and subject to these General Terms and Conditions and Union's standard form C1 transportation contract;
 - c. Union may reject a request for C1 transportation service for any of the following reasons:
 - i) if there is insufficient Available Capacity to fully meet the request, but if that is the only reason for rejecting the request for service, Union must offer to supply the Available Capacity to the potential shipper;
 - ii) if the proposed monthly payment is less than Union's Monthly demand charge plus fuel requirements for the applicable service;
 - iii) if prior to Union accepting the request for transportation service Union receives a request for transportation service from one or more other potential shippers and there is, as a result, insufficient Available Capacity to service all the requests for service, in which case Union shall follow the procedure in Section 5 d hereof;
 - iv) if Union does not provide the type of transportation service requested; or
 - v) if all of the conditions precedent specified in Article XXI Sections 1 and 2 herein have not been satisfied or waived.

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- d. Union will advise the potential shipper in writing whether Union accepts or rejects the request for service, subject to Article XVI 5(c) within 5 calendar days of receiving a request for C1 transportation service. If Union rejects a request for service, Union shall inform the potential shipper of the reasons why its request is being rejected; and
- e. If Union has insufficient Available Capacity to service all pending requests for transportation service Union may:
 - i) Reject all the pending requests for transportation service and conduct an open season; or
 - ii) Union shall inform all the potential shippers who have submitted a pending request for transportation service that it does not have sufficient capacity to service all pending requests for service, and Union shall provide all such potential shippers with an equal opportunity to submit a revised request for service. Union shall then allocate the Available Capacity to the request for transportation service with the highest economic value to Union. If the economic values of two or more requests are equal, then service shall be allocated on a pro-rata basis. The economic value of any request shall be based on the NPV.

XVII. RENEWALS

- 1. Contracts with an Initial Term of five (5) years or greater, with Receipt Points and Delivery Points of Parkway or Kirkwall or Dawn (Facilities), will continue in full force and effect beyond the Initial Term, automatically renewing for a period of one (1) year, and every one (1) year thereafter. Shipper may reduce the Contract Demand or terminate the Contract with notice in writing by Shipper at least two (2) years prior to the expiration thereof.

For all other contracts, the Contract will continue in full force and effect until the end of the Initial Term, but shall not renew.

XVIII. SERVICE CURTAILMENT

- 1. Right to Curtail: Union shall have the right to curtail or not to schedule part or all of Transportation Services, in whole or in part, on all or a portion of its pipeline system at any time for reasons of Force Majeure or when, in Union sole discretion, acting reasonably, capacity or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating changes to its pipeline system. Union shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. If due to any cause whatsoever Union is unable to receive or deliver the quantities of Gas which Shipper has requested, then Union shall order curtailment by all Shippers affected and to the extent necessary to remove the effect of the disability. Union has a priority of service policy to determine the order of service curtailment. In order to place services on the priority of service list, Union considers the following business principles: appropriate level of access to core services, customer commitment, encouraging appropriate contracting, materiality, price and term, and promoting and enabling in-franchise consumption.

The Priority ranking for all services utilizing Union Gas' storage, transmission and distribution system as applied to both in-franchise and ex-franchise services are as follows; with number 1 having the highest priority and the last interrupted.

- 1. Firm In-franchise Transportation and Distribution services and firm Ex-franchise services (Note 1)
- 2. In-franchise Interruptible Distribution services
- 3. C1/M12 IT Transport and IT Exchanges with Take or Pay rates
- 4. Balancing (Hub Activity) ≤ 100 GJ/d; Balancing (Direct Purchase) ≤ 500 GJ/d; In-franchise distribution authorized overrun (Note 3)
- 5. C1/M12 IT Transport and IT Exchanges at premium rates
- 6. C1/M12 Overrun $\leq 20\%$ of CD (Note 4)
- 7. Balancing (Direct Purchase) > 500 GJ/d
- 8. Balancing (Hub Activity) > 100 GJ/d; C1/M12 IT Transport and IT Exchanges
- 9. C1/M12 Overrun $> 20\%$ of CD
- 10. C1/M12 IT Transport and IT Exchanges at a discount
- 11. Late Nominations

Notes:

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1. Nominated services must be nominated on the NAESB Timely Nomination Cycle otherwise they are considered to be late nomination and are therefore interruptible.
 2. Higher value or more reliable IT is contemplated in the service and contract, when purchase at market competitive prices.
 3. Captures the majority of customers that use Direct Purchase balancing transactions.
 4. Captures the majority of customers that use overrun.
2. Capacity Procedures: Union reserves the right to change its procedures for sharing interruptible capacity and will provide Shipper with two (2) months prior notice of any such change.
3. Maintenance: Union's facilities from time to time may require maintenance or construction. If such maintenance or construction is required, and in Union's sole opinion, acting reasonably, such maintenance or construction may impact Union's ability to meet Shipper's requirements, Union shall provide at least ten (10) days notice to Shipper, except in the case of an emergency. In the event the maintenance impacts Union's ability to meet Shipper's requirements, Union shall not be liable for any damages and shall not be deemed in breach of the Contract. To the extent that Union's ability to accept and/or deliver Shipper's gas is impaired, the Monthly demand charge shall be reduced in accordance with Article XI Section 8 and available capacity allocated in accordance with Article XI Section 9 herein.

Union shall use reasonable efforts to determine a mutually acceptable period during which such maintenance or construction will occur and also to limit the extent and duration of any impairments. Union will endeavour to schedule and complete the maintenance and construction, which would normally be expected to impact on Union's ability to meet Shipper's requirements, during the period from April 1 through to November 1.

XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES

1. Shipper's Warranty: Shipper warrants that it will, if required, maintain, or have maintained on its behalf, all external approvals including the governmental, regulatory, import/export permits and other approvals or authorizations that are required from any federal, state or provincial authorities for the gas quantities to be handled under the Contract. Shipper further warrants that it shall maintain in effect the Facilitating Agreements.
2. Financial Representations: Shipper represents and warrants that the financial assurances (including the Initial Financial Assurances and Security) (if any) shall remain in place throughout the term hereof, unless Shipper and Union agree otherwise. Shipper shall notify Union in the event of any change to the financial assurances throughout the term hereof. Should Union have reasonable grounds to believe that Shipper will not be able to perform or continue to perform any of its obligations under the Contract as a result of one of the following events ("**Material Event**");
 - a. Shipper is in default, which default has not been remedied, of the Contract or is in default of any other material contract with Union or another party; or,
 - b. Shipper's corporate or debt rating falls below investment grade according to at least one nationally recognized rating agency; or,
 - c. Shipper ceases to be rated by a nationally recognized agency; or,
 - d. Shipper has exceeded credit available as determined by Union from time to time,

then Shipper shall within fourteen (14) days of receipt of written notice by Union, obtain and provide to Union a letter of credit or other security in the form and amount reasonably required by Union (the "**Security**"). The Security plus the Initial Financial Assurances shall not exceed twelve (12) months of Monthly demand charges (in accordance with Article IX herein) multiplied by Contract Demand. In the event that Shipper does not provide to Union such Security within such fourteen (14) day period, Union may deem a default under the Default and Termination provisions of Article XII herein.

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

receipt of the request.

XX. MISCELLANEOUS PROVISIONS

1. Permanent Assignment: Shipper may assign the Contract to a third party ("Assignee"), up to the Contract Demand, (the "Capacity Assigned"). Such assignment shall require the prior written consent of Union and release of obligations by Union for the Capacity Assigned from the date of assignment. Such consent and release shall not be unreasonably withheld and shall be conditional upon the Assignee providing, amongst other things, financial assurances as per Article XXI herein. Any such assignment will be for the full rights, obligations and remaining term of the Contract as relates to the Capacity Assigned.
2. Temporary Assignment: Shipper may, upon notice to Union, assign all or a part of its service entitlement under the Contract (the "Assigned Quantity") and the corresponding rights and obligations to an Assignee on a temporary basis for not less than one calendar month. Such assignment shall not be unreasonably withheld and shall be conditional upon the Assignee executing the Facilitating Agreement as per Article XXI herein. Notwithstanding such assignment, Shipper shall remain obligated to Union to perform and observe the covenants and obligations contained herein in regard to the Assigned Quantity to the extent that Assignee fails to do so.
3. Title to Gas: Shipper represents and warrants to Union that Shipper shall have good and marketable title to, or legal authority to deliver to Union, all gas delivered to Union hereunder. Furthermore, Shipper hereby agrees to indemnify and save Union harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all third parties to such gas or on account of Taxes, or other charges thereon.

XXI. PRECONDITIONS TO TRANSPORTATION SERVICES

1. Union Conditions: The obligations of Union to provide Transportation Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Transportation Services; and,
 - b. Union shall have obtained all internal approvals that are necessary or appropriate to provide the Transportation Services; and,
 - c. Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of the Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by Union; and,
 - d. Shipper and Union shall have entered into the Interruptible Service HUB Contract or equivalent (the "**Facilitating Agreement**") with Union.
2. Shipper Conditions: The obligations of Shipper hereunder are subject to the following conditions precedent, which are for the sole benefit of Shipper and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Shipper shall, as required, have entered into the necessary contracts with Union and/or others to facilitate the Transportation Services contemplated herein, including contracts for upstream and downstream transportation, and shall specifically have an executed and valid Facilitating Agreement; and shall, as required, have entered into the necessary contracts to purchase the gas quantities handled under the Contract; and,

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

**RATE C1
NOMINATIONS**

- a) For Services provided either under this rate schedule or referenced to this rate schedule:
- i) For Services required on any day Shipper shall provide Union with details regarding the quantity it desires to be handled at the applicable Receipt Point(s) and/or Delivery Point(s), and such additional information as Union determines to be necessary (a "**Nomination**").
 - ii) All Nominations shall be submitted by electronic means via *Unionline*. Union, in its sole discretion, may amend or modify the nominating procedures or *Unionline* at any time. Nominations shall be submitted so as to be received by Union in accordance with timelines established by Union, which reflect the NAESB standard nomination cycles. Union will accept all Nominations on each of the nomination cycles. Nominations made after the applicable deadline shall not be accepted except at the sole discretion of Union. The nomination cycle timelines are posted on Union's website and the nomination deadlines are provided in *Unionline*.
 - iii) For customers electing firm all day transportation, nominations shall be provided to Union's Gas Management Services as outlined in the F24 –T Agreement.
- b) Union shall determine whether or not all or any portion of the Nomination will be accepted. In the event Union determines that it will not accept such Nomination, Union shall advise Shipper of the reduced quantity (the "**Quantity Available**") for Services at the applicable points as outlined in each nomination cycle. After receiving such advice from Union but no later than one half hour after the Quantities Available deadline as outlined in each nomination cycle, Shipper shall provide a "**Revised Nomination**" to Union which shall be no greater than the Quantity Available. If such Revised Nomination is not provided within the time allowed as required above or such Revised Nomination is greater than the Quantity Available, then the Revised Nomination shall be deemed to be the Quantity Available. If the Revised Nomination (delivered within the time allowed as required above) is less than the Quantity Available, then such lesser amount shall be the Revised Nomination.
- c) That portion of a Shipper's Nomination or Revised Nomination, as set out in (a) and (b), above, which Union shall accept for Services hereunder, shall be known as Shipper's "**Authorized Quantity**".
- d) If on any day the actual quantities handled by Union, for each of the Services authorized, exceed Shipper's Authorized Quantity, and such excess was caused by either Shipper's incorrect nomination or by its delivering or receiving too much gas, then the amount by which the actual quantities handled for each of the Services exceed Shipper's Authorized Quantity, such excess shall be deemed "**Unauthorized Overrun**".
- e) The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however, Union shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth (1/20) of the quantity received for that day. Union shall have the right to limit Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20) of the quantity handled for that day, for each applicable Service.
- f) A nomination for a daily quantity of gas on any day shall remain in effect and apply to subsequent days unless and until Union receives a new nomination from the Shipper or unless Union gives Shipper written notice that it is not acceptable in accordance with either (a) or (b) of this schedule.
- g) Except for periods of gas or quantity balancing as provided in the Contract, nominations by Shipper for deliveries to Union and redeliveries by Union shall be the same delivery of gas by Union either to Shipper or a Shipper's Account with Union.

**RATE C1
NOMINATIONS**

1. For Transportation Services required on any Day under the Contract, Shipper shall provide Union with details regarding the quantity of Gas it desires to be handled at the applicable Receipt Point(s) and/or Delivery Point(s), and such additional information as Union determines to be necessary (a "**Nomination**").
2. All Nominations shall be submitted by electronic means via *Unionline*. Union, in its sole discretion, may amend or modify the nominating procedures or *Unionline* at any time. Nominations shall be submitted so as to be received by Union in accordance with timelines established by Union, which reflect the NAESB standard nomination cycles. Union will accept all Nominations on each of the nomination cycles. Nominations made after the applicable deadline shall not be accepted except at the sole discretion of Union. The nomination cycle timelines are posted on Union's website and the nomination deadlines are provided in *Unionline*.
3. Union shall determine whether or not all or any portion of the Nomination will be scheduled at each nomination cycle. With respect to each nomination cycle, in the event Union determines that it will not schedule such Nomination, Union shall advise Shipper of the reduced quantity (the "**Quantities Available**") for Transportation Services at the applicable points as outlined in each nomination cycle. After receiving such advice from Union, but no later than one half hour after the Quantities Available deadline as outlined in each nomination cycle, Shipper shall provide a revised nomination ("**Revised Nomination**") to Union which shall be no greater than the Quantity Available. If such Revised Nomination is not provided within the time allowed as required above or such Revised Nomination is greater than the Quantities Available, then the Revised Nomination shall be deemed to be the Quantities Available. If the Revised Nomination (delivered with the time allowed as required above) is less than the Quantity Available, then such lesser amount shall be the Revised Nomination.
4. For Shippers electing firm all day transportation service, nominations shall be provided to Union's Gas Management Services as outlined in the F24 –T Agreement.
5. For Transportation Services requiring Shipper to provide compressor fuel in kind, the nominated fuel requirements will be calculated by rounding to the nearest whole GJ.
6. All Timely Nominations shall have rollover options. Specifically, Shippers shall have the ability to nominate for several days, months or years, provided the Nomination start date and end date are both within the term of the Transportation Agreement.
7. Nominations received after the nomination deadline shall, if accepted by Union, be scheduled after Nominations received before the nomination deadline.
8. All Services are required to be nominated in whole Gigajoules (GJ).
9. To the extent Union is unable to complete a Nomination confirmation due to inaccurate, untimely or incomplete data involving an Interconnecting Pipeline entity, Union shall undertake reasonable efforts to confirm the transaction on a non-discriminatory basis until such time that the transaction is adequately verified by the parties, or until such time that Union determines that the Nomination is invalid at which time the Union shall reject the Nomination.
10. That portion of a Shipper's Nomination or Revised Nomination, as set out in paragraphs 1 and 3 above, which Union shall schedule for Transportation Services hereunder, shall be known as Shipper's "**Authorized Quantity**".
11. If on any day the actual quantities handled by Union, for each of the Transportation Services authorized, exceed Shipper's Authorized Quantity, and such excess was caused by either Shipper's incorrect nomination or by its delivering or receiving too much gas, then the amount by which the actual quantities handled for each of the Transportation

SCHEDULE "B 2010"

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

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

RATE C1
RECEIPT AND DELIVERY POINTS AND PRESSURES

1. Receipt and Delivery Points:

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

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

R, D **BLUEWATER:** At the junction of Bluewater Gas Storage, LLC ("**Bluewater**") and St. Clair Pipelines L.P.'s facilities, located at the International Border between Canada and the United States in the St. Clair River.

2. Receipt and Delivery Pressures:

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

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

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

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

Line No.	Particulars (cents / m ³)	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		-			(0.2720)
4	Rate M4 Interruptible		(0.0192)			
5	Rate M5A Interruptible		(0.0192)			
6	Rate M7 Interruptible		(0.0211)			
7	Seasonal		(0.0211)			
8	Rate T1 - Interruptible Transportation - Union supplies fuel		(0.0042)			
9	Transportation - Customer supplies fuel		-			
10	Rate T2 - Interruptible Transportation - Union supplies fuel		(0.0039)			
11	Transportation - Customer supplies fuel		-			

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.

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.

EB-2018-0104
Working Papers Index

Schedule

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UNION GAS LIMITED
Union North
Calculation of Supplemental Service Charges
Commissioning and Decommissioning Rates
Effective April 1, 2018

Line No.	Particulars	Union North West (a)	Union North East (b)
<u>Rate 20 - At 50% Load Factor</u>			
	<u>Delivery (cents / m³)</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)	0.5344	0.5344
6	Total Delivery Commissioning and Decommissioning	<u>2.4183</u>	<u>2.4183</u>
	<u>Gas Supply (cents / m³)</u>		
7	Monthly Demand (1)	55.8953	47.5032
8	Gas Supply Demand - Price Adjustment (1)	-	-
9	(Line 7 + Line 8) x 12 months	670.7436	570.0384
10	Line 9 / 365 days	1.8377	1.5617
11	Line 10 @ 50% Load Factor	<u>3.6753</u>	<u>3.1235</u>
12	Commodity Transportation 1 (1)	3.5086	2.2126
13	Commodity Transportation 1 - Price Adjustment	0.0555	0.0968
14	(Line 12 + Line 13) x (4/5)	<u>2.8513</u>	<u>1.8475</u>
15	Commodity Transportation 2 (1)	-	-
16	Line 15 * (1/5)	-	-
17	Total Commodity Transportation Charge for Commissioning and Decommissioning Rate	<u>6.5266</u>	<u>4.9710</u>
<u>Rate 100 - At 70% Load Factor</u>			
	<u>Delivery (cents / m³)</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)	0.2199	0.2199
23	Total Delivery Commissioning and Decommissioning	<u>0.9285</u>	<u>0.9285</u>
	<u>Gas Supply (cents / m³)</u>		
24	Monthly Demand (2)	109.5416	154.3467
25	Line 24 x 12 months	1,314.4992	1,852.1604
26	Line 25 / 365 days	3.6014	5.0744
27	Line 26 @ 70% Load Factor	<u>5.1448</u>	<u>7.2492</u>
28	Commodity Transportation 1 (2)	6.1476	8.8308
29	Line 28 * (3/7)	<u>2.6347</u>	<u>3.7846</u>
30	Commodity Transportation 2 (2)	-	-
31	Line 30 * (4/7)	-	-
32	Total Commodity Transportation Charge for Commissioning and Decommissioning Rate	<u>7.7795</u>	<u>11.0338</u>

Notes:

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

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Effective April 1, 2018

Line No.	Particulars	cents / m ³ (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	12.4098	
6	FT Transportation Commodity	-	
7	FT Fuel	-	
8	Total Gas Supply Commodity Charge	<u>12.4098</u>	<u>3.191</u>
	<u>Firm Gas Supply Service Monthly Demand Charge</u>		
9	FT Demand Charge	<u>223.9986</u>	<u>57.598</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>	22.0740 (a)
	Inventory carrying costs:		
13	Sales WACOG	12.3167	
14	Overrun storage withdrawal	<u>0.3228</u>	
15		12.6395	
16	Units required (m ³)	43	
17	Pre-tax return (%)	8.170%	44.4038 (b)
18	Annual demand charge		66.4778 (a) + (b)
19	Number of months	<u>12</u>	
20	Monthly demand charge	<u>5.5398</u>	<u>1.424</u>
	Commodity:		
21	Sales WACOG	12.3167	
22	Overrun storage withdrawal	0.3228	
23	Rate T1 - Overrun transportation	1.4855	
24	Rate T1 - Cap-and-Trade Facility-Related charge	<u>0.0240</u>	
25	Commodity charge	<u>14.1490</u>	<u>3.638</u>

Notes:

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

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Effective April 1, 2018

Line No.	Particulars	cents / m ³ (a)	\$ / GJ (b)
	<u>Reasonable Efforts Backstop Gas:</u>		
1	Rate M1 - Block 1 delivery rate	5.0691	
2	Rate M1 - Storage rate	0.7331	
3	Rate M1 - Cap-and-Trade Facility-Related charge	0.0240	
4	Sales WACOG	12.3167	
5	Total	18.1429	4.665
	<u>Supplemental Inventory:</u>		
6	Sales WACOG	12.3167	
7	Injection commodity	0.1405	
8	Space charge (p.2, line 10 x 12)	0.5133	
9		12.9705	3.335
	Carrying costs (1/2 year)		
10	(line 9 x p.2, line 17) / 2	0.5298	
11	Total (line 9 + line 10)	13.5004	3.471
	<u>Supplemental Gas Sales:</u>		
12	Supplemental inventory	13.5004	
13	Overrun storage withdrawal	0.3228	
14	Rate T1 - Overrun transportation	1.4855	
15	Rate T1 - Cap-and-Trade Facility-Related charge	0.0240	
16	Total	15.3327	
	<u>Failure to Deliver:</u>		
17	Rate M1 - Block 1 delivery rate	5.0691	
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	1.330
21	Failure to Deliver Charge	10.9970	2.828
	<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) EB-2017-0087, 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 April 1, 2018

Line No.	Particulars	cents / m ³ (a)
	<u>Minimum Charges</u>	
	Rate M4 (F)	
1	Minimum annual delivery commodity charge:	
2	Monthly delivery commodity charge (Rate M4 1st Block)	1.5391
3	Gas Supply Admin Charge	0.1893
	Minimum annual delivery commodity charge	1.7284
	Rate M4 (I) / M5	
4	Minimum annual delivery commodity charge:	
5	Monthly delivery commodity charge (Rate M5 1st Block)	3.0171
6	Gas Supply Admin Charge	0.1893
	Minimum annual delivery commodity charge	3.2064
	<u>Maximum Charges</u>	
	Rate 25 Interruptible	
7	Average Rate 10 Firm Delivery Charge	5.8043
8	Percent of Average Firm Delivery Price	90%
9	Rate 25 Maximum interruptible delivery commodity charge	5.2239
	Rate M7 Interruptible	
10	Maximum interruptible delivery commodity charge:	
11	Rate M7 firm commodity charge	0.3328
12	Rate M7 firm demand charge commoditized at a Load Factor of 18.69%	6.0962
	Rate M7 maximum interruptible charge	6.4290
13	Rate T1 Interruptible	6.4290
14	Rate T2 Interruptible	6.4290
	<u>Rate M7 - Commissioning and Decommissioning Rate</u>	
	Delivery (cents / m ³)	
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)	0.3328
20	Delivery - Price Adjustment	-
21	Total Delivery Commissioning and Decommissioning (line 18 + line 19 + line 20)	4.6002

Notes:
(1) Appendix A, p.9.

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Effective April 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)	1.429	1.429
2	Annual Demand (line 1 x 12 months)	17.148	17.148
3	Daily Demand (line 2 / 365 days)	0.047	0.047
4	@ 100% Load Factor	0.047	0.047
5	Commodity Charge (2)	0.036	0.008
6	Total Storage Overrun (line 4 + line 5)	<u>0.083</u>	<u>0.055</u>
<u>Rate T1 - At 100% Load Factor</u>			
	Authorized Transportation Overrun (cents / m ³)		
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)	0.1510	0.1109
12	Total Transportation Overrun (line 10 + line 11)	<u>1.4855</u>	<u>1.4454</u>
<u>Rate T2 - At 100% Load Factor</u>			
	Authorized Transportation Overrun (cents / m ³)		
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)	0.0632	0.0266
18	Total Transportation Overrun (line 16 + line 17)	<u>1.1159</u>	<u>1.0793</u>
<u>Rate T3 - At 100% Load Factor</u>			
	Authorized Transportation Overrun (cents / m ³)		
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)	0.1178	0.0667
24	Total Transportation Overrun (line 22 + line 23)	<u>0.7092</u>	<u>0.6581</u>

Notes:

- (1) Appendix A, p.10.
- (2) Column (a) calculated as $WACOG / \text{Heat Value} * \text{Overrun Fuel Ratio} + \text{Injection Commodity} = \$124.098 / 10^3\text{m}^3 / 38.89 \text{ GJ}/10^3\text{m}^3 * 0.881\% + \$0.008/\text{GJ}$.
- (3) Appendix A, p.10.
- (4) Column (a) calculated as $WACOG / 10 * \text{Transportation Fuel Ratio} + \text{Firm Commodity Transport} = \$124.098 / 10^3\text{m}^3 / 10 * 0.323\% + 0.1109 \text{ cents}/\text{m}^3$.
- (5) Appendix A, p.11.
- (6) Column (a) calculated as $WACOG / 10 * \text{Transportation Fuel Ratio} + \text{Firm Commodity Transport} = \$124.098 / 10^3\text{m}^3 / 10 * 0.295\% + 0.0266 \text{ cents}/\text{m}^3$.
- (7) Appendix A, p.12.
- (8) Column (a) calculated as $WACOG / 10 * \text{Transportation Fuel Ratio} + \text{Firm Commodity Transport} = \$124.098 / 10^3\text{m}^3 / 10 * 0.412\% + 0.0667 \text{ cents}/\text{m}^3$.

UNION GAS LIMITED
Union South
Calculation of Union Supplied Fuel Rates for
In-Franchise Semi-Unbundled Rate T1, Rate T2 and Rate T3
Effective April 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-2018-0104	12.4098	
2	2018 Fuel Ratio as per EB-2018-0104	0.323%	
3	Fuel Rate (line 1 x line 2)	0.0401	
4	Firm Transportation Commodity Charge	0.1109	0.1109
5	All Volumes	0.1510	0.1109
6	Interruptible Transportation Commodity Charge - Maximum	6.4290	6.3889
<u>Rate T2 Transportation Service (cents/m³)</u>			
7	Dawn Price as per EB-2018-0104	12.4098	
8	2018 Fuel Ratio as per EB-2018-0104	0.295%	
9	Fuel Rate (line 7 x line 8)	0.0366	
10	Firm Transportation Commodity Charge	0.0266	0.0266
11	All Volumes	0.0632	0.0266
12	Interruptible Transportation Commodity Charge - Maximum	6.4290	6.3924
<u>Rate T3 Transportation Service (cents/m³)</u>			
13	Dawn Price as per EB-2018-0104	12.4098	
14	2018 Fuel Ratio as per EB-2018-0104	0.412%	
15	Fuel Rate (line 13 x line 14)	0.0511	
16	Firm Transportation Commodity Charge	0.0667	0.0667
17	All Volumes	0.1178	0.0667
<u>Rate T1, Rate T2 & Rate T3 Storage Service (\$/GJ)</u>			
18	Dawn Price as per EB-2018-0104	3.191	
19	2018 Fuel Ratio as per EB-2018-0104	0.408%	
20	Fuel Rate (line 18 x line 19)	0.013	
21	Storage Commodity Charge	0.008	0.008
22	All Volumes	0.021	0.008
<u>Rate T1, Rate T2 & 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-2018-0104	3.191	
28	ICC %	8.2%	
29	Inventory Carrying Costs (line 26 * line 27 * line 28 / 1000)	3,920	
30	Deliverability Demand Allocation Units	1,332,764 (3)	
31	Line 29 / line 30 x 1000 / 12	0.245	
32	Union provides deliverability Inventory as per EB-2018-0104 (line 23 + line 31)	1.429	

Notes:

- (1) EB-2017-0087, 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
North Purchase Gas Variance Account (Deferral Account 179-105)
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2017			Year 2018	
			Apr Q2 (a)	Jul Q3 (1) (b)	Oct Q4 (2) (c)	Jan Q1 (3) (d)	Apr Q2 (4) (e)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000's)	-	-	-	-	-
2	Less: 12 month projection from previous QRAM application (5)	(\$000's)	-	-	-	-	-
3	Change (Line 1 - Line 2)	(\$000's)	-	-	-	-	-
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000's)	6,294	-	-	-	-
5	Current projected deferral amounts	(\$000's)	-	-	-	-	-
6	Less: Previous projection included in recovery	(\$000's)	981	-	-	-	-
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	5,314	-	-	-	-
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	5,314	-	-	-	-
	<u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
9	Forecast prospective recovery amount	(\$000's)	(6,339)	(11,007)	(743)	285	391
10	Less: Actual prospective recovery amount	(\$000's)	(5,763)	(10,174)	(821)	264	435
11	Variance (Line 9 - Line 10)	(\$000's)	(575)	(834)	78	21	(44)
12	Prospective Recovery Amount Deferral Transfer	(\$000's)	-	834	(78)	(21)	44
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + line 12)	(\$000's)	4,738	-	-	-	-
14	Forecast - 12 month Union North volume	(10 ³ m ³)	1,078,221	1,076,827	1,076,348	1,077,399	1,072,948
15	Unit Rate	(cents/m ³)	0.4394	-	-	-	-
	<u>Summary of Unit Rates</u>						
16	Unit Rate Q1	(cents/m ³)	(0.3221)	(0.3221)	(0.3221)	-	-
17	Unit Rate Q2 Expiring rider replaced by new rider	(cents/m ³)	0.4394	0.4394	0.4394	0.4394	-
18	Unit Rate Q3	(cents/m ³)	(0.8019)	-	-	-	-
19	Unit Rate Q4	(cents/m ³)	0.2291	0.2291	-	-	-
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	(0.4555)	0.3464	0.1173	0.4394	-

Notes:

- (1) EB-2017-0185, Tab 2, Schedule 4, p.1, Column (a).
- (2) EB-2017-0278, Tab 2, Schedule 4, p.1, Column (a).
- (3) EB-2017-0351, Tab 2, Schedule 4, p.1, Column (a).
- (4) Tab 2, Schedule 4, p. 1, Column (a).
- (5) Excludes North forecast variances for the period beginning January 1, 2017.

UNION GAS LIMITED

Union North West Purchase Gas Variance Account (Deferral Account 179-147)

Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2017			Year 2018	
			Apr Q2 (a)	Jul Q3 (1) (b)	Oct Q4 (2) (c)	Jan Q1 (3) (d)	Apr Q2 (4) (e)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000's)	0	(1)	1	1	(7)
2	Less: 12-month projection from previous QRAM application	(\$000's)	(0)	0	(1)	1	1
3	Change (Line 1 - Line 2)	(\$000's)	0	(1)	1	0	(7)
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000's)	-	38	(903)	(370)	(1,198)
5	Current projected deferral amounts	(\$000's)	187	(813)	(82)	(1,370)	(2,527)
6	Less: Previous projection included in recovery	(\$000's)	-	187	(813)	(82)	(1,370)
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	187	(962)	(172)	(1,657)	(2,356)
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	188	(963)	(171)	(1,657)	(2,363)
	<u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
9	Forecast prospective recovery amount	(\$000's)	-	-	28	(77)	(362)
10	Less: Actual prospective recovery amount	(\$000's)	-	-	30	(66)	(408)
11	Variance (Line 9 - Line 10)	(\$000's)	-	-	(1)	(11)	47
12	Prospective Recovery Amount Deferral Transfer	(\$000's)	-	(242)	24	5	(8)
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + Line 12)	(\$000's)	188	(1,205)	(148)	(1,663)	(2,324)
14	Forecast - 12 month Union North West sales service volume	(10 ³ m ³)	306,824	306,588	306,503	297,580	296,593
15	Unit Rate	(cents/m ³)	0.0611	(0.3930)	(0.0483)	(0.5589)	(0.7835)
	<u>Summary of Unit Rates</u>						
16	Unit Rate Q1	(cents/m ³)	-	-	-	(0.5589)	(0.5589)
17	Unit Rate Q2 Expiring rider replaced by new rider	(cents/m ³)	0.0611	0.0611	0.0611	0.0611	(0.7835)
18	Unit Rate Q3	(cents/m ³)	-	(0.3930)	(0.3930)	(0.3930)	(0.3930)
19	Unit Rate Q4	(cents/m ³)	-	-	(0.0483)	(0.0483)	(0.0483)
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.0611	(0.3319)	(0.3802)	(0.9391)	(1.7837)

Notes:

- (1) EB-2017-0185, Tab 2, Schedule 4, p.1, Column (b).
(2) EB-2017-0278, Tab 2, Schedule 4, p.1, Column (b).
(3) EB-2017-0351, Tab 2, Schedule 4, p. 1, Column (b).
(4) Tab 2, Schedule 4, p. 1, Column (b).

UNION GAS LIMITED

Union North East Purchase Gas Variance Account (Deferral Account 179-148)

Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2017			Year 2018	
			Apr Q2 (a)	Jul Q3 (1) (b)	Oct Q4 (2) (c)	Jan Q1 (3) (d)	Apr Q2 (4) (e)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000's)	729	5,022	4,679	2,029	6,235
2	Less: 12-month projection from previous QRAM application	(\$000's)	(3,751)	729	5,022	4,679	2,029
3	Change (Line 1 - Line 2)	(\$000's)	4,480	4,293	(343)	(2,650)	4,206
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000's)	-	529	(1,476)	(7,976)	122
5	Current projected deferral amounts	(\$000's)	143	(1,292)	(7,310)	(320)	133
6	Less: Previous projection included in recovery	(\$000's)	-	143	(1,292)	(7,310)	(320)
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	143	(906)	(7,494)	(986)	575
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	4,623	3,387	(7,837)	(3,636)	4,781
	<u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
9	Forecast prospective recovery amount	(\$000's)	-	(1,739)	132	272	(1,312)
10	Less: Actual prospective recovery amount	(\$000's)	-	(1,636)	142	235	(1,455)
11	Variance (Line 9 - Line 10)	(\$000's)	-	(103)	(10)	37	143
12	Prospective Recovery Amount Deferral Transfer	(\$000's)	-	(607)	60	13	(20)
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + Line 12)	(\$000's)	4,623	2,677	(7,787)	(3,586)	4,904
14	Forecast - 12 month Union North East sales service volume	(10 ³ m ³)	771,397	770,239	769,845	779,819	776,354
15	Unit Rate	(cents/m ³)	0.5993	0.3475	(1.0114)	(0.4598)	0.6317
	<u>Summary of Unit Rates</u>						
16	Unit Rate Q1	(cents/m ³)	(0.4859)	(0.4859)	(0.4859)	(0.4598)	(0.4598)
17	Unit Rate Q2 Expiring rider replaced by new rider	(cents/m ³)	0.5993	0.5993	0.5993	0.5993	0.6317
18	Unit Rate Q3	(cents/m ³)	-	0.3475	0.3475	0.3475	0.3475
19	Unit Rate Q4	(cents/m ³)	-	-	(1.0114)	(1.0114)	(1.0114)
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.1134	0.4609	(0.5505)	(0.5244)	(0.4920)

Notes:

- (1) EB-2017-0185, Tab 2, Schedule 4, p.1, Column (c).
- (2) EB-2017-0278, Tab 2, Schedule 4, p.1, Column (c).
- (3) EB-2017-0351, Tab 2, Schedule 4, p. 1, Column (c).
- (4) Tab 2, Schedule 4, p. 1, Column (c).

UNION GAS LIMITED
North Tolls - Northern and Eastern Operations Area (Deferral Account 179-100)
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2017			Year 2018	
			Apr Q2 (a)	Jul Q3 (1) (b)	Oct Q4 (2) (c)	Jan Q1 (3) (d)	Apr Q2 (4) (e)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000's)	-	-	-	-	-
2	Less: 12 month projection from previous QRAM application (5)	(\$000's)	-	-	-	-	-
3	Change (Line 1 - Line 2)	(\$000's)	-	-	-	-	-
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000's)	(4,084)	-	-	-	-
5	Current projected deferral amounts	(\$000's)	-	-	-	-	-
6	Less: Previous projection included in recovery	(\$000's)	(2,535)	-	-	-	-
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(1,548)	-	-	-	-
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(1,548)	-	-	-	-
	<u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
9	Forecast prospective recovery amount	(\$000's)	(551)	1,157	153	32	(773)
10	Less: Actual prospective recovery amount	(\$000's)	(440)	1,203	154	27	(806)
11	Variance (Line 9 - Line 10)	(\$000's)	(111)	(45)	(1)	5	33
12	Prospective Recovery Amount Deferral Transfer		-	45	1	(5)	(33)
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + line 12)	(\$000's)	(1,659)	-	-	-	-
14	Forecast - 12 month Union North sales service and bundled DP volume	(10 ³ m ³)	1,436,021	1,434,538	1,434,064	1,426,736	1,421,081
15	Unit Rate	(cents/m ³)	(0.1155)	-	-	-	-
	<u>Summary of Unit Rates</u>						
16	Unit Rate Q1	(cents/m ³)	(0.0594)	(0.0594)	(0.0594)	-	-
17	Unit Rate Q2 Expiring rider replaced by new rider	(cents/m ³)	(0.1155)	(0.1155)	(0.1155)	(0.1155)	-
18	Unit Rate Q3	(cents/m ³)	0.0407	-	-	-	-
19	Unit Rate Q4	(cents/m ³)	0.2009	0.2009	-	-	-
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.0667	0.0260	(0.1749)	(0.1155)	-

Notes:

- (1) EB-2017-0185, Tab 2, Schedule 4, p. 1, Column (d).
- (2) EB-2017-0278, Tab 2, Schedule 4, p. 1, Column (d).
- (3) EB-2017-0351, Tab 2, Schedule 4, p. 1, Column (d).
- (4) Tab 2, Schedule 4, p. 1, Column (d).
- (5) Excludes North forecast variances for the period beginning January 1, 2017.

UNION GAS LIMITED

North Fuel - Northern and Eastern Operations Area (Deferral Account 179-100)

Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2017			Year 2018	
			Apr Q2	Jul Q3 (1)	Oct Q4 (2)	Jan Q1 (3)	Apr Q2 (4)
			(a)	(b)	(c)	(d)	(e)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000's)	-	-	-	-	-
2	Less: 12 month projection from previous QRAM application (5)	(\$000's)	-	-	-	-	-
3	Change (Line 1 - Line 2)	(\$000's)	-	-	-	-	-
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000's)	(564)	-	-	-	-
5	Current projected deferral amounts	(\$000's)	-	-	-	-	-
6	Less: Previous projection included in recovery	(\$000's)	(505)	-	-	-	-
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(59)	-	-	-	-
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(59)	-	-	-	-
	<u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
9	Forecast prospective recovery amount	(\$000's)	(106)	(244)	(107)	(11)	(139)
10	Less: Actual prospective recovery amount	(\$000's)	(98)	(229)	(114)	(8)	(155)
11	Variance (Line 9 - Line 10)	(\$000's)	(8)	(15)	7	(3)	15
12	Prospective Recovery Amount Deferral Transfer		-	15	(7)	3	(15)
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + line 12)	(\$000's)	(68)	-	-	-	-
14	Forecast - 12 month Union North sales service volume	(10 ³ m ³)	1,078,221	1,076,827	1,076,348	1,077,399	1,072,948
15	Unit Rate	(cents/m ³)	(0.0063)	-	-	-	-
	<u>Summary of Unit Rates</u>						
16	Unit Rate Q1	(cents/m ³)	(0.0355)	(0.0355)	(0.0355)	-	-
17	Unit Rate Q2 Expiring rider replaced by new rider	(cents/m ³)	(0.0063)	(0.0063)	(0.0063)	(0.0063)	-
18	Unit Rate Q3	(cents/m ³)	(0.0527)	-	-	-	-
19	Unit Rate Q4	(cents/m ³)	0.0288	0.0288	-	-	-
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	(0.0657)	(0.0130)	(0.0418)	(0.0063)	-

Notes:

- (1) EB-2017-0185, Tab 2, Schedule 4, p. 1, Column (e).
- (2) EB-2017-0278, Tab 2, Schedule 4, p. 1, Column (e).
- (3) EB-2017-0351, Tab 2, Schedule 4, p. 1, Column (e).
- (4) Tab 2, Schedule 4, p. 1, Column (e).
- (5) Excludes North forecast variances for the period beginning January 1, 2017.

UNION GAS LIMITED

Transportation Tolls & Fuel - Union North West Operations Area (Deferral Account 179-145)

Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2017			Year 2018	
			Apr Q2 (a)	Jul Q3 (1) (b)	Oct Q4 (2) (c)	Jan Q1 (3) (d)	Apr Q2 (4) (e)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000's)	94	38	3	(3)	-
2	Less: 12-month projection from previous QRAM application	(\$000's)	(82)	94	38	3	(3)
3	Change (Line 1 - Line 2)	(\$000's)	177	(57)	(34)	(7)	3
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000's)	-	409	(64)	(117)	185
5	Current projected deferral amounts	(\$000's)	37	(34)	(81)	(74)	(107)
6	Less: Previous projection included in recovery	(\$000's)	-	37	(34)	(81)	(74)
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	37	338	(111)	(110)	152
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	214	282	(146)	(117)	155
	<u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
9	Forecast prospective recovery amount	(\$000's)	-	(37)	21	33	79
10	Less: Actual prospective recovery amount	(\$000's)	-	(34)	20	27	84
11	Variance (Line 9 - Line 10)	(\$000's)	-	(3)	1	6	(5)
12	Prospective Recovery Amount Deferral Transfer	(\$000's)	-	(12)	(0)	1	9
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + Line 12)	(\$000's)	214	266	(145)	(109)	159
14	Forecast - 12 month Union North West sales service and bundled DP volume	(10 ³ m ³)	395,128	395,281	395,459	380,797	379,412
15	Unit Rate	(cents/m ³)	0.0541	0.0673	(0.0366)	(0.0287)	0.0420
	<u>Summary of Unit Rates</u>						
16	Unit Rate Q1	(cents/m ³)	(0.0207)	(0.0207)	(0.0207)	(0.0287)	(0.0287)
17	Unit Rate Q2 Expiring rider replaced by new rider	(cents/m ³)	0.0541	0.0541	0.0541	0.0541	0.0420
18	Unit Rate Q3	(cents/m ³)	-	0.0673	0.0673	0.0673	0.0673
19	Unit Rate Q4	(cents/m ³)	-	-	(0.0366)	(0.0366)	(0.0366)
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.0334	0.1007	0.0641	0.0561	0.0440

Notes:

- (1) EB-2017-0185, Tab 2, Schedule 4, p. 1, Column (f).
(2) EB-2017-0278, Tab 2, Schedule 4, p. 1, Column (f).
(3) EB-2017-0351, Tab 2, Schedule 4, p.1, Column (f).
(4) Tab 2, Schedule 4, p. 1, Column (f).

UNION GAS LIMITED

Transportation Tolls & Fuel - Union North East Operations Area (Deferral Account 179-146)

Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2017			Year 2018	
			Apr Q2 (a)	Jul Q3 (1) (b)	Oct Q4 (2) (c)	Jan Q1 (3) (d)	Apr Q2 (4) (e)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000's)	(128)	10	(106)	(108)	(93)
2	Less: 12-month projection from previous QRAM application	(\$000's)	(157)	(128)	10	(106)	(108)
3	Change (Line 1 - Line 2)	(\$000's)	28	139	(116)	(3)	15
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000's)	-	1,927	(571)	(44)	61
5	Current projected deferral amounts	(\$000's)	(255)	(77)	(234)	1,037	(787)
6	Less: Previous projection included in recovery	(\$000's)	-	(255)	(77)	(234)	1,037
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(255)	2,105	(729)	1,227	(1,763)
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(227)	2,244	(845)	1,224	(1,748)
	<u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
9	Forecast prospective recovery amount	(\$000's)	-	(70)	(61)	161	305
10	Less: Actual prospective recovery amount	(\$000's)	-	(89)	(54)	140	316
11	Variance (Line 9 - Line 10)	(\$000's)	-	19	(8)	20	(11)
12	Prospective Recovery Amount Deferral Transfer	(\$000's)	-	(33)	(1)	4	24
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + Line 12)	(\$000's)	(227)	2,231	(853)	1,248	(1,734)
14	Forecast - 12 month Union North East sales service and bundled DP volume	(10 ³ m ³)	1,040,893	1,039,257	1,038,605	1,045,939	1,041,669
15	Unit Rate	(cents/m ³)	(0.0218)	0.2146	(0.0821)	0.1193	(0.1665)
	<u>Summary of Unit Rates</u>						
16	Unit Rate Q1	(cents/m ³)	(0.0150)	(0.0150)	(0.0150)	0.1193	0.1193
17	Unit Rate Q2 Expiring rider replaced by new rider	(cents/m ³)	(0.0218)	(0.0218)	(0.0218)	(0.0218)	(0.1665)
18	Unit Rate Q3	(cents/m ³)	-	0.2146	0.2146	0.2146	0.2146
19	Unit Rate Q4	(cents/m ³)	-	-	(0.0821)	(0.0821)	(0.0821)
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	(0.0368)	0.1778	0.0957	0.2300	0.0853

Notes:

- (1) EB-2017-0185, Tab 2, Schedule 4, p. 1, Column (g).
(2) EB-2017-0278, Tab 2, Schedule 4, p. 1, Column (g).
(3) EB-2017-0351, Tab 2, Schedule 4, p. 1, Column (g).
(4) Tab 2, Schedule 4, p. 1, Column (g).

UNION GAS LIMITED
South Purchase Gas Variance Account (Deferral Account 179-106)
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2017			Year 2018	
			Apr Q2 (a)	Jul Q3 (1) (b)	Oct Q4 (2) (c)	Jan Q1 (3) (d)	Apr Q2 (4) (e)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000's)	24,297	44,495	35,350	33,543	36,785
2	Less: 12 month projection from previous QRAM application (5)	(\$000's)	12,553	24,297	44,495	35,350	33,543
3	Change (Line 1 - Line 2)	(\$000's)	11,744	20,198	(9,145)	(1,807)	3,242
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000's)	15,399	18,114	8,747	(18,761)	6,800
5	Current projected deferral amounts	(\$000's)	14,132	8,240	(15,434)	5,974	15,949
6	Less: Previous projection included in recovery	(\$000's)	5,394	14,132	8,240	(15,434)	5,974
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	24,137	12,223	(14,927)	2,647	16,775
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	35,881	32,421	(24,072)	840	20,017
	<u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
9	Forecast prospective recovery amount	(\$000's)	(11,584)	(839)	6,945	7,474	18,430
10	Less: Actual prospective recovery amount	(\$000's)	(10,783)	(697)	6,806	7,276	20,082
11	Variance (Line 9 - Line 10)	(\$000's)	(801)	(142)	139	198	(1,652)
12	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000's)	35,080	32,279	(23,933)	1,038	18,365
13	Forecast - 12 month Union South sales service volume	(10 ³ m ³)	3,410,393	3,408,100	3,406,482	3,421,091	3,413,760
14	Unit Rate	(cents/m ³)	1.0286	0.9471	(0.7026)	0.0303	0.5380
	<u>Summary of Unit Rates</u>						
15	Unit Rate Q1	(cents/m ³)	0.4742	0.4742	0.4742	0.0303	0.0303
16	Unit Rate Q2 Expiring rider replaced by new rider	(cents/m ³)	1.0286	1.0286	1.0286	1.0286	0.5380
17	Unit Rate Q3	(cents/m ³)	(0.4130)	0.9471	0.9471	0.9471	0.9471
18	Unit Rate Q4	(cents/m ³)	0.2219	0.2219	(0.7026)	(0.7026)	(0.7026)
19	Total Unit Rate - Prospective Recovery	(cents/m ³)	1.3117	2.6718	1.7473	1.3034	0.8128

Notes:

- (1) EB-2017-0185, Tab 4, Schedule 2, p. 2, Column (h).
- (2) EB-2017-0278, Tab 2, Schedule 4, p. 2, Column (h).
- (3) EB-2017-0351, Tab 2, Schedule 4, p. 2, Column (h).
- (4) Tab 2, Schedule 4, p. 2, Column (h)
- (5) Excludes North forecast variances for the period beginning January 1, 2017.

UNION GAS LIMITED
Inventory Revaluation (Deferral Account 179-109)
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2017			Year 2018	
			Apr Q2 (a)	Jul Q3 (1) (b)	Oct Q4 (2) (c)	Jan Q1 (3) (d)	Apr Q2 (4) (e)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000's)	794	(4,067)	34,907	1,268	3,608
2	Less: 12 month projection from previous QRAM application (5)	(\$000's)	36,379	794	(4,067)	34,907	1,268
3	Change (Line 1 - Line 2)	(\$000's)	(35,585)	(4,862)	38,975	(33,639)	2,340
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000's)	33,260	982	(3,052)	35,827	1,177
5	Current projected deferral amounts	(\$000's)	(18)	23	22	20	55
6	Less: Previous projection included in recovery	(\$000's)	26	(18)	23	22	20
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	33,217	1,023	(3,053)	35,825	1,212
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(2,368)	(3,838)	35,922	2,185	3,552
	<u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
9	Forecast prospective recovery amount	(\$000's)	6,906	8,132	1,205	4,546	22,359
10	Less: Actual prospective recovery amount	(\$000's)	6,447	7,630	1,270	3,772	25,367
11	Variance (Line 9 - Line 10)	(\$000's)	459	502	(66)	774	(3,008)
12	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000's)	(1,909)	(3,337)	35,856	2,959	544
13	Forecast - 12 month sales service volume	(10 ³ m ³)	4,488,613	4,484,927	4,482,830	4,498,491	4,486,708
14	Unit Rate	(cents/m ³)	(0.0425)	(0.0744)	0.7999	0.0658	0.0121
	<u>Summary of Unit Rates</u>						
15	Unit Rate Q1	(cents/m ³)	0.7873	0.7873	0.7873	0.0658	0.0658
16	Unit Rate Q2 Expiring rider replaced by new rider	(cents/m ³)	(0.0425)	(0.0425)	(0.0425)	(0.0425)	0.0121
17	Unit Rate Q3	(cents/m ³)	(0.0719)	(0.0744)	(0.0744)	(0.0744)	(0.0744)
18	Unit Rate Q4	(cents/m ³)	(0.3990)	(0.3990)	0.7999	0.7999	0.7999
19	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.2739	0.2714	1.4703	0.7488	0.8034

Notes:

- (1) EB-2017-0185, Tab 2, Schedule 4, p. 2 Column (i).
- (2) EB-2017-0278, Tab 2, Schedule 4, p. 2 Column (i).
- (3) EB-2017-0351, Tab 2, Schedule 4, p. 2, Column (i).
- (4) Tab 2, Schedule 4, p. 2, Column (i).
- (5) Excludes North forecast variances for the period beginning January 1, 2017.

UNION GAS LIMITED
R01 - Load Balancing (Deferral Account 179-107)
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2017			Year 2018	
			Apr Q2 (a)	Jul Q3 (1) (b)	Oct Q4 (2) (c)	Jan Q1 (3) (d)	Apr Q2 (4) (e)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000s)	-	-	-	-	-
2	Less: 12-month projection from previous QRAM application	(\$000s)	-	-	-	-	-
3	Change (Line 1 - Line 2)	(\$000s)	-	-	-	-	-
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000s)	(0)	(0)	(0)	(0)	-
5	Current projected deferral amounts	(\$000s)	(0)	(0)	(0)	(0)	-
6	Less: Previous projection included in recovery	(\$000s)	(0)	(0)	(0)	(0)	(0)
7	Variance (Line 4 + Line 5 - Line 6)	(\$000s)	(0)	(0)	(0)	(0)	0
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000s)	(0)	(0)	(0)	(0)	0
	<u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
9	Forecast prospective recovery amount	(\$000s)	(15)	(24)	(2)	0	(2)
10	Less: Actual prospective recovery amount	(\$000s)	(13)	(22)	(2)	0	(2)
11	Variance (Line 9 - Line 10)	(\$000s)	(2)	(2)	0	(0)	0
12	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000s)	(2)	(2)	0	(0)	0
13	Forecast - 12-month volume	(10 ³ m ³)	980,009	980,955	981,216	957,267	955,981
14	Unit Rate	(cents/m ³)	(0.0002)	(0.0002)	-	-	-
	<u>Summary of Unit Rates</u>						
15	Unit Rate Q1	(cents/m ³)	(0.0001)	(0.0001)	(0.0001)	0.0000	0.0000
16	Unit Rate Q2 Expiring rider replaced by new rider	(cents/m ³)	(0.0002)	(0.0002)	(0.0002)	(0.0002)	0.0000
17	Unit Rate Q3	(cents/m ³)	(0.0019)	(0.0002)	(0.0002)	(0.0002)	(0.0002)
18	Unit Rate Q4	(cents/m ³)	0.0006	0.0006	0.0000	0.0000	0.0000
19	Total Unit Rate - Prospective Recovery	(cents/m ³)	(0.0016)	0.0001	(0.0005)	(0.0004)	(0.0002)

Notes:

- (1) EB-2017-0185, Tab 2, Schedule 4, p. 2, Column (j).
(2) EB-2017-0278, Tab 2, Schedule 4, p. 2, Column (j).
(3) EB-2017-0351, Tab 2, Schedule 4, p. 2, Column (j).
(4) Tab 2, Schedule 4, p. 2, Column (j).

UNION GAS LIMITED
R10 - Load Balancing (Deferral Account 179-107)
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2017			Year 2018	
			Apr Q2 (1) (a)	Jul Q3 (2) (b)	Oct Q4 (3) (c)	Jan Q1 (4) (d)	Apr Q2 (4) (e)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000s)	-	-	-	-	-
2	Less: 12-month projection from previous QRAM application	(\$000s)	-	-	-	-	-
3	Change (Line 1 - Line 2)	(\$000s)	-	-	-	-	-
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000s)	(0)	(0)	(0)	(0)	-
5	Current projected deferral amounts	(\$000s)	(0)	(0)	(0)	(0)	-
6	Less: Previous projection included in recovery	(\$000s)	(0)	(0)	(0)	(0)	(0)
7	Variance (Line 4 + Line 5 - Line 6)	(\$000s)	(0)	(0)	(0)	(0)	0
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000s)	(0)	(0)	(0)	(0)	0
	<u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
9	Forecast prospective recovery amount	(\$000s)	1	(1)	1	0	(0)
10	Less: Actual prospective recovery amount	(\$000s)	1	(1)	1	0	(0)
11	Variance (Line 9 - Line 10)	(\$000s)	0	0	0	0	0
12	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000s)	0	0	0	0	0
13	Forecast - 12-month volume	(10 ³ m ³)	349,474	346,494	345,408	355,690	350,975
14	Unit Rate	(cents/m ³)	-	-	-	-	-
	<u>Summary of Unit Rates</u>						
15	Unit Rate Q1	(cents/m ³)	(0.0001)	(0.0001)	(0.0001)	0.0000	0.0000
16	Unit Rate Q2 Expiring rider replaced by new rider	(cents/m ³)	0.0000	0.0000	0.0000	0.0000	0.0000
17	Unit Rate Q3	(cents/m ³)	0.0008	0.0000	0.0000	0.0000	0.0000
18	Unit Rate Q4	(cents/m ³)	0.0010	0.0010	0.0000	0.0000	0.0000
19	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.0017	0.0009	(0.0001)	0.0000	0.0000

Notes:

- (1) EB-2017-0185, Tab 2, Schedule 4, p. 2, Column (j).
(2) EB-2017-0278, Tab 2, Schedule 4, p. 2, Column (j).
(3) EB-2017-0351, Tab 2, Schedule 4, p. 2, Column (j).
(4) Tab 2, Schedule 4, p. 2, Column (j).

UNION GAS LIMITED
R20 - Load Balancing (Deferral Account 179-107)
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2017			Year 2018	
			Apr Q2 (1) (a)	Jul Q3 (2) (b)	Oct Q4 (3) (c)	Jan Q1 (4) (d)	Apr Q2 (4) (e)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000s)	-	-	-	-	-
2	Less: 12-month projection from previous QRAM application	(\$000s)	-	-	-	-	-
3	Change (Line 1 - Line 2)	(\$000s)	-	-	-	-	-
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000s)	(0)	(0)	(0)	(0)	-
5	Current projected deferral amounts	(\$000s)	(0)	(0)	(0)	(0)	-
6	Less: Previous projection included in recovery	(\$000s)	(0)	(0)	(0)	(0)	(0)
7	Variance (Line 4 + Line 5 - Line 6)	(\$000s)	(0)	(0)	(0)	(0)	0
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000s)	(0)	(0)	(0)	(0)	0
	<u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
9	Forecast prospective recovery amount	(\$000s)	9	16	8	4	3
10	Less: Actual prospective recovery amount	(\$000s)	5	9	5	3	2
11	Variance (Line 9 - Line 10)	(\$000s)	4	7	4	1	1
12	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000s)	4	7	4	1	1
13	Forecast - 12-month volume	(10 ³ m ³)	106,538	107,089	107,440	113,779	114,124
14	Unit Rate	(cents/m ³)	0.0036	0.0065	0.0033	0.0011	0.0006
	<u>Summary of Unit Rates</u>						
15	Unit Rate Q1	(cents/m ³)	0.0008	0.0008	0.0008	0.0011	0.0011
16	Unit Rate Q2 Expiring rider replaced by new rider	(cents/m ³)	0.0036	0.0036	0.0036	0.0036	0.0006
17	Unit Rate Q3	(cents/m ³)	0.0202	0.0065	0.0065	0.0065	0.0065
18	Unit Rate Q4	(cents/m ³)	0.0066	0.0066	0.0033	0.0033	0.0033
19	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.0312	0.0175	0.0142	0.0145	0.0115

Notes:

- (1) EB-2017-0185, Tab 2, Schedule 4, p. 2, Column (j).
(2) EB-2017-0278, Tab 2, Schedule 4, p. 2, Column (j).
(3) EB-2017-0351, Tab 2, Schedule 4, p. 2, Column (j).
(4) Tab 2, Schedule 4, p. 2, Column (j).

UNION GAS LIMITED
Spot Gas Purchases (Deferral Account 179-107)
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2017			Year 2018	
			Apr Q2 (a)	Jul Q3 (1) (b)	Oct Q4 (2) (c)	Jan Q1 (3) (d)	Apr Q2 (4) (e)
	<u>Deferral Amounts for Recovery</u>						
	Change in 12-month deferral account projection:						
1	12-month projection from current QRAM application	(\$000's)	-	-	-	-	-
2	Less: 12 month projection from previous QRAM application (5)	(\$000's)	-	-	-	-	-
3	Change (Line 1 - Line 2)	(\$000's)	-	-	-	-	-
	Previous Quarter: True-up of deferral balances						
4	Actual deferral balances	(\$000's)	(1)	(0)	(0)	(0)	-
5	Current projected deferral amounts	(\$000's)	(0)	(0)	(0)	(0)	-
6	Less: Previous projection included in recovery	(\$000's)	(1)	(0)	(0)	(0)	(0)
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(0)	(0)	(0)	(0)	0
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(0)	(0)	(0)	(0)	0
	<u>Previous Quarter: True-up of Prospective Recovery Amounts</u>						
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:						
9	Forecast prospective recovery amount	(\$000's)	(67)	(55)	4	3	(13)
10	Less: Actual prospective recovery amount	(\$000's)	(60)	(41)	14	12	(14)
11	Variance (Line 9 - Line 10)	(\$000's)	(7)	(14)	(10)	(10)	1
12	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000's)	(8)	(15)	(10)	(10)	2
13	Forecast - 12 month Union North sales service volume	(10 ³ m ³)	1,078,221	1,076,827	1,076,348	1,077,399	1,072,948
14	Unit Rate	(cents/m ³)	(0.0007)	(0.0013)	(0.0010)	(0.0010)	0.0002
	<u>Summary of Unit Rates</u>						
15	Unit Rate Q1	(cents/m ³)	(0.0008)	(0.0008)	(0.0008)	(0.0010)	(0.0010)
16	Unit Rate Q2 Expiring rider replaced by new rider	(cents/m ³)	(0.0007)	(0.0007)	(0.0007)	(0.0007)	0.0002
17	Unit Rate Q3	(cents/m ³)	(0.0024)	(0.0013)	(0.0013)	(0.0013)	(0.0013)
18	Unit Rate Q4	(cents/m ³)	0.0063	0.0063	(0.0010)	(0.0010)	(0.0010)
19	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.0024	0.0035	(0.0038)	(0.0040)	(0.0031)

Notes:

- (1) EB-2017-0185, Tab 2, Schedule 4, p. 2, Column (m).
- (2) EB-2017-0278, Tab 2, Schedule 4, p. 2, Column (m).
- (3) EB-2017-0351, Tab 2, Schedule 4, p. 2, Column (m).
- (4) Tab 2, Schedule 4, p. 2, Column (m).
- (5) Excludes North forecast variances for the period beginning January 1, 2017.