

September 11, 2018

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

Dear Ms. Walli:

RE: EB-2018-0253 – Union Gas Limited – October 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 encloses an application to the Board for Orders effective October 1, 2018 to change the rates that were authorized by the Board's April 1, 2018 QRAM Rate Order¹ 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.² Further, the application reflects the Board's August 30, 2018 direction to remove Cap-and-Trade charges in this QRAM application and dispose of any projected net credit amount in the aggregate balance of Union's Cap-and-Trade related variance and deferral accounts as at September 30, 2018, on an interim basis.³

The proposed Alberta Border Reference Price, based on the current 21-day strip price, is \$2.667/GJ. This is an increase of \$0.245/GJ. The proposed Dawn Reference Price, based on the current 21-day strip price, is \$3.415/GJ. This is an increase of \$0.224/GJ. Union is also proposing to prospectively dispose projected 12-month net gas cost deferral account charges of \$53.616 million.

¹ EB-2018-0104.

² Union did not change its rates at July 1, 2018 and deferred disposition of purchased gas variance account balances to October 1, 2018 in accordance with the Board's EB-2018-0168/0174/0185 Letter dated June 28, 2018.

³ EB-2018-0249/0253/0261 Letter, dated August 30, 2018.

The result of the changes noted above, including the impact of expiring July 1, 2017 and October 1, 2017 prospective QRAM riders, is a net annual bill decrease for residential sales service customers in Union South of \$46.71, a net annual bill decrease in Union North West of \$74.45 and a net annual bill decrease in Union North East of \$25.86. Bundled direct purchase customers will see a net annual bill decrease in Union South of \$73.29, a net annual bill decrease in Union North West of \$69.38 and a net annual decrease in Union North East of \$77.67. The bill impacts reflect the removal of the Cap-and-Trade customer-related and facility-related charges, excluding the temporary price adjustment associated with the Cap-and-Trade variance and deferral accounts.

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 Tuesday, September 25, 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/qramapplication/>.

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 October 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 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. In a letter dated August 30, 2018, the Board instructed Union to request the following in this application:

- (a) The elimination of the Cap-and-Trade charges.

(b) The disposition of any projected net credit amount in the aggregate balance of the Cap-and-Trade related variance and deferral accounts as at September 30, 2018.¹

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 October 1, 2018 as follows:

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

	Current (Effective Apr. 1, 2018)	Proposed (Effective Oct. 1, 2018)
Alberta Border Reference Price ²	2.422 \$/GJ 9.4192 cents/m ³	2.667 \$/GJ 10.3720 cents/m ³
Dawn Reference Price ³	3.191 \$/GJ 12.4098 cents/m ³	3.415 \$/GJ 13.2809 cents/m ³

Notes:

² 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.

³ 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 October 1, 2018;

(c) an Order reflecting the prospective disposition of the projected balance for the twelve month period ending September 30, 2019 recorded in the gas-supply deferral accounts;

¹ The Board filed the Letter under EB-2018-0249/0253/0261.

- (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. Monday, September 17, 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. Wednesday, September 19, 2018.
- The Board issues its Decision and Order by Tuesday, September 25, 2018 for implementation effective October 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 September 11, 2018.

UNION GAS LIMITED

[original signed by]

Vanessa Innis
Manager, Regulatory Applications

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PREFILED EVIDENCE OF

MARY EVERS, MANAGER, GAS SUPPLY

INTRODUCTION AND OVERVIEW

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

As part of this QRAM filing, Union has reflected a NEXUS Pipeline ("NEXUS") capacity in-service date of October 1, 2018. The expected in-service date is based on notice from NEXUS dated June 25, 2018 indicating a projected service commencement date of October 1, 2018. NEXUS will notify Union if there are delays or changes to the projected commencement date.

In addition, Union is seeking approval of updated spot gas purchases for the 2017/18 winter period. This is discussed in more detail at Section 3 of this evidence.

On June 11, 2018, Union filed a gas cost forecast for the 12 month period effective July 1, 2018 (EB-2018-0174). On June 26, 2018, Union filed a letter with the Board indicating that it would be unable to implement new rates under the QRAM as of July 1, 2018 if the Orders were not issued by June 27, 2018. Union proposed that, in such an event, the current rates remain in place until the next QRAM cycle in October. The Board issued a letter dated June 28, 2018 deferring the setting of new QRAM rates, and the disposition of Union's purchased gas variance account

1 balance, to the October 1, 2018 QRAM. Consequently, the reference prices implemented in the
2 April 1, 2018 QRAM (EB-2018-0104) remained in effect. All price comparisons noted below
3 are relative to the April 1, 2018 QRAM.

4

5 **1. Current Gas Market Outlook**

6 The NYMEX strip has increased by \$0.005 (US\$/mmbtu) or approximately 0.2% since the
7 Board-approved April 1, 2018 QRAM filing (EB-2018-0104). The foreign exchange has
8 strengthened (Canadian dollar weakened) from \$1.256 to \$1.300 over the same period.

9

10 The Empress basis has changed from negative \$0.862 (US\$/mmbtu) to negative \$0.867
11 (US\$/mmbtu) and the Dawn basis has changed from negative \$0.167 (US\$/mmbtu) to negative
12 \$0.087 (US\$/mmbtu). The calculation of the Alberta Border Reference Price and the Dawn
13 Reference Price is shown at Tab 1, Schedule 1.

14

15 **2. PRICING**

16 **2.1 Alberta Border Reference Price**

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

1 Based on the approved method, the Alberta Border Reference Price for the period October 1,
2 2018 to September 30, 2019 is \$2.667/GJ. This represents an increase of \$0.245/GJ from the
3 Alberta Border Reference Price of \$2.422/GJ last approved by the Board in EB-2018-0104.

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

7

8 2.2 Dawn Reference Price

9 The approved method for calculating the Dawn Reference Price also uses the 21-day average of
10 the twelve month NYMEX strip. The NYMEX strip used in this application is for October 2018
11 to September 2019. The one-year NYMEX strip is converted to a Dawn Reference Price by
12 taking into account the Dawn-NYMEX basis and the foreign exchange rate for the October 2018
13 to September 2019 period (see Tab 1, Schedule 1 for the details of this calculation).

14

15 Based on the approved method, the Dawn Reference Price for the period October 1, 2018 to
16 September 30, 2019 is \$3.415/GJ. This represents an increase of \$0.224/GJ from the Dawn
17 Reference Price of \$3.191/GJ last approved by the Board in EB-2018-0104.

18

19 The Dawn Reference Price will be the reference price for the North East PGVA (Account No.
20 179-148). The Dawn Reference Price will also be the reference price for the South Purchased
21 Gas Variance Account (“SPGVA”) (Account No. 179-106) and the Spot Gas Variance Account
22 (Account No. 179-107), for incremental purchases made at Dawn.

1 **3. SPOT GAS ACCOUNT**

2 As described in Union's July 1, 2018 QRAM filing (EB-2018-0174), Union purchased 14.6 PJ of
3 incremental supply relative to plan, for the winter of 2017/18. This included a net total of 8.3 PJ
4 of spot gas, in addition to filling 6.3 PJ of planned UDC. The spot gas was required to ensure
5 adequate supplies were available to meet higher consumption levels primarily as a result of
6 colder than normal weather and to ensure adequate storage balances through February and at
7 March 31, to maintain in-franchise system integrity. The projected demand variances were based
8 on the best available information at the time of filing.

9
10 When actual measurement data was available in April, Union determined the actual incremental
11 spot gas required for the winter of 2017/18 was 5.3 PJ. The lower spot gas requirement of 5.3 PJ
12 was primarily due to the significantly colder than normal forecasted weather not materializing as
13 expected. This resulted in 3.0 PJ of spot gas purchased, but not required to cover winter needs
14 and reduced what would have otherwise been purchased for sales service customers in the
15 summer. Union's proposed July 1, 2018 QRAM filing for further information regarding the
16 updated spot gas purchase and associated costs.

17
18 The Board received clarifying questions on the July QRAM application from the Industrial Gas
19 Users Association ("IGUA") and the Canadian Manufacturers & Exporters ("CME"). IGUA had
20 no objection to approval of Union's application as filed, but sought clarification with respect to
21 Dawn supplies related to the delayed in-service of the NEXUS pipeline and with respect to spot
22 gas purchases related to Unaccounted for Gas ("UFG"). CME also requested further information

1 on spot gas purchases related to UFG. Union replied to these questions within a letter to the
2 Board on June 20, 2018 and neither party indicated they had concerns. Union confirms there
3 have been no changes to this information since the filing of the July 1, 2018 QRAM application.
4 Consequently, the difference between the spot gas costs forecast in the April 1, 2018 QRAM and
5 the actual costs recorded in the gas cost deferrals will be disposed of to customers through the
6 prospective rate adjustments in this QRAM.

7

8 **4. DEFERRAL ACCOUNT ADJUSTMENTS**

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

12

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

14 The deferral account balances as of October 1, 2018, are based on the actual and forecast gas
15 costs for the period October 1, 2017 to September 30, 2018 as compared to the reference prices
16 approved each quarter in Union's QRAM. In addition, the prospective recovery of deferral
17 account balances will include forecast variances for the period October 1, 2018 to September 30,
18 2019.

19

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

- 1 • Union North West PGVA Account (Account No. 179-147) as identified in Tab 1, Schedule
2 2, Page 2;
- 3 • Union North East PGVA Account (Account No. 179-148) as identified in Tab 1, Schedule 2,
4 Page 3;
- 5 • Union North West Transportation and Fuel Account (Account No. 179-145) as identified in
6 Tab 1, Schedule 2, Page 4;
- 7 • Union North East Transportation and Fuel Account (Account No. 179-146) as identified in
8 Tab 1, Schedule 2, Page 4;
- 9 • South PGVA Account (Account No. 179-106) as identified in Tab 1, Schedule 2, Page 5;
- 10 • Inventory Revaluation Account (Account No. 179-109) as identified in Tab 1, Schedule 2,
11 Page 6; and,
- 12 • Spot Gas Variance Account (Account No. 179-107) as identified in Tab 1, Schedule 2, Page
13 7.

14
15 **6. UNABSORBED DEMAND COST (“UDC”) ACCOUNT**

16 The joint Unabsorbed Demand Costs Account balances are not prospectively recovered in
17 accordance with the current Board-approved QRAM process. Union will dispose of any deferral
18 account balances through the annual deferral account disposition process.

UNION GAS LIMITED
Calculation of Alberta Border and Dawn Reference Prices
For the 12 month period ending September 30, 2019

Line No.	Particulars	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total or Average
	Days	31	30	31	31	28	31	30	31	30	31	31	30	365
1	NYMEX 21 Day Average (US\$/MMBtu)	2.920	2.952	3.044	3.130	3.094	2.989	2.680	2.646	2.674	2.705	2.709	2.692	2.853
2	Foreign Exchange	1.303	1.302	1.302	1.301	1.300	1.300	1.299	1.299	1.298	1.298	1.297	1.297	1.300
Calculation of Alberta Border Reference Price														
3	Empress Basis (US\$/MMBtu)	(0.953)	(0.859)	(0.827)	(0.804)	(0.773)	(0.896)	(0.879)	(0.919)	(0.925)	(0.858)	(0.859)	(0.852)	(0.867)
4	Alberta Border (Cdn\$/GJ)	2.430	2.584	2.736	2.869	2.861	2.579	2.219	2.126	2.152	2.271	2.275	2.261	2.447
5	Forecast Purchase Volume - Union North West (PJ's)	1.07	1.91	1.98	1.98	1.79	1.98	0.11	0.11	0.11	0.11	0.11	0.11	11.35
6	Cost at Market Price (\$000's) (line 4 * line 5)	2,592	4,943	5,408	5,671	5,108	5,097	239	237	232	253	253	244	30,277
7	Alberta Border Reference Price (Cdn\$/GJ) (line 6 / line 5)	2.430	2.584	2.736	2.869	2.861	2.579	2.219	2.126	2.152	2.271	2.275	2.261	<u>2.667</u>
Calculation of Dawn Reference Price														
8	Dawn Basis (US\$/MMBtu)	(0.099)	0.023	0.084	0.150	0.167	0.044	(0.135)	(0.225)	(0.223)	(0.263)	(0.288)	(0.284)	(0.087)
9	Dawn (Cdn\$/GJ)	3.484	3.673	3.860	4.045	4.020	3.737	3.135	2.981	3.015	3.004	2.976	2.960	3.408
10	Forecast Purchase Volume - Union South and Union North East (PJ's)	14.68	14.12	14.59	14.59	13.18	14.59	13.40	13.85	13.40	13.85	13.85	13.40	167.52
11	Cost at Market Price (\$000's) (line 9 * line 10)	51,137	51,871	56,337	59,032	52,986	54,536	42,018	41,279	40,415	41,602	41,219	39,666	572,098
12	Dawn Reference Price (Cdn\$/GJ) (line 11 / line 10)	3.484	3.673	3.860	4.045	4.020	3.737	3.135	2.981	3.015	3.004	2.976	2.960	<u>3.415</u>

Notes:

- (1) 21 Day Strip dates used: August 3 - August 31, 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

Line No.	Particulars	Union North West PGVA (179-147) (\$000's) (1) (a)	Union North East PGVA (179-148) (\$000's) (2) (b)	Union North West Tolls & Fuel (179-145) (\$000's) (3) (c)	Union North East Tolls & Fuel (179-146) (\$000's) (4) (d)	South PGVA (179-106) (\$000's) (5) (e)	Inventory Revaluation (179-109) (\$000's) (6) (f)	Load Balancing & Spot Gas Purchases (179-107) (\$000's) (7) (g)	Unabsorbed Demand Costs (179-108) (\$000's) (8) (h)	Total (\$000's) (i)=sum of (a) to (h)
1	October, 2017	\$ (502)	\$ (540)	\$ (62)	\$ 1,060	\$ 1,004	\$ 35,811	\$ (0)	\$ 231	\$ 37,002
2	November	\$ (424)	\$ 23	\$ (76)	\$ (1,875)	\$ 918	\$ 50	\$ (0)	\$ 280	\$ (1,104)
3	December	\$ (272)	\$ 639	\$ 323	\$ 876	\$ 4,878	\$ 43	\$ (0)	\$ 257	\$ 6,743
4	January, 2018	\$ (1,108)	\$ (1,287)	\$ (105)	\$ (806)	\$ (689)	\$ 1,084	\$ (0)	\$ -	\$ (2,910)
5	February	\$ (481)	\$ 945	\$ 272	\$ 202	\$ 20,174	\$ 19	\$ (0)	\$ -	\$ 21,130
6	March	\$ (1,570)	\$ (531)	\$ (84)	\$ (564)	\$ 1,674	\$ 15	\$ (0)	\$ 221	\$ (840)
7	April, 2018	\$ (404)	\$ (577)	\$ 59	\$ 148	\$ 3,005	\$ 3,806	\$ (0)	\$ 536	\$ 6,573
8	May	\$ (663)	\$ (232)	\$ 237	\$ (659)	\$ 781	\$ 11	\$ 216	\$ 372	\$ 63
9	June	\$ 902	\$ (73)	\$ (785)	\$ 49	\$ 5,020	\$ 8	\$ 0	\$ 585	\$ 5,706
10	July, 2018	\$ (631)	\$ 272	\$ 972	\$ (96)	\$ 6,192	\$ 7	\$ 0	\$ 575	\$ 7,291
11	August	\$ (320)	\$ (31)	\$ (4)	\$ (19)	\$ 4,881	\$ 7	\$ 0	\$ -	\$ 4,514
12	September	\$ (414)	\$ 304	\$ (5)	\$ (19)	\$ 5,671	\$ 7	\$ 0	\$ -	\$ 5,543
13	Total (Lines 1 to 12)	\$ (5,886)	\$ (1,089)	\$ 742	\$ (1,704)	\$ 53,510	\$ 40,867	\$ 215	\$ 3,057	\$ 89,712
<u>Current QRAM Period</u>										
14	October, 2018	\$ (253)	\$ 1,668	\$ (4)	\$ (15)	\$ 6,713	\$ (12,710)	\$ -	\$ -	\$ (4,600)
15	November	\$ (159)	\$ 2,411	\$ (1)	\$ (7)	\$ 7,581	\$ -	\$ -	\$ -	\$ 9,824
16	December	\$ 136	\$ 2,959	\$ 5	\$ 7	\$ 10,110	\$ -	\$ -	\$ -	\$ 13,217
17	January, 2019	\$ 399	\$ 3,380	\$ 13	\$ 21	\$ 11,745	\$ -	\$ -	\$ -	\$ 15,558
18	February	\$ 347	\$ 2,954	\$ 10	\$ 15	\$ 10,228	\$ -	\$ -	\$ -	\$ 13,554
19	March	\$ (174)	\$ 2,636	\$ 9	\$ 12	\$ 8,507	\$ -	\$ -	\$ -	\$ 10,990
20	April, 2019	\$ (48)	\$ 1,272	\$ (11)	\$ (22)	\$ 2,095	\$ -	\$ -	\$ -	\$ 3,286
21	May	\$ (60)	\$ 941	\$ (9)	\$ (23)	\$ 770	\$ -	\$ -	\$ -	\$ 1,619
22	June	\$ (56)	\$ 963	\$ (6)	\$ (21)	\$ 1,101	\$ -	\$ -	\$ -	\$ 1,982
23	July, 2019	\$ (44)	\$ 990	\$ (4)	\$ (19)	\$ 1,556	\$ -	\$ -	\$ -	\$ 2,478
24	August	\$ (44)	\$ 942	\$ (4)	\$ (19)	\$ 1,500	\$ -	\$ -	\$ -	\$ 2,375
25	September	\$ (44)	\$ 692	\$ (5)	\$ (19)	\$ 911	\$ -	\$ -	\$ -	\$ 1,535
26	Total (Lines 14 to 25)	\$ (0)	\$ 21,809	\$ (7)	\$ (92)	\$ 62,819	\$ (12,710)	\$ -	\$ -	\$ 71,819

* 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	October, 2017	\$ 1,645	820,256	\$ 2.006	\$ 2.616	\$ (0.610)	\$ (501)	\$ -	\$ (501)	\$ (1)	\$ (502)
2	November	\$ 4,767	1,983,782	\$ 2.403	\$ 2.616	\$ (0.213)	\$ (423)	\$ -	\$ (423)	\$ (2)	\$ (424)
3	December	\$ 5,053	2,034,556	\$ 2.483	\$ 2.616	\$ (0.133)	\$ (270)	\$ -	\$ (270)	\$ (2)	\$ (272)
4	January, 2018	\$ 4,197	2,065,488	\$ 2.032	\$ 2.567	\$ (0.535)	\$ (1,105)	\$ -	\$ (1,105)	\$ (2)	\$ (1,108)
5	February	\$ 4,547	1,957,620	\$ 2.323	\$ 2.567	\$ (0.244)	\$ (478)	\$ -	\$ (478)	\$ (3)	\$ (481)
6	March	\$ 3,665	2,037,854	\$ 1.798	\$ 2.567	\$ (0.769)	\$ (1,566)	\$ -	\$ (1,566)	\$ (4)	\$ (1,570)
7	April, 2018	\$ 2,457	1,178,521	\$ 2.085	\$ 2.422	\$ (0.337)	\$ (397)	\$ -	\$ (397)	\$ (6)	\$ (404)
8	May	\$ 2,140	1,154,659	\$ 1.853	\$ 2.422	\$ (0.569)	\$ (657)	\$ -	\$ (657)	\$ (6)	\$ (663)
9	June	\$ 3,731	1,165,118	\$ 3.202	\$ 2.422	\$ 0.780	\$ 909	\$ -	\$ 909	\$ (7)	\$ 902
10	July, 2018	\$ 1,360	819,803	\$ 1.659	\$ 2.422	\$ (0.763)	\$ (626)	\$ -	\$ (626)	\$ (5)	\$ (631)
11	August	\$ 1,882	906,815	\$ 2.075	\$ 2.422	\$ (0.347)	\$ (315)	\$ -	\$ (315)	\$ (5)	\$ (320)
12	September	\$ 2,092	1,032,450	\$ 2.026	\$ 2.422	\$ (0.396)	\$ (409)	\$ -	\$ (409)	\$ (5)	\$ (414)
13	Total (Lines 1 to 12)	\$ 37,535	17,156,922				\$ (5,837)	\$ -	\$ (5,837)	\$ (49)	\$ (5,886)
<u>Current QRAM Period</u>											
14	October, 2018	\$ 2,592	1,066,670	\$ 2.430	\$ 2.667	\$ (0.237)	\$ (253)	\$ -	\$ (253)	\$ -	\$ (253)
15	November	\$ 4,943	1,912,942	\$ 2.584	\$ 2.667	\$ (0.083)	\$ (159)	\$ -	\$ (159)	\$ -	\$ (159)
16	December	\$ 5,408	1,976,671	\$ 2.736	\$ 2.667	\$ 0.069	\$ 136	\$ -	\$ 136	\$ -	\$ 136
17	January, 2019	\$ 5,671	1,976,623	\$ 2.869	\$ 2.667	\$ 0.202	\$ 399	\$ -	\$ 399	\$ -	\$ 399
18	February	\$ 5,108	1,785,326	\$ 2.861	\$ 2.667	\$ 0.194	\$ 347	\$ -	\$ 347	\$ -	\$ 347
19	March	\$ 5,097	1,976,563	\$ 2.579	\$ 2.667	\$ (0.088)	\$ (174)	\$ -	\$ (174)	\$ -	\$ (174)
20	April, 2019	\$ 239	107,830	\$ 2.219	\$ 2.667	\$ (0.448)	\$ (48)	\$ -	\$ (48)	\$ -	\$ (48)
21	May	\$ 237	111,424	\$ 2.126	\$ 2.667	\$ (0.541)	\$ (60)	\$ -	\$ (60)	\$ -	\$ (60)
22	June	\$ 232	107,807	\$ 2.152	\$ 2.667	\$ (0.515)	\$ (56)	\$ -	\$ (56)	\$ -	\$ (56)
23	July, 2019	\$ 253	111,400	\$ 2.271	\$ 2.667	\$ (0.396)	\$ (44)	\$ -	\$ (44)	\$ -	\$ (44)
24	August	\$ 253	111,400	\$ 2.275	\$ 2.667	\$ (0.392)	\$ (44)	\$ -	\$ (44)	\$ -	\$ (44)
25	September	\$ 244	107,807	\$ 2.261	\$ 2.667	\$ (0.406)	\$ (44)	\$ -	\$ (44)	\$ -	\$ (44)
26	Total (Lines 14 to 25)	\$ 30,277	11,352,463				\$ (0)	\$ -	\$ (0)	\$ -	\$ (0)

* Reflects actual information.

Notes:

- (1) 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 June 2018 is as approved in EB-2018-0104.
 The reference price from July 2018 to September 2018 is as approved in EB-2018-0104.
 The reference price from October 2018 to September 2019 is as proposed in EB-2018-0253.
- (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	October, 2017	\$ 9,741	2,894,510	\$ 3.365	\$ 3.549	\$ (0.184)	\$ (532)	\$ -	\$ (532)	\$ (9)	\$ (540)
2	November	\$ 9,279	2,605,611	\$ 3.561	\$ 3.549	\$ 0.012	\$ 32	\$ -	\$ 32	\$ (9)	\$ 23
3	December	\$ 10,025	2,642,448	\$ 3.794	\$ 3.549	\$ 0.245	\$ 647	\$ -	\$ 647	\$ (8)	\$ 639
4	January, 2018	\$ 8,441	2,760,152	\$ 3.058	\$ 3.522	\$ (0.464)	\$ (1,280)	\$ -	\$ (1,280)	\$ (7)	\$ (1,287)
5	February	\$ 10,288	2,650,643	\$ 3.881	\$ 3.522	\$ 0.359	\$ 952	\$ -	\$ 952	\$ (8)	\$ 945
6	March	\$ 8,791	2,644,762	\$ 3.324	\$ 3.522	\$ (0.198)	\$ (524)	\$ -	\$ (524)	\$ (7)	\$ (531)
7	April, 2018	\$ 7,433	2,507,360	\$ 2.964	\$ 3.191	\$ (0.227)	\$ (568)	\$ -	\$ (568)	\$ (9)	\$ (577)
8	May	\$ 8,584	2,759,921	\$ 3.110	\$ 3.191	\$ (0.081)	\$ (222)	\$ -	\$ (222)	\$ (10)	\$ (232)
9	June	\$ 8,879	2,802,339	\$ 3.168	\$ 3.191	\$ (0.023)	\$ (64)	\$ -	\$ (64)	\$ (10)	\$ (73)
10	July, 2018	\$ 9,463	2,877,101	\$ 3.289	\$ 3.191	\$ 0.098	\$ 282	\$ -	\$ 282	\$ (10)	\$ 272
11	August	\$ 9,001	2,827,263	\$ 3.184	\$ 3.191	\$ (0.007)	\$ (21)	\$ -	\$ (21)	\$ (10)	\$ (31)
12	September	\$ 9,803	2,973,809	\$ 3.296	\$ 3.191	\$ 0.105	\$ 313	\$ -	\$ 313	\$ (10)	\$ 304
13	Total (Lines 1 to 12)	\$ 109,728	32,945,918				\$ (983)	\$ -	\$ (983)	\$ (105)	\$ (1,089)
<u>Current QRAM Period</u>											
14	October, 2018	\$ 12,161	3,072,635	\$ 3.958	\$ 3.415	\$ 0.543	\$ 1,668	\$ -	\$ 1,668	\$ -	\$ 1,668
15	November	\$ 12,794	3,040,477	\$ 4.208	\$ 3.415	\$ 0.793	\$ 2,411	\$ -	\$ 2,411	\$ -	\$ 2,411
16	December	\$ 13,688	3,141,769	\$ 4.357	\$ 3.415	\$ 0.942	\$ 2,959	\$ -	\$ 2,959	\$ -	\$ 2,959
17	January, 2019	\$ 14,109	3,141,693	\$ 4.491	\$ 3.415	\$ 1.076	\$ 3,380	\$ -	\$ 3,380	\$ -	\$ 3,380
18	February	\$ 12,645	2,837,641	\$ 4.456	\$ 3.415	\$ 1.041	\$ 2,954	\$ -	\$ 2,954	\$ -	\$ 2,954
19	March	\$ 13,365	3,141,598	\$ 4.254	\$ 3.415	\$ 0.839	\$ 2,636	\$ -	\$ 2,636	\$ -	\$ 2,636
20	April, 2019	\$ 9,232	2,330,899	\$ 3.961	\$ 3.415	\$ 0.546	\$ 1,272	\$ -	\$ 1,272	\$ -	\$ 1,272
21	May	\$ 9,167	2,408,596	\$ 3.806	\$ 3.415	\$ 0.391	\$ 941	\$ -	\$ 941	\$ -	\$ 941
22	June	\$ 8,923	2,330,862	\$ 3.828	\$ 3.415	\$ 0.413	\$ 963	\$ -	\$ 963	\$ -	\$ 963
23	July, 2019	\$ 9,215	2,408,558	\$ 3.826	\$ 3.415	\$ 0.411	\$ 990	\$ -	\$ 990	\$ -	\$ 990
24	August	\$ 9,167	2,408,558	\$ 3.806	\$ 3.415	\$ 0.391	\$ 942	\$ -	\$ 942	\$ -	\$ 942
25	September	\$ 8,652	2,330,862	\$ 3.712	\$ 3.415	\$ 0.297	\$ 692	\$ -	\$ 692	\$ -	\$ 692
26	Total (Lines 14 to 25)	\$ 133,118	32,594,147				\$ 21,809	\$ -	\$ 21,809	\$ -	\$ 21,809

* Reflects actual information.

Notes:

- (1) 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 June 2018 is as approved in EB-2018-0104.
The reference price from July 2018 to September 2018 is as approved in EB-2018-0104.
The reference price from October 2018 to September 2019 is as proposed in EB-2018-0253.
- (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) (a)	Interest (\$000's) (1) (b)	Deferral Amount With Interest (\$000's) (c) = (a) + (b)	Deferral Amount Before Interest (\$000's) (d)	Interest (\$000's) (1) (e)	Deferral Amount With Interest (\$000's) (f) = (d) + (e)
1	October, 2017	\$ (62)	\$ (0)	\$ (62)	\$ 1,060	\$ 0	\$ 1,060
2	November	\$ (76)	\$ (0)	\$ (76)	\$ (1,877)	\$ 2	\$ (1,875)
3	December	\$ 324	\$ (0)	\$ 323	\$ 876	\$ (0)	\$ 876
4	January, 2018	\$ (105)	\$ 0	\$ (105)	\$ (807)	\$ 1	\$ (806)
5	February	\$ 272	\$ 0	\$ 272	\$ 203	\$ (0)	\$ 202
6	March	\$ (84)	\$ 1	\$ (84)	\$ (564)	\$ (0)	\$ (564)
7	April, 2018	\$ 58	\$ 1	\$ 59	\$ 149	\$ (1)	\$ 148
8	May	\$ 237	\$ 1	\$ 237	\$ (658)	\$ (1)	\$ (659)
9	June	\$ (786)	\$ 1	\$ (785)	\$ 52	\$ (2)	\$ 49
10	July, 2018	\$ 972	\$ (0)	\$ 972	\$ (93)	\$ (2)	\$ (96)
11	August	\$ (3)	\$ (0)	\$ (4)	\$ (17)	\$ (2)	\$ (19)
12	September	\$ (5)	\$ (0)	\$ (5)	\$ (16)	\$ (2)	\$ (19)
13	Total (Lines 1 to 12)	\$ 740	\$ 2	\$ 742	\$ (1,693)	\$ (10)	\$ (1,704)
Current QRAM Period							
14	October, 2018	\$ (4)	\$ -	\$ (4)	\$ (15)	\$ -	\$ (15)
15	November	\$ (1)	\$ -	\$ (1)	\$ (7)	\$ -	\$ (7)
16	December	\$ 5	\$ -	\$ 5	\$ 7	\$ -	\$ 7
17	January, 2019	\$ 13	\$ -	\$ 13	\$ 21	\$ -	\$ 21
18	February	\$ 10	\$ -	\$ 10	\$ 15	\$ -	\$ 15
19	March	\$ 9	\$ -	\$ 9	\$ 12	\$ -	\$ 12
20	April, 2019	\$ (11)	\$ -	\$ (11)	\$ (22)	\$ -	\$ (22)
21	May	\$ (9)	\$ -	\$ (9)	\$ (23)	\$ -	\$ (23)
22	June	\$ (6)	\$ -	\$ (6)	\$ (21)	\$ -	\$ (21)
23	July, 2019	\$ (4)	\$ -	\$ (4)	\$ (19)	\$ -	\$ (19)
24	August	\$ (4)	\$ -	\$ (4)	\$ (19)	\$ -	\$ (19)
25	September	\$ (5)	\$ -	\$ (5)	\$ (19)	\$ -	\$ (19)
26	Total (Lines 14 to 25)	\$ (7)	\$ -	\$ (7)	\$ (92)	\$ -	\$ (92)

* 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	October, 2017	\$ 31,382	8,559,026	\$ 3.667	\$ 3.549	\$ 0.118	\$ 1,006	\$ -	\$ 1,006	\$ -	\$ 1,006	\$ (2)	\$ 1,004
2	November	\$ 41,214	11,353,030	\$ 3.630	\$ 3.549	\$ 0.081	\$ 922	\$ -	\$ 922	\$ -	\$ 922	\$ (4)	\$ 918
3	December	\$ 46,391	11,693,785	\$ 3.967	\$ 3.549	\$ 0.418	\$ 4,889	\$ -	\$ 4,889	\$ -	\$ 4,889	\$ (12)	\$ 4,878
4	January, 2018	\$ 41,002	11,831,976	\$ 3.465	\$ 3.522	\$ (0.057)	\$ (670)	\$ -	\$ (670)	\$ -	\$ (670)	\$ (19)	\$ (689)
5	February	\$ 89,738	19,743,632	\$ 4.545	\$ 3.522	\$ 1.023	\$ 20,201	\$ -	\$ 20,201	\$ -	\$ 20,201	\$ (27)	\$ 20,174
6	March	\$ 39,058	10,610,797	\$ 3.681	\$ 3.522	\$ 0.159	\$ 1,686	\$ -	\$ 1,686	\$ -	\$ 1,686	\$ (13)	\$ 1,674
7	April, 2018	\$ 42,110	12,247,536	\$ 3.438	\$ 3.191	\$ 0.247	\$ 3,028	\$ -	\$ 3,028	\$ -	\$ 3,028	\$ (23)	\$ 3,005
8	May	\$ 37,902	11,625,589	\$ 3.260	\$ 3.191	\$ 0.069	\$ 805	\$ -	\$ 805	\$ -	\$ 805	\$ (23)	\$ 781
9	June	\$ 40,851	11,221,534	\$ 3.640	\$ 3.191	\$ 0.449	\$ 5,043	\$ -	\$ 5,043	\$ -	\$ 5,043	\$ (23)	\$ 5,020
10	July, 2018	\$ 40,028	10,598,157	\$ 3.777	\$ 3.191	\$ 0.586	\$ 6,209	\$ -	\$ 6,209	\$ -	\$ 6,209	\$ (17)	\$ 6,192
11	August	\$ 41,926	11,603,743	\$ 3.613	\$ 3.191	\$ 0.422	\$ 4,898	\$ -	\$ 4,898	\$ -	\$ 4,898	\$ (17)	\$ 4,881
12	September	\$ 41,521	11,229,458	\$ 3.698	\$ 3.191	\$ 0.507	\$ 5,688	\$ -	\$ 5,688	\$ -	\$ 5,688	\$ (17)	\$ 5,671
13	Total (Lines 1 to 12)	\$ 533,123	142,318,263				\$ 53,707	\$ -	\$ 53,707	\$ -	\$ 53,707	\$ (198)	\$ 53,510
<u>Current QRAM Period</u>													
14	October, 2018	\$ 46,340	11,603,729	\$ 3.994	\$ 3.415	\$ 0.579	\$ 6,713	\$ -	\$ 6,713	\$ -	\$ 6,713	\$ -	\$ 6,713
15	November	\$ 45,427	11,082,159	\$ 4.099	\$ 3.415	\$ 0.684	\$ 7,581	\$ -	\$ 7,581	\$ -	\$ 7,581	\$ -	\$ 7,581
16	December	\$ 49,217	11,451,564	\$ 4.298	\$ 3.415	\$ 0.883	\$ 10,110	\$ -	\$ 10,110	\$ -	\$ 10,110	\$ -	\$ 10,110
17	January, 2019	\$ 50,852	11,451,564	\$ 4.441	\$ 3.415	\$ 1.026	\$ 11,745	\$ -	\$ 11,745	\$ -	\$ 11,745	\$ -	\$ 11,745
18	February	\$ 45,551	10,343,348	\$ 4.404	\$ 3.415	\$ 0.989	\$ 10,228	\$ -	\$ 10,228	\$ -	\$ 10,228	\$ -	\$ 10,228
19	March	\$ 47,615	11,451,564	\$ 4.158	\$ 3.415	\$ 0.743	\$ 8,507	\$ -	\$ 8,507	\$ -	\$ 8,507	\$ -	\$ 8,507
20	April, 2019	\$ 39,906	11,071,993	\$ 3.604	\$ 3.415	\$ 0.189	\$ 2,095	\$ -	\$ 2,095	\$ -	\$ 2,095	\$ -	\$ 2,095
21	May	\$ 39,841	11,441,059	\$ 3.482	\$ 3.415	\$ 0.067	\$ 770	\$ -	\$ 770	\$ -	\$ 770	\$ -	\$ 770
22	June	\$ 38,912	11,071,993	\$ 3.514	\$ 3.415	\$ 0.099	\$ 1,101	\$ -	\$ 1,101	\$ -	\$ 1,101	\$ -	\$ 1,101
23	July, 2019	\$ 40,627	11,441,059	\$ 3.551	\$ 3.415	\$ 0.136	\$ 1,556	\$ -	\$ 1,556	\$ -	\$ 1,556	\$ -	\$ 1,556
24	August	\$ 40,572	11,441,059	\$ 3.546	\$ 3.415	\$ 0.131	\$ 1,500	\$ -	\$ 1,500	\$ -	\$ 1,500	\$ -	\$ 1,500
25	September	\$ 38,722	11,071,993	\$ 3.497	\$ 3.415	\$ 0.082	\$ 911	\$ -	\$ 911	\$ -	\$ 911	\$ -	\$ 911
26	Total (Lines 14 to 25)	\$ 523,581	134,923,089				\$ 62,819	\$ -	\$ 62,819	\$ -	\$ 62,819	\$ -	\$ 62,819

- * Reflects actual information.
- Notes:
- (1) 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 June 2018 is as approved in EB-2018-0104.
 The reference price from July 2018 to September 2018 is as approved in EB-2018-0104.
 The reference price from October 2018 to September 2019 is as proposed in EB-2018-0253.
 - (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	October, 2017	* EB-2017-0278	3.549	\$ (0.657)	54.6	\$ 35,801	\$ 10	\$ 35,811
2	November	*					\$ 50	\$ 50
3	December	*					\$ 43	\$ 43
4	January, 2018	* EB-2017-0351	3.522	\$ (0.027)	39.3	\$ 1,057	\$ 27	\$ 1,084
5	February	*					\$ 19	\$ 19
6	March	*					\$ 15	\$ 15
7	April, 2018	* EB-2018-0104	3.191	\$ (0.331)	11.2	\$ 3,796	\$ 10	\$ 3,806
8	May	*					\$ 11	\$ 11
9	June	*					\$ 8	\$ 8
10	July, 2018	* EB-2018-0174	3.191	\$ -	27.1	\$ (0)	\$ 7	\$ 7
11	August						\$ 7	\$ 7
12	September						\$ 7	\$ 7
13	Total (Lines 1 to 12)					\$ 40,654	\$ 213	\$ 40,867
<u>Current QRAM Period</u>								
14	October, 2018	EB-2018-0253	\$ 3.415	\$ 0.224	56.7	\$ (12,710)	\$ -	\$ (12,710)
15	November						\$ -	\$ -
16	December						\$ -	\$ -
17	January, 2019					\$ -	\$ -	\$ -
18	February					\$ -	\$ -	\$ -
19	March					\$ -	\$ -	\$ -
20	April, 2019					\$ -	\$ -	\$ -
21	May					\$ -	\$ -	\$ -
22	June					\$ -	\$ -	\$ -
23	July, 2019					\$ -	\$ -	\$ -
24	August					\$ -	\$ -	\$ -
25	September					\$ -	\$ -	\$ -
26	Total (Lines 14 to 25)					\$ (12,710)	\$ -	\$ (12,710)

* 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)

Line No.	Particulars	Spot Gas Purchases			Load Balancing					
		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	October, 2017	\$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
2	November	\$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
3	December	\$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
4	January, 2018	\$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
5	February	\$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
6	March	\$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
7	April, 2018	\$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
8	May	\$ 216	\$ (0)	\$ 216	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
9	June	\$ -	\$ 0	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 0
10	July, 2018	\$ -	\$ 0	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 0
11	August	\$ -	\$ 0	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 0
12	September	\$ -	\$ 0	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 0
13	Total (Lines 1 to 12)	\$ 216	\$ (1)	\$ 215	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
Current QRAM Period										
14	October, 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	November	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	December	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	January, 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	February	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	March	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	April, 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	May	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	June	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	July, 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	August	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	September	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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.

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PREFILED EVIDENCE OF

AMY MIKHAILA, MANAGER, RATES AND PRICING

AND

ROBIN STEVENSON, SENIOR ADVISOR, RATES AND PRICING

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

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.

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 increased to \$3.415/GJ (13.2809 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 increased to \$2.667/GJ (10.3720 cents/m³), per Tab 1, Schedule 1, line 7. The proposed October 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 There have been no changes to the transportation tolls TransCanada charges for firm
8 transportation services on the Mainline or other approved upstream toll changes effective
9 October 1, 2018.

10
11 The compressor fuel requirements from Empress to the respective delivery areas are set based on
12 the Alberta Border Reference Price, which increased to \$2.667/GJ (10.3720 cents/m³). The
13 compressor fuel requirements from Dawn or Parkway to the respective delivery areas are set
14 based on the Dawn Reference Price, which increased to \$3.415/GJ (13.2809 cents/m³).

15
16 The changes to upstream tolls and the reference prices used to calculate the compressor fuel
17 requirements increases Union's total annual gas supply transportation and storage costs by
18 \$0.159 million. The total increase to Union's annual gas supply transportation and storage costs
19 is as shown at Tab 2, Schedule 2, p. 2.

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

4
5 **3. COST OF GAS IN DELIVERY RATES**

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

9
10 Per Union's April 1, 2018 QRAM (EB-2018-0104), the cost of gas previously included in
11 Union's delivery rates was 12.4098 cents/m³ based on the Dawn Reference Price. Effective
12 October 1, 2018, the cost of gas included in delivery rates is 13.2809 cents/m³, which represents
13 an increase of 0.8711 cents/m³.

14
15 Consistent with Board-approved methodology, the change in the cost of gas in delivery rates is
16 allocated to rate classes in proportion to the approved 2013 allocation of compressor fuel,
17 unaccounted for gas and inventory carrying costs.

18
19 **4. RATE RIDERS**

20 In addition to the forecast reference price changes identified above, changes to previously
21 approved rate riders are required to reflect quarterly updates to gas cost deferral account

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

7

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

18

19 Union introduced new Union North deferral accounts as part of the Dawn Reference Price
20 Settlement Proposal (EB-2015-0181) to replace the Union North PGVA (Account No. 179-105)
21 and Union North Tolls and Fuel (Account No. 179-100) deferral accounts. Union transitioned the

1 forecast and actual variances to the new Union North deferral accounts effective January 1, 2017.
2 To prepare to close the Union North PGVA and Union North Tolls and Fuel deferral accounts,
3 Union is proposing to transfer the balance associated with recovery variances from these deferral
4 accounts to the new Union North deferral accounts. The new Union North deferral accounts in
5 effect starting January 1, 2017 are:

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

10

11 As part of the April 1, 2017 QRAM (EB-2017-0089), Union recorded and disposed of the actual
12 deferral account variances up to and including December 31, 2016 through the Union North
13 PGVA and Union North Tolls and Fuel deferral accounts. Union continues to track and record
14 the recovery variance associated with these deferral accounts (for activity up to and including
15 December 31, 2016) to account for the difference between what was actually recovered in
16 previous rate riders and what Union forecast to recover. Consistent with April 1, 2018 QRAM
17 (EB-2018-0104), Union has transferred the recovery variances to the new Union North deferral
18 accounts in the current QRAM. There will be no further transfers required in future QRAM
19 applications as the recovery variance will be zero. Union will propose to close the Union North
20 PGVA and Union North Tolls and Fuel deferral accounts as part of the next annual rates
21 proceeding.

1 Union has transferred the recovery variance from the Union North PGVA and Union North Tolls
2 and Fuel deferral accounts to the new Union North deferral accounts in proportion to the forecast
3 billing units by Zone. To recognize that prior to January 1, 2017 bundled-T customers provided
4 fuel in kind, Union has transferred the Union North Fuel recovery variance to the new Union
5 North PGVA deferral accounts by Zone, so that the variance will be recovered from sales service
6 customers only. In total, Union is proposing to transfer a net credit of \$0.062 million to the new
7 Union North deferral accounts. A summary of the adjustment is provided at Table 1. The transfer
8 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)		296,015	774,565	378,580	1,039,889
2	North PGVA (179-105)	(55)	(15)	(40)	-	-
3	North Tolls (179-100)	(7)	-	-	(2)	(5)
4	North Fuel (179-100)	(0)	(0)	(0)	-	-
5	Total	(62)	(15)	(40)	(2)	(5)

9 In total, the change in gas cost-related deferrals in the current QRAM is a net increase of \$53.616
10 million. This amount excludes the balance in the joint Unabsorbed Demand Costs Deferral
11 Account (Deferral Account No. 179-108) which is not prospectively recovered as per the current
12 approved QRAM process.

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

6
7 Union has updated the Spot Gas Variance Account (Account No. 179-107) forecast billing units
8 to reflect the Union North West Zone sales service volumes, to be consistent with the balance
9 recorded in the account as described in July 1, 2018 QRAM, Tab 1, p. 7 (EB-2018-0174).

10

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

14

15 **5. CAP-AND-TRADE CHARGES**

16 In accordance with the Board's letter dated August 30, 2018, Union is seeking approval to
17 eliminate Cap-and-Trade charges and interim approval to dispose of Cap-and-Trade related
18 deferral and variance account balances as part of this proceeding. The Board will undertake a
19 prudence review of the disposition of deferral and variance accounts at a later date.

1 To eliminate Cap-and-Trade charges, Union has removed the customer-related Cap-and-Trade
2 charge of 3.3181 cents/m³, as applicable, and the facility-related Cap-and-Trade charge of 0.0240
3 cents/m³ (or \$0.006/GJ) from rates, effective October 1, 2018. Union has also removed the
4 facility-related Cap-and-Trade charge of \$0.006/GJ from the Parkway Delivery Commitment
5 Incentive (“PDCI”) credit, effective October 1, 2018, which results in a reduction in the PDCI
6 costs of \$0.507 million included in Union South delivery rates. Union pays the PDCI credit to
7 customers for any continued obligated deliveries at Parkway and includes the costs associated
8 with the PDCI in Union South delivery rates¹. The decrease to the Union South delivery rates
9 related to the reduction to PDCI costs for each rate class is provided at Tab 2, Schedule 5 and
10 Working Papers, Schedule 3.

11

12 To dispose of Cap-and-Trade related deferral balances, Union is requesting interim approval of
13 the disposition of the balances in the following deferral and variance accounts:

- 14 • Greenhouse Gas Emissions Impact Deferral Account (“GGEIDA”) (Account No. 179-152);
- 15 • Greenhouse Gas Emissions Compliance Obligation - Customer-Related (“GGECO -
16 Customer-Related”) (Account No. 179-154); and
- 17 • Greenhouse Gas Emissions Compliance Obligation - Facility-Related (“GGECO - Facility-
18 Related”) (Account No. 179-155).

¹ The PDCI costs included in 2018 Rates are based on the 2018 M12 Dawn to Parkway toll at 100% load factor. The reduction in PDCI costs to remove the facility-related Cap-and-Trade charge is calculated based on the 2018 Parkway obligated deliveries of 231 TJ (231 TJ x \$0.006/GJ x 365).

1 The GGEIDA records the administrative costs associated with the impacts of the provincial and
 2 federal regulations related to Greenhouse Gas (“GHG”) emission requirements. The GGECO -
 3 Customer-Related and Facility-Related variance accounts record the difference between actual
 4 Cap-and-Trade obligation costs and the costs recovered in Board-approved rates. In total, the net
 5 balance in the Cap-and-Trade deferral and variance accounts is a credit of \$12.791 million which
 6 includes interest of \$0.200 million up to September 30, 2018. A summary of the deferral and
 7 variance account balances for each year is provided in Table 2.

8

Table 2
Cap-and-Trade Deferral and Variance Account Balances Including Interest (\$000's)

Line No.	Account Name	2018				Total
		2016	2017	Jan 1 - Jul 3	Jul 4 - Sep 30	
1	GGEIDA	2,292	3,282	1,707	306	7,587
2	GGECO – Customer-Related	-	6,026	5,364	(28,243)	(16,853)
3	GGECO – Facility-Related	-	(835)	(1,067)	(1,623)	(3,525)
4	Total	<u>2,292</u>	<u>8,474</u>	<u>6,004</u>	<u>(29,561)</u>	<u>(12,791)</u>

9

10 Union has identified the balances for the period prior to and after July 3, 2018, which is the date
 11 the government filed Ontario Regulation 386/18 to revoke the Cap-and-Trade Program
 12 regulation (Ontario Regulation 144/16) and to prohibit the purchase, sale and other dealings
 13 with emission allowances and credits. The period after July 3, 2018 represents the over
 14 collection from customers of Cap-and-Trade customer-related and facility-related charges up to

1 September 30, 2018. Union has provided the details of the GGEIDA balance for the period after
2 revocation of Ontario Regulation 144/16 up to September 30, 2018 in Table 3. The GGEIDA
3 balance does not include Cap-and-Trade related costs that may be incurred beyond September
4 30, 2018 to support the wind down of the Cap-and Trade program, such as bad debt related to
5 customer account collections and remaining billing system costs estimated to be approximately
6 \$0.3 million and \$0.5 million, respectively. Union will propose to recover the remaining
7 balances as part of the final disposition of the deferral accounts or as part of a future proceeding.

Table 3
2018 Post-Revocation Regulation GGEIDA Balance Breakdown

<u>Line No.</u>	<u>Cost Description</u>	<u>Total (1) (\$000's)</u>
1	Salaries and Wages	175
2	Bad Debt	81
3	Billing System Costs (2)	48
4	Interest	<u>1</u>
5	Total	<u>306</u>

Notes:

- (1) Based on actual costs incurred as at Aug. 31, 2018 and forecast to Sept. 30, 2018.
(2) Based on the 2018 total revenue requirement pro-rated up to Sept. 30, 2018, based on total capital cost of \$0.7 million.

8

9 The detailed deferral and variance account allocation to rate classes is provided at Tab 2,
10 Schedule 6. A summary of the unit disposition rates for Union's rate classes is provided at Tab 2,
11 Schedule 7.

1 For general service Rate M1, Rate M2, Rate 01 and Rate 10 customers, Union will dispose of the
2 Cap-and-Trade deferral and variance account balances over a three month period, from October
3 1, 2018 to December 31, 2018. Union proposes to dispose of the balances for the general service
4 prospectively over a shorter three month period, as compared to the six month prospective
5 disposition period of Union's non-commodity deferral accounts, to ensure timely disposition of
6 the balances prior to the Board's prudence review.

7

8 For in-franchise contract and ex-franchise rate classes, Union will dispose of the Cap-and-Trade
9 deferral and variance account balances as a one-time adjustment with the October 2018 bills
10 customers receive in November 2018. The one-time adjustment disposition is consistent with
11 how Union disposes of non-commodity deferral accounts to in-franchise contract and ex-
12 franchise rate classes.

13

14 **6. CUSTOMER BILL IMPACTS**

15 General service annual customer bill impacts, including the prospective recovery of gas cost
16 deferral account balances are provided at Tab 2, Schedule 8. The bill impacts shown at Tab 2,
17 Schedule 8 reflect (i) the introduction of October 1, 2018 proposed QRAM changes detailed
18 above, (ii) the elimination of expiring July 1, 2017 and October 1, 2017 prospective QRAM
19 riders and (iii) the removal of Cap-and-Trade charges. The bill impacts exclude the temporary
20 price adjustments associated with Cap-and-Trade variance and deferral accounts. Union has
21 provided the bill impacts of Cap-and-Trade deferral and variance accounts for the period of

1 October 1, 2018 to December 31, 2018 at Tab 2, Schedule 9.

2

3 For Rate M1 residential customers in Union South with annual consumption of 2,200 m³, the bill
4 impact is a net decrease of \$46.71 per year for sales service customers and a net decrease of
5 \$73.29 for bundled direct purchase customers. The bill impacts include a decrease of \$73.00 for
6 the removal Cap-and-Trade customer-related charge, if applicable, and a decrease of \$0.54 for
7 the Cap-and-Trade facility-related charge.

8

9 For Rate 01 residential customers in Union North West with annual consumption of 2,200 m³,
10 the bill impact is a net decrease of \$74.45 per year for sales service customers and a net decrease
11 of \$69.38 for bundled direct purchase customers. For Rate 01 residential customers in Union
12 North East with annual consumption of 2,200 m³, the bill impact is a net decrease of \$25.86 per
13 year for sales service customers and \$77.67 for bundled direct purchase customers. The bill
14 impacts include a decrease of \$73.00 for the removal Cap-and-Trade customer-related charge, if
15 applicable, and a decrease of \$0.52 for the Cap-and-Trade facility-related charge.

16

17 **7. CUSTOMER NOTICES**

18 Customer notices that accompany the October 1, 2018 bills will reflect approved rates in this
19 proceeding compared with the current approved rates in Union's April 1, 2018 QRAM (EB-
20 2018-0104) proceeding.

- 1 In addition, approved October 1, 2018 rates will reflect the rate adjustments approved by the
- 2 Board in Union's 2015 Disposition of Demand Side Management Deferral and Variance
- 3 Accounts (EB-2017-0323), approved on August 30, 2018.

UNION GAS LIMITED
Derivation of Gas Supply Commodity Charges

Line No.	Particulars	EB-2017-0323		EB-2018-0253		Change	
		Effective October 1, 2018		Effective October 1, 2018		Effective October 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)	12.4098	3.191	13.2809	3.415 (3)	0.8711	0.224
2	Gas Supply Optimization Margin Credit	(0.2824) (5)	(0.073)	(0.2824) (5)	(0.073)	-	-
3	Administration Charge	0.1893	0.049	0.1893	0.049	-	-
4	Gas Supply Commodity Rate	<u>12.3167</u>	<u>3.167</u>	<u>13.1878</u>	<u>3.391</u>	<u>0.8711</u>	<u>0.224</u>
5	Transportation Rate	-	-	-	-	-	-
6	Total Gas Supply Commodity Charge (line 5+6)	<u>12.3167</u>	<u>3.167</u>	<u>13.1878</u>	<u>3.391</u>	<u>0.8711</u>	<u>0.224</u>
	<u>Union North - Rate 01 & Rate 10</u>						
	<u>Union North West Zone</u>						
7	Alberta Border Reference Price (1)	9.4192	2.422	10.3720	2.667 (4)	0.9528	0.245
8	Administration Charge	0.1893	0.049	0.1893	0.049	-	-
9	Gas Supply Commodity Rate	<u>9.6085</u>	<u>2.471</u>	<u>10.5613</u>	<u>2.716</u>	<u>0.9528</u>	<u>0.245</u>
	<u>Union North East Zone</u>						
10	Dawn Reference Price (1)	12.4098	3.191	13.2809	3.415 (3)	0.8711	0.224
11	Administration Charge	0.1893	0.049	0.1893	0.049	-	-
12	Gas Supply Commodity Rate	<u>12.5991</u>	<u>3.240</u>	<u>13.4702</u>	<u>3.464</u>	<u>0.8711</u>	<u>0.224</u>
	<u>Union North - Rate 20 & Rate 100</u>						
	<u>Union North West Zone</u>						
13	Alberta Border Reference Price (2)	9.1770	2.422	10.1053	2.667 (4)	0.9283	0.245
14	Administration Charge	0.1893	0.050	0.1893	0.050	-	-
15	Gas Supply Commodity Rate	<u>9.3663</u>	<u>2.472</u>	<u>10.2946</u>	<u>2.717</u>	<u>0.9283</u>	<u>0.245</u>
	<u>Union North East Zone</u>						
16	Dawn Reference Price (2)	12.0907	3.191	12.9394	3.415 (3)	0.8487	0.224
17	Administration Charge	0.1893	0.050	0.1893	0.050	-	-
18	Gas Supply Commodity Rate	<u>12.2800</u>	<u>3.241</u>	<u>13.1287</u>	<u>3.465</u>	<u>0.8487</u>	<u>0.224</u>

Notes:

- (1) 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) = (a / b x 100)	EB-2017-0323 Effective October 1, 2018 Unit Rate (3) (cents/m ³) (d)	EB-2018-0253 Effective October 1, 2018 Unit Rate (cents/m ³) (e) = (c + d)
<u>Rate 01</u>						
Gas Transportation						
1	Union North West	36	267,830	0.0133	6.6669	6.6802
2	Union North East	42	659,134	0.0064	2.7452	2.7516
Gas Storage						
3	Union North West	11	256,092	0.0045	2.1960	2.2005
4	Union North East	15	630,247	0.0023	6.3886	6.3909
<u>Rate 10</u>						
Gas Transportation						
5	Union North West	11	82,150	0.0131	5.8356	5.8487
6	Union North East	16	261,380	0.0063	2.5155	2.5218
Gas Storage						
7	Union North West	3	77,949	0.0044	1.6552	1.6596
8	Union North East	6	248,013	0.0023	4.5497	4.5520
<u>Rate 20 (4)</u>						
Gas Supply Demand						
9	Union North West	5	2,962	0.1679	55.8953	56.0632
10	Union North East	5	3,911	0.1235	47.5032	47.6267
Commodity Transportation 1						
11	Union North West	3	28,383	0.0115	3.5086	3.5201
12	Union North East	2	45,073	0.0048	2.2126	2.2174
<u>Rate 25</u>						
13	Gas Supply Transportation	3	42,913	0.0059	1.4281	1.4340
<u>Rate 100 (5)</u>						
Gas Supply Demand						
14	Union North West	-	-	0.3714	109.5416	109.9130
15	Union North East	-	-	0.4873	154.3467	154.8340
Commodity Transportation 1						
16	Union North West	-	-	0.0208	6.1476	6.1684
17	Union North East	-	-	0.0279	8.8308	8.8587
<u>Rate 20/100 Bundled Storage (\$/GJ)</u>						
18	Monthly Demand (GJ/d)	-	114,888	-	19.093	19.093
19	Commodity Charge (GJ)	1	739,477	0.002	0.206	0.208
20	Total	<u>159</u>				

Notes:

- (1) Tab 2, Schedule 2, p. 3.
- (2) EB-2017-0087, Rate Order, Working Papers, Schedule 4, Column (r).
- (3) EB-2018-0104, Tab 2, Schedule 2, p.1, Column (e).
- (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 October 2018 QRAM

Line No.	Particulars	Annual Volume (1) (TJ) (a)	EB-2017-0323 Effective October 1, 2018		EB-2018-0253 Effective October 1, 2018		Cost Variance (f) = (e - c)
			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	21.225	1,417	21.225	1,417	-
2	TCPL SSMDA	2,972	42.691	4,172	42.691	4,172	-
3	TCPL WDA	18,764	30.516	18,825	30.516	18,825	-
4	CTHI/CPMI	2,066	19.267	1,308	19.267	1,308	-
5	Subtotal			25,722		25,722	-
<u>Union North East Zone Demand Costs</u>							
6	TCPL NCDA	3,211	55.997	5,911	55.997	5,911	-
7	TCPL EDA	365	61.836	742	61.836	742	-
8	TCPL NDA	2,915	47.098	4,514	47.098	4,514	-
9	TCPL PKWY EDA	21,108	10.947	7,597	10.947	7,597	-
10	TCPL PKWY NDA	15,695	15.775	8,140	15.775	8,140	-
11	TCPL PKWY NCDA	730	7.768	186	7.768	186	-
12	Subtotal			27,090		27,090	-
<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)			54,083		54,083	-
<u>Union North West Zone Fuel Costs</u>							
17	TCPL MDA	6	2.422	16	2.667	17	2
18	TCPL SSMDA	54	2.422	130	2.667	144	13
19	TCPL WDA	156	2.422	377	2.667	415	38
20	CTHI/CPMI	1	2.422	3	2.667	3	0
21	Subtotal			526		579	53
<u>Union North East Zone Fuel Costs</u>							
22	TCPL NCDA	91	2.422	221	2.667	243	22
23	TCPL EDA	11	2.422	27	2.667	29	3
24	TCPL NDA	70	2.422	169	2.667	186	17
25	TCPL PKWY EDA	53	3.191	168	3.415	179	12
26	TCPL PKWY NDA	55	3.191	175	3.415	187	12
27	TCPL PKWY NCDA	0	3.191	0	3.415	1	0
28	Subtotal			759		825	66
29	Fuel Costs in Rates (line 21 + line 28)			1,285		1,404	119
30	Total Transportation Costs (line 16 + line 29)			55,367		55,487	119
Storage Costs							
<u>Union North West Zone Demand Costs</u>							
31	TCPL WDA STS Injection	1,150	37.410	1,414	37.410	1,414	-
32	Subtotal			1,414		1,414	-
<u>Union North East Zone Demand Costs</u>							
33	TCPL NDA STS Injection	17,921	15.775	9,295	15.775	9,295	-
34	TCPL EDA STS Withdrawal	9,845	10.947	3,543	10.947	3,543	-
35	TCPL Pkwy to EDA	19,042	10.947	6,853	10.947	6,853	-
36	TCPL Pkwy to EDA EMB	9,125	11.977	3,593	11.977	3,593	-
37	TCPL Pkwy to NDA	24,455	15.775	12,683	15.775	12,683	-
38	Subtotal			35,967		35,967	-
39	Demand Costs in Rates (line 32 + line 38)			37,381		37,381	-
<u>Union North West Zone Fuel Costs</u>							
40	TCPL WDA STS Injection	15	2.422	37	2.667	41	4
41	TCPL SSMDA STS Withdrawal	28	3.191	89	3.415	95	6
42	TCPL WDA STS Withdrawal	31	3.191	99	3.415	106	7
43	Subtotal			225		242	17
<u>Union North East Zone Fuel Costs</u>							
44	TCPL NCDA STS Injection	2	2.422	4	2.667	5	0
45	TCPL NCDA STS Withdrawal	8	3.191	24	3.415	26	2
46	TCPL Pkwy to EDA	8	3.191	27	3.415	29	2
47	TCPL Pkwy to EDA EMB	16	3.191	52	3.415	55	4
48	TCPL Pkwy to NDA	69	3.191	221	3.415	237	16
49	Subtotal			328		351	23
50	Fuel Costs in Rates (line 43 + line 49)			553		593	40
51	Total Storage Costs (line 39 + line 50)			37,934		37,974	40
52	Total Storage and Transportation Costs			93,302		93,461	159

Notes:
(1) EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 1, p. 1-2, column (j).
(2) EB-2018-0104, Tab 2, Schedule 2, p. 2, column (d) & (e).

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)
Union North West Zone							
<u>Transportation Demand Costs</u>							
1	EB-2017-0323 2015 DSM Deferrals	25,722	18,327	4,936	2,333	-	126
2	EB-2018-0253 October 2018 QRAM	25,722	18,327	4,936	2,333	-	126
3	Change in Costs (line 2 - line 1)	-	-	-	-	-	-
<u>Transportation Fuel Costs</u>							
4	EB-2017-0323 2015 DSM Deferrals	526	353	107	61	-	5
5	EB-2018-0253 October 2018 QRAM	579	388	117	68	-	6
6	Change in Costs (line 5 - line 4)	53	36	11	6	-	1
7	Total Change in Transportation Costs (line 3 + line 6)	53	36	11	6	-	1
<u>Storage Demand Costs</u>							
8	EB-2017-0323 2015 DSM Deferrals	1,414	1,089	247	78	-	-
9	EB-2018-0253 October 2018 QRAM	1,414	1,089	247	78	-	-
10	Change in Costs (line 9 - line 8)	-	-	-	-	-	-
<u>Storage Fuel Costs</u>							
11	EB-2017-0323 2015 DSM Deferrals	225	152	46	27	-	-
12	EB-2018-0253 October 2018 QRAM	242	163	49	30	-	-
13	Change in Costs (line 12 - line 11)	17	11	3	2	-	-
14	Total Change in Storage Costs (line 10 + line 13)	17	11	3	2	-	-
15	Total Change in North West Zone Costs (line 7 + line 14)	70	47	14	8	-	1
Union North East Zone							
<u>Transportation Demand Costs</u>							
16	EB-2017-0323 2015 DSM Deferrals	27,090	18,055	6,596	1,878	-	561
17	EB-2018-0253 October 2018 QRAM	27,090	18,055	6,596	1,878	-	561
18	Change in Costs (line 17 - line 16)	-	-	-	-	-	-
<u>Transportation Fuel Costs</u>							
19	EB-2017-0323 2015 DSM Deferrals	759	485	189	61	-	24
20	EB-2018-0253 October 2018 QRAM	825	528	205	66	-	26
21	Change in Costs (line 20 - line 19)	66	42	16	5	-	2
22	Total Change in Transportation Costs (line 18 + line 21)	66	42	16	5	-	2
<u>Storage Demand Costs</u>							
23	EB-2017-0323 2015 DSM Deferrals	35,967	26,603	7,340	1,839	184	-
24	EB-2018-0253 October 2018 QRAM	35,967	26,603	7,340	1,839	184	-
25	Change in Costs (line 24 - line 23)	-	-	-	-	-	-
<u>Storage Fuel Costs</u>							
26	EB-2017-0323 2015 DSM Deferrals	328	208	81	37	2	-
27	EB-2018-0253 October 2018 QRAM	351	223	87	39	2	-
28	Change in Costs (line 27 - line 26)	23	15	6	3	0	-
29	Total Change in Storage Costs (line 25 + line 28)	23	15	6	3	0	-
30	Total Change in North East Zone Costs (line 22 + line 29)	89	57	22	8	0	2
<u>Common Costs</u>							
31	EB-2017-0323 2015 DSM Deferrals	1,271	-	-	-	-	-
32	EB-2018-0253 October 2018 QRAM	1,271	-	-	-	-	-
33	Change in Costs (line 32 - line 31)	-	-	-	-	-	-
34	Total Change in Storage and Transportation Costs (line 15 + line 30)	159	104	36	16	0	3

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

Line No.	Derivation of Amounts for Recovery		
	<u>Change in Gas Cost:</u>		
1	Dawn Reference Price as per EB-2018-0253	(\$/10 ³ m ³)	132,809
2	Dawn Reference Price as per EB-2017-0323	(\$/10 ³ m ³)	124,098
3	Change in Gas Cost (line 1 - line 2)	(\$/10 ³ m ³)	<u>8,711</u>
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)	<u>747</u>
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)	6,750
8	Composite Rate of Return		5.18% (1)
9	Amount for Recovery - Gas in Storage (line 7 x line 8)	(\$000's)	<u>348</u>
10	Total Gas Cost Change to Distribution Rates (line 5 + line 9)	(\$000's)	<u>1,095</u>

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 (\$000's) (g) = (c + f)	Current Approved Distribution Volume (4) (10 ³ m ³) (h)	Unit Rate Change (5) (cents/m ³) (i) = (g / h)	
	Cost Allocation (2) (\$000's) (a)	Allocation Factor (%) (b)	Amount for Recovery (\$000's) (c)	Cost Allocation (3) (\$000's) (d)	Allocation Factor (%) (e)	Amount for Recovery (\$000's) (f)				
11	R01	1,615	24.64%	182	21,804	18.30%	57	239	886,340	0.0270
12	R10	508	7.76%	57	5,717	4.80%	15	72	325,962	0.0222
13	R20	181	2.76%	20	1,533	1.29%	4	24	604,555	0.0040
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%	278	60,609	50.86%	160	437	2,808,296	0.0156
17	M2	824	12.57%	93	20,667	17.34%	54	147	1,079,737	0.0136
18	M4	342	5.22%	39	3,024	2.54%	8	46	339,216	0.0137
19	M5A	431	6.57%	48	4,078	3.42%	11	59	450,088	0.0132
20	M7	127	1.94%	14	1,113	0.93%	3	17	119,242	0.0145
21	M9	54	0.83%	6	511	0.43%	1	7	60,750	0.0123
22	M10	0	0.00%	0	5	0.00%	0	0	189	0.0174
									(GJ)	(\$/GJ)
23	T1	-	0.00%	-	-	0.00%	8	8 (5)	492,360	0.017
24	T2	-	0.00%	-	-	0.00%	26	26 (5)	1,516,920	0.017
25	T3	-	0.00%	-	-	0.00%	-	- (5)	-	-
26	M12	-	0.00%	-	-	0.00%	-	- (5)	-	-
27	M13	-	0.00%	2	-	0.00%	-	2 (5)	5,934,507	0.000
28	M16	-	0.00%	7	-	0.00%	-	7 (5)(6)	-	-
29	C1	-	0.00%	-	-	0.00%	-	- (5)	-	-
30	Total	<u>6,554</u>	<u>100.00%</u>	<u>747</u>	<u>119,168</u>	<u>100.00%</u>	<u>348</u>	<u>1,095</u>		

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 | | | <u>5.18%</u> |
- (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 (f).
- (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".

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

M16 Storage Transportation Service	Billing Units (GJs)	Rate Change (\$/GJ)	Cost Recovery (\$000's)
Charges West of Dawn:			
Fuel & UFG to Dawn	4,098,775	0.000	1
Fuel & UFG to Pool	4,098,775	0.001	4
Charges East of Dawn:			
Fuel & UFG to Dawn	2,137,619	0.000	1
Fuel & UFG to Pool	2,137,619	0.000	1
Total Rate M16			<u>7</u>

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)	
Deferral Amounts for Recovery										
Change in 12-month deferral account projection:										
1	12-month projection from current QRAM application	(1)	(\$000's)	-	(0)	21,809	-	-	(7)	(92)
2	Less: Projection from previous QRAM application	(2)	(\$000's)	-	(7)	6,235	-	-	-	(93)
3	Change (Line 1 - Line 2)			-	6	15,573	-	-	(7)	2
Previous Quarter: True-up of Deferral Balances										
Variance between projected and actual deferral balances for month(s) with actual data since previous QRAM application:										
4	Actual deferral amount	(3)	(\$000's)	-	(3,323)	(1,756)	-	-	(406)	(1,630)
5	Current projected deferral amount	(4)	(\$000's)	-	(1,365)	545	-	-	963	(134)
6	Less: Previous projection included in recovery	(2)	(\$000's)	-	(2,527)	133	-	-	(107)	(787)
7	Variance (Line 4 + Line 5 - Line 6)		(\$000's)	-	(2,161)	(1,344)	-	-	664	(977)
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)		(\$000's)	-	(2,154)	14,230	-	-	657	(975)
Previous Quarter: True-up of Prospective Recovery Amounts										
Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:										
9	Forecast prospective recovery amount		(\$000's)	2,194	(2,122)	(2,472)	(740)	(31)	127	1,215
10	Less: Actual prospective recovery amount		(\$000's)	2,250	(2,308)	(2,589)	(734)	(31)	130	1,194
11	Variance (Line 9 - Line 10)		(\$000's)	(55)	186	116	(7)	(0)	(4)	21
12	Prospective Recovery Amount Deferral Transfer		(\$000's)	55	(15)	(40)	7	0	(2)	(5)
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + Line 12)		(\$000's)	-	(1,984)	14,306	-	-	652	(960)
Calculation of Current Unit Rate for Prospective Recovery										
14	Applicable Forecast Billing Units (October 1, 2018 to September 30, 2019)	(2)	(10 ³ m ³)	1,070,580	296,015	774,565	1,418,469	1,070,580	378,580	1,039,889
15	Current QRAM Unit Rate (Line 12 / Line 13 * 100)		(cents/m ³)	-	(0.6702)	1.8470	-	-	0.1722	(0.0923)
Summary of Unit Rates										
16	Expiring Unit Rate Q3 and Q4	(2)	(cents/m ³)	-	(0.4413)	(0.6639)	-	-	0.0307	0.1325
17	Unit Rate Q1	(2)	(cents/m ³)	-	(0.5589)	(0.4598)	-	-	(0.0287)	0.1193
18	Unit Rate Q2	(2)	(cents/m ³)	-	(0.7835)	0.6317	-	-	0.0420	(0.1665)
19	Unit Rate Q3 Expiring rider	(2)	(cents/m ³)	-	-	-	-	-	-	-
20	Unit Rate Q4 Expiring rider replaced by new rider (Line 15)	(2)	(cents/m ³)	-	(0.6702)	1.8470	-	-	0.1722	(0.0923)
21	Total Unit Rate - Prospective Recovery		(cents/m ³)	-	(2.0126)	2.0189	-	-	0.1855	(0.1395)
22	Change in Unit Rate (Line 15 - Line 16)		(cents/m ³)	-	(0.2289)	2.5109	-	-	0.1415	(0.2248)

Notes:

- (1) Tab 1, Schedule 2, p. 1, Line 26.
- (2) Working Papers, Schedule 2.
- (3) Tab 1, Schedule 2, p. 1, Lines 4+5+6+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)
Deferral Amounts for Recovery									
Change in 12-month deferral account projection:									
1	12-month projection from current QRAM application	(1)	(\$000's) 62,819	(12,710)	-	-	-	-	71,819
2	Less: Projection from previous QRAM application	(2)	(\$000's) 36,785	3,608	-	-	-	-	46,529
3	Change (Line 1 - Line 2)		26,034	(16,318)	-	-	-	-	25,291
Previous Quarter: True-up of Deferral Balances									
Variance between projected and actual deferral balances for month(s) with actual data since previous QRAM application:									
4	Actual deferral amount	(3)	(\$000's) 29,965	3,865	-	-	-	216	26,931
5	Current projected deferral amount	(4)	(\$000's) 16,744	13	-	-	-	-	16,766
6	Less: Previous projection included in recovery	(2)	(\$000's) 15,949	55	-	-	-	-	12,715
7	Variance (Line 4 + Line 5 - Line 6)		(\$000's) 30,761	3,824	-	-	-	216	30,983
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)		(\$000's) 56,795	(12,494)	-	-	-	216	56,274
Previous Quarter: True-up of Prospective Recovery Amounts									
Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:									
9	Forecast prospective recovery amount		(\$000's) 24,392	16,053	(2)	-	5	(25)	38,593
10	Less: Actual prospective recovery amount		(\$000's) 26,153	17,208	(2)	-	4	(26)	41,250
11	Variance (Line 9 - Line 10)		(\$000's) (1,761)	(1,155)	(0)	-	1	1	(2,657)
12	Prospective Recovery Amount Deferral Transfer		(\$000's) -	-	-	-	-	-	-
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + Line 12)		(\$000's) 55,034	(13,649)	(0)	-	1	217	53,616
Calculation of Current Unit Rate for Prospective Recovery									
14	Applicable Forecast Billing Units (October 1, 2018 to September 30, 2019)	(2)	(10 ³ m ³) 3,412,217	4,482,797	954,682	348,935	114,853	296,015	
15	Current QRAM Unit Rate (Line 12 / Line 13 * 100)		(cents/m ³) 1.6128	(0.3045)	-	-	0.0007	0.0734	
Summary of Unit Rates									
16	Expiring Unit Rate Q3 and Q4	(2)	(cents/m ³) 0.2445	0.7255	(0.0002)	0.0000	0.0098	(0.0023)	
17	Unit Rate Q1	(2)	(cents/m ³) 0.0303	0.0658	-	-	0.0011	(0.0010)	
18	Unit Rate Q2	(2)	(cents/m ³) 0.5380	0.0121	-	-	0.0006	0.0002	
19	Unit Rate Q3 Expiring rider	(2)	(cents/m ³) -	-	-	-	-	-	
20	Unit Rate Q4 Expiring rider replaced by new rider (Line 15)	(2)	(cents/m ³) 1.6128	(0.3045)	-	-	0.0007	0.0734	
21	Total Unit Rate - Prospective Recovery		(cents/m ³) 2.1811	(0.2266)	-	-	0.0024	0.0726	
22	Change in Unit Rate (Line 15 - Line 16)		(cents/m ³) 1.3683	(1.0300)	0.0002	-	(0.0091)	0.0757	

Notes:

- (1) Tab 1, Schedule 2, p. 1, Line 26.
- (2) Working Papers, Schedule 2.
- (3) Tab 1, Schedule 2, p. 1, Lines 4+5+6+7+8+9 except Inventory Revaluation (179-109), which is Tab 1, Schedule 2, p.1., Lines 5+6+7+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-2017-0323 Effective October 1, 2018 Unit Rate for Prospective Recovery (1) (a)	Change in Rider (2) (b)	EB-2018-0253 Effective October 1, 2018 Unit Rate for Prospective Recovery (3) (c) = (a + b)
<u>Commodity Unit Rates for Prospective Recovery</u>				
<u>Union North West</u>				
1	Union North West Purchase Gas Variance Account	(1.7837)	(0.2289)	(2.0126)
2	Inventory Revaluation	0.8034	(1.0300)	(0.2266)
3	Spot Gas	(0.0031)	0.0757	0.0726
4	Total Union North West Commodity Unit Rate	(0.9834)	(1.1832)	(2.1666)
<u>Union North East</u>				
5	Union North East Purchase Gas Variance Account	(0.4920)	2.5109	2.0189
6	Inventory Revaluation	0.8034	(1.0300)	(0.2266)
7	Spot Gas (4)	(0.0031)	0.0031	-
8	Total Union North East Commodity Unit Rate	0.3083	1.4840	1.7923
<u>Union South</u>				
9	South Purchase Gas Variance Account	0.8128	1.3683	2.1811
10	Inventory Revaluation	0.8034	(1.0300)	(0.2266)
11	Total South Commodity Unit Rate	1.6162	0.3383	1.9545
<u>Union North Transportation Unit Rates for Prospective Recovery</u>				
<u>Union North West</u>				
Rate 01				
12	Load Balancing	(0.0002)	0.0002	-
13	Union North West Tolls & Fuel Account	0.0440	0.1415	0.1855
14	Total Rate 01	0.0438	0.1417	0.1855
Rate 10				
15	Load Balancing	-	-	-
16	Union North West Tolls & Fuel Account	0.0440	0.1415	0.1855
17	Total Rate 10	0.0440	0.1415	0.1855
Rate 20				
18	Load Balancing	0.0115	(0.0091)	0.0024
19	Union North West Tolls & Fuel Account	0.0440	0.1415	0.1855
20	Total Rate 20	0.0555	0.1324	0.1879
<u>Union North East</u>				
Rate 01				
21	Load Balancing	(0.0002)	0.0002	-
22	Union North East Tolls & Fuel Account	0.0853	(0.2248)	(0.1395)
23	Total Rate 01	0.0851	(0.2246)	(0.1395)
Rate 10				
24	Load Balancing	-	-	-
25	Union North East Tolls & Fuel Account	0.0853	(0.2248)	(0.1395)
26	Total Rate 10	0.0853	(0.2248)	(0.1395)
Rate 20				
27	Load Balancing	0.0115	(0.0091)	0.0024
28	Union North East Tolls & Fuel Account	0.0853	(0.2248)	(0.1395)
29	Total Rate 20	0.0968	(0.2339)	(0.1371)

Notes:

- (1) EB-2018-0104, 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.
- (4) Effective October 2018 QRAM the Spot Gas Variance Account rider is related to Union North West Zone only.

UNION GAS LIMITED
Calculation of Union South In-franchise Unit Rate Change
Parkway Delivery Commitment Incentive (PDCI) Costs Updated to Remove Cap-and-Trade Charges
Effective October 1, 2018

Line No.	Particulars	Billing Units	2018 PDCI Cost Change (\$000's) (1) (a)	EB-2017-0087 Approved Forecast Usage (2) (b)	Unit Rate Change (cents / m ³) (c)=(a/b*100)
<u>Rate M1</u>					
Monthly Delivery Commodity Charge					
1	First 100 m ³	10 ³ m ³	(60)	845,823	(0.0070)
2	Next 150 m ³	10 ³ m ³	(50)	751,066	(0.0067)
3	All over 250 m ³	10 ³ m ³	(70)	1,211,407	(0.0058)
4	Total Rate M1		<u>(180)</u>	<u>2,808,296</u>	<u>(0.0064)</u>
<u>Rate M2</u>					
Monthly Delivery Commodity Charge					
5	First 1,000 m ³	10 ³ m ³	(4)	58,711	(0.0064)
6	Next 6,000 m ³	10 ³ m ³	(18)	285,720	(0.0062)
7	Next 13,000 m ³	10 ³ m ³	(19)	322,850	(0.0060)
8	All over 20,000 m ³	10 ³ m ³	(23)	412,456	(0.0055)
9	Total Rate M2		<u>(64)</u>	<u>1,079,737</u>	<u>(0.0059)</u>
<u>Rate M4</u>					
Monthly Demand Charge					
10	First 8,450 m ³	10 ³ m ³ /d	(12)	12,905	(0.0960)
11	Next 19,700 m ³	10 ³ m ³ /d	(3)	7,864	(0.0430)
12	All over 28,150 m ³	10 ³ m ³ /d	(2)	4,507	(0.0361)
Monthly Delivery Commodity Charge					
13	First Block	10 ³ m ³	(12)	332,070	(0.0035)
14	All remaining use	10 ³ m ³	(0)	7,146	(0.0014)
15	Total Rate M4		<u>(29)</u>	<u>339,216</u>	<u>(0.0086)</u>
<u>Rate M5A</u>					
Firm contracts					
16	Monthly Delivery Commodity Charge	10 ³ m ³	(1)	14,622	(0.0050)
17	Total Delivery - Firm M5A		<u>(1)</u>	<u>14,622</u>	<u>(0.0050)</u>
Interruptible contracts					
18	Delivery Commodity Charge (Avg Price)	10 ³ m ³	(20)	435,466	(0.0046)
19	Total Delivery -Interruptible M5A		<u>(20)</u>	<u>435,466</u>	<u>(0.0046)</u>
20	Total Rate M5A		<u>(21)</u>	<u>450,088</u>	<u>(0.0046)</u>
<u>Rate M7</u>					
Firm Contracts					
21	Monthly Delivery Commodity Charge	10 ³ m ³	(12)	115,469	(0.0101)
22	Total Delivery - Firm M7		<u>(12)</u>	<u>115,469</u>	<u>(0.0101)</u>
Interruptible / Seasonal Contracts					
23	Monthly Delivery Commodity Charge	10 ³ m ³	-	3,773	-
24	Total Rate M7		<u>(12)</u>	<u>119,242</u>	<u>(0.0098)</u>
<u>Rate M9</u>					
25	Monthly Delivery Commodity Charge	10 ³ m ³	(6)	60,750	(0.0098)
26	Total Rate M9		<u>(6)</u>	<u>60,750</u>	<u>(0.0098)</u>
<u>Rate M10</u>					
27	Monthly Delivery Commodity Charge	10 ³ m ³	(0)	189	(0.0099)
28	Total Rate M10		<u>(0)</u>	<u>189</u>	<u>(0.0099)</u>

Notes:

- (1) Working Papers, Schedule 3, p. 1, column (i).
(2) EB-2017-0087, Rate Order, Working Papers, Schedule 4, column (r).

UNION GAS LIMITED
 Calculation of Union South In-franchise Unit Rate Change
 Parkway Delivery Commitment Incentive (PDCI) Costs Updated to Remove Cap-and-Trade Charges
 Effective October 1, 2018

Line No.	Particulars	Billing Units	2018 PDCI Cost Change (\$000's) (1) (a)	EB-2017-0087 Approved Forecast Usage (2) (b)	Unit Rate Change (cents / m ³) (c)=(a/b*100)
	<u>Rate T1</u>				
	Transportation				
1	All Volumes	10 ³ m ³	(26)	448,854	(0.0058)
2	Interruptible	10 ³ m ³	(3)	58,485	(0.0048)
3	Total Rate T1		<u>(29)</u>	<u>507,339</u>	<u>(0.0058)</u>
	<u>Rate T2</u>				
	Transportation				
4	All Volumes	10 ³ m ³	(136)	4,231,421	(0.0032)
5	Interruptible	10 ³ m ³	(3)	335,463	(0.0009)
6	Total Rate T2		<u>(139)</u>	<u>4,566,884</u>	<u>(0.0031)</u>
	<u>Rate T3</u>				
	Transportation				
7	Commodity	10 ³ m ³	(27)	272,712	(0.0098)
8	Total Rate T3		<u>(27)</u>	<u>272,712</u>	<u>(0.0098)</u>
9	Total PDCI Cost Change		<u>(507)</u>		

Notes:

- (1) Working Papers, Schedule 3, p. 1, column (i).
 (2) EB-2017-0087, Rate Order, Working Papers, Schedule 4, column (r).

UNION GAS LIMITED
Allocation of Cap-and-Trade Deferral Accounts

Line No.	Particulars (\$000's)	Greenhouse Gas Emissions Impact Deferral Account 179-152 (1) (a)	Greenhouse Gas Emissions Compliance Obligation Customer-Related Deferral Account 179-154 (2) (b)	Greenhouse Gas Emissions Compliance Obligation Facility-Related Deferral Account 179-155 (3) (c)	Total (d) = (a+b+c)
<u>Union South In-Franchise</u>					
1	Rate M1	3,833	(1,880)	(426)	1,527
2	Rate M2	359	(1,769)	(75)	(1,484)
3	Rate M4	134	(1,974)	(89)	(1,929)
4	Rate M5	150	(381)	(12)	(244)
5	Rate M7	38	(124)	(80)	(166)
6	Rate M9	5	-	(8)	(3)
7	Rate M10	1	-	(0)	1
8	Rate T1	97	(122)	(20)	(44)
9	Rate T2	269	(5,540)	46	(5,225)
10	Rate T3	30	-	(22)	8
11	Total South In-Franchise	<u>4,916</u>	<u>(11,789)</u>	<u>(687)</u>	<u>(7,560)</u>
<u>Union North In-Franchise</u>					
12	Rate 01	1,521	(107)	(337)	1,077
13	Rate 10	132	(661)	(83)	(612)
14	Rate 20	113	(2,708)	17	(2,577)
15	Rate 25	100	(123)	10	(13)
16	Rate 100	46	(1,465)	154	(1,265)
17	Total North In-Franchise	<u>1,912</u>	<u>(5,064)</u>	<u>(238)</u>	<u>(3,390)</u>
<u>Ex-Franchise</u>					
18	Rate M12	713	-	(2,277)	(1,564)
19	Rate M13	0	-	3	3
20	Rate M16	1	-	(4)	(3)
21	Rate C1	15	-	(322)	(307)
22	Excess Utility Storage Space	29	-	-	29
23	Total Ex-Franchise	<u>758</u>	<u>-</u>	<u>(2,600)</u>	<u>(1,842)</u>
24	Total In-Franchise & Ex-Franchise	<u><u>7,587</u></u>	<u><u>(16,853)</u></u>	<u><u>(3,525)</u></u>	<u><u>(12,791)</u></u>

Notes:

- (1) Tab 2, Schedule 6, p.2, column (d). Includes interest up to September 30, 2018.
- (2) Tab 2, Schedule 6, p.3, column (d). Includes interest up to September 30, 2018.
- (3) Tab 2, Schedule 6, p.4, column (d). Includes interest up to September 30, 2018.

UNION GAS LIMITED
Allocation of Greenhouse Gas Emissions Impact Deferral Account (179-152)

Line No.	Particulars (\$000's)	Year			Total (d) = (a+b+c)
		2016 (1) (2) (a)	2017 (1) (3) (b)	2018 (1) (4) (c)	
<u>Union South In-Franchise</u>					
1	Rate M1	1,158	1,658	1,017	3,833
2	Rate M2	109	155	95	359
3	Rate M4	40	58	36	134
4	Rate M5	45	65	40	150
5	Rate M7	11	16	10	38
6	Rate M9	2	2	1	5
7	Rate M10	0	1	0	1
8	Rate T1	29	42	26	97
9	Rate T2	81	116	71	269
10	Rate T3	9	13	8	30
11	Total South In-Franchise	<u>1,485</u>	<u>2,127</u>	<u>1,304</u>	<u>4,916</u>
<u>Union North In-Franchise</u>					
12	Rate 01	460	658	404	1,521
13	Rate 10	40	57	35	132
14	Rate 20	34	49	30	113
15	Rate 25	30	43	27	100
16	Rate 100	14	20	12	46
17	Total North In-Franchise	<u>578</u>	<u>827</u>	<u>507</u>	<u>1,912</u>
<u>Ex-Franchise</u>					
18	Rate M12	215	309	189	713
19	Rate M13	0	0	0	0
20	Rate M16	0	0	0	1
21	Rate C1	5	7	4	15
22	Excess Utility Storage Space	9	12	8	29
23	Total Ex-Franchise	<u>229</u>	<u>328</u>	<u>201</u>	<u>758</u>
24	Total In-Franchise & Ex-Franchise	<u>2,292</u>	<u>3,282</u>	<u>2,013</u>	<u>7,587</u>

Notes:

- (1) Allocated in proportion to 2013 Board-approved Administrative and General expenses.
- (2) Includes interest of \$0.067 million up to September 30, 2018.
- (3) Includes interest of \$0.064 million up to September 30, 2018.
- (4) Includes interest of \$0.016 million up to September 30, 2018.

UNION GAS LIMITED
Allocation of Greenhouse Gas Emissions Obligation Customer-Related Deferral Account (179-154)

Line No.	Particulars (\$000's)	Year			Total (d) = (a+b+c)
		2017 (1) (2) (a)	2018 Jan 1 - Jul 3 (1) (3) (b)	2018 Jul 4 - Sep 30 (1) (4) (c)	
<u>Union South In-Franchise</u>					
1	Rate M1	2,597	2,475	(6,952)	(1,880)
2	Rate M2	1,057	897	(3,723)	(1,769)
3	Rate M4	393	359	(2,726)	(1,974)
4	Rate M5	100	43	(524)	(381)
5	Rate M7	33	15	(172)	(124)
6	Rate M9	-	-	-	-
7	Rate M10	-	-	-	-
8	Rate T1	35	27	(184)	(122)
9	Rate T2	346	299	(6,185)	(5,540)
10	Rate T3	-	-	-	-
11	Total South In-Franchise	<u>4,561</u>	<u>4,115</u>	<u>(20,465)</u>	<u>(11,789)</u>
<u>Union North In-Franchise</u>					
12	Rate 01	855	790	(1,753)	(107)
13	Rate 10	317	265	(1,244)	(661)
14	Rate 20	142	87	(2,937)	(2,708)
15	Rate 25	18	20	(161)	(123)
16	Rate 100	131	87	(1,683)	(1,465)
17	Total North In-Franchise	<u>1,465</u>	<u>1,249</u>	<u>(7,778)</u>	<u>(5,064)</u>
<u>Ex-Franchise</u>					
18	Rate M12	-	-	-	-
19	Rate M13	-	-	-	-
20	Rate M16	-	-	-	-
21	Rate C1	-	-	-	-
22	Excess Utility Storage Space	-	-	-	-
23	Total Ex-Franchise	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
24	Total In-Franchise & Ex-Franchise	<u>6,026</u>	<u>5,364</u>	<u>(28,243)</u>	<u>(16,853)</u>

Notes:

- (1) Variance by rate class between actual Cap-and-Trade customer-related obligation costs and the costs recovered in OEB-approved rates.
- (2) Includes interest of \$0.128 million up to September 30, 2018.
- (3) Includes interest of \$0.056 million up to September 30, 2018.
- (4) Includes interest of (\$0.091) million up to September 30, 2018.

UNION GAS LIMITED
Greenhouse Gas Emissions Obligation Facility-Related Deferral Account (179-155)

Line No.	Particulars (\$000's)	Year			Total (d) = (a+b+c)
		2017 (1) (2) (a)	2018 Jan 1 - Jul 3 (1) (3) (b)	2018 Jul 4 - Sep 30 (1) (4) (c)	
<u>Union South In-Franchise</u>					
1	Rate M1	(266)	(109)	(50)	(426)
2	Rate M2	(6)	(41)	(28)	(75)
3	Rate M4	(43)	(21)	(26)	(89)
4	Rate M5	(6)	(2)	(4)	(12)
5	Rate M7	(43)	(16)	(21)	(80)
6	Rate M9	(3)	(2)	(3)	(8)
7	Rate M10	(0)	(0)	0	(0)
8	Rate T1	16	(14)	(22)	(20)
9	Rate T2	396	(114)	(236)	46
10	Rate T3	(8)	(9)	(5)	(22)
11	Total South In-Franchise	<u>37</u>	<u>(329)</u>	<u>(395)</u>	<u>(687)</u>
<u>Union North In-Franchise</u>					
12	Rate 01	(289)	(35)	(13)	(337)
13	Rate 10	(62)	(12)	(9)	(83)
14	Rate 20	67	(14)	(35)	17
15	Rate 25	20	(5)	(6)	10
16	Rate 100	239	(30)	(54)	154
17	Total North In-Franchise	<u>(26)</u>	<u>(95)</u>	<u>(117)</u>	<u>(238)</u>
<u>Ex-Franchise</u>					
18	Rate M12	(1,136)	(523)	(619)	(2,277)
19	Rate M13	10	(2)	(5)	3
20	Rate M16	17	(7)	(14)	(4)
21	Rate C1	262	(112)	(473)	(322)
22	Excess Utility Storage Space	-	-	-	-
23	Total Ex-Franchise	<u>(846)</u>	<u>(643)</u>	<u>(1,111)</u>	<u>(2,600)</u>
24	Total In-Franchise & Ex-Franchise	<u>(835)</u>	<u>(1,067)</u>	<u>(1,623)</u>	<u>(3,525)</u>

Notes:

- (1) Variance by rate class between actual Cap-and-Trade facility-related obligation costs and the costs recovered in OEB-approved rates.
- (2) Includes interest of (\$0.031) million up to September 30, 2018.
- (3) Includes interest of (\$0.004) million up to September 30, 2018.
- (4) Includes interest of (\$0.005) million up to September 30, 2018.

UNION GAS LIMITED
 General Service Unit Rates for Prospective Recovery/(Refund)
Cap-and-Trade Deferral and Variance Account Disposition

Line No.	Particulars	Rate Class	Deferral Balance for Disposition (\$000's) (1) (a)	Forecast Volume (10 ³ m ³) (2) (b)	Unit Rate for Prospective Recovery/(Refund) (cents/m ³) (c) = (a / b)*100
<u>Delivery - GGEIDA</u>					
<u>Union North</u>					
1	Small Volume General Service	01	1,521	300,101	0.5070
2	Large Volume General Service	10	132	109,534	0.1205
<u>Union South</u>					
3	Small Volume General Service	M1	3,833	895,061	0.4282
4	Large Volume General Service	M2	359	380,848	0.0943
5	Total General Service		5,846		
<u>Cap-and-Trade Customer-Related</u>					
<u>Union North</u>					
6	Small Volume General Service	01	(107)	300,096	(0.0358)
7	Large Volume General Service	10	(661)	109,004	(0.6064)
<u>Union South</u>					
8	Small Volume General Service	M1	(1,880)	894,757	(0.2101)
9	Large Volume General Service	M2	(1,769)	370,656	(0.4772)
10	Total General Service		(4,417)		
<u>Cap-and-Trade Facility-Related</u>					
<u>Union North</u>					
11	Small Volume General Service	01	(337)	300,101	(0.1122)
12	Large Volume General Service	10	(83)	109,534	(0.0754)
<u>Union South</u>					
13	Small Volume General Service	M1	(426)	895,061	(0.0476)
14	Large Volume General Service	M2	(75)	380,848	(0.0197)
15	Total General Service		(920)		

Notes:

- (1) Tab 2, Schedule 6, p.1.
- (2) Forecast volume for the period October 1, 2018 to December 31, 2018.

UNION GAS LIMITED
 Contract Unit Rates for One-Time Adjustment - Delivery
Greenhouse Gas Emissions Impact Deferral Account Disposition

Line No.	Particulars	Rate Class	Deferral Balance for Disposition (\$000's) (1) (a)	Volume (10 ³ m ³) (b)	Unit Rate (cents/m ³) (c) = (a / b)*100
2016					
<u>Union North</u>					
1	Medium Volume Firm Service	20	34	565,469	0.0061
2	Large Volume High Load Factor	100	14	1,365,541	0.0010
3	Large Volume Interruptible	25	30	116,389	0.0259
<u>Union South</u>					
4	Firm Com/Ind Contract	M4	40	472,042	0.0086
5	Interruptible Com/Ind Contract	M5	45	194,195	0.0233
6	Special Large Volume Contract	M7	11	475,225	0.0024
7	Large Wholesale	M9	2	72,275	0.0022
8	Small Wholesale	M10	0	247	0.1485
9	Contract Carriage Service	T1	29	447,213	0.0066
10	Contract Carriage Service	T2	81	4,213,980	0.0019
11	Contract Carriage- Wholesale	T3	9	250,167	0.0036
12	Total Contract Service		297		
2017					
<u>Union North</u>					
13	Medium Volume Firm Service	20	49	551,683	0.0089
14	Large Volume High Load Factor	100	20	1,205,190	0.0016
15	Large Volume Interruptible	25	43	109,665	0.0394
<u>Union South</u>					
16	Firm Com/Ind Contract	M4	58	572,216	0.0101
17	Interruptible Com/Ind Contract	M5	65	141,498	0.0458
18	Special Large Volume Contract	M7	16	520,049	0.0031
19	Large Wholesale	M9	2	68,964	0.0032
20	Small Wholesale	M10	1	274	0.1920
21	Contract Carriage Service	T1	42	458,982	0.0092
22	Contract Carriage Service	T2	116	4,487,204	0.0026
23	Contract Carriage- Wholesale	T3	13	257,343	0.0050
24	Total Contract Service		425		
2018					
<u>Union North</u>					
25	Medium Volume Firm Service	20	30	406,981	0.0074
26	Large Volume High Load Factor	100	12	768,400	0.0016
27	Large Volume Interruptible	25	27	108,603	0.0244
<u>Union South</u>					
28	Firm Com/Ind Contract	M4	36	481,869	0.0074
29	Interruptible Com/Ind Contract	M5	40	53,255	0.0746
30	Special Large Volume Contract	M7	10	371,980	0.0027
31	Large Wholesale	M9	1	52,003	0.0026
32	Small Wholesale	M10	0	265	0.1214
33	Contract Carriage Service	T1	26	354,116	0.0073
34	Contract Carriage Service	T2	71	3,065,889	0.0023
35	Contract Carriage- Wholesale	T3	8	191,471	0.0042
36	Total Contract Service		261		

Notes:

(1) Tab 2, Schedule 6, p.1.

UNION GAS LIMITED
Contract Unit Rates for One-Time Adjustment - Cap-and-Trade Customer-Related
Greenhouse Gas Emissions Compliance Obligation - Customer-Related Variance Account Disposition

Line No.	Particulars	Rate Class	Deferral Balance for Disposition (\$000's) (1) (a)	Volume (10 ³ m ³) (b)	Unit Rate (cents/m ³) (c) = (a / b)*100
2017					
<u>Union North</u>					
1	Medium Volume Firm Service	20	142	159,739	0.0891
2	Large Volume High Load Factor	100	131	147,183	0.0891
3	Large Volume Interruptible	25	18	20,575	0.0891
<u>Union South</u>					
4	Firm Com/Ind Contract	M4	393	441,485	0.0891
5	Interruptible Com/Ind Contract	M5	100	112,393	0.0891
6	Special Large Volume Contract	M7	33	36,845	0.0891
7	Large Wholesale	M9	-	-	-
8	Small Wholesale	M10	-	-	-
9	Contract Carriage Service	T1	35	39,603	0.0891
10	Contract Carriage Service	T2	346	388,222	0.0891
11	Contract Carriage- Wholesale	T3	-	-	-
12	Total Contract Service		1,199		
2018 (Jan 1 - Jul 3)					
<u>Union North</u>					
13	Medium Volume Firm Service	20	87	69,975	0.1244
14	Large Volume High Load Factor	100	87	69,740	0.1244
15	Large Volume Interruptible	25	20	16,259	0.1244
<u>Union South</u>					
16	Firm Com/Ind Contract	M4	359	288,305	0.1244
17	Interruptible Com/Ind Contract	M5	43	34,946	0.1244
18	Special Large Volume Contract	M7	15	12,171	0.1244
19	Large Wholesale	M9	-	-	-
20	Small Wholesale	M10	-	-	-
21	Contract Carriage Service	T1	27	21,672	0.1244
22	Contract Carriage Service	T2	299	240,163	0.1244
23	Contract Carriage- Wholesale	T3	-	-	-
24	Total Contract Service		937		
2018 (Jul 4 - Sep 30)					
<u>Union North</u>					
25	Medium Volume Firm Service	20	(2,937)	88,234	(3.3288)
26	Large Volume High Load Factor	100	(1,683)	50,563	(3.3288)
27	Large Volume Interruptible	25	(161)	4,846	(3.3288)
<u>Union South</u>					
28	Firm Com/Ind Contract	M4	(2,726)	81,887	(3.3288)
29	Interruptible Com/Ind Contract	M5	(524)	15,755	(3.3288)
30	Special Large Volume Contract	M7	(172)	5,170	(3.3288)
31	Large Wholesale	M9	-	-	-
32	Small Wholesale	M10	-	-	-
33	Contract Carriage Service	T1	(184)	5,521	(3.3288)
34	Contract Carriage Service	T2	(6,185)	185,789	(3.3288)
35	Contract Carriage- Wholesale	T3	-	-	-
36	Total Contract Service		(14,572)		

Notes:

(1) Tab 2, Schedule 6, p.1.

UNION GAS LIMITED
Contract Unit Rates for One-Time Adjustment - Cap-and-Trade Facility-Related
Greenhouse Gas Emissions Compliance Obligation - Facility-Related Variance Account Disposition

Line No.	Particulars	Rate Class	Deferral Balance for Disposition (\$000's) (1) (a)	Volume (10 ³ m ³) (b)	Unit Rate (cents/m ³) (c) = (a / b)*100
2017					
<u>Union North</u>					
1	Medium Volume Firm Service	20	67	551,683	0.0121
2	Large Volume High Load Factor	100	239	1,205,190	0.0198
3	Large Volume Interruptible	25	20	109,665	0.0185
<u>Union South</u>					
4	Firm Com/Ind Contract	M4	(43)	572,216	(0.0075)
5	Interruptible Com/Ind Contract	M5	(6)	141,498	(0.0044)
6	Special Large Volume Contract	M7	(43)	520,049	(0.0083)
7	Large Wholesale	M9	(3)	68,964	(0.0043)
8	Small Wholesale	M10	(0)	274	(0.0053)
9	Contract Carriage Service	T1	16	458,982	0.0036
10	Contract Carriage Service	T2	396	4,487,204	0.0088
11	Contract Carriage- Wholesale	T3	(8)	257,343	(0.0030)
12	Total Contract Service		634		
2018 (Jan 1 - Jul 3)					
<u>Union North</u>					
13	Medium Volume Firm Service	20	(14)	260,634	(0.0055)
14	Large Volume High Load Factor	100	(30)	542,546	(0.0055)
15	Large Volume Interruptible	25	(5)	83,916	(0.0055)
<u>Union South</u>					
16	Firm Com/Ind Contract	M4	(21)	374,606	(0.0055)
17	Interruptible Com/Ind Contract	M5	(2)	35,455	(0.0055)
18	Special Large Volume Contract	M7	(16)	284,521	(0.0055)
19	Large Wholesale	M9	(2)	37,977	(0.0055)
20	Small Wholesale	M10	(0)	266	(0.0055)
21	Contract Carriage Service	T1	(14)	264,063	(0.0055)
22	Contract Carriage Service	T2	(114)	2,086,761	(0.0055)
23	Contract Carriage- Wholesale	T3	(9)	171,054	(0.0055)
24	Total Contract Service		(227)		
2018 (Jul 4 - Sep 30)					
<u>Union North</u>					
25	Medium Volume Firm Service	20	(35)	146,347	(0.0241)
26	Large Volume High Load Factor	100	(54)	225,854	(0.0241)
27	Large Volume Interruptible	25	(6)	24,687	(0.0241)
<u>Union South</u>					
28	Firm Com/Ind Contract	M4	(26)	107,263	(0.0241)
29	Interruptible Com/Ind Contract	M5	(4)	17,799	(0.0241)
30	Special Large Volume Contract	M7	(21)	87,460	(0.0241)
31	Large Wholesale	M9	(3)	14,026	(0.0241)
32	Small Wholesale	M10	0	(1)	(0.0241)
33	Contract Carriage Service	T1	(22)	90,053	(0.0241)
34	Contract Carriage Service	T2	(236)	979,128	(0.0241)
35	Contract Carriage- Wholesale	T3	(5)	20,417	(0.0241)
36	Total Contract Service		(412)		

Notes:

(1) Tab 2, Schedule 6, p.1.

UNION GAS LIMITED
Ex-Franchise Unit Rates for One-Time Adjustment
Cap-and-Trade Deferral and Variance Account Disposition

Line No.	Particulars (\$000's) (1)	Rate Class	Deferral Balance for Disposition (\$000's) (2) (a)	Volume (GJ) (b)	Billing Units	Unit Rate (\$/GJ) (c) = (a / b)*1000
<u>Delivery - GGEIDA</u>						
<u>2016</u>						
1	Storage and Transportation	M12	215	4,971,980	GJ/d	0.043
2	Local Production	M13	0	3,572,414	GJ/d	0.000
3	Short-Term Cross Franchise	C1	5	1,263,867	GJ/d	0.004
4	Storage Transportation Service	M16	0	17,846	GJ/d	0.017
5	Total Ex-Franchise		220			
<u>2017</u>						
6	Storage and Transportation	M12	309	5,288,926	GJ/d	0.058
7	Local Production	M13	0	3,014,217	GJ/d	0.000
8	Short-Term Cross Franchise	C1	7	1,731,175	GJ/d	0.004
9	Storage Transportation Service	M16	0	17,846	GJ/d	0.024
10	Total Ex-Franchise		316			
<u>2018</u>						
11	Storage and Transportation	M12	189	5,526,387	GJ/d	0.034
12	Local Production	M13	0	2,149,658	GJ/d	0.000
13	Short-Term Cross Franchise	C1	4	2,113,262	GJ/d	0.002
14	Storage Transportation Service	M16	0	18,002	GJ/d	0.015
15	Total Ex-Franchise		193			
<u>Cap-and-Trade Facility-Related</u>						
<u>2017</u>						
16	Storage and Transportation	M12	(1,136)	16,821,350	GJ	Note (3)
17	Local Production	M13	10	82,614	GJ	Note (3)
18	Short-Term Cross Franchise	C1	262	3,200,936	GJ	Note (3)
19	Storage Transportation Service	M16	17	271,679	GJ	Note (3)
20	Total Ex-Franchise		(846)			
<u>2018 (Jan 1 - Jul 3)</u>						
21	Storage and Transportation	M12	(523)	420,958,356	GJ	(0.001)
22	Local Production	M13	(2)	1,418,033	GJ	(0.001)
23	Short-Term Cross Franchise	C1	(112)	86,714,238	GJ	(0.001)
24	Storage Transportation Service	M16	(7)	6,077,889	GJ	(0.001)
25	Total Ex-Franchise		(643)			
<u>2018 (Jul 4 - Sep 30)</u>						
26	Storage and Transportation	M12	(619)	102,849,929	GJ	(0.006)
27	Local Production	M13	(5)	904,356	GJ	(0.006)
28	Short-Term Cross Franchise	C1	(473)	78,585,546	GJ	(0.006)
29	Storage Transportation Service	M16	(14)	2,252,032	GJ	(0.006)
30	Total Ex-Franchise		(1,111)			

Notes:

- (1) Tab 2, Schedule 6, p.1.
- (2) Ex-franchise M12, M13, M16 and C1 customer specific amounts determined using approved deferral account allocation methodologies.
- (3) 2017 unit rate for disposition to be calculated based on each path.

UNION GAS LIMITED
 Union South
General Service Customer Bill Impacts

Line No.	Particulars	Rate M1 - Residential (Annual Consumption of 2,200 m ³)			Rate M2 - Commercial (Annual Consumption of 73,000 m ³)		
		EB-2017-0323	EB-2018-0253	Impact (\$)	EB-2017-0323	EB-2018-0253	Impact (\$)
		Approved 01-Oct-18 Total Bill (\$) (1)	Proposed 01-Oct-18 Total Bill (\$) (1)		Approved 01-Oct-18 Total Bill (\$) (1)	Proposed 01-Oct-18 Total Bill (\$) (1)	
(a)	(b)	(c) = (b) - (a)	(d)	(e)	(f) = (e) - (d)		
	<u>Delivery Charges</u>						
1	Monthly Charge	252.00	252.00	-	840.00	840.00	-
	Delivery Commodity Charge						
2	Cap-and-Trade Customer-Related Charge	73.00	-	(73.00)	2,422.23	-	(2,422.23)
3	Cap-and-Trade Facility-Related Charge	0.54	-	(0.54)	17.53	-	(17.53)
4	Other Delivery Commodity	105.51	105.76	0.25	3,590.90	3,596.30	5.40
5	Prospective Recovery - Delivery	-	-	-	-	-	-
6	Storage Services	16.12	16.12	-	473.26	473.26	-
7	Total Delivery Charge	447.17	373.88	(73.29)	7,343.92	4,909.56	(2,434.36)
	<u>Supply Charges</u>						
8	Transportation to Union	-	-	-	-	-	-
9	Commodity	270.98	290.12	19.14	8,991.20	9,627.10	635.90
10	Prospective Recovery - Commodity	35.56 (2)	43.00 (3)	7.44	1,179.83 (2)	1,426.78 (3)	246.95
11	Subtotal	306.54	333.12	26.58	10,171.03	11,053.88	882.85
12	Total Gas Supply Charge	306.54	333.12	26.58	10,171.03	11,053.88	882.85
	<u>Total Bill</u>						
13	Including Cap-and-Trade Customer-Related Charge	753.71	707.00	(46.71)	17,514.95	15,963.44	(1,551.51)
14	Excluding Cap-and-Trade Customer-Related Charge	680.71	707.00	26.29	15,092.72	15,963.44	870.72
	<u>Impacts</u>						
15	Sales Service			(46.71)			(1,551.51)
16	Direct Purchase			(73.29)			(2,434.36)
17	Commodity Bill Impact			8.7% (4)			8.7% (4)
	<u>Total Bill Impact</u>						
18	Including Cap-and-Trade Customer-Related Charge			(6.2%)			(8.9%)
19	Excluding Cap-and-Trade Customer-Related Charge			3.9%			5.8%

Notes:

- (1) Excludes temporary charges/(credits).
- (2) Prospective recovery charge of 1.6162 cents/m³ for 12 months.
- (3) Prospective recovery charge of 1.9545 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 m ³)			Union North East Rate 01 - Residential (Annual Consumption of 2,200 m ³)		
		EB-2017-0323 Approved 01-Oct-18 Total Bill (\$) (1)	EB-2018-0253 Proposed 01-Oct-18 Total Bill (\$) (1)	Impact (\$) (c) = (b) - (a)	EB-2017-0323 Approved 01-Oct-18 Total Bill (\$) (1)	EB-2018-0253 Proposed 01-Oct-18 Total Bill (\$) (1)	Impact (\$) (f) = (e) - (d)
		(a)	(b)		(d)	(e)	
	<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	202.27	202.87	0.60	202.27	202.87	0.60
5	Total Delivery Charge	527.79	454.87	(72.92)	527.79	454.87	(72.92)
	<u>Supply Charges</u>						
6	Transportation to Union	146.67	146.95	0.28	60.40	60.53	0.13
7	Prospective Recovery - Transportation	0.94 (2)	4.09 (3)	3.15	1.87 (4)	(3.07) (5)	(4.94)
8	Storage Services	48.30	48.41	0.11	140.55	140.61	0.06
9	Prospective Recovery - Storage	-	-	-	-	-	-
10	Subtotal	195.91	199.45	3.54	202.82	198.07	(4.75)
11	Commodity	211.38	232.34	20.96	277.17	296.35	19.18
12	Prospective Recovery - Commodity & Fuel	(21.63) (6)	(47.66) (7)	(26.03)	6.79 (8)	39.42 (9)	32.63
13	Subtotal	189.75	184.68	(5.07)	283.96	335.77	51.81
14	Total Gas Supply Charge	385.66	384.13	(1.53)	486.78	533.84	47.06
	<u>Total Bill</u>						
15	Including Cap-and-Trade Customer-Related Charge	913.45	839.00	(74.45)	1,014.57	988.71	(25.86)
16	Excluding Cap-and-Trade Customer-Related Charge	840.45	839.00	(1.45)	941.57	988.71	47.14
	<u>Impacts</u>						
17	Sales Service			(74.45)			(25.86)
18	Direct Purchase			(69.38)			(77.67)
19	Commodity Bill Impact			(2.7%) (10)			18.2% (10)
	Total Bill Impact						
20	Including Cap-and-Trade Customer-Related Charge			(8.2%)			(2.5%)
21	Excluding Cap-and-Trade Customer-Related Charge			(0.2%)			5.0%

Notes:

- (1) Excludes temporary charges/(credits).
- (2) Prospective recovery charge of 0.0438 cents/m³ for 12 months.
- (3) Prospective recovery charge of 0.1855 cents/m³ for 12 months.
- (4) Prospective recovery charge of 0.0851 cents/m³ for 12 months.
- (5) Prospective recovery charge of (0.1395) cents/m³ for 12 months.
- (6) Prospective recovery charge of (0.9834) cents/m³ for 12 months.
- (7) Prospective recovery charge of (2.1666) cents/m³ for 12 months.
- (8) Prospective recovery charge of 0.3083 cents/m³ for 12 months.
- (9) Prospective recovery charge of 1.7923 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 m ³)			Union North East Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m ³)		
		EB-2017-0323 Approved 01-Oct-18 Total Bill (\$) (1)	EB-2018-0253 Proposed 01-Oct-18 Total Bill (\$) (1)	Impact (\$) (c) = (b) - (a)	EB-2017-0323 Approved 01-Oct-18 Total Bill (\$) (1)	EB-2018-0253 Proposed 01-Oct-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	6,045.32	6,065.97	20.65	6,045.32	6,065.97	20.65
5	Total Delivery Charge	9,993.48	6,905.97	(3,087.51)	9,993.48	6,905.97	(3,087.51)
	<u>Supply Charges</u>						
6	Transportation to Union	5,427.10	5,439.30	12.20	2,339.43	2,345.28	5.85
7	Prospective Recovery - Transportation	40.92 (2)	172.52 (3)	131.60	79.32 (4)	(129.74) (5)	(209.06)
8	Storage Services	1,539.33	1,543.43	4.10	4,231.22	4,233.36	2.14
9	Prospective Recovery - Storage	-	-	-	-	-	-
10	Subtotal	7,007.35	7,155.25	147.90	6,649.97	6,448.90	(201.07)
11	Commodity	8,935.89	9,822.02	886.13	11,717.15	12,527.29	810.14
12	Prospective Recovery - Commodity & Fuel	(914.56) (6)	(2,014.93) (7)	(1,100.37)	286.69 (8)	1,666.84 (9)	1,380.15
13	Subtotal	8,021.33	7,807.09	(214.24)	12,003.84	14,194.13	2,190.29
14	Total Gas Supply Charge	15,028.68	14,962.34	(66.34)	18,653.81	20,643.03	1,989.22
	<u>Total Bill</u>						
15	Including Cap-and-Trade Customer-Related Charge	25,022.16	21,868.31	(3,153.85)	28,647.29	27,549.00	(1,098.29)
16	Excluding Cap-and-Trade Customer-Related Charge	21,936.33	21,868.31	(68.02)	25,561.46	27,549.00	1,987.54
	<u>Impacts</u>						
17	Sales Service			(3,153.85)			(1,098.29)
18	Direct Purchase			(2,939.61)			(3,288.58)
19	Commodity Bill Impact			(2.7%) (10)			18.2% (10)
	Total Bill Impact						
20	Including Cap-and-Trade Customer-Related Charge			(12.6%)			(3.8%)
21	Excluding Cap-and-Trade Customer-Related Charge			(0.3%)			7.8%

Notes:

- (1) Excludes temporary charges/(credits).
- (2) Prospective recovery charge of 0.0440 cents/m³ for 12 months.
- (3) Prospective recovery charge of 0.1855 cents/m³ for 12 months.
- (4) Prospective recovery charge of 0.0853 cents/m³ for 12 months.
- (5) Prospective recovery charge of (0.1395) cents/m³ for 12 months.
- (6) Prospective recovery charge of (0.9834) cents/m³ for 12 months.
- (7) Prospective recovery charge of (2.1666) cents/m³ for 12 months.
- (8) Prospective recovery charge of 0.3083 cents/m³ for 12 months.
- (9) Prospective recovery charge of 1.7923 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
 General Service Bill Impacts
Cap-and-Trade Deferral and Variance Accounts

Line No.	Particulars	Rate Component	Unit Rate for Prospective Recovery/(Refund) (cents/m ³) (1) (a)	Volume (m ³) (2) (b)	Bill Impact (\$) (c) = (a x b) / 100
1	<u>Rate 01</u>	Delivery	0.5070	703	3.57
2		Cap-and-Trade Customer-Related	(0.0358)	703	(0.25)
3		Cap-and-Trade Facility-Related	<u>(0.1122)</u>	703	<u>(0.79)</u>
4			0.3590		2.52
5		Including Cap-and-Trade Customer-Related Charge			2.52
6		Excluding Cap-and-Trade Customer-Related Charge			2.78
7	<u>Rate 10</u>	Delivery	0.1205	29,344	35.36
8		Cap-and-Trade Customer-Related	(0.6064)	29,344	(177.94)
9		Cap-and-Trade Facility-Related	<u>(0.0754)</u>	29,344	<u>(22.13)</u>
10			(0.5613)		(164.71)
11		Including Cap-and-Trade Customer-Related Charge			(164.71)
12		Excluding Cap-and-Trade Customer-Related Charge			13.23
13	<u>Rate M1</u>	Delivery	0.4282	559	2.39
14		Cap-and-Trade Customer-Related	(0.2101)	559	(1.17)
15		Cap-and-Trade Facility-Related	<u>(0.0476)</u>	559	<u>(0.27)</u>
16			0.1705		0.95
17		Including Cap-and-Trade Customer-Related Charge			0.95
18		Excluding Cap-and-Trade Customer-Related Charge			2.13
19	<u>Rate M2</u>	Delivery	0.0943	19,491	18.38
20		Cap-and-Trade Customer-Related	(0.4772)	19,491	(93.01)
21		Cap-and-Trade Facility-Related	<u>(0.0197)</u>	19,491	<u>(3.84)</u>
22			(0.4026)		(78.47)
23		Including Cap-and-Trade Customer-Related Charge			(78.47)
24		Excluding Cap-and-Trade Customer-Related Charge			14.54

Notes:

(1) Tab 2, Schedule 7, p.1, Column (c).

(2) Average consumption, per customer, for the period October 1, 2018 to December 31, 2018.

Rate 01 volume based on annual consumption of 2,200 m³.

Rate 10 volume based on annual consumption of 93,000 m³.

Rate M1 volume based on annual consumption of 2,200 m³.

Rate M2 volume based on annual consumption of 73,000 m³.

EB-2018-0253
Index of Appendices

Appendix A	Summary of Changes to Rates
Appendix B	Rate Schedules
Appendix C	Summary of Average Rate and Price Adjustment Changes
Appendix D	Customer Notices
Appendix E	Miscellaneous Non-Energy Charges

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-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 1, 2018 Rate (c)
1	Monthly Charge - All Zones	\$21.00		\$21.00
	Monthly Delivery Charge - All Zones			
2	First 100 m ³	9.3485	0.0270	9.3755
3	Next 200 m ³	9.1086	0.0270	9.1356
4	Next 200 m ³	8.7293	0.0270	8.7563
5	Next 500 m ³	8.3811	0.0270	8.4081
6	Over 1,000 m ³	8.0934	0.0270	8.1204
7	Delivery - Price Adjustment (All Volumes)	0.0253 (1)	0.5070	0.5323 (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)	-
10	Cap-and-Trade Customer-Related Charge - Price Adjustment	-	(0.0358)	(0.0358) (3)
11	Cap-and-Trade Facility-Related Charge - Price Adjustment	-	(0.1122)	(0.1122) (4)
	Gas Transportation Service			
12	Union North West Zone	6.6669	0.0133	6.6802
13	Union North East Zone	2.7452	0.0064	2.7516
14	Transportation - Price Adjustment (Union North West)	0.0440 (5)	0.1417	0.1857 (5)
15	Transportation - Price Adjustment (Union North East)	0.0918 (6)	(0.2246)	(0.1328) (6)
	Storage Service			
16	Union North West Zone	2.1960	0.0045	2.2005
17	Union North East Zone	6.3886	0.0023	6.3909
18	Storage - Price Adjustment (Union North West)	0.0493 (7)		0.0493 (7)
19	Storage - Price Adjustment (Union North East)	0.0787 (8)		0.0787 (8)
	Commodity Cost of Gas and Fuel			
20	Union North West Zone	9.6085	0.9528	10.5613
21	Union North East Zone	12.5991	0.8711	13.4702
22	Commodity and Fuel - Price Adjustment (Union North West)	(0.9836) (9)	(1.1832)	(2.1668) (9)
23	Commodity and Fuel - Price Adjustment (Union North East)	0.3081 (9)	1.4840	1.7921 (9)
24	System Expansion Surcharge (if applicable)	23.0000		23.0000

Notes:

- (1) Includes a temporary credit of (0.0391) cents/m³ expiring March 31, 2019, and a temporary charge of 0.0644 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (2) Includes a temporary credit of (0.0391) cents/m³ expiring March 31, 2019, a temporary charge of 0.0644 cents/m³ for the period February 1, 2018 to December 31, 2018, and a temporary charge of 0.5070 cents/m³ expiring December 31, 2018.
- (3) Includes a temporary credit of (0.0358) cents/m³ expiring December 31, 2018.
- (4) Includes a temporary credit of (0.1122) cents/m³ expiring 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-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 1, 2018 Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
2	First 1,000 m ³	7.8789	0.0222	7.9011
3	Next 9,000 m ³	6.3933	0.0222	6.4155
4	Next 20,000 m ³	5.7225	0.0222	5.7447
5	Next 70,000 m ³	5.1633	0.0222	5.1855
6	Over 100,000 m ³	3.0448	0.0222	3.0670
7	Delivery - Price Adjustment (All Volumes)	(0.0711) (1)	0.1205	0.0494 (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)	-
10	Cap-and-Trade Customer-Related Charge - Price Adjustment	-	(0.6064)	(0.6064) (3)
11	Cap-and-Trade Facility-Related Charge - Price Adjustment	-	(0.0754)	(0.0754) (4)
	Gas Transportation Service			
12	Union North West Zone	5.8356	0.0131	5.8487
13	Union North East Zone	2.5155	0.0063	2.5218
14	Transportation - Price Adjustment (Union North West)	0.0440 (5)	0.1415	0.1855 (5)
15	Transportation - Price Adjustment (Union North East)	0.0880 (6)	(0.2248)	(0.1368) (6)
	Storage Service			
16	Union North West Zone	1.6552	0.0044	1.6596
17	Union North East Zone	4.5497	0.0023	4.5520
18	Storage - Price Adjustment (Union North West)	0.0316 (7)		0.0316 (7)
19	Storage - Price Adjustment (Union North East)	0.0502 (8)		0.0502 (8)
	Commodity Cost of Gas and Fuel			
20	Union North West Zone	9.6085	0.9528	10.5613
21	Union North East Zone	12.5991	0.8711	13.4702
22	Commodity and Fuel - Price Adjustment (Union North West)	(0.9836) (9)	(1.1832)	(2.1668) (9)
23	Commodity and Fuel - Price Adjustment (Union North East)	0.3081 (9)	1.4840	1.7921 (9)
24	System Expansion Surcharge (if applicable)	23.0000		23.0000

Notes:

- (1) Includes a temporary credit of (0.1115) cents/m³ expiring March 31, 2019, and a temporary charge of 0.0404 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (2) Includes a temporary credit of (0.1115) cents/m³ expiring March 31, 2019, a temporary charge of 0.0404 cents/m³ for the period February 1, 2018 to December 31, 2018, and a temporary charge of 0.1205 cents/m³ expiring December 31, 2018.
- (3) Includes a temporary credit of (0.6064) cents/m³ expiring December 31, 2018.
- (4) Includes a temporary credit of (0.0754) cents/m³ expiring 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-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 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	0.5344	0.0040	0.5384
5	All over 852,000 m ³	0.3803	0.0040	0.3843
	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	55.8953	0.1679	56.0632
9	Union North East Zone	47.5032	0.1235	47.6267
10	Gas Supply Demand - Price Adjustment (All Zones)	-		-
	Commodity Transportation 1			
11	Union North West Zone	3.5086	0.0115	3.5201
12	Union North East Zone	2.2126	0.0048	2.2174
13	Transportation 1 - Price Adjustment (Union North West)	0.0555 (1)	0.1324	0.1879 (1)
14	Transportation 1 - Price Adjustment (Union North East)	0.0968 (1)	(0.2339)	(0.1371) (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	9.3663	0.9283	10.2946
18	Union North East Zone	12.2800	0.8487	13.1287
19	Commodity and Fuel - Price Adjustment (Union North West)	(0.9834) (1)	(1.1832)	(2.1666) (1)
20	Commodity and Fuel - Price Adjustment (Union North East)	0.3083 (1)	1.4840	1.7923 (1)
	Bundled Storage Service (\$/GJ)			
21	Monthly Demand Charge	19.093		19.093
22	Commodity Charge	0.206	0.002	0.208
23	Storage Demand - Price Adjustment	-		-

Notes:

(1) Prospective Recovery of gas supply deferral accounts.

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

Line No.	Particulars (cents/m ³)	EB-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 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	0.2199	0.0001	0.2200
4	Cap-and-Trade Charges			
	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	109.5416	0.3714	109.9130
7	Union North East Zone	154.3467	0.4873	154.8340
8	Gas Supply Demand - Price Adjustment (All Zones)	-		-
9	Commodity Transportation 1 Union North West Zone	6.1476	0.0208	6.1684
10	Union North East Zone	8.8308	0.0279	8.8587
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	9.3663	0.9283	10.2946
16	Union North East Zone	12.2800	0.8487	13.1287
17	Commodity and Fuel - Price Adjustment (Union North West)	(0.9834) (1)	(1.1832)	(2.1666) (1)
18	Commodity and Fuel - Price Adjustment (Union North East)	0.3083 (1)	1.4840	1.7923 (1)
19	Bundled Storage Service (\$/GJ) Monthly Demand Charge	19.093		19.093
20	Commodity Charge	0.206	0.002	0.208
21	Storage Demand - Price Adjustment	-		-

Notes:

(1) Prospective Recovery of gas supply deferral accounts.

UNION GAS LIMITED
 Union North
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 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	5.2239	0.0200	5.2439
Cap-and-Trade Charges				
3	Cap-and-Trade Customer-Related Charge	3.3181	(3.3181)	-
4	Cap-and-Trade Facility-Related Charge	0.0240	(0.0240)	-
Gas Supply Charges - All Zones				
5	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-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 1, 2018 Rate (c)
	<u>Utility Sales</u>			
1	Commodity and Fuel	12.3167	0.8711	13.1878
2	Commodity and Fuel - Price Adjustment	1.6160 (1)	0.3383	1.9543 (1)
3	Transportation	-		-
4	Total Gas Supply Commodity Charge	13.9327	1.2094	15.1421
	<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	57.598		57.598
8	Firm backstop gas	1.424	0.067	1.491
	Commodity charges:			
9	Gas supply	3.191	0.224	3.415
10	Backstop gas	3.638	0.220	3.858
11	Reasonable Efforts Backstop Gas	4.665	0.220	4.885
12	Supplemental Inventory	Note (2)		Note (2)
13	Supplemental Gas Sales Service (cents/m ³)	15.3327	0.8993	16.2320
14	Failure to Deliver	2.828	(0.004)	2.824
15	Discretionary Gas Supply Service (DGSS)	Note (3)		Note (3)

Notes:

- (1) 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.
- (2) The charge for banked gas purchases shall be the higher of the daily spot gas cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.
- (3) Reflects the "back to back" price plus gas supply administration charge.

UNION GAS LIMITED
 Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 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	5.0691	0.0086	5.0777
3	Next 150 m ³	4.8051	0.0089	4.8140
4	All over 250 m ³	4.1228	0.0098	4.1326
5	Delivery - Price Adjustment (All Volumes)	0.3541 (1)	0.4282	0.7823 (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	Cap-and-Trade Customer-Related Charge - Price Adjustment	-	(0.2101)	(0.2101) (3)
9	Cap-and-Trade Facility-Related Charge - Price Adjustment	-	(0.0476)	(0.0476) (4)
10	Storage Service	0.7331		0.7331
11	Storage - Price Adjustment	0.0039 (5)		0.0039 (5)
12	System Expansion Surcharge (if applicable)	23.0000		23.0000
	<u>Rate M2 - Large Volume General Service Rate</u>			
13	Monthly Charge	\$70.00		\$70.00
14	First 1,000 m ³	5.0438	0.0072	5.0510
15	Next 6,000 m ³	4.9478	0.0074	4.9552
16	Next 13,000 m ³	4.7663	0.0076	4.7739
17	All over 20,000 m ³	4.4155	0.0081	4.4236
18	Delivery - Price Adjustment (All Volumes)	0.1981 (6)	0.0943	0.2924 (7)
	Cap-and-Trade Charges			
19	Cap-and-Trade Customer-Related Charge	3.3181	(3.3181)	-
20	Cap-and-Trade Facility-Related Charge	0.0240	(0.0240)	-
21	Cap-and-Trade Customer-Related Charge - Price Adjustment	-	(0.4772)	(0.4772) (8)
22	Cap-and-Trade Facility-Related Charge - Price Adjustment	-	(0.0197)	(0.0197) (9)
23	Storage Service	0.6483		0.6483
24	Storage - Price Adjustment	0.0049 (10)		0.0049 (10)
25	System Expansion Surcharge (if applicable)	23.0000		23.0000

Notes:

- (1) Includes a temporary charge of 0.2716 cents/m³ expiring March 31, 2019, and a temporary charge of 0.0825 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (2) Includes a temporary charge of 0.2716 cents/m³ expiring March 31, 2019, a temporary charge of 0.0825 cents/m³ for the period February 1, 2018 to December 31, 2018, and a temporary charge of 0.4282 cents/m³ expiring December 31, 2018.
- (3) Includes a temporary credit of (0.2101) cents/m³ expiring December 31, 2018.
- (4) Includes a temporary credit of (0.0476) cents/m³ expiring December 31, 2018.
- (5) Includes a temporary charge of 0.0039 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (6) Includes a temporary charge of 0.1127 cents/m³ expiring March 31, 2019, and a temporary charge of 0.0854 cents/m³ for the period February 1, 2018 to December 31, 2018.
- (7) Includes a temporary charge of 0.1127 cents/m³ expiring March 31, 2019, a temporary charge of 0.0854 cents/m³ for the period February 1, 2018 to December 31, 2018, and a temporary charge of 0.0943 cents/m³ expiring December 31, 2018.
- (8) Includes a temporary credit of (0.4772) cents/m³ expiring December 31, 2018.
- (9) Includes a temporary credit of (0.0197) cents/m³ expiring December 31, 2018.
- (10) 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-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 1, 2018 Rate (c)
<u>Rate M4 - Firm comm/ind contract rate</u>				
Monthly demand charge:				
1	First 8,450 m ³	61.7447	(0.0960)	61.6487
2	Next 19,700 m ³	27.6848	(0.0430)	27.6418
3	All over 28,150 m ³	23.2590	(0.0361)	23.2229
Monthly delivery commodity charge:				
4	First block	1.5391	0.0102	1.5493
5	All remaining use	0.5796	0.0123	0.5919
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	1.7284	0.0102	1.7386
<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	3.0171	0.0086	3.0257
12	17,000 m ³ to 30,000 m ³	2.8872	0.0086	2.8958
13	30,000 m ³ to 50,000 m ³	2.8189	0.0086	2.8275
14	50,000 m ³ to 60,000 m ³	2.7710	0.0086	2.7796
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	3.2064	0.0086	3.2150
<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	2.3333	0.0082	2.3415
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	3.0171	0.0086	3.0257
26	17,000 m ³ to 30,000 m ³	2.8872	0.0086	2.8958
27	30,000 m ³ to 50,000 m ³	2.8189	0.0086	2.8275
28	50,000 m ³ to 60,000 m ³	2.7710	0.0086	2.7796
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	3.2064	0.0086	3.2150

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-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 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	0.3328	0.0044	0.3372
3	Delivery - Price Adjustment	-		-
	<u>Interruptible (1)</u>			
4	Monthly delivery commodity charge: Maximum	6.4290	0.0044	6.4334
5	Delivery - Price Adjustment	-		-
	<u>Seasonal (1)</u>			
6	Monthly delivery commodity charge: Maximum	6.1849	0.0044	6.1893
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	0.1544	0.0025	0.1569
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	7.1485	0.0075	7.1560
	<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-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 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	1.429	0.017	1.446
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	0.021	0.001	0.022
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.021	0.001	0.022
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	0.1510	(0.0030)	0.1480
14	Customer provides compressor fuel - All volumes	0.1109	(0.0058)	0.1051
Interruptible commodity charges: (1)				
15	Maximum - Union provides compressor fuel	6.4290	0.0044	6.4334
16	Maximum - customer provides compressor fuel	6.3889	0.0016	6.3905
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	0.083	0.003	0.086
21	Customer provides compressor fuel	0.055	0.001	0.056
22	Transportation commodity charge (cents/m ³)	1.4855	(0.0030)	1.4825
23	Customer provides compressor fuel	1.4454	(0.0058)	1.4396
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-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 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	1.429	0.017	1.446
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	0.021	0.001	0.022
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.021	0.001	0.022
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	0.0632	(0.0006)	0.0626
14	Customer provides compressor fuel - All volumes	0.0266	(0.0032)	0.0234
Interruptible commodity charges: (1)				
15	Maximum - Union provides compressor fuel	6.4290	0.0044	6.4334
16	Maximum - customer provides compressor fuel	6.3924	0.0018	6.3942
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	0.083	0.003	0.086
21	Customer provides compressor fuel	0.055	0.001	0.056
22	Transportation commodity charge (cents/m ³)	1.1159	(0.0006)	1.1153
23	Customer provides compressor fuel	1.0793	(0.0032)	1.0761
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-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 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
2	Firm Injection/Withdrawal Right			
3	Union provides deliverability inventory	1.429	0.017	1.446
4	Customer provides deliverability inventory	1.184		1.184
5	Firm incremental injection	1.184		1.184
5	Interruptible withdrawal	1.184		1.184
Commodity charges:				
6	Withdrawal	0.021	0.001	0.022
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.021	0.001	0.022
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	0.1178	(0.0062)	0.1116
13	Customer provides compressor fuel - All volumes	0.0667	(0.0098)	0.0569
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	0.083	0.003	0.086
17	Customer provides compressor fuel	0.055	0.001	0.056
18	Transportation commodity charge (cents/m ³)	0.7092	(0.0062)	0.7030
19	Customer provides compressor fuel	0.6581	(0.0098)	0.6483
<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-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 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-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 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	0.005		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-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 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	0.005		0.005
6	West of Dawn - Union supplied fuel	0.005		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	0.014	0.001	0.015
11	East of Dawn - Shipper supplied fuel	Note (1)		Note (1)
12	West of Dawn - Shipper supplied fuel	Note (1)		Note (1)
Cap-and-Trade Facility-Related Charges to Dawn:				
13	East of Dawn - All Shippers	0.006	(0.006)	-
14	West of Dawn - All Shippers	0.006	(0.006)	-
Cap-and-Trade Facility-Related Charges to Pool:				
15	East of Dawn - All Shippers	0.006	(0.006)	-
16	West of Dawn - All Shippers	0.006	(0.006)	-
<u>Authorized Overrun</u>				
Transportation Fuel Charges to Dawn:				
17	East of Dawn - Union supplied fuel	0.065	0.001	0.066
18	West of Dawn - Union supplied fuel	0.135		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	0.031	0.001	0.032
22	West of Dawn - Union supplied fuel	0.109	0.001	0.110
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)	0.010		0.010
38	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.014	0.001	0.015
39	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.005		0.005
40	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.010		0.010
41	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.005		0.005
42	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.005		0.005
43	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.024	0.002	0.026
44	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.010	0.001	0.011
45	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.033	0.003	0.036
46	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.019	0.001	0.020
47	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.014	0.001	0.015
48	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.014		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-2017-0323 Approved October 1, 2018 Rate (a)	Rate Change (b)	EB-2018-0253 Approved October 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)	0.103	0.001	0.104
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)	0.105		0.105
35	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.109	0.001	0.110
36	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.147	0.002	0.149
37	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.152	0.002	0.154
38	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.076	0.001	0.077
39	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.076	0.001	0.077
40	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.148	0.003	0.151
41	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.134	0.002	0.136
42	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.175	0.004	0.179
43	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.161	0.002	0.163
44	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.052	0.003	0.055
45	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.052	0.002	0.054
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.

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 @	9.3755	9.3755
Next 200 m ³ per month @	9.1356	9.1356
Next 200 m ³ per month @	8.7563	8.7563
Next 500 m ³ per month @	8.4081	8.4081
Over 1,000 m ³ per month @	8.1204	8.1204
Delivery-Price Adjustment (All Volumes) (1)	0.5323	0.5323
<u>CAP-AND-TRADE CHARGES (in addition to Delivery Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	-	-
Cap-and-Trade Facility-Related Charge	-	-
Cap-and-Trade Customer-Related - Price Adjustment (if applicable) (2)	(0.0358)	(0.0358)
Cap-and-Trade Facility-Related - Price Adjustment (3)	(0.1122)	(0.1122)

Notes:

(1) Includes a temporary credit of (0.0391) cents/m³ expiring March 31, 2019, a temporary charge of 0.0644 cents/m³ for the period February 1, 2018 to December 31, 2018, and a temporary charge of 0.5070 cents/m³ expiring December 31, 2018.

(2) Includes a temporary credit of (0.0358) cents/m³ expiring December 31, 2018.

(3) Includes a temporary credit of (0.1122) cents/m³ expiring December 31, 2018.



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 October 1, 2018
Implemented October 1, 2018
O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 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 @	7.9011	7.9011
Next 9,000 m ³ per month @	6.4155	6.4155
Next 20,000 m ³ per month @	5.7447	5.7447
Next 70,000 m ³ per month @	5.1855	5.1855
Over 100,000 m ³ per month @	3.0670	3.0670
Delivery-Price Adjustment (All Volumes) (1)	0.0494	0.0494
<u>CAP-AND-TRADE CHARGES (in addition to Delivery Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	-	-
Cap-and-Trade Facility-Related Charge	-	-
Cap-and-Trade Customer-Related - Price Adjustment (if applicable) (2)	(0.6064)	(0.6064)
Cap-and-Trade Facility-Related - Price Adjustment (3)	(0.0754)	(0.0754)

Notes:

- (1) Includes a temporary credit of (0.1115) cents/m³ expiring March 31, 2019, a temporary charge of 0.0404 cents/m³ for the period February 1, 2018 to December 31, 2018, and a temporary charge of 0.1205 cents/m³ expiring December 31, 2018.
- (2) Includes a temporary credit of (0.6064) cents/m³ expiring December 31, 2018.
- (3) Includes a temporary credit of (0.0754) cents/m³ expiring December 31, 2018.

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 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 October 1, 2018
Implemented October 1, 2018
O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 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	0.5384
Commodity Charge for all units over 852,000 m ³ of gas volumes delivered	0.3843
<u>CAP-AND-TRADE CHARGES</u> (in addition to Delivery Charges)	
Cap-and-Trade Customer-Related Charge (if applicable)	-
Cap-and-Trade Facility-Related Charge	-

Notes:

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

ADDITIONAL CHARGES FOR SALES SERVICE

Gas Supply Charge

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

Commodity Transportation

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

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

HEAT CONTENT ADJUSTMENT

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

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



COMMISSIONING AND DECOMMISSIONING RATE

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

	<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	2.4223	2.4223
<u>CAP-AND-TRADE CHARGES (in addition to Delivery Charges)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	-	-
Cap-and-Trade Facility-Related Charge	-	-

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)	\$0.208
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Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ)	\$0.836
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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 October 1, 2018
Implemented October 1, 2018
O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 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 CHARGES
APPLICABLE 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:	5.2439
<u>CAP-AND-TRADE CHARGES (in addition to Delivery Charges)</u>	
Cap-and-Trade Customer-Related Charge (if applicable)	-
Cap-and-Trade Facility-Related Charge	-
<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.

ADDITIONAL CHARGES FOR SALES SERVICEGas Supply Charge

As per applicable rate provided in Schedule "A".

Interruptible Service

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

HEAT CONTENT ADJUSTMENT

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

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 October 1, 2018
Implemented October 1, 2018
O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 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 October 1, 2018
Implemented October 1, 2018
O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 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 CHARGES
APPLICABLE 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)	0.2200
<u>CAP-AND-TRADE CHARGES</u> (in addition to Delivery Charges) Cap-and-Trade Customer-Related Charge (if applicable)	-
Cap-and-Trade Facility-Related Charge	-

Notes:

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

ADDITIONAL CHARGES FOR SALES SERVICE
Gas Supply Charges

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

Commodity Transportation

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

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

HEAT CONTENT ADJUSTMENT

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

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



COMMISSIONING AND DECOMMISSIONING RATE

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

	<u>Union North West</u>	<u>Union 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	0.9286	0.9286
<u>CAP-AND-TRADE CHARGES (in addition to Delivery Charges)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	-	-
Cap-and-Trade Facility-Related Charge	-	-

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)	\$0.208
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Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ)	\$0.836
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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 October 1, 2018
Implemented October 1, 2018
O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 1, 2018.

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	2.2005	6.3909
Storage - Price Adjustment	0.0493 (1)	0.0787 (2)
Commodity and Fuel (3)	10.5613	13.4702
Commodity and Fuel - Price Adjustment (4)	(2.1668)	1.7921
Transportation	6.6802	2.7516
Transportation - Price Adjustment	0.1857 (5)	(0.1328) (6)
Total Gas Supply Charge	<u>17.5102</u>	<u>24.3507</u>
<u>Rate 10 (cents / m³)</u>		
Storage	1.6596	4.5520
Storage - Price Adjustment	0.0316 (7)	0.0502 (8)
Commodity and Fuel (3)	10.5613	13.4702
Commodity and Fuel - Price Adjustment (4)	(2.1668)	1.7921
Transportation	5.8487	2.5218
Transportation - Price Adjustment	0.1855 (9)	(0.1368) (10)
Total Gas Supply Charge	<u>16.1199</u>	<u>22.2495</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.

Union Gas Limited
 Union North
Gas Supply Charges

Utility Sales

<u>Rate 20 (cents / m³)</u>	<u>Union North West</u>	<u>Union North East</u>
Commodity and Fuel (1)	10.2946	13.1287
Commodity and Fuel - Price Adjustment (2)	(2.1666)	1.7923
Commodity Transportation - Charge 1	3.5201	2.2174
Transportation 1 - Price Adjustment (2)	0.1879	(0.1371)
Commodity Transportation - Charge 2	-	-
Monthly Gas Supply Demand	56.0632	47.6267
Gas Supply Demand - Price Adjustment	-	-
Commissioning and Decommissioning Rate	6.6527	4.7959

Rate 100 (cents / m³)

Commodity and Fuel (1)	10.2946	13.1287
Commodity and Fuel - Price Adjustment (2)	(2.1666)	1.7923
Commodity Transportation - Charge 1	6.1684	8.8587
Commodity Transportation - Charge 2	-	-
Monthly Gas Supply Demand	109.9130	154.8340
Commissioning and Decommissioning Rate	7.8059	11.0686

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 October 1, 2018
 Implemented October 1, 2018
 O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 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	5.0777	¢ per m ³
Next	150 m ³	4.8140	¢ per m ³
All Over	250 m ³	4.1326	¢ per m ³
Delivery - Price Adjustment (All Volumes) (1)		0.7823	¢ per m ³
<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>			
Cap-and-Trade Customer-Related Charge (if applicable)		-	¢ per m ³
Cap-and-Trade Facility-Related Charge		-	¢ per m ³
Cap-and-Trade Customer-Related - Price Adjustment (if applicable) (2)		(0.2101)	¢ per m ³
Cap-and-Trade Facility-Related - Price Adjustment (3)		(0.0476)	¢ per m ³
c) Storage Charge (if applicable)		0.7331	¢ per m ³
Storage - Price Adjustment (All Volumes) (4)		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 0.2716 cents/m³ expiring March 31, 2019, and a temporary charge of 0.0825 cents/m³ for the period February 1, 2018 to December 31, 2018, and a temporary charge of 0.4282 cents/m³ expiring December 31, 2018.
- (2) Includes a temporary credit of (0.2101) cents/m³ expiring December 31, 2018.
- (3) Includes a temporary credit of (0.0476) cents/m³ expiring December 31, 2018.
- (4) 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	5.8108	¢ per m ³
<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	-	¢ per m ³
Cap-and-Trade Facility-Related Charge	-	¢ per m ³
Cap-and-Trade Customer-Related - Price Adjustment (if applicable)	(0.2101)	¢ per m ³
Cap-and-Trade Facility-Related - Price Adjustment	(0.0476)	¢ per m ³

Notes:

- (1) Includes a temporary credit of (0.2101) cents/m³ expiring December 31, 2018.
- (2) Includes a temporary credit of (0.0476) cents/m³ expiring December 31, 2018.

(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.

(l) Company Policy Relating to Terms of Service

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

<u>Zone</u>	Assumed Atmospheric Pressure kPa		Assumed Atmospheric Pressure kPa
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 October 1, 2018
Implemented October 1, 2018
O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 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	5.0510	¢ per m ³
	Next	6 000 m ³	4.9552	¢ per m ³
	Next	13 000 m ³	4.7739	¢ per m ³
	All Over	20 000 m ³	4.4236	¢ per m ³
	Delivery – Price Adjustment (All Volumes) (1)		0.2924	¢ per m ³
	<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>			
	Cap-and-Trade Customer-Related Charge (if applicable)		-	¢ per m ³
	Cap-and-Trade Facility-Related Charge		-	¢ per m ³
	Cap-and-Trade Customer-Related - Price Adjustment (if applicable) (2)		(0.4772)	¢ per m ³
	Cap-and-Trade Facility-Related - Price Adjustment (3)		(0.0197)	¢ per m ³
c) Storage Charge (if applicable)			0.6483	¢ per m ³
	Storage - Price Adjustment (All Volumes) (4)		0.0049	¢ 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 0.1127 cents/m³ expiring March 31, 2019, and a temporary charge of 0.0854 cents/m³ for the period February 1, 2018 to December 31, 2018, and a temporary charge of 0.0943 cents/m³ expiring December 31, 2018.
- (2) Includes a temporary credit of (0.4772) cents/m³ expiring December 31, 2018.
- (3) Includes a temporary credit of (0.0197) cents/m³ expiring December 31, 2018.
- (4) 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.

(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	5.6993	¢ per m ³
<u>Cap-and-Trade Charges (in addition to Delivery Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	-	¢ per m ³
Cap-and-Trade Facility-Related Charge	-	¢ per m ³
Cap-and-Trade Customer-Related - Price Adjustment (if applicable)	(0.4772)	¢ per m ³
Cap-and-Trade Facility-Related - Price Adjustment	(0.0197)	¢ per m ³

Notes:

- (1) Includes a temporary credit of (0.4772) cents/m³ expiring December 31, 2018.
- (2) Includes a temporary credit of (0.0197) cents/m³ expiring December 31, 2018.

(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.



(l) Company Policy Relating to Terms of Service

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

<u>Zone</u>	Assumed Atmospheric Pressure kPa		Assumed Atmospheric Pressure kPa
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 October 1, 2018
Implemented October 1, 2018
O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 1, 2018.

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	61.6487	¢ per m ³
Next	19 700 m ³ of daily contracted demand	27.6418	¢ per m ³
All Over	28 150 m ³ of daily contracted demand	23.2229	¢ per m ³

(ii) A Monthly Delivery Commodity Charge

First 422 250 m ³ delivered per month		1.5493	¢ per m ³
Next volume equal to 15 days use of daily contracted demand		1.5493	¢ per m ³
For remainder of volumes delivered in the month		0.5919	¢ 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)		-	¢ per m ³
Cap-and-Trade Facility-Related Charge		-	¢ 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		3.5761	¢ per m ³
Unauthorized Overrun Delivery Charge		5.8108	¢ per m ³

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

Cap-and-Trade Customer-Related Charge (if applicable)		-	¢ per m ³
Authorized Cap-and-Trade Facility-Related Charge		-	¢ per m ³
Unauthorized Cap-and-Trade Facility-Related Charge		-	¢ 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	1.7386	¢ 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	3.0257	¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³	2.8958	¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³	2.8275	¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³	2.7796	¢ 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)	-	¢ per m ³
Cap-and-Trade Facility-Related Charge	-	¢ 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	3.2150 ¢ 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	5.8108 ¢ per m ³
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Cap-and-Trade Charges (in addition to Delivery Charge)

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

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:

a) (i) Monthly Delivery Commodity Charge

Daily Contracted Demand Level (CD)

2 400 m ³ ≤ CD < 17 000 m ³	3.0257	¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³	2.8958	¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³	2.8275	¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³	2.7796	¢ 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)	-	¢ per m ³
Cap-and-Trade Facility-Related Charge	-	¢ 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
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2. In each contract year, the customer shall take delivery from Union, or in any event pay for, if available and not accepted by the customer, a minimum volume of gas or transportation services as specified in the contract between the parties and which will not be less than 350 000 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	3.2150	¢ 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	5.8108	¢ per m ³
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Cap-and-Trade Charges (in addition to Delivery Charge)

Cap-and-Trade Customer-Related Charge (if applicable)	-	¢ per m ³
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Cap-and-Trade Facility-Related Charge	-	¢ 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 October 1, 2018
 Implemented October 1, 2018
 O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 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 m³ of daily contracted firm demand up to 34.6517 ¢ per m³

(ii) A Monthly Delivery Commodity Charge

(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of 0.3372 ¢ per m³
 and a Delivery - Price Adjustment of - ¢ per m³

(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 6.4334 ¢ per m³
 and a Delivery - Price Adjustment of - ¢ per m³

(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 0.3372 ¢ per m³
 and a Delivery - Price Adjustment of - ¢ per m³

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

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

(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) - ¢ per m³
 Cap-and-Trade Facility-Related Charge - ¢ per m³

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	4.6046	¢ 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)	-	¢ per m ³
Cap-and-Trade Facility-Related Charge	-	¢ per m ³

5. Either the utility or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.

(D) Delayed Payment

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

(E) Direct Purchase

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

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

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

Effective October 1, 2018
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 O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 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
and a Delivery - Price Adjustment of | 0.1569 ¢ per m ³
- ¢ per m ³ |
| <u>Cap-and-Trade Charges (in addition to Delivery Commodity Charge)</u>
Cap-and-Trade Facility-Related Charge | - ¢ per m ³ |

(iii) Gas Supply Charge (if applicable)

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

(D) Delayed Payment

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

(E) Direct Purchase

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

(F) Overrun Charge

Authorized:

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

Unauthorized:

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

Authorized Overrun Delivery Charge	0.9309 ¢ 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	- ¢ 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 October 1, 2018
Implemented October 1, 2018
O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 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 7.1560 ¢ per m³

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

Cap-and-Trade Facility-Related Charge - ¢ 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 5.8108 ¢ per m³

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

Cap-and-Trade Facility-Related Charge - ¢ 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.

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Chatham, Ontario

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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	\$1.491	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$3.858
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$4.885
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		\$2.824
f) Short Term Storage / Balancing Service (2) Maximum		\$6.000
g) Discretionary Gas Supply Service ("DGSS")		Note (3)
h) Parkway Delivery Commitment Incentive ("PDCI")		\$(0.150)

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.

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STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer:

- a) 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:

	<u>Demand Charge Rate/GJ/mo</u>	<u>Commodity Charge Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.446			
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			

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

Notes:

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

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

3.1 Aggregate Excess

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

3.2 Obligated daily contract quantity multiple of 15

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

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

4. Annual Injection/Withdrawal Right

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

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

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

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

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

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

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

TRANSPORTATION CHARGES:

	Demand Charge	Union Providing Compressor Fuel 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 Next 112,720 m ³ per month	40.5921 ¢ 28.0445 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption Commodity Charge (All volumes)		0.1480 ¢	0.323%	0.1051 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum		6.4334 ¢	0.323%	6.3905 ¢
<u>Cap-and-Trade Charges (in addition to Transportation Commodity Charge)</u>				
Cap-and-Trade Customer-Related Charge (if applicable)		- ¢		- ¢
Cap-and-Trade Facility-Related Charge		- ¢		- ¢

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:

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

OVERRUN SERVICE:
1. Annual Storage Space

Authorized

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

Unauthorized

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

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

2. Injection, Withdrawals and Transportation

Authorized

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

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

Firm or Interruptible Service

	Union Providing Compressor Fuel		For Customers Providing Their Own Compressor Fuel	
	Commodity Charge	Fuel Ratio	Fuel Ratio	Commodity Charge
Storage Injections	\$0.086/GJ	0.881%	0.881%	\$0.056/GJ
Storage Withdrawals	\$0.086/GJ	0.881%	0.881%	\$0.056/GJ
Transportation	1.4825 ¢/m ³	0.323%	0.323%	1.4396 ¢/m ³
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>				
Cap-and-Trade Customer-Related Charge (if applicable)	- ¢/m ³			- ¢/m ³
Cap-and-Trade Facility-Related Charge	- ¢/m ³			- ¢/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	\$1.494	per GJ
Unauthorized Overrun Transportation Charge	5.8108	¢ per m ³
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	-	¢ per m ³
Cap-and-Trade Facility-Related Charge	-	¢ 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.

Space	Firm Service <u>Rate/GJ</u> \$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

\$(0.150)

(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.

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STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer:

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

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

(C) Rates

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

STORAGE SERVICE:

	<u>Demand Charge Rate/GJ/mo</u>	<u>Commodity Charge Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.446			
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		\$0.022	0.408%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.022	0.408%	\$0.008
g) Short Term Storage / Balancing Service Maximum		\$6.000		
h) Daily Variance Account Interruptible Injections/Withdrawals Paid on all quantities withdrawn from and injected into the Daily Variance Account up to the Maximum Injection/Withdrawal Quantity		\$0.086	0.881%	\$0.056

Notes:

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

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

3.1 Aggregate Excess

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

3.2 Obligated daily contract quantity multiple of 15

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

3.3 For new, large (daily firm transportation demand requirements in excess of 1,200,000 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:

	<u>Demand Charge</u>	<u>Union Providing Compressor Fuel</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
		<u>Commodity Charge</u>	<u>Fuel Ratio (5)</u>	<u>Commodity Charge</u>
	<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)		0.0626 ¢	0.295%	0.0234 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum		6.4334 ¢	0.295%	6.3942 ¢
<u>Cap-and-Trade Charges (in addition to Transportation Commodity Charge)</u>				
Cap-and-Trade Customer-Related Charge (if applicable)		- ¢		- ¢
Cap-and-Trade Facility-Related Charge		- ¢		- ¢

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	\$0.086/GJ	0.881%	\$0.056/GJ
Storage Withdrawals	\$0.086/GJ	0.881%	\$0.056/GJ
Transportation	1.1153 ¢/m ³	0.295%	1.0761 ¢/m ³
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>			
Cap-and-Trade Customer-Related Charge (if applicable)	- ¢/m ³		- ¢/m ³
Cap-and-Trade Facility-Related Charge	- ¢/m ³		- ¢/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	\$1.494	per GJ
Unauthorized Overrun Transportation Charge	5.8108	¢ per m ³
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>		
Cap-and-Trade Customer-Related Charge (if applicable)	-	¢ per m ³
Cap-and-Trade Facility-Related Charge	-	¢ 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

\$(0.150)

(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 October 1, 2018
Implemented October 1, 2018
O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 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 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	\$1.446			
Customer provides deliverability Inventory (4)	\$1.184			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.184			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.184			
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.022	0.408%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.022	0.408%	\$0.008
g) Short Term Storage / Balancing Service Maximum		\$6.000		

Notes:

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

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

3.1 Aggregate Excess

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

3.2 Obligated daily contract quantity multiple of 15

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

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

4. Annual Injection/Withdrawal Right

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

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

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

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

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

TRANSPORTATION CHARGES:

	Demand Charge	Union Providing	For Customers Providing	
		Compressor Fuel	Their Own Compressor Fuel	
		Commodity	Fuel	Commodity
		Charge	Ratio	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		0.1116 ¢	0.412%	0.0569 ¢
<u>Cap-and-Trade Charges (in addition to Transportation Commodity Charge)</u>				
Cap-and-Trade Facility-Related Charge		- ¢		- ¢

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	For Customers Providing	
	Compressor Fuel	For Customers Providing	Their Own Compressor Fuel
	Commodity	Fuel	Commodity
	Charge	Ratio	Charge
Storage Injections	\$0.086/GJ	0.881%	\$0.056/GJ
Storage Withdrawals	\$0.086/GJ	0.881%	\$0.056/GJ
Transportation	0.7030 ¢/m ³	0.412%	0.6483 ¢/m ³
<u>Cap-and-Trade Charges (in addition to Transportation Charge)</u>			
Cap-and-Trade Facility-Related Charge	- ¢/m ³		- ¢/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	-	¢ 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
	Rate/GJ
Space	\$6.000
Injection / Withdrawal Maximum	\$6.000



OTHER SERVICES & CHARGES

1. Monthly Charge

In addition to the rates and charges described previously for each Point of 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	\$(0.150)

(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
2018-10-01
Schedule "A"

Gas Supply Charges

(A) Availability:

Available to customers in Union's Southern Delivery Zone.

(B) Applicability:

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

(C) Rates:

cents / m³

Utility Sales

Commodity and Fuel	13.1878 (1)
Commodity and Fuel - Price Adjustment	1.9543 (2)
Transportation	-
Total Gas Supply Commodity Charge	<u>15.1421</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	0.1893
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Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3

\$/GJ

Monthly demand charges:	
Firm gas supply service	57.598
Firm backstop gas	1.491
Commodity charges:	
Gas supply	3.415
Backstop gas	3.858
Reasonable Efforts Backstop Gas	4.885
Supplemental Inventory	Note (3)
Supplemental Gas Sales Service (cents / m ³)	16.2320
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.824
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 October 1, 2018
Implemented October 1, 2018
O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 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:

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

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

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

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

OVERRUN SERVICE

1. Injection and Withdrawal

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

\$(0.150)

(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 October 1, 2018
Implemented October 1, 2018
O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 1, 2018.

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 AND Commodity Charge <u>Ratio %</u> AND <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		-	-	
Dawn to Parkway		-	-	
Kirkwall to Parkway / Lisgar		-	-	
Parkway to Dawn / Kirkwall		-	-	
Kirkwall to Dawn		-	-	
Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar (2)		-	-	

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

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

	<u>Fuel and Commodity Charges</u>		
	<u>Union Supplied Fuel</u> Fuel and Commodity Charge Rate/GJ	<u>Shipper Supplied Fuel</u>	
		<u>Fuel</u> Ratio %	<u>AND</u> Commodity Charge Rate/GJ
<u>Transportation Overrun</u>			
Dawn to Parkway	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	\$0.122
Dawn to Kirkwall			\$0.104
Kirkwall to Parkway			\$0.018
Parkway (TCPL) Overrun (4)	n/a	0.721%	n/a
<u>M12-X Firm Transportation</u>			
Between Dawn, Kirkwall and Parkway	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	\$0.151
<u>Cap-and-Trade Facility-Related Charges (applied to all quantities transported)</u>			
Dawn to Kirkwall / Parkway (Cons) / Lisgar	-		-
Dawn to Parkway (TCPL / EGT)	-		-
Kirkwall to Parkway (Cons) / Lisgar	-		-
Kirkwall to Parkway (TCPL / EGT)	-		-
Parkway to Dawn / Kirkwall	-		-
Kirkwall to Dawn	-		-
Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar (2)	-		-

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.

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

plus

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

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

plus

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

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

in which:

YC Yearly Commodity Required

The sum of 12 separate monthly calculations of Commodity Quantities required for the period from April through March.

YCRR Yearly Commodity Revenue Required

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

QT1 Monthly quantities in GJ transported easterly hereunder received at Dawn at not less than 4 850 kPa but less than 5 860 kPa (compression required at Dawn).

QT3 Monthly quantities in GJ transported westerly hereunder received at the Parkway Delivery Point.

F_{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.

Effective October 1, 2018
Implemented October 1, 2018
O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 1, 2018.

**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);

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

II. GAS QUALITY

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

SCHEDULE "A"

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

III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (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 redeliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.

SCHEDULE "A"

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

VIII. BILLING

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

IX. PAYMENTS

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (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 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;

"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;

"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 October 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	0.030	0.546	0.018	0.158	0.005
May	0.626	0.021	0.373	0.013	0.158	0.005
June	0.523	0.017	0.275	0.010	0.158	0.005
July	0.508	0.017	0.262	0.009	0.158	0.005
August	0.405	0.014	0.159	0.005	0.158	0.005
September	0.401	0.014	0.159	0.005	0.158	0.005
October	0.750	0.026	0.461	0.015	0.158	0.005
November	0.894	0.030	0.624	0.021	0.158	0.005
December	1.012	0.035	0.743	0.026	0.158	0.005
January	1.166	0.040	0.882	0.030	0.158	0.005
February	1.107	0.037	0.831	0.028	0.158	0.005
March	1.033	0.035	0.742	0.026	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	0.016	0.158	0.005	0.301	0.011
May	0.411	0.014	0.158	0.005	0.301	0.011
June	0.406	0.014	0.158	0.005	0.301	0.011
July	0.404	0.014	0.158	0.005	0.301	0.011
August	0.404	0.014	0.158	0.005	0.301	0.011
September	0.400	0.014	0.158	0.005	0.301	0.011
October	0.448	0.016	0.158	0.005	0.301	0.011
November	0.427	0.015	0.158	0.005	0.158	0.005
December	0.428	0.015	0.158	0.005	0.158	0.005
January	0.442	0.016	0.158	0.005	0.158	0.005
February	0.434	0.015	0.158	0.005	0.158	0.005
March	0.449	0.016	0.158	0.005	0.158	0.005

UNION GAS LIMITED
M12 Monthly Transportation Authorized Oerrun Fuel Ratios and Fuel Rates
 Firm or Interruptible Transportation Commodity
 Effective October 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	1.499	0.173	1.166	0.162	0.778	0.177
May	1.246	0.165	0.993	0.156	0.778	0.177
June	1.143	0.161	0.895	0.153	0.778	0.177
July	1.128	0.161	0.882	0.152	0.778	0.177
August	1.025	0.157	0.779	0.149	0.778	0.177
September	1.021	0.157	0.779	0.149	0.778	0.177
October	1.371	0.168	1.081	0.158	0.778	0.177
November	1.514	0.173	1.244	0.165	0.778	0.177
December	1.632	0.179	1.363	0.168	0.778	0.177
January	1.786	0.183	1.502	0.173	0.778	0.177
February	1.727	0.181	1.451	0.171	0.778	0.177
March	1.653	0.179	1.362	0.168	0.778	0.177

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	1.111	0.188	0.778	0.177	0.921	0.182
May	1.031	0.186	0.778	0.177	0.921	0.182
June	1.026	0.186	0.778	0.177	0.921	0.182
July	1.024	0.186	0.778	0.177	0.921	0.182
August	1.024	0.186	0.778	0.177	0.921	0.182
September	1.020	0.186	0.778	0.177	0.921	0.182
October	1.068	0.187	0.778	0.177	0.921	0.182
November	1.047	0.187	0.778	0.177	0.778	0.177
December	1.048	0.187	0.778	0.177	0.778	0.177
January	1.062	0.186	0.778	0.177	0.778	0.177
February	1.054	0.187	0.778	0.177	0.778	0.177
March	1.069	0.187	0.778	0.177	0.778	0.177

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

1. Receipt and Delivery Points:

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

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

2. Receipt and Delivery Pressures:

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

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

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

TRANSPORTATION OF LOCALLY PRODUCED GAS
(A) Applicability

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

Applicable Points

Dawn as a delivery point: Dawn (Facilities).

(B) Rates

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

Demand Commodity

	Demand Charge <u>Rate/Month</u>	Commodity Charge <u>Rate/GJ</u>	Union	Shipper Supplied Fuel	
			Supplied Fuel Fuel and Commodity Charge <u>Rate/GJ</u>	Fuel Ratio %	AND
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)			-		-

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	Shipper Supplied Fuel		
	Supplied Fuel Fuel and Commodity Charge <u>Rate/GJ</u>	Fuel Ratio %	AND	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)	-			-

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 October 1, 2018
 Implemented October 1, 2018
 O.E.B. Order # EB-2018-0253
 Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 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 <u>of Dawn</u>	Customers located West <u>of Dawn</u>
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	\$0.015
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)	-	-
Cap-and-Trade Facility-Related Charges - To the Pool (\$ per GJ)	-	-



(B) Rates (Cont'd)

Authorized Overrun:

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

	Customers located East of Dawn	Customers located West of Dawn
Firm Transportation:		
Charges to Dawn		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.066	\$0.135
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.060	\$0.130
Fuel Ratio - Shipper supplied fuel (%)	0.158%	0.158%
Charges to the Pool		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.032	\$0.110
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)	-	-
Cap-and-Trade Facility-Related Charges - To the Pool (\$ per GJ)	-	-

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 October 1, 2018
Implemented October 1, 2018
O.E.B. Order # EB-2018-0253

Chatham, Ontario

Supersedes EB-2017-0323 Rate Schedule effective October 1, 2018.

**GENERAL TERMS & CONDITIONS
M16 TRANSPORTATION AGREEMENT**

I. DEFINITIONS

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

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

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

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

II. GAS QUALITY

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

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

III. MEASUREMENTS

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

IV. POINT OF RECEIPT AND POINT OF DELIVERY

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

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

N/A

VI. FACILITIES ON SHIPPER'S PROPERTY

N/A

VII. MEASURING EQUIPMENT

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

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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

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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

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,

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



CROSS FRANCHISE TRANSPORTATION RATES

(A) Applicability

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

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

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

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

(B) Services

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

(C) Rates

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

Transportation Service (1):

	Monthly Demand Charges (applied to daily contract demand) <u>Rate/GJ</u>	<u>Fuel and Commodity Charges</u>					
		<u>Union Supplied Fuel</u>		<u>Shipper Supplied Fuel</u>			<u>Commodity Charge Rate/GJ</u>
		<u>Fuel and Commodity Charge</u>		<u>Fuel Ratio</u>		<u>AND</u>	
		<u>Apr.1-Oct.31</u>	<u>Nov.1-Mar.31</u>	<u>Apr.1-Oct.31</u>	<u>Nov.1-Mar.31</u>		
		<u>Rate/GJ</u>	<u>Rate/GJ</u>	<u>%</u>	<u>%</u>		
a) Firm Transportation							
Between:							
St.Clair & Dawn	\$2.888	\$0.007	\$0.009	0.208%	0.267%		
Ojibway & Dawn	\$2.888	\$0.015	\$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	\$0.011	\$0.026	0.319%	0.764%		
Dawn to Parkway	\$3.716	\$0.020	\$0.036	0.585%	1.042%		
Kirkwall to Parkway	\$0.561	\$0.014	\$0.015	0.423%	0.436%		
b) Firm Transportation between two points within Dawn							
Dawn to Dawn-Vector	\$0.030	n/a	n/a	0.341%	0.158%		
Dawn to Dawn-TCPL	\$0.139	n/a	n/a	0.158%	0.353%		
c) Interruptible Transportation between two points within Dawn*							
*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)				0.158%	0.158%		
d) Interruptible and Short Term (1 year or less) Firm Transportation:		\$75.00					



(C) Rates (Cont'd)

	Fuel and Commodity Charges				
	Union Supplied Fuel		Shipper Supplied Fuel		
	Fuel and Commodity Charge		Fuel Ratio		Commodity Charge
	Apr.1-Oct.31	Nov.1-Mar.31	Apr.1-Oct.31	Nov.1-Mar.31	
Rate/GJ	Rate/GJ	%	%	AND	Rate/GJ
e) Cap-and-Trade Facility-Related Charges (applied to all quantities transported):					
St.Clair / Ojibway / Bluewater & Dawn	-	-			-
Parkway to Dawn / Kirkwall	-	-			-
Kirkwall to Dawn	-	-			-
Dawn to Kirkwall / Parkway (Cons) / Lisgar	-	-			-
Dawn to Parkway (TCPL)	-	-			-
Kirkwall to Parkway (Cons) / Lisgar	-	-			-
Kirkwall to Parkway (TCPL)	-	-			-
Dawn to Dawn-Vector	-	-			-
Dawn to Dawn-TCPL	-	-			-
Interruptible Transportation between two points within Dawn*					
*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)					-

Authorized Overrun:

The following Overrun rates are applied to any quantities transported in excess of the Contract parameters. Overrun will be authorized at Union's sole discretion.

	Union Supplied Fuel		Shipper Supplied Fuel		
	Fuel and Commodity Charge		Fuel Ratio		Commodity Charge
	Apr.1-Oct.31	Nov.1-Mar.31	Apr.1-Oct.31	Nov.1-Mar.31	
	Rate/GJ	Rate/GJ	%	%	AND
a) Firm Transportation					
Between:					
St.Clair & Dawn	\$0.102	\$0.104	0.208%	0.267%	\$0.095
Ojibway & Dawn	\$0.110	\$0.105	0.449%	0.305%	\$0.095
Bluewater & Dawn	\$0.102	\$0.104	0.208%	0.267%	\$0.095
From:					
Parkway to Kirkwall	\$0.154	\$0.149	0.921%	0.778%	\$0.122
Parkway to Dawn	\$0.154	\$0.149	0.921%	0.778%	\$0.122
Kirkwall to Dawn	\$0.077	\$0.077	0.778%	0.778%	\$0.051
Dawn to Kirkwall	\$0.136	\$0.151	0.939%	1.384%	\$0.104
Dawn to Parkway	\$0.163	\$0.179	1.205%	1.662%	\$0.122
Kirkwall to Parkway	\$0.054	\$0.055	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	-	-			-
Parkway to Dawn / Kirkwall	-	-			-
Kirkwall to Dawn	-	-			-
Dawn to Kirkwall / Parkway (Cons) / Lisgar	-	-			-
Dawn to Parkway (TCPL)	-	-			-
Kirkwall to Parkway (Cons) / Lisgar	-	-			-
Kirkwall to Parkway (TCPL)	-	-			-
Dawn to Dawn-Vector	-	-			-
Dawn to Dawn-TCPL	-	-			-

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 October 1, 2018 Chatham, Ontario
Implemented October 1, 2018
O.E.B. Order # EB-2018-0253

Supersedes EB-2017-0323 Rate Schedule effective October 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);

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

II. GAS QUALITY

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

SCHEDULE "A"

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

III. MEASUREMENTS

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

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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

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

X. ARBITRATION

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

XI. FORCE MAJEURE

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

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

XII. DEFAULT AND TERMINATION

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

XIII. MODIFICATION

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

XIV. NON-WAIVER AND FUTURE DEFAULT

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XV. LAWS, REGULATIONS AND ORDERS

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

**RATE C1
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"**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 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 October 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				(3.3181)	
2	Cap-and-Trade Facility-Related Charge				(0.0240)	
	Rate 25					
3	All Zones		-			(0.2720)
	Rate M4					
4	Interruptible		0.0086			
	Rate M5A					
5	Interruptible		0.0086			
	Rate M7					
6	Interruptible		0.0145			
7	Seasonal		0.0145			
	Rate T1 - Interruptible					
8	Transportation - Union supplies fuel		(0.0020)			
9	Transportation - Customer supplies fuel		(0.0048)			
	Rate T2 - Interruptible					
10	Transportation - Union supplies fuel		0.0017			
11	Transportation - Customer supplies fuel		(0.0009)			

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-2018-0253
Working Papers Index

Schedule

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- 2 Derivation of Amounts and Unit Rates for Prospective Recovery
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 - Page 2 - Union North West Purchase Gas Variance Account (Deferral Account 179-147)
 - Page 3 - Union North East Purchase Gas Variance Account (Deferral Account 179-148)
 - Page 4 - North Tolls - Transportation (Deferral Account 179-100)
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- 3 Changes to the Parkway Delivery Commitment Incentive (PDCI) Costs to Remove Cap-and-Trade Charges

UNION GAS LIMITED
 Union North
 Calculation of Supplemental Service Charges
 Commissioning and Decommissioning Rates
 Effective October 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)	0.5384	0.5384
6	Total Delivery Commissioning and Decommissioning	<u>2.4223</u>	<u>2.4223</u>
<u>Gas Supply (cents / m³)</u>			
7	Monthly Demand (1)	56.0632	47.6267
8	Gas Supply Demand - Price Adjustment (1)	-	-
9	(Line 7 + Line 8) x 12 months	672.7584	571.5204
10	Line 9 / 365 days	1.8432	1.5658
11	Line 10 @ 50% Load Factor	<u>3.6863</u>	<u>3.1316</u>
12	Commodity Transportation 1 (1)	3.5201	2.2174
13	Commodity Transportation 1 - Price Adjustment	0.1879	(0.1371)
14	(Line 12 + Line 13) x (4/5)	<u>2.9664</u>	<u>1.6642</u>
15	Commodity Transportation 2 (1)	-	-
16	Line 15 * (1/5)	-	-
17	Total Commodity Transportation Charge for Commissioning and Decommissioning Rate	<u>6.6527</u>	<u>4.7959</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)	0.2200	0.2200
23	Total Delivery Commissioning and Decommissioning	<u>0.9286</u>	<u>0.9286</u>
<u>Gas Supply (cents / m³)</u>			
24	Monthly Demand (2)	109.9130	154.8340
25	Line 24 x 12 months	1,318.9560	1,858.0080
26	Line 25 / 365 days	3.6136	5.0904
27	Line 26 @ 70% Load Factor	<u>5.1623</u>	<u>7.2720</u>
28	Commodity Transportation 1 (2)	6.1684	8.8587
29	Line 28 * (3/7)	2.6436	3.7966
30	Commodity Transportation 2 (2)	-	-
31	Line 30 * (4/7)	-	-
32	Total Commodity Transportation Charge for Commissioning and Decommissioning Rate	<u>7.8059</u>	<u>11.0686</u>

Notes:

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

UNION GAS LIMITED
 Union South
 Calculation of Supplemental Service Charges
Effective October 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	13.2809	
6	FT Transportation Commodity	-	
7	FT Fuel	-	
8	Total Gas Supply Commodity Charge	<u>13.2809</u>	<u>3.415</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	13.1878	
14	Overrun storage withdrawal	<u>0.3345</u>	
15		13.5223	
16	Units required (m ³)	43	
17	Pre-tax return (%)	8.170%	
18	Annual demand charge	<u>47.5050 (b)</u>	
19	Number of months	12	
20	Monthly demand charge	<u>69.5790 (a) + (b)</u>	<u>5.7983</u>
		1.491	
Commodity:			
21	Sales WACOG	13.1878	
22	Overrun storage withdrawal	0.3345	
23	Rate T1 - Overrun transportation	1.4825	
24	Rate T1 - Cap-and-Trade Facility-Related charge	-	
25	Commodity charge	<u>15.0048</u>	<u>3.858</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 October 1, 2018

Line No.	Particulars	cents / m ³ (a)	\$ / GJ (b)
	<u>Reasonable Efforts Backstop Gas:</u>		
1	Rate M1 - Block 1 delivery rate	5.0777	
2	Rate M1 - Storage rate	0.7331	
3	Rate M1 - Cap-and-Trade Facility-Related charge	-	
4	Sales WACOG	13.1878	
5	Total	18.9986	4.885
	<u>Supplemental Inventory:</u>		
6	Sales WACOG	13.1878	
7	Injection commodity	0.1482	
8	Space charge (p.2, line 10 x 12)	0.5133	
9		13.8493	3.561
	Carrying costs (1/2 year)		
10	(line 9 x p.2, line 17) / 2	0.5657	
11	Total (line 9 + line 10)	14.4151	3.707
	<u>Supplemental Gas Sales:</u>		
12	Supplemental inventory	14.4151	
13	Overrun storage withdrawal	0.3345	
14	Rate T1 - Overrun transportation	1.4825	
15	Rate T1 - Cap-and-Trade Facility-Related charge	-	
16	Total	16.2320	
	<u>Failure to Deliver:</u>		
17	Rate M1 - Block 1 delivery rate	5.0777	
18	Rate M1 - Storage rate	0.7331	
19	Rate M1 - Cap-and-Trade Facility-Related charge	-	-
20	Failure to Deliver Adjustment	5.1708	1.330
21	Failure to Deliver Charge	10.9816	2.824
	<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)		-
27	Total (line 24 + line 25+ line 26)		(0.150)

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 October 1, 2018

Line No.	Particulars	cents / m ³ (a)
<u>Minimum Charges</u>		
1	Rate M4 (F) Minimum annual delivery commodity charge:	
2	Monthly delivery commodity charge (Rate M4 1st Block)	1.5493
3	Gas Supply Admin Charge	0.1893
	Minimum annual delivery commodity charge	<u>1.7386</u>
4	Rate M4 (I) / M5 Minimum annual delivery commodity charge:	
5	Monthly delivery commodity charge (Rate M5 1st Block)	3.0257
6	Gas Supply Admin Charge	0.1893
	Minimum annual delivery commodity charge	<u>3.2150</u>
<u>Maximum Charges</u>		
7	Rate 25 Interruptible Average Rate 10 Firm Delivery Charge	5.8265
8	Percent of Average Firm Delivery Price	90%
9	Rate 25 Maximum interruptible delivery commodity charge	<u>5.2439</u>
10	Rate M7 Interruptible Maximum interruptible delivery commodity charge:	
11	Rate M7 firm commodity charge	0.3372
12	Rate M7 firm demand charge commoditized at a Load Factor of 18.69%	6.0962
	Rate M7 maximum interruptible charge	<u>6.4334</u>
13	Rate T1 Interruptible Maximum interruptible delivery commodity charge	<u>6.4334</u>
14	Rate T2 Interruptible Maximum interruptible delivery commodity charge	<u>6.4334</u>
<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)	0.3372
20	Delivery - Price Adjustment	-
21	Total Delivery Commissioning and Decommissioning (line 18 + line 19 + line 20)	<u>4.6046</u>

Notes:
 (1) Appendix A, p.9.

UNION GAS LIMITED
 Union South
 Calculation of Supplemental Service Charges
 Effective October 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)	1.446	1.446
2	Annual Demand (line 1 x 12 months)	17.352	17.352
3	Daily Demand (line 2 / 365 days)	0.048	0.048
4	@ 100% Load Factor	0.048	0.048
5	Commodity Charge (2)	0.038	0.008
6	Total Storage Overrun (line 4 + line 5)	<u>0.086</u>	<u>0.056</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)	0.1480	0.1051
12	Total Transportation Overrun (line 10 + line 11)	<u>1.4825</u>	<u>1.4396</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)	0.0626	0.0234
18	Total Transportation Overrun (line 16 + line 17)	<u>1.1153</u>	<u>1.0761</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)	0.1116	0.0569
24	Total Transportation Overrun (line 22 + line 23)	<u>0.7030</u>	<u>0.6483</u>

Notes:

- (1) Appendix A, p.10.
- (2) Column (a) calculated as $WACOG / \text{Heat Value} * \text{Overrun Fuel Ratio} + \text{Injection Commodity} = \$132.809 / 10^3\text{m}^3 / 38.89 \text{ GJ}/10^3\text{m}^3 * 0.881\% + \$0.008/\text{GJ}$.
- (3) Appendix A, p.10.
- (4) Column (a) calculated as $WACOG / 10 * \text{Transportation Fuel Ratio} + \text{Firm Commodity Transport} = \$132.809 / 10^3\text{m}^3 / 10 * 0.323\% + 0.1051 \text{ cents}/\text{m}^3$.
- (5) Appendix A, p.11.
- (6) Column (a) calculated as $WACOG / 10 * \text{Transportation Fuel Ratio} + \text{Firm Commodity Transport} = \$132.809 / 10^3\text{m}^3 / 10 * 0.295\% + 0.0234 \text{ cents}/\text{m}^3$.
- (7) Appendix A, p.12.
- (8) Column (a) calculated as $WACOG / 10 * \text{Transportation Fuel Ratio} + \text{Firm Commodity Transport} = \$132.809 / 10^3\text{m}^3 / 10 * 0.412\% + 0.0569 \text{ cents}/\text{m}^3$.

UNION GAS LIMITED
 Union South
 Calculation of Union Supplied Fuel Rates for
 In-Franchise Semi-Unbundled Rate T1, Rate T2 and Rate T3
 Effective October 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-2018-0253	13.2809	
2	2018 Fuel Ratio as per EB-2018-0253	0.323%	
3	Fuel Rate (line 1 x line 2)	0.0429	
4	Firm Transportation Commodity Charge	0.1051	0.1051
5	All Volumes	<u>0.1480</u>	<u>0.1051</u>
6	Interruptible Transportation Commodity Charge - Maximum	<u>6.4334</u>	<u>6.3905</u>
<u>Rate T2 Transportation Service (cents/m³)</u>			
7	Dawn Price as per EB-2018-0253	13.2809	
8	2018 Fuel Ratio as per EB-2018-0253	0.295%	
9	Fuel Rate (line 7 x line 8)	0.0392	
10	Firm Transportation Commodity Charge	0.0234	0.0234
11	All Volumes	<u>0.0626</u>	<u>0.0234</u>
12	Interruptible Transportation Commodity Charge - Maximum	<u>6.4334</u>	<u>6.3942</u>
<u>Rate T3 Transportation Service (cents/m³)</u>			
13	Dawn Price as per EB-2018-0253	13.2809	
14	2018 Fuel Ratio as per EB-2018-0253	0.412%	
15	Fuel Rate (line 13 x line 14)	0.0547	
16	Firm Transportation Commodity Charge	0.0569	0.0569
17	All Volumes	<u>0.1116</u>	<u>0.0569</u>
<u>Rate T1, Rate T2 & Rate T3 Storage Service (\$/GJ)</u>			
18	Dawn Price as per EB-2018-0253	3.415	
19	2018 Fuel Ratio as per EB-2018-0253	0.408%	
20	Fuel Rate (line 18 x line 19)	0.014	
21	Storage Commodity Charge	0.008	0.008
22	All Volumes	<u>0.022</u>	<u>0.008</u>
<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)	<u>15,035,425</u>	
27	Dawn Price as per EB-2018-0253	3.415	
28	ICC %	8.2%	
29	Inventory Carrying Costs (line 26 * line 27 * line 28 / 1000)	<u>4,195</u>	
30	Deliverability Demand Allocation Units	1,332,764 (3)	
31	Line 29 / line 30 x 1000 / 12	0.262	
32	Union provides deliverability Inventory as per EB-2018-0253 (line 23 + line 31)	<u>1.446</u>	

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		
			Jul Q3 (a)	Oct Q4 (1) (b)	Jan Q1 (2) (c)	Apr Q2 (3) (d)	Oct Q4 (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)	-	-	-	-	-
5	Current projected deferral amounts	(\$000's)	-	-	-	-	-
6	Less: Previous projection included in recovery	(\$000's)	-	-	-	-	-
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	-	-	-	-	-
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	-	-	-	-	-
<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)	(11,007)	(743)	285	391	2,194
10	Less: Actual prospective recovery amount	(\$000's)	(10,174)	(821)	264	435	2,250
11	Variance (Line 9 - Line 10)	(\$000's)	(834)	78	21	(44)	(55)
12	Prospective Recovery Amount Deferral Transfer	(\$000's)	834	(78)	(21)	44	55
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + line 12)	(\$000's)	-	-	-	-	-
14	Forecast - 12 month Union North volume	(10 ³ m ³)	1,076,827	1,076,348	1,077,399	1,072,948	1,070,580
15	Unit Rate	(cents/m ³)	-	-	-	-	-
<u>Summary of Unit Rates</u>							
16	Unit Rate Q1	(cents/m ³)	(0.3221)	(0.3221)	-	-	-
17	Unit Rate Q2	(cents/m ³)	0.4394	0.4394	0.4394	-	-
18	Unit Rate Q3	(cents/m ³)	-	-	-	-	-
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	0.2291	-	-	-	-
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.3464	0.1173	0.4394	-	-

Notes:

- (1) EB-2017-0278, Tab 2, Schedule 4, p.1, Column (a).
- (2) EB-2017-0351, Tab 2, Schedule 4, p.1, Column (a).
- (3) EB-2018-0104, 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		
			Jul Q3 (a)	Oct Q4 (1) (b)	Jan Q1 (2) (c)	Apr Q2 (3) (d)	Oct Q4 (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)	(1)	1	1	(7)	(0)
2	Less: 12-month projection from previous QRAM application	(\$000's)	0	(1)	1	1	(7)
3	Change (Line 1 - Line 2)	(\$000's)	(1)	1	0	(7)	6
Previous Quarter: True-up of deferral balances							
4	Actual deferral balances	(\$000's)	38	(903)	(370)	(1,198)	(3,323)
5	Current projected deferral amounts	(\$000's)	(813)	(82)	(1,370)	(2,527)	(1,365)
6	Less: Previous projection included in recovery	(\$000's)	187	(813)	(82)	(1,370)	(2,527)
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(962)	(172)	(1,657)	(2,356)	(2,161)
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(963)	(171)	(1,657)	(2,363)	(2,154)
<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)	(2,122)
10	Less: Actual prospective recovery amount	(\$000's)	-	30	(66)	(408)	(2,308)
11	Variance (Line 9 - Line 10)	(\$000's)	-	(1)	(11)	47	186
12	Prospective Recovery Amount Deferral Transfer	(\$000's)	(242)	24	5	(8)	(15)
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + Line 12)	(\$000's)	(1,205)	(148)	(1,663)	(2,324)	(1,984)
14	Forecast - 12 month Union North West sales service volume	(10 ³ m ³)	306,588	306,503	297,580	296,593	296,015
15	Unit Rate	(cents/m ³)	(0.3930)	(0.0483)	(0.5589)	(0.7835)	(0.6702)
<u>Summary of Unit Rates</u>							
16	Unit Rate Q1	(cents/m ³)	-	-	(0.5589)	(0.5589)	(0.5589)
17	Unit Rate Q2	(cents/m ³)	0.0611	0.0611	0.0611	(0.7835)	(0.7835)
18	Unit Rate Q3	(cents/m ³)	(0.3930)	(0.3930)	(0.3930)	(0.3930)	-
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	-	(0.0483)	(0.0483)	(0.0483)	(0.6702)
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	(0.3319)	(0.3802)	(0.9391)	(1.7837)	(2.0126)

Notes:

- (1) EB-2017-0278, Tab 2, Schedule 4, p.1, Column (b).
- (2) EB-2017-0351, Tab 2, Schedule 4, p.1, Column (b).
- (3) EB-2018-0104, 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		
			Jul Q3 (a)	Oct Q4 (1) (b)	Jan Q1 (2) (c)	Apr Q2 (3) (d)	Oct Q4 (4) (e)
Deferral Amounts for Recovery							
Change in 12-month deferral account projection:							
1	12-month projection from current QRAM application	(\$000's)	5,022	4,679	2,029	6,235	21,809
2	Less: 12-month projection from previous QRAM application	(\$000's)	729	5,022	4,679	2,029	6,235
3	Change (Line 1 - Line 2)	(\$000's)	4,293	(343)	(2,650)	4,206	15,573
Previous Quarter: True-up of deferral balances							
4	Actual deferral balances	(\$000's)	529	(1,476)	(7,976)	122	(1,756)
5	Current projected deferral amounts	(\$000's)	(1,292)	(7,310)	(320)	133	545
6	Less: Previous projection included in recovery	(\$000's)	143	(1,292)	(7,310)	(320)	133
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(906)	(7,494)	(986)	575	(1,344)
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	3,387	(7,837)	(3,636)	4,781	14,230
Previous Quarter: True-up of Prospective Recovery Amounts							
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)	(2,472)
10	Less: Actual prospective recovery amount	(\$000's)	(1,636)	142	235	(1,455)	(2,589)
11	Variance (Line 9 - Line 10)	(\$000's)	(103)	(10)	37	143	116
12	Prospective Recovery Amount Deferral Transfer	(\$000's)	(607)	60	13	(20)	(40)
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + Line 12)	(\$000's)	2,677	(7,787)	(3,586)	4,904	14,306
14	Forecast - 12 month Union North East sales service volume	(10 ³ m ³)	770,239	769,845	779,819	776,354	774,565
15	Unit Rate	(cents/m ³)	0.3475	(1.0114)	(0.4598)	0.6317	1.8470
Summary of Unit Rates							
16	Unit Rate Q1	(cents/m ³)	(0.4859)	(0.4859)	(0.4598)	(0.4598)	(0.4598)
17	Unit Rate Q2	(cents/m ³)	0.5993	0.5993	0.5993	0.6317	0.6317
18	Unit Rate Q3	(cents/m ³)	0.3475	0.3475	0.3475	0.3475	-
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	-	(1.0114)	(1.0114)	(1.0114)	1.8470
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.4609	(0.5505)	(0.5244)	(0.4920)	2.0189

Notes:

- (1) EB-2017-0278, Tab 2, Schedule 4, p.1, Column (c).
- (2) EB-2017-0351, Tab 2, Schedule 4, p.1, Column (c).
- (3) EB-2018-0104, 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		
			Jul Q3 (a)	Oct Q4 (1) (b)	Jan Q1 (2) (c)	Apr Q2 (3) (d)	Oct Q4 (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)	-	-	-	-	-
5	Current projected deferral amounts	(\$000's)	-	-	-	-	-
6	Less: Previous projection included in recovery	(\$000's)	-	-	-	-	-
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	-	-	-	-	-
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	-	-	-	-	-
<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)	1,157	153	32	(773)	(740)
10	Less: Actual prospective recovery amount	(\$000's)	1,203	154	27	(806)	(734)
11	Variance (Line 9 - Line 10)	(\$000's)	(45)	(1)	5	33	(7)
12	Prospective Recovery Amount Deferral Transfer		45	1	(5)	(33)	7
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + line 12)	(\$000's)	-	-	-	-	-
14	Forecast - 12 month Union North sales service and bundled DP volume	(10 ³ m ³)	1,434,538	1,434,064	1,426,736	1,421,081	1,418,469
15	Unit Rate	(cents/m ³)	-	-	-	-	-
<u>Summary of Unit Rates</u>							
16	Unit Rate Q1	(cents/m ³)	(0.0594)	(0.0594)	-	-	-
17	Unit Rate Q2	(cents/m ³)	(0.1155)	(0.1155)	(0.1155)	-	-
18	Unit Rate Q3	(cents/m ³)	-	-	-	-	-
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	0.2009	-	-	-	-
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.0260	(0.1749)	(0.1155)	-	-

Notes:

- (1) EB-2017-0278, Tab 2, Schedule 4, p. 1, Column (d).
- (2) EB-2017-0351, Tab 2, Schedule 4, p. 1, Column (d).
- (3) EB-2018-0104, 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		
			Jul Q3 (a)	Oct Q4 (1) (b)	Jan Q1 (2) (c)	Apr Q2 (3) (d)	Oct Q4 (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)	-	-	-	-	-
5	Current projected deferral amounts	(\$000's)	-	-	-	-	-
6	Less: Previous projection included in recovery	(\$000's)	-	-	-	-	-
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	-	-	-	-	-
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	-	-	-	-	-
<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)	(244)	(107)	(11)	(139)	(31)
10	Less: Actual prospective recovery amount	(\$000's)	(229)	(114)	(8)	(155)	(31)
11	Variance (Line 9 - Line 10)	(\$000's)	(15)	7	(3)	15	(0)
12	Prospective Recovery Amount Deferral Transfer		15	(7)	3	(15)	0
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + line 12)	(\$000's)	-	-	-	-	-
14	Forecast - 12 month Union North sales service volume	(10 ³ m ³)	1,076,827	1,076,348	1,077,399	1,072,948	1,070,580
15	Unit Rate	(cents/m ³)	-	-	-	-	-
<u>Summary of Unit Rates</u>							
16	Unit Rate Q1	(cents/m ³)	(0.0355)	(0.0355)	-	-	-
17	Unit Rate Q2	(cents/m ³)	(0.0063)	(0.0063)	(0.0063)	-	-
18	Unit Rate Q3	(cents/m ³)	-	-	-	-	-
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	0.0288	-	-	-	-
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	(0.0130)	(0.0418)	(0.0063)	-	-

Notes:

- (1) EB-2017-0278, Tab 2, Schedule 4, p. 1, Column (e).
- (2) EB-2017-0351, Tab 2, Schedule 4, p. 1, Column (e).
- (3) EB-2018-0104, 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		
			Jul Q3 (a)	Oct Q4 (1) (b)	Jan Q1 (2) (c)	Apr Q2 (3) (d)	Oct Q4 (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)	38	3	(3)	-	(7)
2	Less: 12-month projection from previous QRAM application	(\$000's)	94	38	3	(3)	-
3	Change (Line 1 - Line 2)	(\$000's)	(57)	(34)	(7)	3	(7)
Previous Quarter: True-up of deferral balances							
4	Actual deferral balances	(\$000's)	409	(64)	(117)	185	(406)
5	Current projected deferral amounts	(\$000's)	(34)	(81)	(74)	(107)	963
6	Less: Previous projection included in recovery	(\$000's)	37	(34)	(81)	(74)	(107)
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	338	(111)	(110)	152	664
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	282	(146)	(117)	155	657
<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	127
10	Less: Actual prospective recovery amount	(\$000's)	(34)	20	27	84	130
11	Variance (Line 9 - Line 10)	(\$000's)	(3)	1	6	(5)	(4)
12	Prospective Recovery Amount Deferral Transfer	(\$000's)	(12)	(0)	1	9	(2)
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + Line 12)	(\$000's)	266	(145)	(109)	159	652
14	Forecast - 12 month Union North West sales service and bundled DP volume	(10 ³ m ³)	395,281	395,459	380,797	379,412	378,580
15	Unit Rate	(cents/m ³)	0.0673	(0.0366)	(0.0287)	0.0420	0.1722
<u>Summary of Unit Rates</u>							
16	Unit Rate Q1	(cents/m ³)	(0.0207)	(0.0207)	(0.0287)	(0.0287)	(0.0287)
17	Unit Rate Q2	(cents/m ³)	0.0541	0.0541	0.0541	0.0420	0.0420
18	Unit Rate Q3	(cents/m ³)	0.0673	0.0673	0.0673	0.0673	-
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	-	(0.0366)	(0.0366)	(0.0366)	0.1722
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.1007	0.0641	0.0561	0.0440	0.1855

Notes:

- (1) EB-2017-0278, Tab 2, Schedule 4, p. 1, Column (f).
- (2) EB-2017-0351, Tab 2, Schedule 4, p. 1, Column (f).
- (3) EB-2018-0104, 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		
			Jul Q3 (a)	Oct Q4 (1) (b)	Jan Q1 (2) (c)	Apr Q2 (3) (d)	Oct Q4 (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)	10	(106)	(108)	(93)	(92)
2	Less: 12-month projection from previous QRAM application	(\$000's)	(128)	10	(106)	(108)	(93)
3	Change (Line 1 - Line 2)	(\$000's)	139	(116)	(3)	15	2
Previous Quarter: True-up of deferral balances							
4	Actual deferral balances	(\$000's)	1,927	(571)	(44)	61	(1,630)
5	Current projected deferral amounts	(\$000's)	(77)	(234)	1,037	(787)	(134)
6	Less: Previous projection included in recovery	(\$000's)	(255)	(77)	(234)	1,037	(787)
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	2,105	(729)	1,227	(1,763)	(977)
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	2,244	(845)	1,224	(1,748)	(975)
<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	1,215
10	Less: Actual prospective recovery amount	(\$000's)	(89)	(54)	140	316	1,194
11	Variance (Line 9 - Line 10)	(\$000's)	19	(8)	20	(11)	21
12	Prospective Recovery Amount Deferral Transfer	(\$000's)	(33)	(1)	4	24	(5)
13	Total Amount for Prospective Recovery (Line 8 + Line 11 + Line 12)	(\$000's)	2,231	(853)	1,248	(1,734)	(960)
14	Forecast - 12 month Union North East sales service and bundled DP volume	(10 ³ m ³)	1,039,257	1,038,605	1,045,939	1,041,669	1,039,889
15	Unit Rate	(cents/m ³)	0.2146	(0.0821)	0.1193	(0.1665)	(0.0923)
<u>Summary of Unit Rates</u>							
16	Unit Rate Q1	(cents/m ³)	(0.0150)	(0.0150)	0.1193	0.1193	0.1193
17	Unit Rate Q2	(cents/m ³)	(0.0218)	(0.0218)	(0.0218)	(0.1665)	(0.1665)
18	Unit Rate Q3	(cents/m ³)	0.2146	0.2146	0.2146	0.2146	-
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	-	(0.0821)	(0.0821)	(0.0821)	(0.0923)
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.1778	0.0957	0.2300	0.0853	(0.1395)

Notes:

- (1) EB-2017-0278, Tab 2, Schedule 4, p. 1, Column (g).
- (2) EB-2017-0351, Tab 2, Schedule 4, p. 1, Column (g).
- (3) EB-2018-0104, 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		
			Jul Q3 (a)	Oct Q4 (1) (b)	Jan Q1 (2) (c)	Apr Q2 (3) (d)	Oct Q4 (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)	44,495	35,350	33,543	36,785	62,819
2	Less: 12 month projection from previous QRAM application (5)	(\$000's)	24,297	44,495	35,350	33,543	36,785
3	Change (Line 1 - Line 2)	(\$000's)	20,198	(9,145)	(1,807)	3,242	26,034
Previous Quarter: True-up of deferral balances							
4	Actual deferral balances	(\$000's)	18,114	8,747	(18,761)	6,800	29,965
5	Current projected deferral amounts	(\$000's)	8,240	(15,434)	5,974	15,949	16,744
6	Less: Previous projection included in recovery	(\$000's)	14,132	8,240	(15,434)	5,974	15,949
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	12,223	(14,927)	2,647	16,775	30,761
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	32,421	(24,072)	840	20,017	56,795
<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)	(839)	6,945	7,474	18,430	24,392
10	Less: Actual prospective recovery amount	(\$000's)	(697)	6,806	7,276	20,082	26,153
11	Variance (Line 9 - Line 10)	(\$000's)	(142)	139	198	(1,652)	(1,761)
12	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000's)	32,279	(23,933)	1,038	18,365	55,034
13	Forecast - 12 month Union South sales service volume	(10 ³ m ³)	3,408,100	3,406,482	3,421,091	3,413,760	3,412,217
14	Unit Rate	(cents/m ³)	0.9471	(0.7026)	0.0303	0.5380	1.6128
<u>Summary of Unit Rates</u>							
15	Unit Rate Q1	(cents/m ³)	0.4742	0.4742	0.0303	0.0303	0.0303
16	Unit Rate Q2	(cents/m ³)	1.0286	1.0286	1.0286	0.5380	0.5380
17	Unit Rate Q3	(cents/m ³)	0.9471	0.9471	0.9471	0.9471	-
18	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	0.2219	(0.7026)	(0.7026)	(0.7026)	1.6128
19	Total Unit Rate - Prospective Recovery	(cents/m ³)	2.6718	1.7473	1.3034	0.8128	2.1811

Notes:

- (1) EB-2017-0351, Tab 4, Schedule 2, p. 2, Column (h).
- (2) EB-2018-0104, Tab 2, Schedule 4, p. 2, Column (h).
- (3) EB-2018-0174, 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		
			Jul Q3 (a)	Oct Q4 (1) (b)	Jan Q1 (2) (c)	Apr Q2 (3) (d)	Oct Q4 (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)	(4,067)	34,907	1,268	3,608	(12,710)
2	Less: 12 month projection from previous QRAM application (5)	(\$000's)	794	(4,067)	34,907	1,268	3,608
3	Change (Line 1 - Line 2)	(\$000's)	(4,862)	38,975	(33,639)	2,340	(16,318)
Previous Quarter: True-up of deferral balances							
4	Actual deferral balances	(\$000's)	982	(3,052)	35,827	1,177	3,865
5	Current projected deferral amounts	(\$000's)	23	22	20	55	13
6	Less: Previous projection included in recovery	(\$000's)	(18)	23	22	20	55
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	1,023	(3,053)	35,825	1,212	3,824
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(3,838)	35,922	2,185	3,552	(12,494)
<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)	8,132	1,205	4,546	22,359	16,053
10	Less: Actual prospective recovery amount	(\$000's)	7,630	1,270	3,772	25,367	17,208
11	Variance (Line 9 - Line 10)	(\$000's)	502	(66)	774	(3,008)	(1,155)
12	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000's)	(3,337)	35,856	2,959	544	(13,649)
13	Forecast - 12 month sales service volume	(10 ³ m ³)	4,484,927	4,482,830	4,498,491	4,486,708	4,482,797
14	Unit Rate	(cents/m ³)	(0.0744)	0.7999	0.0658	0.0121	(0.3045)
<u>Summary of Unit Rates</u>							
15	Unit Rate Q1	(cents/m ³)	0.7873	0.7873	0.0658	0.0658	0.0658
16	Unit Rate Q2	(cents/m ³)	(0.0425)	(0.0425)	(0.0425)	0.0121	0.0121
17	Unit Rate Q3	(cents/m ³)	(0.0744)	(0.0744)	(0.0744)	(0.0744)	-
18	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	(0.3990)	0.7999	0.7999	0.7999	(0.3045)
19	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.2714	1.4703	0.7488	0.8034	(0.2266)

Notes:

- (1) EB-2017-0278, Tab 2, Schedule 4, p. 2 Column (i).
- (2) EB-2017-0351, Tab 2, Schedule 4, p. 2 Column (i).
- (3) EB-2018-0104, 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		
			Jul Q3 (a)	Oct Q4 (1) (b)	Jan Q1 (2) (c)	Apr Q2 (3) (d)	Oct Q4 (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)	-	-
5	Current projected deferral amounts	(\$000s)	(0)	(0)	(0)	-	-
6	Less: Previous projection included in recovery	(\$000s)	(0)	(0)	(0)	(0)	-
7	Variance (Line 4 + Line 5 - Line 6)	(\$000s)	(0)	(0)	(0)	0	-
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000s)	(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)	(24)	(2)	0	(2)	(2)
10	Less: Actual prospective recovery amount	(\$000s)	(22)	(2)	0	(2)	(2)
11	Variance (Line 9 - Line 10)	(\$000s)	(2)	0	(0)	0	(0)
12	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000s)	(2)	0	(0)	0	(0)
13	Forecast - 12-month volume	(10 ³ m ³)	980,955	981,216	957,267	955,981	954,682
14	Unit Rate	(cents/m ³)	(0.0002)	-	-	-	-
<u>Summary of Unit Rates</u>							
15	Unit Rate Q1	(cents/m ³)	(0.0001)	(0.0001)	0.0000	0.0000	0.0000
16	Unit Rate Q2	(cents/m ³)	(0.0002)	(0.0002)	(0.0002)	0.0000	0.0000
17	Unit Rate Q3	(cents/m ³)	(0.0002)	(0.0002)	(0.0002)	(0.0002)	0.0000
18	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	0.0006	0.0000	0.0000	0.0000	0.0000
19	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.0001	(0.0005)	(0.0004)	(0.0002)	0.0000

Notes:

- (1) EB-2017-0278, Tab 2, Schedule 4, p. 2, Column (j).
- (2) EB-2017-0351, Tab 2, Schedule 4, p. 2, Column (j).
- (3) EB-2018-0104, 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		
			Jul Q3 (a)	Oct Q4 (1) (b)	Jan Q1 (2) (c)	Apr Q2 (3) (d)	Oct Q4 (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)	-	-
5	Current projected deferral amounts	(\$000s)	(0)	(0)	(0)	-	-
6	Less: Previous projection included in recovery	(\$000s)	(0)	(0)	(0)	(0)	-
7	Variance (Line 4 + Line 5 - Line 6)	(\$000s)	(0)	(0)	(0)	0	-
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000s)	(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	0	(0)	-
10	Less: Actual prospective recovery amount	(\$000s)	(1)	1	0	(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)	346,494	345,408	355,690	350,975	348,935
14	Unit Rate	(cents/m ³)	-	-	-	-	-
<u>Summary of Unit Rates</u>							
15	Unit Rate Q1	(cents/m ³)	(0.0001)	(0.0001)	0.0000	0.0000	0.0000
16	Unit Rate Q2	(cents/m ³)	0.0000	0.0000	0.0000	0.0000	0.0000
17	Unit Rate Q3	(cents/m ³)	0.0000	0.0000	0.0000	0.0000	0.0000
18	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	0.0010	0.0000	0.0000	0.0000	0.0000
19	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.0009	(0.0001)	0.0000	0.0000	0.0000

Notes:

- (1) EB-2017-0278, Tab 2, Schedule 4, p. 2, Column (j).
- (2) EB-2017-0351, Tab 2, Schedule 4, p. 2, Column (j).
- (3) EB-2018-0104, 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		
			Jul Q3 (a)	Oct Q4 (1) (b)	Jan Q1 (2) (c)	Apr Q2 (3) (d)	Oct Q4 (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)	-	-
5	Current projected deferral amounts	(\$000s)	(0)	(0)	(0)	-	-
6	Less: Previous projection included in recovery	(\$000s)	(0)	(0)	(0)	(0)	-
7	Variance (Line 4 + Line 5 - Line 6)	(\$000s)	(0)	(0)	(0)	0	-
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000s)	(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)	16	8	4	3	5
10	Less: Actual prospective recovery amount	(\$000s)	9	5	3	2	4
11	Variance (Line 9 - Line 10)	(\$000s)	7	4	1	1	1
12	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000s)	7	4	1	1	1
13	Forecast - 12-month volume	(10 ³ m ³)	107,089	107,440	113,779	114,124	114,853
14	Unit Rate	(cents/m ³)	0.0065	0.0033	0.0011	0.0006	0.0007
<u>Summary of Unit Rates</u>							
15	Unit Rate Q1	(cents/m ³)	0.0008	0.0008	0.0011	0.0011	0.0011
16	Unit Rate Q2	(cents/m ³)	0.0036	0.0036	0.0036	0.0006	0.0006
17	Unit Rate Q3	(cents/m ³)	0.0065	0.0065	0.0065	0.0065	0.0000
18	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	0.0066	0.0033	0.0033	0.0033	0.0007
19	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.0175	0.0142	0.0145	0.0115	0.0024

Notes:

- (1) EB-2017-0278, Tab 2, Schedule 4, p. 2, Column (j).
- (2) EB-2017-0351, Tab 2, Schedule 4, p. 2, Column (j).
- (3) EB-2018-0104, 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		
			Jul Q3 (a)	Oct Q4 (1) (b)	Jan Q1 (2) (c)	Apr Q2 (3) (d)	Oct Q4 (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)	(0)	(0)	(0)	-	216
5	Current projected deferral amounts	(\$000's)	(0)	(0)	(0)	-	-
6	Less: Previous projection included in recovery	(\$000's)	(0)	(0)	(0)	(0)	-
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(0)	(0)	(0)	0	216
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(0)	(0)	(0)	0	216
<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)	(55)	4	3	(13)	(25)
10	Less: Actual prospective recovery amount	(\$000's)	(41)	14	12	(14)	(26)
11	Variance (Line 9 - Line 10)	(\$000's)	(14)	(10)	(10)	1	1
12	Total Amount for Prospective Recovery (Line 8 + Line 11)	(\$000's)	(15)	(10)	(10)	2	217
13	Forecast - 12 month Union North sales service volume	(10 ³ m ³)	1,076,827	1,076,348	1,077,399	1,072,948	296,015
14	Unit Rate	(cents/m ³)	(0.0013)	(0.0010)	(0.0010)	0.0002	0.0734
<u>Summary of Unit Rates</u>							
15	Unit Rate Q1	(cents/m ³)	(0.0008)	(0.0008)	(0.0010)	(0.0010)	(0.0010)
16	Unit Rate Q2	(cents/m ³)	(0.0007)	(0.0007)	(0.0007)	0.0002	0.0002
17	Unit Rate Q3	(cents/m ³)	(0.0013)	(0.0013)	(0.0013)	(0.0013)	-
18	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	0.0063	(0.0010)	(0.0010)	(0.0010)	0.0734
19	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.0035	(0.0038)	(0.0040)	(0.0031)	0.0726

Notes:

- (1) EB-2017-0278, Tab 2, Schedule 4, p. 2, Column (m).
- (2) EB-2017-0351, Tab 2, Schedule 4, p. 2, Column (m).
- (3) EB-2018-0104, 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.

UNION GAS LIMITED
2018 Rate Adjustment Summary based on
Changes to the Parkway Delivery Commitment Incentive (PDCI) Costs to Remove Cap-and-Trade Charges

Line No.	Particulars (\$000's)	PDCI Costs per EB-2017-0087 (1)			Updated PDCI Costs			Difference		
		Dawn-Parkway Demand Costs (a)	Commodity Costs (b)	Total PDCI Costs (c) = (a + b)	Dawn-Parkway Demand Costs (2) (d)	Commodity Costs (3) (e)	Total PDCI Costs (f) = (d + e)	Dawn-Parkway Demand Costs (g) = (d - a)	Commodity Costs (h) = (e - b)	Total Costs (i) = (g + h)
1	Rate M1	5,226	1,019	6,245	5,226	840	6,065	-	(180)	(180)
2	Rate M2	1,756	361	2,116	1,756	297	2,053	-	(64)	(64)
3	Rate M4	511	164	675	511	135	646	-	(29)	(29)
4	Rate M5 - Firm	5	4	9	5	3	8	-	(1)	(1)
5	Rate M5 - Interruptible	-	114	114	-	94	94	-	(20)	(20)
6	Rate M7 - Firm	235	66	301	235	54	290	-	(12)	(12)
7	Rate M7 - Interruptible	-	-	-	-	-	-	-	-	-
8	Rate M9	84	34	118	84	28	112	-	(6)	(6)
9	Rate M10	3	0	3	3	0	3	-	(0)	(0)
10	Rate T1 - Firm	252	150	402	252	123	376	-	(26)	(26)
11	Rate T1 - Interruptible	-	16	16	-	13	13	-	(3)	(3)
12	Rate T2 - Firm	1,636	771	2,408	1,636	635	2,272	-	(136)	(136)
13	Rate T2 - Interruptible	-	18	18	-	15	15	-	(3)	(3)
14	Rate T3	593	152	745	593	126	718	-	(27)	(27)
15	Total Costs	<u>10,300</u>	<u>2,871</u>	<u>13,171</u>	<u>10,300</u>	<u>2,364</u>	<u>12,664</u>	<u>-</u>	<u>(507)</u>	<u>(507)</u>

Notes:

- (1) EB-2017-0087, Rate Order, Working Papers, Schedule 20, p.1, columns (d), (e), and (f).
- (2) Working Papers, Schedule 3, p.2, column (b) + Working Papers, Schedule 3, p.3, column (b).
- (3) Working Papers, Schedule 3, p.2, column (d) + Working Papers, Schedule 3, p.3, column (d).

UNION GAS LIMITED
Derivation of the 2018 Sales Service PDCI Costs, Updated to Remove Cap-and-Trade Charges

Line No.	Particulars	Demand Costs		Commodity Costs		Total Sales Service PDCI Costs (\$000's) (e) = (b + d)
		2013 Approved Dawn-Parkway Design Day Demands (1) (10 ³ m ³ /d) (a)	11 TJ Sales Service Demand Costs (2) (\$000's) (b)	2013 Approved Delivery Volumes East of Dawn (4) (10 ³ m ³) (c)	11 TJ Sales Service Fuel and UFG Costs (5) (\$000's) (d)	
1	Rate M1	22,132	249	1,823,853	40	288
2	Rate M2	7,435	83	645,259	14	98
3	Rate M4	2,162	24	294,126	6	31
4	Rate M5 Firm	20	0	7,501	0	0
5	Rate M5 Interruptible	-	-	203,891	4	4
6	Rate M7 Firm	997	11	118,324	3	14
7	Rate M7 Interruptible	-	-	-	-	-
8	Rate M9	356	4	60,750	1	5
9	Rate M10	11	0	189	0	0
10	Rate T1 Firm	1,068	12	267,950	6	18
11	Rate T1 Interruptible	-	-	28,552	1	1
12	Rate T2 Firm	6,931	78	1,380,265	30	108
13	Rate T2 Interruptible	-	-	32,431	1	1
14	Rate T3	2,511	28	272,712	6	34
15	Total	<u>43,624</u>	<u>490</u> (3)	<u>5,135,803</u>	<u>112</u> (6)	<u>602</u>

Notes:

- (1) Union South In-franchise Dawn-Parkway Design Day Demand allocation factor per EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p. 7, line 2, Updated for Board Decision.
- (2) Allocated in proportion to column (a). Parkway Delivery Obligation of 11 TJ/d as per EB-2017-0087, Rate Order, Working Papers, Schedule 20, p. 5, column (b).
- (3) Calculated as 11 TJ x \$0.122/GJ/d x 365 = \$0.490 million. Rate represents the M12 Dawn-Parkway demand rate per EB-2017-0087.
- (4) Union South in-franchise volumes east of Dawn per EB-2011-0210, Exhibit G3, Tab 5, Schedule 21, pp. 13 & 14, Updated for Board Decision.
- (5) Allocated in proportion to column (c).
- (6) Calculated as 11 TJ x \$0.028/GJ/d x 365 = \$0.112 million. Rate represents the average Dawn-Parkway (TCPL / EGT) fuel ratio per EB-2017-0087 Rate M12 Schedule 'C' at October 2017 QRAM Dawn Reference WACOG.

UNION GAS LIMITED

Derivation of the 2018 Direct Purchase (DP) PDCI Costs, Updated to Remove Cap-and-Trade Charges.

Line No.	Particulars	Demand Costs		Commodity Costs		Total DP PDCI Costs (\$000's) (e) = (b + d)
		2013 Approved Dawn-Parkway Design Day Demands (1) (10 ³ m ³ /d) (a)	220 TJ DP Demand Costs (2) (\$000's) (b)	2013 Approved Delivery Volumes East of Dawn (4) (10 ³ m ³) (c)	220 TJ DP Fuel and UFG Costs (5) (\$000's) (d)	
1	Rate M1	22,132	4,977	1,823,853	800	5,777
2	Rate M2	7,435	1,672	645,259	283	1,955
3	Rate M4	2,162	486	294,126	129	615
4	Rate M5 Firm	20	5	7,501	3	8
5	Rate M5 Interruptible	-	-	203,891	89	89
6	Rate M7 Firm	997	224	118,324	52	276
7	Rate M7 Interruptible	-	-	-	-	-
8	Rate M9	356	80	60,750	27	107
9	Rate M10	11	2	189	0	3
10	Rate T1 Firm	1,068	240	267,950	117	358
11	Rate T1 Interruptible	-	-	28,552	13	13
12	Rate T2 Firm	6,931	1,559	1,380,265	605	2,164
13	Rate T2 Interruptible	-	-	32,431	14	14
14	Rate T3	2,511	565	272,712	120	684
15	Total	<u>43,624</u>	<u>9,811 (3)</u>	<u>5,135,803</u>	<u>2,252 (6)</u>	<u>12,062</u>

Notes:

- (1) Union South In-franchise Dawn-Parkway Design Day Demand Allocation Factor per EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p. 7, line 2, Updated for Board Decision.
- (2) Allocated in proportion to column (a). Parkway Delivery Obligation of 220 TJ/d as per EB-2017-0087, Rate Order, Working Papers, Schedule 20, p. 6, Column (b).
- (3) Calculated as 220 TJ x \$0.122/GJ/d x 365 = \$9.811 million. Rate represents the M12 Dawn-Parkway demand rate per EB-2017-0087.
- (4) Union South in-franchise volumes east of Dawn per EB-2011-0210, Exhibit G3, Tab 5, Schedule 21, pp. 13 & 14, Updated for Board Decision.
- (5) Allocated in proportion to column (c).
- (6) Calculated as 220 TJ x \$0.028/GJ/d x 365 = \$2.252 million. Rate represents the average Dawn-Parkway (TCPL / EGT) fuel ratio per EB-2017-0087 Rate M12 Schedule 'C' at October 2017 QRAM Dawn Reference WACOG.