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November 30, 2020

**VIA RESS and EMAIL**

Ms. Christine Long  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: EB-2020-0094 Enbridge Gas Inc. ("Enbridge Gas")  
Harmonized System Expansion Surcharge ("SES"), Temporary Connection  
Surcharge ("TCS") and Hourly Allocation Factor ("HAF") – Reply to comments  
on Draft Rate Order**

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In accordance with the Ontario Energy Board's ("OEB") Decision and Order, dated November 5, 2020, please find attached Enbridge Gas's reply to comments received from intervenors and OEB staff in the above noted proceeding.

Also attached are the revised Rates Schedules for Rate 01, 10, M1 and M2 reflecting the 40 year maximum term for the SES and TCS, as suggested by OEB staff.

Please contact the undersigned if you have any questions.

Yours truly,

Rakesh Torul  
Technical Manager, Regulatory Applications

cc: Tania Persad, Sr. Legal Counsel  
EB-2020-0094 Intervenors

**ONTARIO ENERGY BOARD**

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

**AND IN THE MATTER OF** an application by Enbridge Gas  
Inc. for approval of a System Expansion Surcharge, a  
Temporary Connection Surcharge and an Hourly Allocation  
Factor

**ENBRIDGE GAS INC. REPLY SUBMISSIONS ON DRAFT RATE ORDER**

1. In accordance with its November 5, 2020 Decision and Order (“Decision”), the Ontario Energy Board (“Board” or “OEB”) invited Enbridge Gas Inc. (“Enbridge Gas”) to file its response to submissions of intervenors and OEB staff on the draft Rate Order (“DRO”) Enbridge Gas filed on November 16, 2020. OEB staff and three intervenors<sup>1</sup> filed submissions. Enbridge Gas provides the following comments in response.
2. OEB staff notes that there are inconsistencies between the DRO and the Decision, and in particular with respect to the Board’s statement (“Statement”), “A CIAC cannot be charged in combination with the TCS.”<sup>2</sup> Respectfully, Enbridge Gas did not interpret this statement to be a complete prohibition on charging a contribution in aid of construction (“CIAC”) and temporary connection surcharge (“TCS”) in combination. Rather, Enbridge Gas understood this statement as applicable in the context of the section of the Decision within which it appears.
3. This section of the Decision describes the reasons for which the Board accepts \$0.23/m<sup>3</sup> as an appropriate amount for the TCS and the system expansion surcharge (“SES”) and also makes findings on why the OEB agrees with Enbridge Gas that small volume customers should not have the option of paying

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<sup>1</sup> EPCOR Natural Gas Limited Partnership (“EPCOR”), Pollution Probe (“PP”) and Vulnerable Energy Consumers Coalition (“VECC”)

<sup>2</sup> Decision, p. 5

a CIAC in lieu of the SES or TCS as large volume customers would have.<sup>3</sup>

Enbridge Gas therefore took the Statement to mean that customers within a small main extension project will not have the choice to pay either a CIAC or a TCS and that the TCS will be applied uniformly within a project. Enbridge Gas fully agrees with this proposition and it is consistent with the Board's findings and the evidence.

4. Enbridge Gas submits that to interpret the Statement as a blanket prohibition on charging a CIAC in combination with the TCS leads to two concerns that will be detrimental for customers that the Board did not address in its findings and may be unintended, hence the Enbridge Gas conclusion that this is not what the Board intended. The two concerns are:

- i. **CIAC charged in addition to a 40 year TCS term:** While in many instances, the 40 year TCS term will fully cover the contribution required from the customer in order for a TCS project to reach a profitability index ("PI") of 1.0, there are likely instances in which this will not be the case. Yet, Enbridge Gas anticipates that there will be customers in those circumstances that will be willing to pay a CIAC in addition to the full 40 year term TCS in order to receive gas service. These customers should not be denied the opportunity to receive gas service if they are willing to pay the additional amount. Allowing customers to pay the additional CIAC in these cases is similar to applying a government grant and/or a municipal contribution to a Community Expansion project to which the SES applies. This is also consistent with the Board's decision and conditions of approval in EB-2019-0187, Schedule C, where the Board indicated, "Enbridge Gas may apply the SES to any future short main extensions off the Project; however, if the balance of the original term is insufficient to achieve a PI of 1.0 for the short main extension, then Enbridge Gas may extend the term or else require a capital contribution."

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<sup>3</sup> Decision, p. 5

The CIAC is simply an additional source of contribution that allows an otherwise infeasible project to proceed. If the Board finds that a CIAC cannot be charged in combination with a TCS in these circumstances, the only option available to Enbridge Gas in order to provide gas service to these customers will be to charge a large upfront CIAC.<sup>4</sup> This would not be equitable given the TCS would be available for a lower contribution amount. The only group that would suffer prejudice if the OEB were to not allow willing customer to pay the additional CIAC on top of the 40 year TCS is those very customers. This would appear to be an unintended consequence of applying the Statement in a strict manner as interpreted by OEB staff.

- ii. **CIAC required for excess length service laterals:** As stated in the evidence, for customers who require a service lateral in excess of the standard length,<sup>5</sup> customers will be required to pay a CIAC in addition to any TCS.<sup>6</sup> This excess length charge is determined on an individual customer basis and will by its nature be specific to each customer. This CIAC charge is not factored into the calculation of the TCS term for the overall project because it is customer specific and is calculated in that manner. The effect of the Board staff's interpretation of the Decision is that this service lateral CIAC either cannot be charged or would have to be somehow rolled into the TCS term calculation and subsidized by all customers for that project. Enbridge Gas does not believe that this is what the Board intended by the Statement because there is no discussion of that issue and neither intervenors nor OEB staff objected to Enbridge Gas' proposed treatment of the excess length CIAC in its evidence.

- 5. With the exception of the OEB staff suggestion that the Rate Schedules for Rates 01, 10, M1 and M2 include the 40 year maximum term for the SES and the TCS,

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<sup>4</sup> Using the average annual consumption of a residential customer, this will occur where the required contribution is approximately \$10,000 or more.

<sup>5</sup> The standard length is 20 m in the EGD rate zone and 30 m in the Union rate zones.

<sup>6</sup> See Interrogatory responses CPA.1, EP.7a) & b), IGUA.1 and Staff.7g).

Enbridge Gas respectfully disagrees with the DRO and Conditions of Service changes suggested by OEB Staff and supported by EPCOR, PP and VECC. Enclosed are the revised Rate Schedules reflecting the 40 year term change.

6. Regarding the PP submissions about the Enbridge Gas feasibility policies, Enbridge Gas notes that in the Decision, in section 4 of the Order, the Board specifically stated, "The draft Rate Order shall also include Enbridge Gas Inc.'s revised feasibility policies to implement the HAF, SES and TCS for each of the EGD and Union rate zones." Enbridge Gas has complied with this direction in the DRO.

All of which is respectfully submitted this 30<sup>th</sup> day of November, 2020.

**ENBRIDGE GAS INC.**

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**Tania Persad, Senior Legal Counsel**

Rate 01

ENBRIDGE GAS INC.  
UNION NORTH  
RATE 01 - SMALL VOLUME GENERAL FIRM SERVICE

**ELIGIBILITY**

Any customer in Union's North West and North East Zones who is an end user whose total gas requirements at that location are equal to or less than 50,000 m<sup>3</sup> per year.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Sales Service**

For continuous supply of natural gas by Union and associated transportation and storage services necessary to ensure deliverability in accordance with the customer's needs. For this service, the Monthly, Delivery, Carbon (if applicable) 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, Delivery and Carbon (if applicable) 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, Delivery and Carbon (if applicable) Charges, as well as the Storage and Transportation Charges of the Gas Supply Charge, shall apply.

**MONTHLY RATES AND CHARGES**

	Union <u>North West</u>	Union <u>North East</u>
<u>APPLICABLE TO ALL SERVICES</u>		
<u>MONTHLY CHARGE</u>	\$22.50	\$22.50
<u>DELIVERY CHARGE</u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 100 m <sup>3</sup> per month @	9.5316	9.5316
Next 200 m <sup>3</sup> per month @	9.2870	9.2870
Next 200 m <sup>3</sup> per month @	8.8999	8.8999
Next 500 m <sup>3</sup> per month @	8.5446	8.5446
Over 1,000 m <sup>3</sup> per month @	8.2510	8.2510
Delivery-Price Adjustment (All Volumes) (1)	0.0420	0.0420
<u>CARBON CHARGES</u>		
Federal Carbon Charge (if applicable) (2)	5.8700	5.8700
Facility Carbon Charge (in addition to Delivery Charge)	0.0088	0.0088
Federal Carbon Charge - Price Adjustment (if applicable) (2) (3)	2.3662	2.3662

Notes:

(1) Includes a temporary credit of (0.0420) cents/m<sup>3</sup> expiring December 31, 2020.

(2) The Federal Carbon Charge and 2019 balances in the Customer Variance Accounts for on-reserve First Nations customers are interim, per the Board's Decision and Order in EB-2019-0247.

(3) Includes a temporary charge of 2.3662 cents/m<sup>3</sup> expiring December 31, 2020.

Rate 01

### ADDITIONAL CHARGES FOR SALES SERVICE

#### GAS SUPPLY CHARGES (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") AND TEMPORARY CONNECTION SURCHARGE ("TCS") (if applicable) (1)

The SES is applicable to a customer who receives gas distribution services from the Company as part of a Community Expansion Project listed below. The SES is applied to all volumes consumed by customers in the approved Community Expansion Project areas. The Company may apply the SES for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

The TCS is applicable to a customer who receives gas distribution services from the Company as part of a Small Main Extension or Customer Attachment Project in lieu of or in addition to paying a Contribution in Aid of Construction (CIAC). The TCS is applied to all volumes consumed, if applicable. The Company may require payment of a CIAC and/or apply the TCS for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

System Expansion Surcharge (SES):	23.0000 ¢ per m <sup>3</sup>
Temporary Connection Surcharge (TCS):	23.0000 ¢ per m <sup>3</sup>

<u>Community Expansion Project Areas:</u>	<u>In-service Date</u>	<u>SES Term</u>
Prince Township	2018	22 years
North Bay - Northshore and Peninsula Roads	2020	40 years

#### Notes:

(1) Additional conditions and defined terms applicable to the SES and TCS are set out in the Company's Distribution New Business Guidelines as approved by the OEB in its EB-2020-0094 decision.

#### **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, Delivery and Carbon (if applicable) Charges, plus any other charge that is specific to the location of each end-user shall be used to develop a monthly bill for each end-user at each location. Upon request, possibly for a fee, Union will combine the individual bills on a single invoice or statement for administrative convenience. However, Union will not combine the quantities or demands of several end-use locations so that eligibility to a different rate class will result. Further, Union will not combine the monthly billing data of individual end-users to generate a single bill which is less than the sum of the monthly bills of the individual end-users involved at each location.
2. Customers must enter into a Service Agreement with Union prior to the commencement of service.
3. The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

Rate 10

ENBRIDGE GAS INC.  
UNION NORTH  
RATE 10 - LARGE VOLUME GENERAL FIRM SERVICE

**ELIGIBILITY**

Any customer in Union's North West and North East Zones who is an end-user whose total firm gas requirements at one or more Company-owned meters at one location exceed 50,000 m<sup>3</sup> per year.

**SERVICES AVAILABLE**

The following services are available under this rate schedule:

**(a) Sales Service**

For continuous supply of natural gas by Union and associated transportation and storage services necessary to ensure deliverability in accordance with the customer's needs. For this service, the Monthly, Delivery, Carbon (if applicable) 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, Delivery and Carbon (if applicable) 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 and Carbon (if applicable) 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>	\$72.68	\$72.68
<u>DELIVERY CHARGE</u>	<u>¢ per m<sup>3</sup></u>	<u>¢ per m<sup>3</sup></u>
First 1,000 m <sup>3</sup> per month @	8.3429	8.3429
Next 9,000 m <sup>3</sup> per month @	6.7677	6.7677
Next 20,000 m <sup>3</sup> per month @	5.9082	5.9082
Next 70,000 m <sup>3</sup> per month @	5.3299	5.3299
Over 100,000 m <sup>3</sup> per month @	3.1388	3.1388
Delivery-Price Adjustment (All Volumes) (1)	0.0144	0.0144
<u>CARBON CHARGES</u>		
Federal Carbon Charge (if applicable) (2)	5.8700	5.8700
Facility Carbon Charge (in addition to Delivery Charge)	0.0088	0.0088
Federal Carbon Charge - Price Adjustment (if applicable) (2) (3)	2.7752	2.7752

GAS SUPPLY CHARGES (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".

Notes:

- (1) Includes a temporary charge of 0.0144 cents/m<sup>3</sup> expiring December 31, 2020.
- (2) The Federal Carbon Charge and 2019 balances in the Customer Variance Accounts for on-reserve First Nations customers are interim, per the Board's Decision and Order in EB-2019-0247.
- (3) Includes a temporary charge of 2.7752 cents/m<sup>3</sup> expiring December 31, 2020.



Rate 10

ADDITIONAL CHARGES FOR SALES SERVICE

SYSTEM EXPANSION SURCHARGE ("SES") AND TEMPORARY CONNECTION SURCHARGE ("TCS") (if applicable) (1)

The SES is applicable to a customer who receives gas distribution services from the Company as part of a Community Expansion Project listed below in lieu of or in addition to paying a Contribution in Aid of Construction (CIAC), at the customer's option. The Company may apply the SES for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

U

The TCS is applicable to a customer who receives gas distribution services from the Company as part of a Small Main Extension or Customer Attachment Project in lieu of or in addition to paying a CIAC, at the customer's option. The Company may require payment of a CIAC and/or apply the TCS for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

U

If applicable, the SES and TCS are applied to all volumes consumed for the SES or TCS term.

System Expansion Surcharge (SES):	23.0000 ¢ per m³
Temporary Connection Surcharge (TCS):	23.0000 ¢ per m³

<u>Community Expansion Project Areas:</u>	<u>In-service Date</u>	<u>SES Term</u>
Prince Township	2018	22 years
North Bay - Northshore and Peninsula Roads	2020	40 years

Notes:

(1) Additional conditions and defined terms applicable to the SES and TCS are set out in the Company's Distribution New Business Guidelines as approved by the OEB in its EB-2020-0094 decision.

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

- Service shall be for a minimum term of one year.
- If multiple end-users are receiving service from a customer under this rate, for billing purposes, the Monthly, Delivery and Carbon (if applicable) Charges, plus 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.
- Customers must enter into a Service Agreement with Union prior to the commencement of service.
- 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.
- The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

Rate M1

ENBRIDGE GAS INC.  
UNION SOUTH  
SMALL VOLUME GENERAL SERVICE RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

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

(C) Rates

The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated which may be higher than the identified rates. (1)

a) Monthly Charge \$22.50

b) Delivery Charge

First	100 m <sup>3</sup>	5.4885	¢ per m <sup>3</sup>
Next	150 m <sup>3</sup>	5.2131	¢ per m <sup>3</sup>
All Over	250 m <sup>3</sup>	4.5020	¢ per m <sup>3</sup>

Delivery - Price Adjustment (All Volumes) (2) 0.0360 ¢ per m<sup>3</sup>

c) Carbon Charges

Federal Carbon Charge (if applicable) (3)	5.8700	¢ per m <sup>3</sup>
Facility Carbon Charge (in addition to Delivery Charge)	0.0088	¢ per m <sup>3</sup>

Federal Carbon Charge - Price Adjustment (if applicable) (3) (4) 2.4710 ¢ per m<sup>3</sup>

d) Storage Charge (if applicable) 0.7692 ¢ per m<sup>3</sup>  
Storage - Price Adjustment (All Volumes) - ¢ per m<sup>3</sup>

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

e) 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".

f) System Expansion Surcharge ("SES") and Temporary Connection Surcharge ("TCS") (if applicable) (5)

The SES is applicable to a customer who receives gas distribution services from the Company as part of a Community Expansion Project listed below. The SES is applied to all volumes consumed by customers in the approved Community Expansion Project areas. The Company may apply the SES for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

U

The TCS is applicable to a customer who receives gas distribution services from the Company as part of a Small Main Extension or Customer Attachment Project in lieu of or in addition to paying a Contribution in Aid of Construction (CIAC). The TCS is applied to all volumes consumed, if applicable. The Company may require payment of a CIAC and/or apply the TCS for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

U

System Expansion Surcharge (SES):	23.0000	¢ per m <sup>3</sup>
Temporary Connection Surcharge (TCS):	23.0000	¢ per m <sup>3</sup>

<u>Community Expansion Project Areas:</u>	<u>In-service Date</u>	<u>SES Term</u>
Kettle and Stony Point First Nation and Lambton Shores	2017	12 years
Milverton, Rostock and Wartburg	2017	15 years
Delaware Nation of Moraviantown First Nation	2018	40 years
Chippewas of the Thames First Nation	2019	40 years
Saugeen First Nation	2020	40 years

Notes:

- (1) During any month in which a customer terminates service or begins service, the fixed charge for the month will be prorated to such customer.  
(2) Includes a temporary charge of 0.0360 cents/m<sup>3</sup> expiring December 31, 2020.  
(3) The Federal Carbon Charge and 2019 balances in the Customer Variance Accounts for on-reserve First Nations customers are interim, per the Board's Decision and Order in EB-2019-0247.  
(4) Includes a temporary charge of 2.4710 cents/m<sup>3</sup> expiring December 31, 2020.  
(5) Additional conditions and defined terms applicable to the SES and TCS are set out in the Company's Distribution New Business Guidelines as approved by the OEB in its EB-2020-0094 decision.

Rate M1

(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 plus facility carbon charge and if applicable, the identified federal carbon charge and the total gas supply charge for utility sales provided in Schedule "A" per m<sup>3</sup>, plus 7¢ per m<sup>3</sup>.

Overrun Delivery Charge	6.2577	¢ per m <sup>3</sup>
Federal Carbon Charge (if applicable)	5.8700	¢ per m <sup>3</sup>
Facility Carbon Charge (in addition to Overrun Delivery Charge)	0.0088	¢ per m <sup>3</sup>

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

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

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

Rate M2

ENBRIDGE GAS INC.  
UNION SOUTH  
LARGE VOLUME GENERAL SERVICE RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

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

(C) Rates

The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated which may be higher than the identified rates. (1)

a) Monthly Charge \$72.68

b) Delivery Charge

First	1 000 m <sup>3</sup>	4.9531	¢ per m <sup>3</sup>
Next	6 000 m <sup>3</sup>	4.8626	¢ per m <sup>3</sup>
Next	13 000 m <sup>3</sup>	4.5932	¢ per m <sup>3</sup>
All Over	20 000 m <sup>3</sup>	4.2686	¢ per m <sup>3</sup>

Delivery – Price Adjustment (All Volumes) (2) 0.0119 ¢ per m<sup>3</sup>

c) Carbon Charges

Federal Carbon Charge (if applicable) (3) 5.8700 ¢ per m<sup>3</sup>  
Facility Carbon Charge (in addition to Delivery Charge) 0.0088 ¢ per m<sup>3</sup>

Federal Carbon Charge - Price Adjustment (if applicable) (3) (4) 2.5161 ¢ per m<sup>3</sup>

d) Storage Charge (if applicable) 0.6709 ¢ per m<sup>3</sup>  
Storage - Price Adjustment (All Volumes) - ¢ per m<sup>3</sup>

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

e) 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".

f) System Expansion Surcharge ("SES") and Temporary Connection Surcharge ("TCS") (if applicable) (5)

The SES is applicable to a customer who receives gas distribution services from the Company as part of a Community Expansion Project listed below in lieu of or in addition to paying a Contribution in Aid of Construction (CIAC), at the customer's option. The Company may apply the SES for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

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The TCS is applicable to a customer who receives gas distribution services from the Company as part of a Small Main Extension or Customer Attachment Project in lieu of or in addition to paying a CIAC, at the customer's option. The Company may require payment of a CIAC and/or apply the TCS for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

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If applicable, the SES and TCS are applied to all volumes consumed for the SES or TCS term.

System Expansion Surcharge (SES): 23.0000 ¢ per m<sup>3</sup>  
Temporary Connection Surcharge (TCS): 23.0000 ¢ per m<sup>3</sup>

<u>Community Expansion Project Areas:</u>	<u>In-service Date</u>	<u>SES Term</u>
Kettle and Stony Point First Nation and Lambton Shores	2017	12 years
Milverton, Rostock and Wartburg	2017	15 years
Delaware Nation of Moraviantown First Nation	2018	40 years
Chippewas of the Thames First Nation	2019	40 years
Saugeen First Nation	2020	40 years

Notes:

- (1) During any month in which a customer terminates service or begins service, the fixed charge for the month will be prorated to such customer.  
(2) Includes a temporary charge of 0.0119 cents/m<sup>3</sup> expiring December 31, 2020.  
(3) The Federal Carbon Charge and 2019 balances in the Customer Variance Accounts for on-reserve First Nations customers are interim, per the Board's Decision and Order in EB-2019-0247.  
(4) Includes a temporary charge of 2.5161 cents/m<sup>3</sup> expiring December 31, 2020.  
(5) Additional conditions and defined terms applicable to the SES and TCS are set out in the Company's Distribution New Business Guidelines as approved by the OEB in its EB-2020-0094 decision.

Rate M2

(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 plus facility carbon charge and if applicable, the identified federal carbon charge and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³.

Overrun Delivery Charge	5.6240	¢ per m³
Federal Carbon Charge (if applicable)	5.8700	¢ per m³
Facility Carbon Charge (in addition to Overrun Delivery Charge)	0.0088	¢ per m³

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

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

<u>Zone</u>	<u>Assumed Atmospheric Pressure kPa</u>		<u>Assumed Atmospheric Pressure kPa</u>
1	100.148	7	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