



uniongas

A Spectra Energy Company

August 28, 2008

Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Re: QRAM Rate Application (EB-2008-0281 – Effective October 1, 2008)

Dear Ms. Walli:

Enclosed is an application and evidence from Union Gas Limited ("Union") seeking changes to Union's gas supply and transportation 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 proposed Alberta Border Reference Price (i.e., WACOG), based on the current 21-day strip price is \$8.489. This is a decrease of \$1.073/GJ from the amount currently approved in rates. Union is also proposing to prospectively recover projected 12-month gas cost deferral account debits of \$39.087 million. The result is a net annual decrease for sales service customers in the Southern Operations area of \$25.17 and a net annual decrease for sales service customers in the Northern & Eastern Operations area of \$32.13. Bundled direct purchase customers will see a net annual increase of \$0.08 in the Southern Operations area and a net annual increase of \$4.56 in the Northern & Eastern Operations area.

Union has enclosed an application to the Board for Orders effective October 1, 2008 to change the rates and other charges that were authorized by the Board's EB-2008-0109 Rate Order to reflect the gas supply commodity, gas supply 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. Union has also reflected the reduction of 0.0035 cents/m³ in the Gas Supply Administration charge as a result of discontinuing its risk management program pursuant to the Board's EB-2007-0606 decision dated July 31, 2008.

This application is supported by the following evidence:

Tab 1 - Evidence of Ms. Patti Piett

Tab 2 - Evidence of Mr. Greg Tetreault and Mr. Harold Pankrac

Union requests the Board's decision on this application by Friday, September 12th. This is consistent with the current approved QRAM process timeline. To assist the Board, a draft procedural order is attached for consideration in initiating the review of this application.

This application is being served on all intervenors in the EB-2007-0606 proceeding. 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 or concerns on this matter, please contact me at (519) 436-5476.

Yours truly,

[Original signed by]

Chris Ripley
Manager, Regulatory Applications

cc: EB-2007-0606 Intervenors
Michael Penny (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, 2008;

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism approved by the Ontario Energy Board in RP-2003-0063.

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, 2008 under Board File No. EB-2007-0606. The rates under consideration in the EB-2007-0606 proceeding concerned the year 2008 and were approved and implemented through the Board’s EB-2007-0606 Rate Order dated March 4, 2008.

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, 2008 as follows:

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

	Current (Approved in EB-2008-0109)	Proposed (Effective Oct. 1, 2008)
Alberta Border Reference Price ¹	9.562 \$/GJ 35.9722 cents/m ³	8.489 \$/GJ 31.9356 cents/m ³
Ontario Landed Reference Price ²	11.372 \$/GJ 42.7815 cents/m ³	10.224 \$/GJ 38.4627 cents/m ³
South Portfolio Cost Differential ("SPCD") ³	0.466 \$/GJ 1.7531 cents/m ³	0.284 \$/GJ 1.0684 cents/m ³

Notes:

¹ The Alberta Border Reference Price represents the North Purchase Gas Variance Account ("NPGVA") (Deferral Account No. 179-105) reference price and the TCPL Tolls and Fuel – Northern and Eastern Operations Area deferral account (Deferral Account No. 179-100) reference price with respect to fuel gas.

² The Ontario Landed Reference Price represents the South Purchase Gas Variance Account ("SPGVA") (Deferral Account No. 179-106) and Spot Gas Variance Account (Deferral Account No. 179-107) reference price .

³ The SPCD is used as the benchmark to reduce the debits/credits that would otherwise accumulate in the SPGVA if there was no adjustment to the South Transportation Rate.

(b) an order to reflect the inventory revaluation charge resulting from changes in gas costs as of October 1, 2008;

(c) an order reflecting the prospective recovery of the projected balance for the twelve month period ending September 30, 2009 recorded in the gas-supply deferral accounts;

(d) 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 the EB-2007-0606 proceeding.

4. The address of service for Union is:

Union Gas Limited

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

Attention: Chris Ripley
Manager, Regulatory Applications
Telephone: (519) 436-5476
Fax: (519) 436-4641

- and -

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

Attention: Michael A. Penny
Telephone: (416) 865-7526
Fax: (416) 865-7380

DATED August 28, 2008.

UNION GAS LIMITED

[Original signed by]

Curt Bernardi
Solicitor

Telephone: (519) 436-4555
Fax: (519) 436-5218

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, 2008;

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism approved by the Ontario Energy Board in RP-2003-0063.

DRAFT

NOTICE OF WRITTEN HEARING AND PROCEDURAL ORDER NO. 1

Union Gas Limited (“Union”) filed an application (the “Application”) dated August 28, 2008, with the Ontario Energy Board (the “Board”) for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas. The Application was made pursuant to Union’s approved Quarterly Rate Adjustment Mechanism (“QRAM”). Union’s Application has been given Board File No. EB-2008-0281. Union seeks the following orders, effective October 1, 2008:

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

	Current (Approved in EB-2008-0109)	Proposed (Effective Oct.1, 2008)
Alberta Border Reference Price ¹	9.562 \$/GJ	8.489 \$/GJ
	35.9722 cents/m ³	31.9356 cents/m ³
Ontario Landed Reference Price ²	11.372 \$/GJ	10.224 \$/GJ
	42.7815 cents/m ³	38.4627 cents/m ³
South Portfolio Cost Differential (“SPCD”) ³	0.466 \$/GJ	0.284 \$/GJ
	1.7531 cents/m ³	1.0684 cents/m ³

Notes:

- ¹ *The Alberta Border Reference Price represents the North Purchase Gas Variance Account ("NPGVA") (Deferral Account No. 179-105) reference price and the TCPL Tolls and Fuel – Northern and Eastern Operations Area deferral account (Deferral Account No. 179-100) reference price with respect to fuel gas.*
- ² *The Ontario Landed Reference Price represents the South Purchase Gas Variance Account ("SPGVA") (Deferral Account No. 179-106) and Spot Gas Variance Account (Deferral Account No. 179-107) reference price .*
- ³ *The SPCD is used as the benchmark to reduce the debits/credits that would otherwise accumulate in the SPGVA if there was no adjustment to the South Transportation Rate.*

- (b) an order to reflect the inventory revaluation charge resulting from changes in gas costs as of October 1, 2008;
- (c) an order reflecting the prospective recovery of the projected balance for the twelve-month period ending September 30, 2009 recorded in the gas-supply deferral accounts; and
- (d) such further orders as the Board may deem necessary.

Union has provided written evidence in support of the proposed changes contained in the Application. The Application and prefiled evidence were sent by Union to all Intervenor of record in the EB-2007-0606 proceeding.

Written Hearing

The Board intends to proceed in this matter by way of a written hearing. The will consider reasons provided by any party as to why it should proceed by way of an oral hearing.

Cost Awards

Given the mechanistic nature of this matter, the Board does not anticipate awarding costs. Parties that meet the Board's eligibility criteria contained in the Practice Direction on Cost Awards may submit costs with supporting rationale as to how their participation contributed to the Board's ability to decide on this matter.

THE BOARD THEREFORE ORDERS THAT:

1. Any party that objects to proceeding by way of a written hearing may make written comments to the Board for its consideration no later than 4:45 p.m., Tuesday, September 2, 2008. If any such objections are received by the Board, the Board may amend the deadlines below.
2. Parties to this proceeding wishing to make comments on the Application may do so by filing such submissions with the Board Secretary (four 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., Thursday, September 4, 2008.

3. Union shall reply to any comments received by filing such replies with the board Secretary (four 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., Monday, September 8, 2008.
4. All parties must also provide the Case Manager, _____
_____@oeb.gov.on.ca with an electronic copy of all comments and correspondence related to this case.

IMPORTANT: If you do not file any comments in response to this notice, the Board may proceed without your participation and you will not be entitled to any further notice of these proceedings.

ISSUED at Toronto, August , 2008.

ONTARIO ENERGY BOARD

John Pickernell
Assistant Board Secretary

PREFILED EVIDENCE OF
PATTI PIETT, DIRECTOR, GAS SUPPLY

INTRODUCTION

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, 2008 pursuant to the Quarterly Rate Adjustment Mechanism ("QRAM") as approved by the Board. Specifically, this evidence reviews the following:

1. Current Gas Market Outlook

2. Pricing

- Alberta Border Reference Price
- Ontario Landed Reference Price
- South Portfolio Cost Differential

3. Deferral Accounts

- Impact on Gas Supply Deferral Account Balances
- Prospective Recovery of Deferral Account Balances

1. CURRENT GAS MARKET OUTLOOK

Natural gas market prices have decreased since the last QRAM period. Market analysts attribute the recent downturn to a number of factors, including increased production in the Gulf of Mexico

and shale-based regions, and reasonable North American gas supply storage inventories. Other factors include relatively mild summer weather that has resulted in lower natural gas consumption for cooling demand, no supply outages due to hurricane activity, and finally, reduced world oil prices.

2. PRICING

2.1 Alberta Border Reference Price

The approved method for calculating the Alberta Border Reference Price uses the 21-day average of the twelve month NYMEX strip. The NYMEX strip used in this application is for October 2008 to September 2009. The one-year NYMEX strip is converted to an Alberta Border Reference Price by taking into account the Empress-NYMEX basis and the foreign exchange rate for the October 2008 to September 2009 period. (See Tab 1, Schedule 1 for the details of this calculation.)

Based on the approved method, the Alberta Border Reference price for the period October 1, 2008 to September 30, 2009 is \$8.489/GJ. This represents a decrease of \$1.073/GJ from the Alberta Border Reference price of \$9.562/GJ last approved by the Board in the EB-2008-0109 proceeding. Consistent with the updated Alberta Border Reference Price, Union proposes that the reference price of \$8.489/GJ be used for amounts to be recorded in the North PGVA Account

1 (“NPGVA”) (Deferral Account No. 179-105).

2
3 Union also proposes that the reference price of \$8.489/GJ be used in determining the amounts to
4 be recorded in the TCPL Tolls and Fuel – Northern and Eastern Operations Area deferral account
5 (Deferral Account No. 179-100) with respect to fuel gas.

6 7 2.2 Ontario Landed Reference Price

8 The Ontario Landed Reference Price is \$10.224/GJ and is calculated by adding the TCPL EDA
9 toll and fuel to the Alberta Border Reference Price as shown on Schedule 1. This represents a
10 decrease of \$1.148/GJ from the Ontario Landed Reference Price of \$11.372/GJ last approved by
11 the Board in the EB-2008-0109 proceeding. This change includes the decrease in the Alberta
12 Border Reference Price of \$1.073/GJ plus the associated changes in TCPL tolls and compressor
13 fuel costs.

14
15 As previously approved, the Ontario Landed Reference Price will be used to defer amounts to be
16 recorded in the South PGVA Account (“SPGVA”) (Deferral Account No. 179-106) and the Spot
17 Gas Variance Account (Deferral Account No. 179-107).

18 19 2.3 South Portfolio Cost Differential

20 The South Portfolio Cost Differential (“SPCD”) is determined by comparing the projected cost of
21 serving South sales service customers, based on Union’s South Portfolio, to the cost of serving

1 South sales service customers based on the Ontario Landed Reference Price. This difference is
2 divided by forecast South sales service demand to derive the SPCD. For the 12-month period
3 beginning October 1, 2008 the SPCD is projected to be \$0.284/GJ as shown on Schedule 2. The
4 SPCD results in a South Transportation Sales Rate of \$1.116/GJ calculated by subtracting the
5 SPCD of \$0.284/GJ from the EDA TCPL toll of \$1.400/GJ. This calculation ensures that South
6 sales service rates are appropriately set at a level equal to the projected average cost over the 12-
7 month forecast period.

9 **3. DEFERRAL ACCOUNTS**

11 **3.1 Impact on Gas Supply Deferral Account Balances**

12 The current forecast of gas cost related deferral account balances at September 30, 2009 is shown
13 on Schedule 3. The opening deferral account balances are the projected deferral account
14 balances at October 1, 2008 plus the projected inventory revaluation adjustment at October 1,
15 2008.

16 The deferral account forecast is based on the actual and forecast gas costs for the period October
17 1, 2008 to September 30, 2009 and on the proposed Alberta Border Reference Price and the
18 Ontario Landed Reference Price effective October 1, 2008.

1 3.2 Prospective Recovery of Deferral Account Balances

2 October 1, 2008 deferral account balances relating to the North PGVA, North Tolls and Fuel,
3 South PGVA, Inventory Revaluation, and Spot Gas accounts are identified below.

4
5 3.2.1 North PGVA

6 The balance in the North PGVA (Deferral Account No.179-105) as of October 1, 2008 is a debit
7 of \$7.965 million as identified in Schedule 3, page 2.

8
9 3.2.2 North Tolls and Fuel

10 The balance in the North Tolls and Fuel Account (Deferral Account No.179-100) as of October
11 1, 2008 is a debit of \$8.075 million as identified in Schedule 3, page 3. This balance is comprised
12 of a \$6.869 million debit related to Northern tolls and a \$1.206 million debit related to fuel costs.

13
14 3.2.3 South PGVA

15 The balance in the South PGVA (Deferral Account No.179-106) as of October 1, 2008 is a debit
16 of \$30.527 million as identified in Schedule 3, page 4.

17
18 3.2.4 Inventory Revaluation

19 The balance in the Inventory Revaluation Account (Deferral Account 179-109) as of October 1,
20 2008 is a debit of \$50.583 million. The calculation for the inventory revaluation amount is
21 presented in Schedule 3, page 5.

1 3.2.5 Spot Gas Account/Load Balancing

2 Spot Gas and Load Balancing costs are tracked separately. There is no balance for Spot Gas
3 purchases and a debit balance of \$0.014 million for Load Balancing. Both balances are recorded
4 in the Spot Gas Variance Account (Deferral No.179-107) as identified in Schedule 3, page 6.

5

6 3.3 UDC Account

7 The Joint Unabsorbed Demand Costs Account (Account No. 179-108) balances are not
8 prospectively recovered in accordance with the current Board-approved QRAM process. Union
9 will dispose of any deferral account balances through the annual deferral account disposition
10 process.

[illegible]

(3) Financial Hedging discontinued per Board Decision in EB 2007-0606 dated July 31, 2008

UNION GAS LIMITED
 Calculation of South Portfolio Cost Differential & South Transportation Rate
For the 12 month period ending September 30, 2009

Line

No. Particulars

1	South Purchased Gas Variance Account (SPGVA) (\$000's)	\$	24,839	(1)
2	South Consumption Volumes (PJ's)		<u>87.5</u>	(2)
3	South Price Cost Differential (Line 1/Line 2)	\$	0.284 /GJ	
4	TCPL Transportation EDA Toll	\$	1.400 /GJ	
5	South Price Cost Differential (Line 3)	\$	0.284 /GJ	
6	South Transportation Rate (Line 4 - Line 5)	\$	<u><u>1.116</u></u> /GJ	

Notes:

(1) Tab 1, Schedule 3, page 4, Column (g), Line 24

(2) Demand forecast for South sales service customers for the period October 2008 to September 2009

UNION GAS LIMITED
Summary of Gas Supply Deferral Accounts

Line No.	Particulars	Joint Accounts								Total (\$000's) (i)=sum of (a) to (h)
		North PGVA (179-105) (\$000's) (1)	North Tolls (179-100) (\$000's) (2)	North Fuel (179-100) (\$000's) (2)	South PGVA (179-106) (\$000's) (3)	Inventory Revaluation (179-109) (\$000's) (4)	Load Balancing (179-107) (\$000's) (5)	Spot Gas Purchases (179-107) (\$000's) (5)	Unabsorbed Demand Costs (179-108) (\$000's) (6)	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1	Cumulative to end of December, 2007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	January, 2008 *	\$ (2,039)	\$ 281	\$ (637)	\$ (2,307)	\$ 9,945	\$ (5)	\$ -	\$ -	\$ 5,238
3	February *	\$ 1,352	\$ 1,008	\$ 809	\$ 3,331	\$ 96	\$ (3)	\$ -	\$ -	\$ 6,593
4	March *	\$ 2,177	\$ (62)	\$ 1,139	\$ 7,584	\$ (12)	\$ (1)	\$ -	\$ -	\$ 10,825
5	April, 2008 *	\$ 1,168	\$ 947	\$ 817	\$ 3,890	\$ 1,758	\$ 1	\$ -	\$ -	\$ 8,581
6	May *	\$ 3,426	\$ 876	\$ 533	\$ 10,214	\$ 30	\$ 2	\$ -	\$ -	\$ 15,081
7	June *	\$ 6,121	\$ 1,227	\$ (439)	\$ 17,298	\$ 15	\$ 2	\$ -	\$ 12	\$ 24,237
8	July, 2008 *	\$ 2,471	\$ 2,159	\$ (740)	\$ 4,444	\$ (13,530)	\$ 2	\$ -	\$ -	\$ (5,194)
9	August	\$ (2,045)	\$ 217	\$ (141)	\$ (1,657)	\$ (124)	\$ 9	\$ -	\$ -	\$ (3,741)
10	September	\$ (4,667)	\$ 215	\$ (135)	\$ (12,271)	\$ (126)	\$ 9	\$ -	\$ -	\$ (16,975)
11	Total (Lines 1 to 10)	\$ 7,965	\$ 6,869	\$ 1,206	\$ 30,527	\$ (1,948)	\$ 14	\$ -	\$ 12	\$ 44,645
<u>Current QRAM Period</u>										
12	October, 2008	\$ (1,606)	\$ 189	\$ (39)	\$ (4,819)	\$ 50,583	\$ -	\$ -	\$ -	\$ 44,309
13	November	\$ (396)	\$ 178	\$ (12)	\$ (1,206)	\$ -	\$ -	\$ -	\$ -	\$ (1,436)
14	December	\$ 719	\$ 182	\$ 29	\$ 2,283	\$ -	\$ -	\$ -	\$ -	\$ 3,213
15	January, 2009	\$ 1,327	\$ 195	\$ 68	\$ 3,573	\$ -	\$ -	\$ -	\$ -	\$ 5,163
16	February	\$ 1,209	\$ 193	\$ 61	\$ 3,889	\$ -	\$ -	\$ -	\$ -	\$ 5,353
17	March	\$ 903	\$ 181	\$ 32	\$ 2,188	\$ -	\$ -	\$ -	\$ -	\$ 3,304
18	April, 2009	\$ (586)	\$ 184	\$ (11)	\$ (2,176)	\$ -	\$ -	\$ -	\$ -	\$ (2,589)
19	May	\$ (779)	\$ 193	\$ (8)	\$ (2,803)	\$ -	\$ -	\$ -	\$ -	\$ (3,397)
20	June	\$ (509)	\$ 197	\$ 6	\$ (970)	\$ -	\$ -	\$ -	\$ -	\$ (1,275)
21	July, 2009	\$ (254)	\$ 198	\$ 18	\$ (180)	\$ -	\$ -	\$ -	\$ -	\$ (218)
22	August	\$ (62)	\$ 198	\$ 25	\$ 257	\$ -	\$ -	\$ -	\$ -	\$ 418
23	September	\$ 33	\$ 196	\$ 26	\$ (37)	\$ -	\$ -	\$ -	\$ -	\$ 217
24	Total (Lines 12 to 23)	\$ (0)	\$ 2,283	\$ 195	\$ 0	\$ 50,583	\$ -	\$ -	\$ -	\$ 53,062

* reflects actual information

Notes:

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

UNION GAS LIMITED
Deferral Account for
North Purchased Gas Variance Account
(Deferral Account 179-105)

Line No.	Particulars	Purchase Cost (\$000's) (a)	Volume (GJ) (b)	Weighted Avg. Price (\$/GJ) (c) = (a)/(b)	Reference Price (\$/GJ) (1) (d)	Unit Rate Difference (\$/GJ) (e) = (c) - (d)	Deferral Amount Before Interest (\$000's) (f) = (b) x (e)	Interest (\$000's) (2) (g)	Total Deferral Amount (\$000's) (h) = (f) + (g)
1	Cumulative to end of December, 2007						\$ -	\$ -	\$ -
2	January, 2008 *	\$ 16,609	2,720,710	\$ 6.105	\$ 6.834	\$ (0.729)	\$ (1,983)	\$ (56)	\$ (2,039)
3	February *	\$ 13,798	1,813,806	\$ 7.607	\$ 6.834	\$ 0.774	\$ 1,403	\$ (51)	\$ 1,352
4	March *	\$ 18,194	2,341,569	\$ 7.770	\$ 6.834	\$ 0.937	\$ 2,193	\$ (16)	\$ 2,177
5	April, 2008 *	\$ 19,870	2,436,570	\$ 8.155	\$ 7.677	\$ 0.477	\$ 1,163	\$ 5	\$ 1,168
6	May *	\$ 21,865	2,403,202	\$ 9.098	\$ 7.677	\$ 1.421	\$ 3,415	\$ 11	\$ 3,426
7	June *	\$ 28,335	2,897,250	\$ 9.780	\$ 7.677	\$ 2.103	\$ 6,092	\$ 29	\$ 6,121
8	July, 2008 *	\$ 28,137	2,692,692	\$ 10.449	\$ 9.562	\$ 0.888	\$ 2,391	\$ 81	\$ 2,471
9	August	\$ 25,938	2,941,187	\$ 8.819	\$ 9.562	\$ (0.742)	\$ (2,184)	\$ 139	\$ (2,045)
10	September	\$ 21,874	2,789,326	\$ 7.842	\$ 9.562	\$ (1.720)	\$ (4,796)	\$ 130	\$ (4,667)
11	Total (Lines 1 to 10)	\$ 194,621	23,036,312				\$ 7,693	\$ 272	\$ 7,965
	<u>Current QRAM Period</u>								
12	October, 2008	\$ 22,823	2,877,626	\$ 7.931	\$ 8.489	\$ (0.558)	\$ (1,606)	\$ -	\$ (1,606)
13	November	\$ 23,969	2,870,127	\$ 8.351	\$ 8.489	\$ (0.138)	\$ (396)	\$ -	\$ (396)
14	December	\$ 24,975	2,857,285	\$ 8.741	\$ 8.489	\$ 0.252	\$ 719	\$ -	\$ 719
15	January, 2009	\$ 25,276	2,821,060	\$ 8.960	\$ 8.489	\$ 0.471	\$ 1,327	\$ -	\$ 1,327
16	February	\$ 22,837	2,547,601	\$ 8.964	\$ 8.489	\$ 0.475	\$ 1,209	\$ -	\$ 1,209
17	March	\$ 25,834	2,936,772	\$ 8.797	\$ 8.489	\$ 0.307	\$ 903	\$ -	\$ 903
18	April, 2009	\$ 23,509	2,838,347	\$ 8.283	\$ 8.489	\$ (0.206)	\$ (586)	\$ -	\$ (586)
19	May	\$ 24,113	2,932,203	\$ 8.224	\$ 8.489	\$ (0.266)	\$ (779)	\$ -	\$ (779)
20	June	\$ 23,577	2,837,178	\$ 8.310	\$ 8.489	\$ (0.179)	\$ (509)	\$ -	\$ (509)
21	July, 2009	\$ 24,698	2,939,256	\$ 8.403	\$ 8.489	\$ (0.086)	\$ (254)	\$ -	\$ (254)
22	August	\$ 24,826	2,931,747	\$ 8.468	\$ 8.489	\$ (0.021)	\$ (62)	\$ -	\$ (62)
23	September	\$ 24,118	2,837,176	\$ 8.501	\$ 8.489	\$ 0.012	\$ 33	\$ -	\$ 33
24	Total (Lines 12 to 23)	\$ 290,555	34,226,378				\$ (0)	\$ -	\$ (0)

* reflects actual information

(1) The reference price from January 2008 to March 2008 is as approved in EB-2007-0918.

The reference price from April 2008 to June 2008 is as approved in EB-2008-0033.

The reference price from July 2008 to September 2008 is as approved in EB-2008-0109.

The reference price from October 2008 to September 2009 is as proposed in EB-2008-0281.

(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
TCPL Tolls and Fuel - Northern and Eastern Operations Area
(Deferral Account 179-100)

Line No.	Particulars	TCPL Tolls			TCPL Fuel			Total Deferral Amount With Interest (\$000's)
		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	Cumulative to end of December, 2007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	January, 2008 *	\$ 280	\$ 1	\$ 281	\$ (641)	\$ 4	\$ (637)	\$ (356)
3	February *	\$ 1,008	\$ 0	\$ 1,008	\$ 806	\$ 2	\$ 809	\$ 1,816
4	March *	\$ (76)	\$ 14	\$ (62)	\$ 1,142	\$ (3)	\$ 1,139	\$ 1,077
5	April, 2008 *	\$ 940	\$ 7	\$ 947	\$ 812	\$ 5	\$ 817	\$ 1,764
6	May *	\$ 867	\$ 9	\$ 876	\$ 524	\$ 8	\$ 533	\$ 1,409
7	June *	\$ 1,216	\$ 11	\$ 1,227	\$ (449)	\$ 10	\$ (439)	\$ 789
8	July, 2008 *	\$ 2,147	\$ 13	\$ 2,159	\$ (747)	\$ 8	\$ (740)	\$ 1,420
9	August	\$ 198	\$ 20	\$ 217	\$ (152)	\$ 11	\$ (141)	\$ 76
10	September	\$ 196	\$ 20	\$ 215	\$ (145)	\$ 10	\$ (135)	\$ 80
11	Total (Lines 1 to 10) Current QRAM Period	\$ 6,774	\$ 95	\$ 6,869	\$ 1,150	\$ 56	\$ 1,206	\$ 8,075
12	October, 2008	\$ 189	\$ -	\$ 189	\$ (39)	\$ -	\$ (39)	\$ 150
13	November	\$ 178	\$ -	\$ 178	\$ (12)	\$ -	\$ (12)	\$ 166
14	December	\$ 182	\$ -	\$ 182	\$ 29	\$ -	\$ 29	\$ 211
15	January, 2009	\$ 195	\$ -	\$ 195	\$ 68	\$ -	\$ 68	\$ 263
16	February	\$ 193	\$ -	\$ 193	\$ 61	\$ -	\$ 61	\$ 254
17	March	\$ 181	\$ -	\$ 181	\$ 32	\$ -	\$ 32	\$ 213
18	April, 2009	\$ 184	\$ -	\$ 184	\$ (11)	\$ -	\$ (11)	\$ 173
19	May	\$ 193	\$ -	\$ 193	\$ (8)	\$ -	\$ (8)	\$ 185
20	June	\$ 197	\$ -	\$ 197	\$ 6	\$ -	\$ 6	\$ 203
21	July, 2009	\$ 198	\$ -	\$ 198	\$ 18	\$ -	\$ 18	\$ 216
22	August	\$ 198	\$ -	\$ 198	\$ 25	\$ -	\$ 25	\$ 223
23	September	\$ 196	\$ -	\$ 196	\$ 26	\$ -	\$ 26	\$ 222
24	Total (Lines 12 to 23)	\$ 2,283	\$ -	\$ 2,283	\$ 195	\$ -	\$ 195	\$ 2,479

* reflects actual information

(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)	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)	Interest (\$000's) (2)	Total Deferral Amount (\$000's)
		(a)	(b)	(c) = (a)/(b)	(d)	(e) = (c) - (d)	(f) = (b) x (e)	(g)	(h)	(i)	(j) = (h) + (i)
1	Cumulative to end of December, 2007						\$ -	\$ -	\$ -	\$ -	\$ -
2	January, 2008 *	\$ 59,598	7,720,219	\$ 7.720	\$ 8.183	\$ (0.463)	\$ (3,575)	\$ 1,664	\$ (1,911)	\$ (396)	\$ (2,307)
3	February *	\$ 61,537	7,271,706	\$ 8.462	\$ 8.183	\$ 0.280	\$ 2,034	\$ 1,557	\$ 3,590	\$ (260)	\$ 3,331
4	March *	\$ 68,372	7,613,797	\$ 8.980	\$ 8.183	\$ 0.797	\$ 6,069	\$ 1,664	\$ 7,734	\$ (149)	\$ 7,584
5	April, 2008 *	\$ 68,693	7,314,355	\$ 9.392	\$ 9.119	\$ 0.273	\$ 1,995	\$ 1,888	\$ 3,883	\$ 7	\$ 3,890
6	May *	\$ 88,361	8,790,007	\$ 10.052	\$ 9.119	\$ 0.934	\$ 8,207	\$ 1,951	\$ 10,158	\$ 56	\$ 10,214
7	June *	\$ 93,252	8,546,238	\$ 10.911	\$ 9.119	\$ 1.793	\$ 15,321	\$ 1,888	\$ 17,209	\$ 89	\$ 17,298
8	July, 2008 *	\$ 86,994	7,487,388	\$ 11.619	\$ 11.372	\$ 0.247	\$ 1,849	\$ 2,474	\$ 4,323	\$ 120	\$ 4,444
9	August	\$ 80,475	7,487,833	\$ 10.747	\$ 11.372	\$ (0.624)	\$ (4,675)	\$ 2,474	\$ (2,201)	\$ 544	\$ (1,657)
10	September	\$ 66,817	7,209,886	\$ 9.267	\$ 11.372	\$ (2.104)	\$ (15,172)	\$ 2,362	\$ (12,810)	\$ 540	\$ (12,271)
11	Total (Lines 1 to 10)	\$ 674,098	69,441,429				\$ 12,054	\$ 17,922	\$ 29,976	\$ 551	\$ 30,527
	<u>Current QRAM Period</u>										
12	October, 2008	\$ 69,240	7,450,277	\$ 9.294	\$ 10.224	\$ (0.930)	\$ (6,928)	\$ 2,110	\$ (4,819)	\$ -	\$ (4,819)
13	November	\$ 77,867	7,934,185	\$ 9.814	\$ 10.224	\$ (0.409)	\$ (3,248)	\$ 2,042	\$ (1,206)	\$ -	\$ (1,206)
14	December	\$ 70,748	6,903,121	\$ 10.249	\$ 10.224	\$ 0.025	\$ 174	\$ 2,110	\$ 2,283	\$ -	\$ 2,283
15	January, 2009	\$ 84,597	8,131,620	\$ 10.403	\$ 10.224	\$ 0.180	\$ 1,463	\$ 2,110	\$ 3,573	\$ -	\$ 3,573
16	February	\$ 77,183	7,355,524	\$ 10.493	\$ 10.224	\$ 0.270	\$ 1,984	\$ 1,905	\$ 3,889	\$ -	\$ 3,889
17	March	\$ 83,463	8,156,141	\$ 10.233	\$ 10.224	\$ 0.010	\$ 79	\$ 2,110	\$ 2,188	\$ -	\$ 2,188
18	April, 2009	\$ 74,530	7,702,516	\$ 9.676	\$ 10.224	\$ (0.548)	\$ (4,217)	\$ 2,042	\$ (2,176)	\$ -	\$ (2,176)
19	May	\$ 76,460	7,959,353	\$ 9.606	\$ 10.224	\$ (0.617)	\$ (4,912)	\$ 2,110	\$ (2,803)	\$ -	\$ (2,803)
20	June	\$ 64,770	6,629,897	\$ 9.769	\$ 10.224	\$ (0.454)	\$ (3,011)	\$ 2,042	\$ (970)	\$ -	\$ (970)
21	July, 2009	\$ 64,215	6,505,127	\$ 9.871	\$ 10.224	\$ (0.352)	\$ (2,290)	\$ 2,110	\$ (180)	\$ -	\$ (180)
22	August	\$ 64,652	6,505,127	\$ 9.939	\$ 10.224	\$ (0.285)	\$ (1,853)	\$ 2,110	\$ 257	\$ -	\$ 257
23	September	\$ 70,268	7,076,562	\$ 9.930	\$ 10.224	\$ (0.294)	\$ (2,079)	\$ 2,042	\$ (37)	\$ -	\$ (37)
24	Total (Lines 12 to 23)	\$ 877,995	88,309,451				\$ (24,839)	\$ 24,839	\$ 0	\$ -	\$ 0

* reflects actual information

(1) The reference price from January 2008 to March 2008 is as approved in EB-2007-0918.

The reference price from April 2008 to June 2008 is as approved in EB-2008-0033.

The reference price from July 2008 to September 2008 is as approved in EB-2008-0109.

The reference price from October 2008 to September 2009 is as proposed in EB-2008-0281.

(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)		Inventory Levels Forecast/ Actual (PJ's) (c)	Inventory Revaluation Forecast/ Actual (\$000's) (1) (d) = - (b) x (c)	Interest (\$000's) (2) (e)	Total Deferral Amount (\$000's) (f) = (d) + (e)
			Approved/ Proposed (\$/GJ) (a)	Price Difference from Previous Approved Price (\$/GJ) (b)				
1	Cumulative to end of December, 2007					\$ -	\$ -	\$ -
2	January, 2008	* EB-2007-0918	\$ 8.183	\$ (0.621)	15.5	\$ 9,855	\$ 90	\$ 9,945
3	February	*					\$ 96	\$ 96
4	March	*					\$ (12)	\$ (12)
5	April, 2008	* EB-2008-0033	\$ 9.119	\$ 0.936	0.0	\$ 1,652	\$ 106	\$ 1,758
6	May	*					\$ 30	\$ 30
7	June	*					\$ 15	\$ 15
8	July, 2008	* EB-2008-0109	\$ 11.372	\$ 2.253	5.4	\$ (13,541)	\$ 10	\$ (13,530)
9	August						\$ (124)	\$ (124)
10	September						\$ (126)	\$ (126)
11	Total (Lines 1 to 10)					\$ (2,033)	\$ 85	\$ (1,948)
<u>Current QRAM Period</u>								
12	October, 2008	EB-2008-0281	\$ 10.224	\$ (1.148)	44.1	\$ 50,583	\$ -	\$ 50,583
13	November						\$ -	\$ -
14	December						\$ -	\$ -
15	January, 2009					\$ -	\$ -	\$ -
16	February						\$ -	\$ -
17	March						\$ -	\$ -
18	April, 2009					\$ -	\$ -	\$ -
19	May						\$ -	\$ -
20	June						\$ -	\$ -
21	July, 2009					\$ -	\$ -	\$ -
22	August						\$ -	\$ -
23	September						\$ -	\$ -
24	Total (Lines 12 to 23)					\$ 50,583	\$ -	\$ 50,583

* reflects actual information

(1) Includes adjustments for volume true-ups.

(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
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) (c) = (a) + (b)	Load Balancing Deferral (\$000's) (d)	North Load Balancing Revenue (\$000's) (e)	South Load Balancing Revenue (\$000's) (f)	Deferral Amount Before Interest (\$000's) (g) = (d)+(e)+(f)	Interest (\$000's) (h)	Deferral Balance (\$000's) (i) = (g)+(h)
		(a)	(b)	(c) = (a) + (b)						
1	Cumulative to end of December, 2007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	January, 2008 *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5)	\$ (5)
3	February *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3)	\$ (3)
4	March *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1)	\$ (1)
5	April, 2008 *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1
6	May *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 2
7	June *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 2
8	July, 2008 *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 2
9	August	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ 9
10	September	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ 9
11	Total (Lines 1 to 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14	\$ 14
	<u>Current QRAM Period</u>									
12	October, 2008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	November	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	December	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	January, 2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	February	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	March	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	April, 2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	May	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	June	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	July, 2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	August	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	September	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Total (Lines 12 to 23)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* reflects actual information

(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.

1 **PREFILED EVIDENCE OF**

2 **GREG TETREAULT, MANAGER, RATES AND PRICING**

3 **AND**

4 **HAROLD PANKRAC, TEAM LEADER, RATES AND PRICING**

5 The purpose of this evidence is to address proposed changes to Union's gas supply commodity,
6 gas transportation, storage, and delivery rates effective October 1, 2008.

7
8 **1. REFERENCE PRICES**

9 The unit rate changes applicable to both operating areas, which reflect a decrease in the Alberta
10 Border Reference Price to \$8.489/GJ (31.9356 cents/m³) and the change in associated fuel, are
11 provided at Tab 2, Schedule 1. The Ontario Landed Reference Price is \$10.224/GJ (38.4627
12 cents/m³) and appears at Tab 1, Schedule 1. The South Portfolio Cost Differential ("SPCD"),
13 described at Tab 1, page 4, results in a South Transportation sales rate of \$1.116/GJ (4.1984
14 cents/m³). Proposed October 1, 2008 prices reflect the heat value conversion factor of 37.62
15 GJ/10³m³ and current fuel ratios.

16
17 **2. RATE RIDERS**

18 In addition to the forecast reference price changes identified above, changes to previously
19 approved rate riders are required to reflect quarterly updates to gas cost deferral account
20 balances. Each quarter Union projects the balance expected in each gas cost deferral account over

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

6
7 A summary of deferral account activity and proposed rate rider unit rate changes are provided at
8 Tab 2, Schedule 2, Page 1. Projected deferral account balances (lines 1 to 3) are compared to
9 previously projected balances (line 4) in each gas cost deferral account and variances are
10 identified (line 5). In addition, the difference between what was actually recovered in previous
11 rate riders and what Union intended to recover is identified (line 6). This is the difference
12 between forecast and actual volumes (last three months of actual volumes) multiplied by the
13 previously approved rate riders. The net amount to be recovered prospectively (line 7) is the
14 amount which has not been included in rate riders to date. The unit rate rider change in the
15 current QRAM (line 9) is the net amount in each gas cost deferral account prospectively
16 recovered over forecast consumption in the next twelve months (line 8).

17
18 In total, the change in gas cost-related deferrals in the current QRAM is a net charge of \$39.087
19 million. This amount excludes the balance in the Joint Unabsorbed Demand Costs Account
20 (Account No. 179-108) which is not prospectively recovered as per the current approved QRAM
21 process.

For each deferral account, Tab 2, Schedule 3, line 20 shows the net prospective rider for the current QRAM period. The net prospective rider includes: (i) the introduction of the unit rate change calculated at Tab 2, Schedule 2, Page 1, line 9 and (ii) the elimination of expiring riders which have been in place for 12 months.

Although Union is applying a 12 month rolling prospective recovery of deferral account balances, which is part of the approved QRAM process, Union is not seeking final disposition of the deferral account balances. Union will track actual deferral account balances and the revenue attributable to deferral account recovery separately. Actual year-end deferral account balances will continue to be subject to a prudence review by the Board.

3. SUMMARY OF PROPOSED RATE CHANGES

The proposed changes to rates (Appendix A), infranchise rate schedules (Appendix B), and the summary of interruptible rate changes (Appendix C) are attached. The reduction of 0.0035 cents/m³ in the Gas Supply Administration charge from 0.3173 cents/m³ to 0.3138 cents/m³, which is shown at Tab 2 Schedule 1, reflects the elimination of the administration cost as a result of discontinuing the Risk Management Program¹ pursuant to the Board's EB-2007-0606 Decision dated July 31, 2008.

¹ The cost related to the administration of Union's Risk Management Program is \$103,831. The unit rate reduction in the Gas Supply Administration Charge is calculated as follows: $\$103,831 / 2,976,763 \text{ } 10^3 \text{ m}^3 = 0.0035 \text{ cents/m}^3$.

The unit rates for prospective recovery of the gas cost deferral accounts are provided at Tab 2, Schedule 5 (column c).

4. CUSTOMER BILL IMPACTS

General Service annual customer bill impacts (including the prospective recovery of deferral account balances outlined at Tab 2, Schedule 2) are provided at Tab 2, Schedule 4. The bill impacts shown at Tab 2, Schedule 4 reflect (i) the introduction of October 1, 2008 proposed QRAM changes detailed above and (ii) the elimination of expiring October 1, 2007 prospective riders.

A typical M1 residential customer consuming 2,600 m³ per year will see a net bill decrease of \$25.17 per year. A typical bundled M1 direct purchase customer will see a net bill increase of \$0.08 per year. A typical Rate 01 residential customer consuming 2,600 m³ per year will see a net bill decrease of \$32.13 per year. A typical bundled Rate 01 direct purchase customer will see a net bill increase of \$4.56 per year.

5. CUSTOMER NOTICES

Union has adopted a standard customer notice for use in QRAM commodity price changes. Notices that will accompany the October 2008 bills will be in the same format and use the same standard wording as the current approved QRAM customer notices.

UNION GAS LIMITED
Southern Operations Area
Calculation of Gas Supply Commodity Charges

Line No.	Particulars	EB-2008-0109 Effective July 1, 2008		EB-2008-0281 Effective October 1, 2008		Change Effective October 1, 2008	
		(cents/m ³) (a)	(\$/GJ) (1) (b)	(cents/m ³) (c)	(\$/GJ) (2) (d)	(cents/m ³) (e)= (c) - (a)	(\$/GJ) (f)= (d) - (b)
1	Alberta Border Price	35.9722	9.562	31.9356	8.489 (3)	(4.0366)	(1.073)
2	Fuel Ratios	4.285%	4.285%	3.941%	3.941%	-0.344%	-0.344%
3	Compressor Fuel Charge	1.5414	0.410	1.2585	0.335	(0.2829)	(0.075)
4	Administration Charge	0.3173	0.085	0.3138	0.084	(0.0035)	(0.001)
5	Gas Commodity & Fuel Rate (line 1+3+4)	37.8309	10.057	33.5079	8.908	(4.3230)	(1.149)
<u>Prospective Recovery</u>							
6	Inventory Revaluations	0.7709	0.205	1.6646	0.442	0.8937 (4)	0.237
7	Spot Gas	-	-	-	-	- (5)	-
8	Firm PGVA	(1.8805)	(0.500)	(0.1070)	(0.028)	1.7735 (6)	0.472
9	Temporary Charge/(Credit) - Jul 1 to Dec 31, 2008	0.0436	0.012	0.0436	0.012	- (7)	-
10	Prospective Recovery (line 6+7+8+9)	(1.0660)	(0.283)	1.6012	0.426	2.6672	0.709
11	Total Commodity and Fuel Rate (line 5+10)	36.7649	9.774	35.1091	9.334	(1.6558)	(0.440)
12	Transportation Tolls	3.5148	0.934	4.1984	1.116 (8)	0.6836	0.182
13	Total Commodity & Fuel & Transportation Rate (line 11+12)	40.2797	10.708	39.3075 (9)	10.450	(0.9722)	(0.258)

Notes:

- (1) Conversion to GJs based on avg. heating value of Western suppliers of 37.62 GJ / 10³m³.
(2) Conversion to GJs based on avg. heating value of Western suppliers of 37.62 GJ / 10³m³.
(3) Alberta Border price per Tab 1, Schedule 1, Line 11.
(4) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery charge of 0.9606 cents/m³.
(5) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery of 0.0000 cents/m³.
(6) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery credit of (2.3139) cents/m³.
(7) Commodity temporary charge of 0.0436 cents/m³ for the period Jul 1-Dec 31, 2008.
(8) EB-2008-0281, Tab 1, Schedule 2, Line 6.
(9) Appendix A, Page 6, Line 4, Column (c).

UNION GAS LIMITED
Northern & Eastern Operations Area
Calculation of Gas Commodity and Fuel
Fort Frances District

Line No.	Description	EB-2008-0109		EB-2008-0281		Change	
		Effective July 1, 2008 (cents/m ³) (a)	(\$/GJ) (6) (b)	Effective October 1, 2008 (cents/m ³) (c)	(\$/GJ) (7) (d)	Effective October 1, 2008 (cents/m ³) (e) = (c)-(a)	(\$/GJ) (f) = (d)-(b)
Rates 01A & 10							
1	Alberta Border Price	35.9722	9.562	31.9356	8.489	(4.0366)	(1.073)
2	Fuel ratios	1.169%	1.169%	1.099%	1.099%	-0.070%	-0.070%
3	Compressor Fuel Charge	0.4206	0.112	0.3510	0.093	(0.0696)	(0.019)
4	Administration Charge	0.3173	0.084	0.3138	0.083	(0.0035)	(0.001)
5	Gas Commodity & Fuel Rate (line 1+3+4)	36.7101	9.758	32.6004	8.665	(4.1097)	(1.093)
<u>Prospective Recovery</u>							
6	Inventory Revaluations	0.7709	0.205	1.6646	0.442	0.8937 (1)	0.238
7	Spot Gas	-	-	-	-	- (2)	-
8	Firm PGVA	(0.2417)	(0.064)	1.9125	0.508	2.1542 (3)	0.573
9	Fuel	0.3446	0.092	0.2086	0.055	(0.1360) (4)	(0.037)
10	Temporary Charge/(Credit) - Jul 1 to Dec 31, 2008	(0.6303)	(0.168)	(0.6303)	(0.168)	- (5)	-
11	Total Prospective Recovery (line 6+7+8+9+10)	0.2435	0.065	3.1554	0.838	2.9119	0.773
12	Total Commodity and Fuel Rate (line 5+11)	36.9536	9.823	35.7558	9.503	(1.1978)	(0.320)
Rates 20 & 100 (8)							
13	Alberta Border Price	36.2304	9.562	32.1648	8.489	(4.066)	(1.073)
14	Fuel ratios	1.169%	1.169%	1.099%	1.099%	-0.070%	-0.070%
15	Compressor Fuel Charge	0.4236	0.112	0.3535	0.093	(0.0701)	(0.019)
16	Administration Charge	0.3173	0.084	0.3138	0.083	(0.0035)	(0.001)
17	Gas Commodity & Fuel Rate (line 13+15+16)	36.9713	9.758	32.8321	8.665	(4.1392)	(1.093)
<u>Prospective Recovery</u>							
18	Inventory Revaluations	0.7709	0.205	1.6646	0.442	0.8937 (1)	0.238
19	Spot Gas	-	-	-	-	- (2)	-
20	Firm PGVA	(0.2417)	(0.064)	1.9125	0.508	2.1542 (3)	0.573
21	Fuel	0.3446	0.092	0.2086	0.055	(0.1360) (4)	(0.037)
22	Temporary Charge/(Credit) - Jul 1 to Dec 31, 2008	(0.6303)	(0.168)	(0.6303)	(0.168)	- (5)	-
23	Total Prospective Recovery (line 18+19+20+21+22)	0.2435	0.065	3.1554	0.838	2.9119	0.773
24	Total Commodity and Fuel Rate (line 17+23)	37.2148	9.823	35.9875	9.503	(1.2273)	(0.320)

Notes:

- (1) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery charge of 0.9606 cents/m³.
- (2) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery of 0.0000 cents/m³.
- (3) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery credit of (2.5192) cents/m³.
- (4) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery credit of (0.1363) cents/m³.
- (5) Commodity temporary credit of (0.6303) cents/m³ for the period Jul 1-Dec 31, 2008.
- (6) Conversion to GJs based on 37.62 GJs / 10³m³.
- (7) Conversion to GJs based on 37.62 GJs / 10³m³.
- (8) Conversion to GJs based on 37.89 GJs / 10³m³.

UNION GAS LIMITED
Northern & Eastern Operations Area
Calculation of Gas Commodity and Fuel
Western Zone

Line No.	Description	EB-2008-0109		EB-2008-0281		Change	
		Effective July 1, 2008 (cents/m ³) (a)	(\$/GJ) (6) (b)	Effective October 1, 2008 (cents/m ³) (c)	(\$/GJ) (7) (d)	Effective October 1, 2008 (cents/m ³) (e) = (c)-(a)	(\$/GJ) (f)= (d)-(b)
Rates 01A & 10							
1	Alberta Border Price	35.9722	9.562	31.9356	8.489	(4.0366)	(1.073)
2	Fuel ratios	2.056%	2.056%	1.928%	1.928%	-0.127%	-0.127%
3	Compressor Fuel Charge	0.7395	0.197	0.6158	0.164	(0.1237)	(0.033)
4	Administration Charge	0.3173	0.084	0.3138	0.083	(0.0035)	(0.001)
5	Gas Commodity & Fuel Rate (line 1+3+4)	37.0290	9.843	32.8652	8.736	(4.1638)	(1.107)
<u>Prospective Recovery</u>							
6	Inventory Revaluations	0.7709	0.205	1.6646	0.442	0.8937 (1)	0.238
7	Spot Gas	-	-	-	-	- (2)	-
8	Firm PGVA	(0.2417)	(0.064)	1.9125	0.508	2.1542 (3)	0.573
9	Fuel	0.3446	0.092	0.2086	0.055	(0.1360) (4)	(0.037)
10	Temporary Charge/(Credit) - Jul 1 to Dec 31, 2008	(0.6303)	(0.168)	(0.6303)	(0.168)	- (5)	-
11	Total Prospective Recovery (line 6+7+8+9+10)	0.2435	0.065	3.1554	0.838	2.9119	0.773
12	Total Commodity and Fuel Rate (line 5+11)	37.2725	9.908	36.0206	9.574	(1.2519)	(0.334)
Rates 20 & 100 (8)							
13	Alberta Border Price	36.2304	9.562	32.1648	8.489	(4.066)	(1.073)
14	Fuel ratios	2.056%	2.056%	1.928%	1.928%	-0.127%	-0.127%
15	Compressor Fuel Charge	0.7448	0.197	0.6202	0.164	(0.1246)	(0.033)
16	Administration Charge	0.3173	0.084	0.3138	0.083	(0.0035)	(0.0010)
17	Gas Commodity & Fuel Rate (line 13+15+16)	37.2925	9.843	33.0988	8.736	(4.1937)	(1.107)
<u>Prospective Recovery</u>							
18	Inventory Revaluations	0.7709	0.205	1.6646	0.442	0.8937 (1)	0.238
19	Spot Gas	-	-	-	-	- (2)	-
20	Firm PGVA	(0.2417)	(0.064)	1.9125	0.508	2.1542 (3)	0.573
21	Fuel	0.3446	0.092	0.2086	0.055	(0.1360) (4)	(0.037)
22	Temporary Charge/(Credit) - Jul 1 to Dec 31, 2008	(0.6303)	(0.168)	(0.6303)	(0.168)	- (5)	-
23	Total Prospective Recovery (line 18+19+20+21+22)	0.2435	0.065	3.1554	0.838	2.9119	0.773
24	Total Commodity and Fuel Rate (line 17+23)	37.5360	9.908	36.2542	9.574	(1.2818)	(0.334)

Notes:

- (1) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery charge of 0.9606 cents/m³.
- (2) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery of 0.0000 cents/m³.
- (3) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery credit of (2.5192) cents/m³.
- (4) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery credit of (0.1363) cents/m³.
- (5) Commodity temporary credit of (0.6303) cents/m³ for the period Jul 1-Dec 31, 2008.
- (6) Conversion to GJ's based on 37.62 GJ's / 10³m³.
- (7) Conversion to GJ's based on 37.62 GJ's / 10³m³.
- (8) Conversion to GJ's based on 37.89 GJ's / 10³m³.

UNION GAS LIMITED
Northern & Eastern Operations Area
Calculation of Gas Commodity and Fuel
Northern Zone

Line No.	Description	EB-2008-0109		EB-2008-0281		Change	
		Effective July 1, 2008 (cents/m ³) (a)	(\$/GJ) (6) (b)	Effective October 1, 2008 (cents/m ³) (c)	(\$/GJ) (7) (d)	Effective October 1, 2008 (cents/m ³) (e) = (c)-(a)	(\$/GJ) (f)= (d)-(b)
Rates 01A & 10							
1	Alberta Border Price	35.9722	9.562	31.9356	8.489	(4.0366)	(1.073)
2	Fuel ratios	3.239%	3.239%	2.997%	2.997%	-0.243%	-0.243%
3	Compressor Fuel Charge	1.1652	0.310	0.9570	0.254	(0.2082)	(0.056)
4	Administration Charge	0.3173	0.084	0.3138	0.083	(0.0035)	(0.0010)
5	Gas Commodity & Fuel Rate (line 1+3+4)	37.4547	9.956	33.2064	8.826	(4.2483)	(1.130)
Prospective Recovery							
6	Inventory Revaluations	0.7709	0.205	1.6646	0.442	0.8937 (1)	0.238
7	Spot Gas	-	-	-	-	- (2)	-
8	Firm PGVA	(0.2417)	(0.064)	1.9125	0.508	2.1542 (3)	0.573
9	Fuel	0.3446	0.092	0.2086	0.055	(0.1360) (4)	(0.037)
10	Temporary Charge/(Credit) - Jul 1 to Dec 31, 2008	(0.6303)	(0.168)	(0.6303)	(0.168)	- (5)	-
11	Total Prospective Recovery (line 6+7+8+9+10)	0.2435	0.065	3.1554	0.838	2.9119	0.773
12	Total Commodity and Fuel Rate (line 5+11)	37.6982	10.021	36.3618	9.664	(1.3364)	(0.357)
Rates 20 & 100 (8)							
13	Alberta Border Price	36.2304	9.562	32.1648	8.489	(4.066)	(1.073)
14	Fuel ratios	3.239%	3.239%	2.997%	2.997%	-0.243%	-0.243%
15	Compressor Fuel Charge	1.1736	0.310	0.9639	0.254	(0.2097)	(0.056)
16	Administration Charge	0.3173	0.084	0.3138	0.083	(0.0035)	(0.001)
17	Gas Commodity & Fuel Rate (line 13+15+16)	37.7213	9.956	33.4425	8.826	(4.2788)	(1.130)
Prospective Recovery							
18	Inventory Revaluations	0.7709	0.205	1.6646	0.442	0.8937 (1)	0.238
19	Spot Gas	-	-	-	-	- (2)	-
20	Firm PGVA	(0.2417)	(0.064)	1.9125	0.508	2.1542 (3)	0.573
21	Fuel	0.3446	0.092	0.2086	0.055	(0.1360) (4)	(0.037)
22	Temporary Charge/(Credit) - Jul 1 to Dec 31, 2008	(0.6303)	(0.168)	(0.6303)	(0.168)	- (5)	-
23	Total Prospective Recovery (line 18+19+20+21+22)	0.2435	0.065	3.1554	0.838	2.9119	0.773
24	Total Commodity and Fuel Rate (line 17+23)	37.9648	10.021	36.5979	9.664	(1.3669)	(0.357)

Notes:

- (1) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery charge of 0.9606 cents/m³.
- (2) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery of 0.0000 cents/m³.
- (3) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery credit of (2.5192) cents/m³.
- (4) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery credit of (0.1363) cents/m³.
- (5) Commodity temporary credit of (0.6303) cents/m³ for the period Jul 1-Dec 31, 2008.
- (6) Conversion to GJs based on 37.62 GJs / 10³m³.
- (7) Conversion to GJs based on 37.62 GJs / 10³m³.
- (8) Conversion to GJs based on 37.89 GJs / 10³m³.

UNION GAS LIMITED
Northern & Eastern Operations Area
Calculation of Gas Commodity and Fuel
Eastern Zone

Line No.	Description	EB-2008-0109		EB-2008-0281		Change	
		Effective July 1, 2008		Effective October 1, 2008		Effective October 1, 2008	
		(cents/m ³) (a)	(\$/GJ) (6)	(cents/m ³) (c)	(\$/GJ) (7)	(cents/m ³) (e) = (c)-(a)	(\$/GJ) (f)= (d)-(b)
Rates 01A & 10							
1	Alberta Border Price	35.9722	9.562	31.9356	8.489	(4.0366)	(1.073)
2	Fuel ratios	4.285%	4.285%	3.941%	3.941%	-0.344%	-0.344%
3	Compressor Fuel Charge	1.5414	0.410	1.2585	0.335	(0.2829)	(0.075)
4	Administration Charge	0.3173	0.084	0.3138	0.083	(0.0035)	(0.001)
5	Gas Commodity & Fuel Rate (line 1+3+4)	37.8309	10.056	33.5079	8.907	(4.3230)	(1.149)
<u>Prospective Recovery</u>							
6	Inventory Revaluations	0.7709	0.205	1.6646	0.442	0.8937 (1)	0.238
7	Spot Gas	-	-	-	-	- (2)	-
8	Firm PGVA	(0.2417)	(0.064)	1.9125	0.508	2.1542 (3)	0.573
9	Fuel	0.3446	0.092	0.2086	0.055	(0.1360) (4)	(0.037)
10	Temporary Charge/(Credit) - Jul 1 to Dec 31, 2008	(0.6303)	(0.168)	(0.6303)	(0.168)	- (5)	-
11	Total Prospective Recovery (line 6+7+8+9+10)	0.2435	0.065	3.1554	0.838	2.9119	0.773
12	Total Commodity and Fuel Rate (line 5+11)	38.0744	10.121	36.6633	9.745	(1.4111)	(0.376)
Rates 20 & 100 (8)							
13	Alberta Border Price	36.2304	9.562	32.1648	8.489	(4.066)	(1.073)
14	Fuel ratios	4.285%	4.285%	3.941%	3.941%	-0.344%	-0.344%
15	Compressor Fuel Charge	1.5525	0.410	1.2676	0.335	(0.2849)	(0.075)
16	Administration Charge	0.3173	0.084	0.3138	0.083	(0.0035)	(0.001)
17	Gas Commodity & Fuel Rate (line 13+15+16)	38.1002	10.056	33.7462	8.907	(4.3540)	(1.149)
<u>Prospective Recovery</u>							
18	Inventory Revaluations	0.7709	0.205	1.6646	0.442	0.8937 (1)	0.238
19	Spot Gas	-	-	-	-	- (2)	-
20	Firm PGVA	(0.2417)	(0.064)	1.9125	0.508	2.1542 (3)	0.573
21	Fuel	0.3446	0.092	0.2086	0.055	(0.1360) (4)	(0.037)
22	Temporary Charge/(Credit) - Jul 1 to Dec 31, 2008	(0.6303)	(0.168)	(0.6303)	(0.168)	- (5)	-
23	Total Prospective Recovery (line 18+19+20+21+22)	0.2435	0.065	3.1554	0.838	2.9119	0.773
24	Total Commodity and Fuel Rate (line 17+23)	38.3437	10.121	36.9016	9.745	(1.4421)	(0.376)

Notes:

- (1) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery charge of 0.9606 cents/m³.
- (2) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery of 0.0000 cents/m³.
- (3) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery credit of (2.5192) cents/m³.
- (4) EB-2008-0281, Tab 2, Schedule 5, Page 1 of 3, less the expiry of October 2007 Prospective Recovery credit of (0.1363) cents/m³.
- (5) Commodity temporary credit of (0.6303) cents/m³ for the period Jul 1-Dec 31, 2008.
- (6) Conversion to GJs based on 37.62 GJs / 10³m³.
- (7) Conversion to GJs based on 37.62 GJs / 10³m³.
- (8) Conversion to GJs based on 37.89 GJs / 10³m³.

UNION GAS LIMITED
Summary of Amounts for Prospective Recovery and
Unit Changes to Prospective Rate Riders

Line No.		NPGVA (a)	North Tolls (b)	North Fuel (c)	SPGVA (d)	Inventory Revaluation (e)	Load Balancing (f)	Spot Gas Purchases (g)	Total (h)
Deferral Account Balance Continuity (\$000's)									
1	Cumulative to October 1, 2008	(1) (82,574)	(2,874)	4,900	(242,015)	(55,650)	(11,626)	309	(389,530)
2	Forecast Balance: Next 12 months	(2) -	2,283	195	-	50,583	-	-	53,062
3	Total Balance - Current QRAM	(3) (82,574)	(591)	5,095	(242,015)	(5,067)	(11,626)	309	(336,469)
4	Total Balance - Previous QRAM	(4) (79,776)	(2,795)	6,902	(230,046)	(57,938)	(11,634)	309	(374,978)
5	Deferral Account Balance Variance	(5) (2,798)	2,204	(1,807)	(11,969)	52,871	8	0	38,509
6	Prospective Recovery Variance	(6) 436	27	46	117	(204)	157	(0)	578
7	Net Amount for Prospective Recovery	(7) (2,362)	2,231	(1,762)	(11,853)	52,667	165	-	39,087
Prospective Rate Rider Changes									
8	Forecast Billing Units (10 ³ m ³)	(8) 647,060	1,398,797	647,060	2,193,212	2,840,272	6,227,785	2,840,272	
9	Unit Rate Change (cents/m ³)	(9) (0.3650)	0.1595	(0.2723)	(0.5404)	1.8543	0.0026	-	

Notes:

- (1) Balance in each deferral account at October 1, 2008. Balances at Tab 2, Schedule 3, Line 9 - Line 1.
- (2) Next 12 months forecast for each deferral account. Balances at Tab 1, Schedule 3, Page 1, line 24.
- (3) Projected balance in each deferral account for the current QRAM period. Line 3 = Line 1 + Line 2.
- (4) Balances approved for prospective recovery in the previous QRAM, ie. EB-2008-0109.
- (5) The deferral amount for recovery/(refund) which has not been included in previously approved prospective rate riders. Line 5 = Line 3 - Line 4.
- (6) Variance between forecast and actual volumes (last three months of actual volumes) multiplied by the previously approved riders.
Balances at Tab 2, Schedule 2, Page 2, Line 11.
- (7) Line 7 = Line 5 + Line 6.
- (8) Billing units reflect the approved allocation basis for each deferral account.
- (9) Line 9 = Line 7 / Line 8.

UNION GAS LIMITED
Summary of Amounts for Prospective Recovery
for the 12-month period ending September 30, 2009

Line No	Particulars	Joint Accounts							Total (\$000's)
		North PGVA (179-105) (\$000's)	North Tolls (179-100) (\$000's)	North Fuel (179-100) (\$000's)	South PGVA (179-106) (\$000's)	Inventory Revaluation (179-109) (\$000's)	Load Balancing (179-107) (\$000's)	Spot Gas Variance Acct (179-107) (\$000's)	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Deferral Amounts for Recovery									
Change in 12-month deferral account projection:									
1	12-month projection from current QRAM application	(1) -	2,283	195	-	50,583	-	-	53,062
2	Less: 12-month projection from previous QRAM application	(2) -	2,284	579	-	(15,914)	-	-	(13,051)
3	Change (Line 1 - Line 2)	-	(0)	(384)	-	66,497	-	-	66,112
Previous Quarter: True-up of deferral balances									
4	Actual deferral balance for May, June, July	(3) 12,018	4,263	(646)	31,956	(13,485)	6	-	34,112
5	Current projected deferral amount for August, September	(4) (6,712)	433	(276)	(13,927)	(250)	17	-	(20,715)
6	Less: Previous projection included in recovery for May, June	(5) 8,104	2,491	502	29,998	(110)	15	-	41,000
7	Variance (Line 4 + Line 5 - Line 6)	(2,798)	2,204	(1,423)	(11,969)	(13,625)	8	-	(27,604)
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(2,798)	2,204	(1,807)	(11,969)	52,871	8	-	38,509
Previous Quarter: True-up of Prospective Recovery Amounts									
9	Forecast prospective recovery amount for May, June, July	(6) (1,305)	492	(73)	(8,136)	3,213	(266)	(0)	(6,074)
10	Less: Actual prospective recovery amount for May, June, July	(7) (1,741)	465	(118)	(8,253)	3,417	(423)	0	(6,653)
11	Variance (Line 9 - Line 10)	436	27	46	117	(204)	157	(0)	578
12	Total Amount for Prospective Recovery (Line 8 + Line 11)	(2,362)	2,231	(1,762)	(11,853)	52,667	165	-	39,087

Notes:

- (1) Tab 1, Schedule 3, Page 1, Line 24.
(2) EB-2008-0109, Tab 1, Schedule 3, Page 1, Line 21.
(3) Tab 1, Schedule 3, Page 1, Lines 6+7+8.
(4) Tab 1, Schedule 3, Page 1, Lines 9+10.
(5) EB-2008-0109, Tab 2, Schedule 2, Page 2, Line 5.
(6) Tab 2, Schedule 3, Line 10.
(7) Tab 2, Schedule 3, Line 11.

Union Gas Limited
Derivation of Amounts and Unit Rates for Prospective Recovery

Page

1	North Purchased Gas Variance Account (Deferral Account 179-105)
2	North Tolls - Transportation (Deferral Account 179-100)
3	North Fuel - Northern and Eastern Operations Area (Deferral Account 179-100)
4	South Purchased Gas Variance Account (Deferral Account 179-106)
5	Inventory Revaluation (Deferral Account 179-109)
6	Load Balancing (Deferral Account 179-107)
7	Spot Gas Purchases (Deferral Account 179-107)

UNION GAS LIMITED
North Purchased Gas Variance Account (Deferral Account 179-105)
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2007	Year 2008			
			Oct	Jan	Apr	Jul	Oct
			Q4	Q1 (1)	Q2 (2)	Q3 (3)	Q4 (4)
			(a)	(b)	(c)	(d)	(e)
<u>Deferral Amounts for Recovery</u>							
Change in 12-month deferral account projection:							
1	12-month projection from current QRAM application	(\$000's)	-	-	-	-	-
2	Less: 12-month projection from previous QRAM application	(\$000's)	-	-	-	-	-
3	Change (Line 1 - Line 2)	(\$000's)	-	-	-	-	-
Previous Quarter: True-up of deferral balances							
4	Actual deferral balances	(\$000's)	(9,296)	(5,228)	(5,818)	4,698	12,018
5	Current projected deferral amounts	(\$000's)	(12,344)	(5,860)	2,052	8,104	(6,712)
6	Less: Previous projection included in recovery	(\$000's)	(5,086)	(12,344)	(5,860)	2,052	8,104
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(16,555)	1,257	2,094	10,750	(2,798)
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(16,555)	1,257	2,094	10,750	(2,798)
9	Cumulative Deferral Amounts for Recovery	(\$000's)	(93,877)	(92,620)	(90,526)	(79,776)	(82,574)
<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:							
10	Forecast prospective recovery amount	(\$000's)	(6,195)	(6,327)	(18,079)	(9,543)	(1,305)
11	Less: Actual prospective recovery amount	(\$000's)	(6,005)	(5,019)	(18,984)	(10,691)	(1,741)
12	Variance (Line 10 - Line 11)	(\$000's)	(190)	(1,308)	905	1,148	436
13	Total Amount for Prospective Recovery (Line 8 + Line 12)	(\$000's)	(16,745)	(52)	2,999	11,898	(2,362)
14	Forecast - 12 month sales service volume	(10 ³ m ³)	664,706	665,525	654,298	651,243	647,060
15	Unit Rate	(cents/m ³)	(2.5192)	(0.0078)	0.4583	1.8270	(0.3650)
<u>Summary of Unit Rates</u>							
16	Unit Rate Q1	(cents/m ³)	(3.6178)	(0.0078)	(0.0078)	(0.0078)	(0.0078)
17	Unit Rate Q2	(cents/m ³)	(0.9863)	(0.9863)	0.4583	0.4583	0.4583
18	Unit Rate Q3	(cents/m ³)	(0.7489)	(0.7489)	(0.7489)	1.8270	1.8270
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	(2.5192)	(2.5192)	(2.5192)	(2.5192)	(0.3650)
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	(7.8722)	(4.2622)	(2.8176)	(0.2417)	1.9125

Notes:

- (1) EB-2007-0918, Tab 2, Schedule 2, Column (a).
(2) EB-2008-0033, Tab 2, Schedule 2, Column (a).
(3) EB-2008-0109, Tab 2, Schedule 2, Column (a).
(4) EB-2008-0281, Tab 2, Schedule 2, Column (a).

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 2007	Year 2008				
			Oct	Jan	Apr	Jul	Oct	
			Q4	Q1 (1)	Q2 (2)	Q3 (3)	Q4 (4)	
			(a)	(b)	(c)	(d)	(e)	
Deferral Amounts for Recovery								
Change in 12-month deferral account projection:								
1	12-month projection from current QRAM application	(\$000's)	(731)	(729)	(249)	2,284	2,283	
2	Less: 12-month projection from previous QRAM application	(\$000's)	(727)	(731)	(729)	(249)	2,284	
3	Change (Line 1 - Line 2)	(\$000's)	(4)	1	480	2,533	(0)	
Previous Quarter: True-up of deferral balances								
4	Actual deferral balances	(\$000's)	149	928	86	1,893	4,263	
5	Current projected deferral amounts	(\$000's)	(102)	(125)	462	2,491	433	
6	Less: Previous projection included in recovery	(\$000's)	230	(102)	(125)	462	2,491	
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(182)	904	673	3,922	2,204	
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(186)	906	1,153	6,455	2,204	
9	Cumulative Deferral Amounts for Recovery	(\$000's)	(3,973)	(3,067)	(1,914)	4,541	6,745	
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:								
10	Forecast prospective recovery amount	(\$000's)	(15)	128	658	1,012	492	
11	Less: Actual prospective recovery amount	(\$000's)	(17)	99	591	871	465	
12	Variance (Line 10 - Line 11)	(\$000's)	2	29	67	141	27	
13	Total Amount for Prospective Recovery (Line 8 + Line 12)	(\$000's)	(184)	934	1,220	6,596	2,231	
14	Forecast - 12 month volume	(10 ³ m ³)	1,447,639	1,444,544	1,425,248	1,412,806	1,398,797	
15	Unit Rate	(cents/m ³)	(0.0127)	0.0647	0.0856	0.4669	0.1595	
Summary of Unit Rates								
16	Unit Rate Q1	(cents/m ³)	(0.0756)	0.0647	0.0847	0.0647	0.0647	
17	Unit Rate Q2	(cents/m ³)	0.0624	0.0624	0.0856	0.0856	0.0856	
18	Unit Rate Q3	(cents/m ³)	0.0791	0.0791	0.0791	0.4669	0.4669	
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	(0.0127)	(0.0127)	(0.0127)	(0.0127)	0.1595	
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	0.0532	0.1935	0.2167	0.6045	0.7767	

Notes:

- (1) EB-2007-0918, Tab 2, Schedule 2, Column (b).
(2) EB-2008-0033, Tab 2, Schedule 2, Column (b).
(3) EB-2008-0109, Tab 2, Schedule 2, Column (b).
(4) EB-2008-0281, Tab 2, Schedule 2, Column (b).

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 2007	Year 2008				
			Oct Q4 (a)	Jan Q1 (1) (b)	Apr Q2 (2) (c)	Jul Q3 (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)	(354)	(1)	82	579	195	
2	Less: 12-month projection from previous QRAM application	(\$000's)	(132)	(354)	(1)	82	579	
3	Change (Line 1 - Line 2)	(\$000's)	(223)	354	83	498	(384)	
Previous Quarter: True-up of deferral balances								
4	Actual deferral balances	(\$000's)	(265)	(967)	(750)	2,765	(646)	
5	Current projected deferral amounts	(\$000's)	(586)	(245)	55	502	(276)	
6	Less: Previous projection included in recovery	(\$000's)	(174)	(586)	(245)	55	502	
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(677)	(626)	(450)	3,211	(1,423)	
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(900)	(272)	(368)	3,708	(1,807)	
9	Cumulative Deferral Amounts for Recovery	(\$000's)	3,834	3,562	3,194	6,902	5,095	
<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:								
10	Forecast prospective recovery amount	(\$000's)	(119)	(141)	(671)	(659)	(73)	
11	Less: Actual prospective recovery amount	(\$000's)	(113)	(111)	(692)	(725)	(118)	
12	Variance (Line 10 - Line 11)	(\$000's)	(6)	(31)	20	66	46	
13	Total Amount for Prospective Recovery (Line 8 + Line 12)	(\$000's)	(906)	(303)	(347)	3,774	(1,762)	
14	Forecast - 12 month sales service volume	(10 ³ m ³)	664,706	665,525	654,298	651,243	647,060	
15	Unit Rate	(cents/m ³)	(0.1363)	(0.0455)	(0.0531)	0.5795	(0.2723)	
<u>Summary of Unit Rates</u>								
16	Unit Rate Q1	(cents/m ³)	0.0125	(0.0455)	(0.0455)	(0.0455)	(0.0455)	
17	Unit Rate Q2	(cents/m ³)	(0.0439)	(0.0439)	(0.0531)	(0.0531)	(0.0531)	
18	Unit Rate Q3	(cents/m ³)	(0.0444)	(0.0444)	(0.0444)	0.5795	0.5795	
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	(0.1363)	(0.1363)	(0.1363)	(0.1363)	(0.2723)	
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	(0.2121)	(0.2701)	(0.2793)	0.3446	0.2086	

Notes:

- (1) EB-2007-0918, Tab 2, Schedule 2, Column (d).
- (2) EB-2008-0033, Tab 2, Schedule 2, Column (d).
- (3) EB-2008-0109, Tab 2, Schedule 2, Column (c).
- (4) EB-2008-0281, Tab 2, Schedule 2, Column (c).

UNION GAS LIMITED

South Purchased Gas Variance Account (Deferral Account 179-106)

Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2007	Year 2008			
			Oct	Jan	Apr	Jul	Oct
			Q4	Q1 (1)	Q2 (2)	Q3 (3)	Q4 (4)
			(a)	(b)	(c)	(d)	(e)
<u>Deferral Amounts for Recovery</u>							
Change in 12-month deferral account projection:							
1	12-month projection from current QRAM application	(\$000's)	-	-	-	-	-
2	Less: 12-month projection from previous QRAM application	(\$000's)	-	-	-	-	-
3	Change (Line 1 - Line 2)	(\$000's)	-	-	-	-	-
Previous Quarter: True-up of deferral balances							
4	Actual deferral balances	(\$000's)	(39,188)	(44,815)	(19,228)	14,805	31,956
5	Current projected deferral amounts	(\$000's)	(27,498)	(14,329)	9,820	29,998	(13,927)
6	Less: Previous projection included in recovery	(\$000's)	(14,791)	(27,498)	(14,329)	9,820	29,998
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(51,894)	(31,646)	4,920	34,984	(11,969)
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(51,894)	(31,646)	4,920	34,984	(11,969)
9	Cumulative Deferral Amounts for Recovery	(\$000's)	(238,304)	(269,950)	(265,029)	(230,046)	(242,015)
<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:							
10	Forecast prospective recovery amount	(\$000's)	(16,940)	(17,528)	(59,112)	(47,053)	(8,136)
11	Less: Actual prospective recovery amount	(\$000's)	(15,800)	(13,131)	(59,560)	(51,253)	(8,253)
12	Variance (Line 10 - Line 11)	(\$000's)	(1,140)	(4,397)	448	4,200	117
13	Total Amount for Prospective Recovery (Line 8 + Line 12)	(\$000's)	(53,034)	(36,043)	5,368	39,183	(11,853)
14	Forecast - 12 month sales service volume	(10 ³ m ³)	2,291,978	2,299,677	2,240,214	2,225,002	2,193,212
15	Unit Rate	(cents/m ³)	(2.3139)	(1.5673)	0.2396	1.7611	(0.5404)
<u>Summary of Unit Rates</u>							
16	Unit Rate Q1	(cents/m ³)	(2.1172)	(1.5673)	(1.5673)	(1.5673)	(1.5673)
17	Unit Rate Q2	(cents/m ³)	(1.2503)	(1.2503)	0.2396	0.2396	0.2396
18	Unit Rate Q3	(cents/m ³)	(0.7396)	(0.7396)	(0.7396)	1.7611	1.7611
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	(2.3139)	(2.3139)	(2.3139)	(2.3139)	(0.5404)
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	(6.4210)	(5.8711)	(4.3812)	(1.8805)	(0.1070)

Notes:

- (1) EB-2007-0918, Tab 2, Schedule 2, Column (e).
- (2) EB-2008-0033, Tab 2, Schedule 2, Column (e).
- (3) EB-2008-0109, Tab 2, Schedule 2, Column (d).
- (4) EB-2008-0281, Tab 2, Schedule 2, Column (d).

UNION GAS LIMITED
Inventory Revaluation (Deferral Account 179-109)
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2007	Year 2008			
			Oct Q4	Jan Q1 (1)	Apr Q2 (2)	Jul Q3 (3)	Oct Q4 (4)
			(a)	(b)	(c)	(d)	(e)
<u>Deferral Amounts for Recovery</u>							
Change in 12-month deferral account projection:							
1	12-month projection from current QRAM application	(\$000's)	28,136	12,559	-	(15,914)	50,583
2	Less: 12-month projection from previous QRAM application	(\$000's)	(1,763)	28,136	12,559	-	(15,914)
3	Change (Line 1 - Line 2)	(\$000's)	29,899	(15,577)	(12,559)	(15,914)	66,497
Previous Quarter: True-up of deferral balances							
4	Actual deferral balances	(\$000's)	(1,629)	27,552	10,219	1,842	(13,485)
5	Current projected deferral amounts	(\$000's)	56	-	141	(110)	(250)
6	Less: Previous projection included in recovery	(\$000's)	101	56	-	141	(110)
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(1,674)	27,496	10,360	1,592	(13,625)
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	28,225	11,919	(2,199)	(14,322)	52,871
9	Cumulative Deferral Amounts for Recovery	(\$000's)	(53,336)	(41,416)	(43,616)	(57,938)	(5,067)
<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:							
10	Forecast prospective recovery amount	(\$000's)	3,122	4,802	20,509	15,068	3,213
11	Less: Actual prospective recovery amount	(\$000's)	2,945	3,573	20,873	16,407	3,417
12	Variance (Line 10 - Line 11)	(\$000's)	177	1,229	(364)	(1,339)	(204)
13	Total Amount for Prospective Recovery (Line 8 + Line 12)	(\$000's)	28,402	13,148	(2,564)	(15,662)	52,667
14	Forecast - 12 month sales service volume	(10 ³ m ³)	2,956,685	2,965,202	2,894,512	2,876,245	2,840,272
15	Unit Rate	(cents/m ³)	0.9606	0.4434	(0.0886)	(0.5445)	1.8543
<u>Summary of Unit Rates</u>							
16	Unit Rate Q1	(cents/m ³)	0.8700	0.4434	0.4434	0.4434	0.4434
17	Unit Rate Q2	(cents/m ³)	0.0294	0.0294	(0.0886)	(0.0886)	(0.0886)
18	Unit Rate Q3	(cents/m ³)	(0.0278)	(0.0278)	(0.0278)	(0.5445)	(0.5445)
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	0.9606	0.9606	0.9606	0.9606	1.8543
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	1.8322	1.4056	1.2876	0.7709	1.6646

Notes:

- (1) EB-2007-0918, Tab 2, Schedule 2, Column (f).
(2) EB-2008-0033, Tab 2, Schedule 2, Column (f).
(3) EB-2008-0109, Tab 2, Schedule 2, Column (e).
(4) EB-2008-0281, Tab 2, Schedule 2, Column (e).

UNION GAS LIMITED
Load Balancing (Deferral Account 179-107)
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	2007	Year 2008				
			Oct	Jan	Apr	Jul	Oct	
			Q4	Q1 (1)	Q2 (2)	Q3 (3)	Q4 (4)	
			(a)	(b)	(c)	(d)	(e)	
Deferral Amounts for Recovery								
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	(\$000's)	-	-	-	-	-	
3	Change (Line 1 - Line 2)	(\$000's)	-	-	-	-	-	
Previous Quarter: True-up of deferral balances								
4	Actual deferral balances	(\$000's)	(31)	(27)	(21)	(3)	6	
5	Current projected deferral amounts	(\$000's)	(15)	-	(3)	15	17	
6	Less: Previous projection included in recovery	(\$000's)	(18)	(15)	-	(3)	15	
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(27)	(11)	(24)	15	8	
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(27)	(11)	(24)	15	8	
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)	(582)	(435)	(1,232)	(1,094)	(266)	
10	Less: Actual prospective recovery amount	(\$000's)	(585)	(354)	(1,244)	(1,200)	(423)	
11	Variance (Line 10 - Line 11)	(\$000's)	2	(80)	12	106	157	
12	Total Amount for Prospective Recovery (Line 8 + Line 12)	(\$000's)	(25)	(92)	(12)	121	165	
13	Forecast - 12 month volume	(10 ³ m ³)	6,484,976	6,480,202	6,322,758	6,284,761	6,227,785	
14	Unit Rate	(cents/m ³)	(0.0004)	(0.0014)	(0.0002)	0.0019	0.0026	
Summary of Unit Rates								
15	Unit Rate Q1	(cents/m ³)	-	(0.0014)	(0.0014)	(0.0014)	(0.0014)	
16	Unit Rate Q2	(cents/m ³)	-	-	(0.0002)	(0.0002)	(0.0002)	
17	Unit Rate Q3	(cents/m ³)	-	-	-	0.0019	0.0019	
18	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	(0.0004)	(0.0004)	(0.0004)	(0.0004)	0.0026	
19	Total Unit Rate - Prospective Recovery	(cents/m ³)	(0.0004)	(0.0018)	(0.0020)	(0.0001)	0.0029	

Notes:

- (1) EB-2007-0918, Working Papers, Schedule 2, Page 1 of 2.
- (2) EB-2008-0033, Working Papers, Schedule 2, Page 1 of 2.
- (3) EB-2008-0109, Working Papers, Schedule 2.
- (4) EB-2008-0281, Working Papers, Schedule 2.

UNION GAS LIMITED
Spot Gas Purchases (Deferral Account 179-107)
Derivation of Amounts and Unit Rates for Prospective Recovery

Line No.	Particulars	Units	Year 2007	Year 2008				
			Oct	Jan	Apr	Jul	Oct	
			Q4	Q1 (1)	Q2 (2)	Q3 (3)	Q4 (4)	
			(a)	(b)	(c)	(d)	(e)	
Deferral Amounts for Recovery								
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	(\$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)	-	-	
5	Current projected deferral amounts	(\$000's)	(1)	-	(1)	-	-	
6	Less: Previous projection included in recovery	(\$000's)	(1)	(1)	-	(1)	-	
7	Variance (Line 4 + Line 5 - Line 6)	(\$000's)	(0)	0	(1)	1	-	
8	Total Deferral Amounts for Recovery (Line 3 + Line 7)	(\$000's)	(0)	0	(1)	1	-	
9	Cumulative Deferral Amounts for Recovery	(\$000's)	309	310	309	309	309	
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:								
10	Forecast prospective recovery amount	(\$000's)	0	(0)	0	1	(0)	
11	Less: Actual prospective recovery amount	(\$000's)	0	0	0	1	0	
12	Variance (Line 10 - Line 11)	(\$000's)	0	(0)	(0)	(0)	(0)	
13	Total Amount for Prospective Recovery (Line 8 + Line 12)	(\$000's)	-	-	-	-	-	
14	Forecast - 12 month sales service volume	(10 ³ m ³)	2,956,685	2,965,202	2,894,512	2,876,245	2,840,272	
15	Unit Rate	(cents/m ³)	-	-	-	-	-	
Summary of Unit Rates								
16	Unit Rate Q1	(cents/m ³)	(0.0001)	-	-	-	-	
17	Unit Rate Q2	(cents/m ³)	0.0001	0.0001	-	-	-	
18	Unit Rate Q3	(cents/m ³)	(0.0000)	(0.0000)	(0.0000)	-	-	
19	Unit Rate Q4 Expiring rider replaced by new rider	(cents/m ³)	-	-	-	-	-	
20	Total Unit Rate - Prospective Recovery	(cents/m ³)	(0.0000)	0.0001	(0.0000)	-	-	

Notes:

- (1) EB-2007-0918, Tab 2, Schedule 2, Column (h).
(2) EB-2008-0033, Tab 2, Schedule 2, Column (h).
(3) EB-2008-0109, Tab 2, Schedule 2, Column (g).
(4) EB-2008-0281, Tab 2, Schedule 2, Column (g).

UNION GAS LIMITED
Southern Operations Area
General Service Customer Bill Impacts

Line No.		Rate M1 - Residential (Annual Consumption of 2,600 m ³)			Rate M2 - Commercial (Annual Consumption of 73,000 m ³)		
		EB-2008-0109 Approved 01-Jul-08 Total Bill (\$) (1) (a)	EB-2008-0281 Proposed 01-Oct-08 Total Bill (\$) (1) (b)	Impact (\$) (c) = (b) - (a)	EB-2008-0109 Approved 01-Jul-08 Total Bill (\$) (1) (d)	EB-2008-0281 Proposed 01-Oct-08 Total Bill (\$) (1) (e)	Impact (\$) (f) = (e) - (d)
	<u>Delivery Charges</u>						
1	Monthly Charge	204.00	204.00	-	840.00	840.00	-
2	Delivery Commodity Charge	120.89	120.89	-	2,603.50	2,603.50	-
3	Prospective Recovery - Delivery	(0.00) (2)	0.08 (3)	0.08	(0.06) (2)	2.12 (3)	2.18
4	Storage Services	25.67	25.67	-	530.93	530.93	-
5	Total Delivery Charge	350.55	350.64	0.08	3,974.37	3,976.55	2.18
	<u>Supply Charges</u>						
6	Transportation to Union	91.39	109.16	17.77	2,565.81	3,064.85	499.04
7	Commodity & Fuel	983.60	871.21	(112.39)	27,616.55	24,460.76	(3,155.79)
8	Prospective Recovery - Commodity & Fuel	(28.86) (4)	40.51 (5)	69.37	(810.00) (4)	1,137.05 (5)	1,947.05
9	Subtotal	954.74	911.72	(43.02)	26,806.55	25,597.81	(1,208.74)
10	Total Gas Supply Charge	1,046.13	1,020.88	(25.25)	29,372.36	28,662.66	(709.70)
11	Total Bill	1,396.68	1,371.52	(25.17)	33,346.73	32,639.21	(707.52)
12	Impacts for Customer Notices - Sales (line 11)			(25.17)			(707.52)
13	Impacts for Customer Notices - Direct Purchase (line 5)			0.08			2.18

Notes:

- (1) Excludes temporary charges/(credits).
- (2) Prospective recovery credit of (0.0001) cents/m³ for 12 months.
- (3) Prospective recovery charge of 0.0029 cents/m³ for 12 months.
- (4) Prospective recovery credit of (1.1096) cents/m³ for 12 months.
- (5) Prospective recovery charge of 1.5576 cents/m³ for 12 months.

UNION GAS LIMITED
Northern & Eastern Operations Area
General Service Customer Bill Impacts

		(Fort Frances) Rate 01 - Residential (Annual Consumption of 2,600 m3)			(Western) Rate 01 - Residential (Annual Consumption of 2,600 m3)		
Line No		EB-2008-0109 Approved 01-Jul-08 Total Bill (\$)(1) (a)	EB-2008-0281 Proposed 01-Oct-08 Total Bill (\$)(1) (b)	Impact (\$) (c) = (b) - (a)	EB-2008-0109 Approved 01-Jul-08 Total Bill (\$)(1) (d)	EB-2008-0281 Proposed 01-Oct-08 Total Bill (\$)(1) (e)	Impact (\$) (f) = (e) - (d)
	<u>Delivery Charges</u>						
1	Monthly Charge	204.00	204.00	-	204.00	204.00	-
2	Delivery Commodity Charge	221.16	221.16	-	221.16	221.16	-
3	Total Delivery Charge	425.16	425.16	-	425.16	425.16	-
	<u>Supply Charges</u>						
4	Transportation to Union	99.55	99.55	-	105.31	105.31	-
5	Prospective Recovery - Transportation	15.73 (2)	20.27 (3)	4.54	15.73 (2)	20.27 (3)	4.54
6	Storage Services	49.17	49.17	-	49.13	49.13	-
7	Prospective Recovery - Storage	-	-	-	-	-	-
8	Subtotal	164.45	168.99	4.54	170.17	174.71	4.54
9	Commodity & Fuel	954.47	847.62	(106.85)	962.76	854.52	(108.24)
10	Prospective Recovery - Commodity & Fuel	22.73 (4)	98.45 (5)	75.72	22.73 (4)	98.45 (5)	75.72
11	Subtotal	977.20	946.07	(31.13)	985.49	952.97	(32.52)
12	Total Gas Supply Charge	1,141.65	1,115.06	(26.59)	1,155.66	1,127.68	(27.98)
13	Total Bill	1,566.81	1,540.22	(26.59)	1,580.82	1,552.84	(27.98)
14	Impacts for Customer Notices - Sales (line 13)			(26.59)			(27.98)
15	Impacts for Customer Notices - Direct Purchase (line 3 + line 8)			4.54			4.54
		(Northern) Rate 01 - Residential (Annual Consumption of 2,600 m3)			(Eastern) Rate 01 - Residential (Annual Consumption of 2,600 m3)		
		EB-2008-0109 Approved 01-Jul-08 Total Bill (\$)(1) (g)	EB-2008-0281 Proposed 01-Oct-08 Total Bill (\$)(1) (h)	Impact (\$) (i) = (h) - (g)	EB-2008-0109 Approved 01-Jul-08 Total Bill (\$)(1) (j)	EB-2008-0281 Proposed 01-Oct-08 Total Bill (\$)(1) (k)	Impact (\$) (l) = (k) - (j)
	<u>Delivery Charges</u>						
16	Monthly Charge	204.00	204.00	-	204.00	204.00	-
17	Delivery Commodity Charge	221.00	221.00	-	220.64	220.64	-
18	Total Delivery Charge	425.00	425.00	-	424.64	424.64	-
	<u>Supply Charges</u>						
19	Transportation to Union	126.77	126.77	-	144.49	144.49	-
20	Prospective Recovery - Transportation	15.72 (2)	20.27 (3)	4.55	15.71 (2)	20.27 (3)	4.56
21	Storage Services	59.18	59.18	-	67.30	67.30	-
22	Prospective Recovery - Storage	-	-	-	-	-	-
23	Subtotal	201.67	206.22	4.55	227.50	232.06	4.56
24	Commodity & Fuel	973.82	863.39	(110.43)	983.82	871.21	(112.61)
25	Prospective Recovery - Commodity & Fuel	22.70 (4)	98.43 (5)	75.73	22.72 (4)	98.44 (5)	75.72
26	Subtotal	996.52	961.82	(34.70)	1,006.34	969.65	(36.69)
27	Total Gas Supply Charge	1,198.19	1,168.04	(30.15)	1,233.84	1,201.71	(32.13)
28	Total Bill	1,623.19	1,593.04	(30.15)	1,658.48	1,626.35	(32.13)
29	Impacts for Customer Notices - Sales (line 28)			(30.15)			(32.13)
30	Impacts for Customer Notices - Direct Purchase (line 18 + line 23)			4.55			4.56

Notes:

- (1) Excludes temporary charges/credits.
- (2) Prospective recovery charge of 0.6044 cents/m³ for 12 months.
- (3) Prospective recovery charge of 0.7796 cents/m³ for 12 months.
- (4) Prospective recovery charge of 0.8738 cents/m³ for 12 months.
- (5) Prospective recovery charge of 3.7857 cents/m³ for 12 months.

UNION GAS LIMITED
Northern & Eastern Operations Area
General Service Customer Bill Impacts

(Fort Frances)				(Western)			
Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m3)				Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m3)			
EB-2008-0109	EB-2008-0281			EB-2008-0109	EB-2008-0281		
Approved 01-Jul-08	Proposed 01-Oct-08			Approved 01-Jul-08	Proposed 01-Oct-08		
Total Bill (\$)(1)	Total Bill (\$)(1)	Impact (\$)		Total Bill (\$)(1)	Total Bill (\$)(1)	Impact (\$)	
(a)	(b)	(c) = (b) - (a)		(d)	(e)	(f) = (e) - (d)	
<u>Delivery Charges</u>							
1 Monthly Charge	840.00	840.00	-	840.00	840.00	-	
2 Delivery Commodity Charge	5,567.16	5,567.16	-	5,567.16	5,567.16	-	
3 Total Delivery Charge	6,407.16	6,407.16	-	6,407.16	6,407.16	-	
<u>Supply Charges</u>							
4 Transportation to Union	3,283.02	3,283.02	-	3,489.17	3,489.17	-	
5 Prospective Recovery - Transportation	562.09 (2)	725.02 (3)	162.93	562.09 (2)	725.02 (3)	162.93	
6 Storage Services	1,126.04	1,126.04	-	1,123.80	1,123.80	-	
7 Prospective Recovery - Storage	-	-	-	-	-	-	
8 Subtotal	4,971.15	5,134.08	162.93	5,175.06	5,337.99	162.93	
9 Commodity & Fuel	34,140.37	30,318.37	(3,822.00)	34,436.84	30,564.81	(3,872.33)	
10 Prospective Recovery - Commodity & Fuel	812.54 (4)	3,520.69 (5)	2,708.05	812.54 (4)	3,520.69 (5)	2,708.05	
11 Subtotal	34,953.01	33,839.08	(1,113.95)	35,249.58	34,085.30	(1,164.28)	
12 Total Gas Supply Charge	39,924.16	38,973.14	(951.02)	40,424.84	39,423.29	(1,001.35)	
13 Total Bill	46,331.32	45,380.30	(951.02)	46,831.80	45,830.45	(1,001.35)	
14 Impacts for Customer Notices - Sales (line 13)			(951.02)			(1,001.35)	
15 Impacts for Customer Notices - Direct Purchase (line 3 + line 8)			162.93			162.93	
<u>(Northern)</u>							
Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m3)				Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m3)			
EB-2008-0109	EB-2008-0281			EB-2008-0109	EB-2008-0281		
Approved 01-Jul-08	Proposed 01-Oct-08			Approved 01-Jul-08	Proposed 01-Oct-08		
Total Bill (\$)(1)	Total Bill (\$)(1)	Impact (\$)		Total Bill (\$)(1)	Total Bill (\$)(1)	Impact (\$)	
(g)	(h)	(i) = (h) - (g)		(j)	(k)	(l) = (k) - (j)	
<u>Delivery Charges</u>							
16 Monthly Charge	840.00	840.00	-	840.00	840.00	-	
17 Delivery Commodity Charge	5,561.17	5,561.17	-	5,576.55	5,576.55	-	
18 Total Delivery Charge	6,401.17	6,401.17	-	6,416.55	6,416.55	-	
<u>Supply Charges</u>							
19 Transportation to Union	4,256.51	4,256.51	-	4,890.13	4,890.13	-	
20 Prospective Recovery - Transportation	562.11 (2)	725.03 (3)	162.92	562.11 (2)	725.03 (3)	162.92	
21 Storage Services	1,484.30	1,484.30	-	1,775.16	1,775.16	-	
22 Prospective Recovery - Storage	-	-	-	-	-	-	
23 Subtotal	6,302.92	6,465.84	162.92	7,227.40	7,390.32	162.92	
24 Commodity & Fuel	34,832.87	30,881.94	(3,950.83)	35,182.73	31,162.35	(4,020.38)	
25 Prospective Recovery - Commodity & Fuel	812.62 (4)	3,520.71 (5)	2,708.09	812.63 (4)	3,520.72 (5)	2,708.08	
26 Subtotal	35,645.49	34,402.65	(1,242.84)	35,995.36	34,683.07	(1,312.28)	
27 Total Gas Supply Charge	41,948.41	40,868.49	(1,079.92)	43,222.76	42,073.39	(1,149.37)	
28 Total Bill	48,349.58	47,269.66	(1,079.92)	49,639.31	48,489.94	(1,149.37)	
29 Impacts for Customer Notices - Sales (line 28)			(1,079.92)			(1,149.37)	
30 Impacts for Customer Notices - Direct Purchase (line 18 + line 23)			162.92			162.92	

Notes:

- (1) Excludes temporary charges/credits.
(2) Prospective recovery charge of 0.6044 cents/m³ for 12 months.
(3) Prospective recovery charge of 0.7796 cents/m³ for 12 months.
(4) Prospective recovery charge of 0.8738 cents/m³ for 12 months.
(5) Prospective recovery charge of 3.7857 cents/m³ for 12 months.

UNION GAS LIMITED
Prospective Recovery - Commodity Unit Rates

Line No.	Particulars	Incremental Amount for Prospective Recovery (1) (\$000's) (a)	Forecast Sales Service Billing Units (2) (10 ³ m ³) (b)	Proposed Incremental Prospective Recovery Unit Rate (cents/m ³) (c) = (a) / (b) x 100
<u>Northern and Eastern Operations Area</u>				
1	North Purchase Gas Variance Account (NPGVA)	(2,362)	647,060	(0.3650)
2	Inventory Revaluations	11,998	647,060	1.8543
3	Spot Gas	-	647,060	-
4	Fuel	(1,762)	647,060	(0.2723)
5	Total Northern Commodity	<u>7,875</u>		<u>1.2170</u>
<u>Southern Operations Area</u>				
6	South Purchase Gas Variance Account (SPGVA)	(11,853)	2,193,212	(0.5404)
7	Inventory Revaluations	40,669	2,193,212	1.8543
8	Spot Gas	-	2,193,212	-
9	Total Southern Commodity	<u>28,816</u>		<u>1.3139</u>
10	Total	<u><u>36,691</u></u>		

Notes:

- (1) Tab 2, Schedule 2
(2) Forecast volumes for the 12 month period: October 1, 2008 to September 30, 2009.

UNION GAS LIMITED
Prospective Recovery - Transportation Unit Rates

Line No.	Particulars	Incremental Amount for Prospective Recovery (\$000's) (a)	Forecast Firm Bundled Billing Units (3) (10 ³ m ³) (b)	Proposed Incremental Prospective Recovery Unit Rate (cents/m ³) (c) = (a) / (b) x 100
	<u>Northern and Eastern Operations Area</u>			
1	<u>TCPL Tolls and LBA - Transportation</u> R01, R10, R20	2,231 (1)	1,398,797	0.1595
2	<u>Load balancing</u>	37 (2)	1,398,797	0.0026
3	Total	<u>2,268</u>		

Notes:

- (1) Tab 2, Schedule 2
- (2) Schedule 2, Working Papers, Column (i)
- (3) Forecast volumes for the 12 month period: October 1, 2008 to September 30, 2009.

UNION GAS LIMITED
Prospective Recovery - Delivery Unit Rates

Line No.	Particulars	Incremental Amount for Prospective Recovery (1) (\$000's) (a)	Forecast Delivery Billing Units (2) (10 ³ m ³) (b)	Proposed Incremental Prospective Recovery Unit Rate (cents/m ³) (c) = (a) / (b) x 100
	<u>Southern Operations Area</u>			
1	<u>Load Balancing</u>	128	4,828,987	0.0026
2	Total	<u>128</u>		

Notes:

- (1) Schedule 2, Working Papers, Column (i)
 (2) Forecast volumes for the 12 month period: October 1, 2008 to September 30, 2009.

EB-2008-0281
Index of Appendices

Appendix A	Summary of Changes to Sales Rates
Appendix B	Rate Schedules
Appendix C	Summary of Average Rate and Price Adjustment Changes
Appendix D	Customer Notices

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates
Rate 01A - Small Volume General Firm Service

Line No.	Particulars (cents/m ³)	EB-2008-0109 Approved July 1, 2008	Rate Change (b)	EB-2008-0281 Approved October 1, 2008
		Rate (a)		Rate (c)
1	Monthly Charge - All Zones	\$17.00		\$17.00
	Monthly Delivery Charge - All Zones			
2	First 100 m ³	8.9020		8.9020
3	Next 200 m ³	8.3228		8.3228
4	Next 200 m ³	7.9114		7.9114
5	Next 500 m ³	7.5337		7.5337
6	Over 1,000 m ³	7.2218		7.2218
7	Delivery - Price Adjustment (All Volumes)	(0.4072) (1)		(0.4072) (2)
	Gas Transportation Service			
8	Fort Frances	3.8289		3.8289
9	Western Zone	4.0506		4.0506
10	Northern Zone	4.8757		4.8757
11	Eastern Zone	5.5570		5.5570
12	Transportation - Price Adjustment (All Zones)	0.0792 (3)	0.1752	0.2544 (4)
	Storage Service			
13	Fort Frances	1.8909		1.8909
14	Western Zone	1.8885		1.8885
15	Northern Zone	2.2761		2.2761
16	Eastern Zone	2.5889		2.5889
17	Storage - Price Adjustment (All Zones)	(0.0170) (5)		(0.0170) (5)
	Commodity Cost of Gas and Fuel			
18	Fort Frances	36.7101	(4.1097)	32.6004
19	Western Zone	37.0290	(4.1638)	32.8652
20	Northern Zone	37.4547	(4.2483)	33.2064
21	Eastern Zone	37.8309	(4.3230)	33.5079
22	Commodity and Fuel - Price Adjustment (All Zones)	0.2435 (6)	2.9119	3.1554 (7)

Notes:

- (1) Includes a temporary credit of (0.2079) for Apr 1-Dec 31, 2008 and a temporary credit of (0.1993) cents/m³ for Jul 1-Dec 31, 2008.
(2) Includes a temporary credit of (0.2079) for Apr 1-Dec 31, 2008 and a temporary credit of (0.1993) cents/m³ for Jul 1-Dec 31, 2008.
(3) Incl's Prosp Rec of (0.0131), 0.0633, 0.0854, 0.4688, a temp credit of (0.0025) for Apr 1-Dec 31, 2008, a temp credit of (0.5227) for Jul 1-Dec 31, 2008.
(4) Incl's Prosp Rec of 0.0633, 0.0854, 0.4688, 0.1621, a temp credit of (0.0025) for Apr 1-Dec 31, 2008, a temp credit of (0.5227) for Jul 1-Dec 31, 2008.
(5) Includes a temporary credit of (0.0170) cents/m³ for the period April 1 - December 31, 2008.
(6) Includes Prospective Recovery of (1.6949), 0.3901, 0.3166, 1.8620 and a temporary credit of (0.6303) cents/m³ for the period Jul 1-Dec 31, 2008.
(7) Includes Prospective Recovery of 0.3901, 0.3166, 1.8620, 1.2170 and a temporary credit of (0.6303) cents/m³ for the period Jul 1-Dec 31, 2008.

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates
Rate 10 - Large Volume General Firm Service

Line No.	Particulars (cents/m ³)	EB-2008-0109 Approved July 1, 2008 Rate (a)	Rate Change (b)	EB-2008-0281 Approved October 1, 2008 Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
2	First 1,000 m ³	7.4145		7.4145
3	Next 9,000 m ³	5.9007		5.9007
4	Next 20,000 m ³	5.0375		5.0375
5	Next 70,000 m ³	4.4848		4.4848
6	Over 100,000 m ³	2.3913		2.3913
7	Delivery - Price Adjustment (All Volumes)	(0.1629) (1)		(0.1629) (2)
	Gas Transportation Service			
8	Fort Frances	3.5301		3.5301
9	Western Zone	3.7518		3.7518
10	Northern Zone	4.5769		4.5769
11	Eastern Zone	5.2582		5.2582
12	Transportation - Price Adjustment (All Zones)	0.2270 (3)	0.1752	0.4022 (4)
	Storage Service			
13	Fort Frances	1.2108		1.2108
14	Western Zone	1.2084		1.2084
15	Northern Zone	1.5960		1.5960
16	Eastern Zone	1.9088		1.9088
17	Storage - Price Adjustment (All Zones)	(0.0108) (5)		(0.0108) (5)
	Commodity Cost of Gas and Fuel			
18	Fort Frances	36.7101	(4.1097)	32.6004
19	Western Zone	37.0290	(4.1638)	32.8652
20	Northern Zone	37.4547	(4.2483)	33.2064
21	Eastern Zone	37.8309	(4.3230)	33.5079
22	Commodity and Fuel - Price Adjustment (All Zones)	0.2435 (6)	2.9119	3.1554 (7)

Notes:

- (1) Includes a temporary credit of (0.0220) for Apr 1-Dec 31, 2008 and a temporary credit of (0.1409) cents/m³ for Jul 1-Dec 31, 2008.
(2) Includes a temporary credit of (0.0220) for Apr 1-Dec 31, 2008 and a temporary credit of (0.1409) cents/m³ for Jul 1-Dec 31, 2008.
(3) Incl's Prosp Rec of (0.0131), 0.0633, 0.0854, 0.4688, a temp credit of (0.0005) for Apr 1-Dec 31, 2008, a temp credit of (0.3769) for Jul 1-Dec 31, 2008.
(4) Incl's Prosp Rec of 0.0633, 0.0854, 0.4688, 0.1621, a temp credit of (0.0005) for Apr 1-Dec 31, 2008, a temp credit of (0.3769) for Jul 1-Dec 31, 2008.
(5) Includes a temporary credit of (0.0108) cents/m³ for the period April 1 - December 31, 2008.
(6) Includes Prospective Recovery of (1.6949), 0.3901, 0.3166, 1.8620 and a temporary credit of (0.6303) cents/m³ for the period Jul 1-Dec 31, 2008.
(7) Includes Prospective Recovery of 0.3901, 0.3166, 1.8620, 1.2170 and a temporary credit of (0.6303) cents/m³ for the period Jul 1-Dec 31, 2008.

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates
Rate 20 - Medium Volume Firm Service

Line No.	Particulars (cents/m ³)	EB-2008-0109 Approved July 1, 2008	Rate Change (b)	EB-2008-0281 Approved October 1, 2008
		Rate (a)		Rate (c)
1	Monthly Charge	\$781.72		\$781.72
	Delivery Demand Charge			
2	First 70,000 m ³	19.8503		19.8503
3	All over 70,000 m ³	11.6730		11.6730
	Delivery Commodity Charge			
4	First 852,000 m ³	0.3068		0.3068
5	All over 852,000 m ³	0.2272		0.2272
	Monthly Gas Supply Demand Charge			
6	Fort Frances	32.8903		32.8903
7	Western Zone	36.4326		36.4326
8	Northern Zone	56.7740		56.7740
9	Eastern Zone	73.3920		73.3920
10	Gas Supply Demand - Price Adjustment (All Zones)	-		-
	Commodity Transportation 1			
11	Fort Frances	2.7417		2.7417
12	Western Zone	2.8294		2.8294
13	Northern Zone	3.3145		3.3145
14	Eastern Zone	3.7121		3.7121
15	Transportation 1 - Price Adjustment (All Zones)	0.6044 (1)	0.1752	0.7796 (2)
	Commodity Transportation 2			
16	Fort Frances	0.1933		0.1933
17	Western Zone	0.2396		0.2396
18	Northern Zone	0.3594		0.3594
19	Eastern Zone	0.4605		0.4605
	Commodity Cost of Gas and Fuel			
20	Fort Frances	36.9713	(4.1392)	32.8321
21	Western Zone	37.2925	(4.1937)	33.0988
22	Northern Zone	37.7213	(4.2788)	33.4425
23	Eastern Zone	38.1002	(4.3540)	33.7462
24	Commodity and Fuel - Price Adjustment (All Zones)	0.2435 (3)	2.9119	3.1554 (4)
	Bundled Storage Service (\$/GJ)			
25	Monthly Demand Charge	11.217		11.217
26	Commodity Charge	0.240		0.240
27	Storage Demand - Price Adjustment	-		-

Notes:

(1) Includes Prospective Recovery of (0.0131), 0.0633, 0.0854 and 0.4688 cents/m³.

(2) Includes Prospective Recovery of 0.0633, 0.0854, 0.4688 and 0.1621 cents/m³.

(3) Includes Prospective Recovery of (1.6949), 0.3901, 0.3166, 1.8620 and a temporary credit of (0.6303) cents/m³ for the period Jul 1-Dec 31, 2008.

(4) Includes Prospective Recovery of 0.3901, 0.3166, 1.8620, 1.2170 and a temporary credit of (0.6303) cents/m³ for the period Jul 1-Dec 31, 2008.

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates
Rate 100 - Large Volume High Load Factor Firm Service

Line No.	Particulars (cents/m ³)	EB-2008-0109 Approved July 1, 2008 Rate (a)	Rate Change (b)	EB-2008-0281 Approved October 1, 2008 Rate (c)
1	Monthly Charge	\$781.72		\$781.72
2	Delivery Demand Charge All Zones	11.7547		11.7547
3	Delivery Commodity Charge All Zones	0.2170		0.2170
4	Monthly Gas Supply Demand Charge Fort Frances	53.8074		53.8074
5	Western Zone	57.9404		57.9404
6	Northern Zone	81.6719		81.6719
7	Eastern Zone	101.0594		101.0594
8	Commodity Transportation 1 Fort Frances	5.1132		5.1132
9	Western Zone	5.1790		5.1790
10	Northern Zone	5.5428		5.5428
11	Eastern Zone	5.8410		5.8410
12	Commodity Transportation 2 Fort Frances	0.1933		0.1933
13	Western Zone	0.2396		0.2396
14	Northern Zone	0.3594		0.3594
15	Eastern Zone	0.4605		0.4605
16	Commodity Cost of Gas and Fuel Fort Frances	36.9713	(4.1392)	32.8321
17	Western Zone	37.2925	(4.1937)	33.0988
18	Northern Zone	37.7213	(4.2788)	33.4425
19	Eastern Zone	38.1002	(4.3540)	33.7462
20	Commodity and Fuel - Price Adjustment (All Zones)	0.2435 (1)	2.9119	3.1554 (2)
21	Bundled Storage Service (\$/GJ) Monthly Demand Charge	11.217		11.217
22	Commodity Charge	0.240		0.240
23	Storage Demand - Price Adjustment	-		-

Notes:

(1) Includes Prospective Recovery of (1.6949), 0.3901, 0.3166, 1.8620 and a temporary credit of (0.6303) cents/m³ for the period Jul 1-Dec 31, 2008.

(2) Includes Prospective Recovery of 0.3901, 0.3166, 1.8620, 1.2170 and a temporary credit of (0.6303) cents/m³ for the period Jul 1-Dec 31, 2008.

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2008-0109 Approved July 1, 2008	Rate Change (b)	EB-2008-0281 Approved October 1, 2008
		Rate (a)		Rate (c)
	<u>Rate 25 - Large Volume Interruptible Service</u>			
1	Monthly Charge	\$190.42		\$190.42
	 Delivery Charge - All Zones *			
2	Maximum	4.6131		4.6131
	 Gas Supply Charges - All Zones			
3	Minimum	14.3135		14.3135
4	Maximum	140.5622		140.5622
	 <u>Rate 77 - Wholesale Transportation Service</u>			
5	Monthly Charge	\$145.32		\$145.32
6	Delivery Demand Charge - All Zones	28.0628		28.0628

* see Appendix C

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2008-0109 Approved July 1, 2008	Rate Change	EB-2008-0281 Approved October 1, 2008
		Rate (a)		Rate (c)
	<u>Utility Sales</u>			
1	Commodity and Fuel	37.8309	(4.3230)	33.5079
2	Commodity and Fuel - Price Adjustment	(1.0660) (1)	2.6672	1.6012 (2)
3	Transportation	3.5148	0.6836	4.1984
4	Total Gas Supply Commodity Charge	40.2797	(0.9722)	39.3075
	 <u>M4 Firm Commercial/Industrial</u>			
5	Minimum annual gas supply commodity charge	5.3735	0.3972	5.7707
	 <u>M5A Interruptible Commercial/Industrial</u>			
6	Minimum annual gas supply commodity charge	5.3735	0.3972	5.7707
	 <u>Storage and Transportation Supplemental Services - Rate T1 & T3</u>	<u>\$/GJ</u>		<u>\$/GJ</u>
	Monthly demand charges: (\$/GJ)			
7	Firm gas supply service	38.750		38.750
8	Firm backstop gas	4.040	(0.314)	3.726
	Commodity charges:			
9	Gas supply	10.094	(1.148)	8.946
10	Backstop gas	11.418	(0.967)	10.451
11	Reasonable Efforts Backstop Gas	12.571	(0.968)	11.603
12	Supplemental Inventory	Note (3)		Note (3)
13	Supplemental Gas Sales Service (cents/m ³)	45.6982	(3.8043)	41.8939
14	Failure to Deliver	2.955		2.955
15	Discretionary Gas Supply Service (DGSS)	Note (4)		Note (4)

Notes:

- (1) Includes Prospective Recovery of (1.3533), (1.1239), 0.1510 and 1.2166 and a temporary charge of 0.0436 cents/m³ for the period Jul 1-Dec 31, 2008.
(2) Includes Prospective Recovery of (1.1239), 0.1510, 1.2166 and 1.3139 and a temporary charge of 0.0436 cents/m³ for the period Jul 1-Dec 31, 2008.
(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 avg. cost of gas.
(4) Reflects the "back to back" price plus gas supply administration charge.

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2008-0109 Approved July 1, 2008 Rate (a)	Rate Change (b)	EB-2008-0281 Approved October 1, 2008 Rate (c)
	<u>M1 Small Volume General Service Rate</u>			
1	Monthly Charge	\$17.00		\$17.00
2	First 100 m ³	4.9580		4.9580
3	Next 150 m ³	4.7030		4.7030
4	All over 250 m ³	4.0994		4.0994
5	Delivery - Price Adjustment (All Volumes)	(0.2970) (1)	0.0030	(0.2940) (2)
6	Storage Service	0.9876		0.9876
7	Storage - Price Adjustment	(0.0149) (3)		(0.0149) (3)
	<u>M2 Large Volume General Service Rate</u>			
8	Monthly Charge	\$70.00		\$70.00
9	First 1 000 m ³	3.6769		3.6769
10	Next 6 000 m ³	3.6064		3.6064
11	Next 13 000 m ³	3.3964		3.3964
12	All over 20 000 m ³	3.1445		3.1445
13	Delivery - Price Adjustment (All Volumes)	(0.0433) (4)	0.0030	(0.0403) (5)
14	Storage Service	0.7273		0.7273
15	Storage - Price Adjustment	(0.0098) (6)		(0.0098) (6)
	<u>M4 Firm comm/ind contract rate</u>			
	Monthly demand charge:			
16	First 8 450 m ³	44.8685		44.8685
17	Next 19 700 m ³	19.4669		19.4669
18	All over 28 150 m ³	16.1662		16.1662
	Monthly delivery commodity charge:			
19	First block	0.9277		0.9277
20	All remaining use	0.5081		0.5081
21	Delivery - Price Adjustment (All Volumes)	(0.0001) (7)	0.0030	0.0029 (8)
22	Minimum annual delivery commodity charge	1.2450	(0.0035)	1.2415

Notes:

- (1) IncIs Prosp Rec of (0.0004), (0.0014), (0.0002), 0.0019, a temp credit (0.2758) for Apr 1-Dec 31, 2008, a temp credit of (0.0211) for Jul 1-Dec 31, 2008.
(2) IncIs Prosp Rec of (0.0014), (0.0002), 0.0019, 0.0026, a temp credit (0.2758) for Apr 1-Dec 31, 2008, a temp credit of (0.0211) for Jul 1-Dec 31, 2008.
(3) Includes a temporary credit of (0.0149) cents/m³ for the period April 1 to December 31, 2008.
(4) IncIs Prosp Rec of (0.0004), (0.0014), (0.0002), 0.0019, a temp credit (0.0221) for Apr 1-Dec 31, 2008, a temp credit of (0.0211) for Jul 1-Dec 31, 2008.
(5) IncIs Prosp Rec of (0.0014), (0.0002), 0.0019, 0.0026, a temp credit (0.0221) for Apr 1-Dec 31, 2008, a temp credit of (0.0211) for Jul 1-Dec 31, 2008.
(6) Includes a temporary credit of (0.0098) cents/m³ for the period April 1 to December 31, 2008.
(7) Includes Prospective Recovery of (0.0004), (0.0014), (0.0002) and 0.0019 cents/m³.
(8) Includes Prospective Recovery of (0.0014), (0.0002), 0.0019 and 0.0026 cents/m³.

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2008-0109 Approved July 1, 2008	Rate Change (b)	EB-2008-0281 Approved October 1, 2008
		Rate (a)		Rate (c)
	<u>M5A interruptible comm/ind contract</u>			
	<u>Firm contracts *</u>			
1	Monthly demand charge	27.1498		27.1498
2	Monthly delivery commodity charge	1.8709		1.8709
3	Delivery - Price Adjustment (All Volumes)	(0.0001) (1)	0.0030	0.0029 (2)
	<u>Interruptible contracts *</u>			
4	Monthly Charge	\$501.10		\$501.10
	Daily delivery commodity charge:			
5	4 800 m ³ to 17 000 m ³	1.9398		1.9398
6	17 000 m ³ to 30 000 m ³	1.8099		1.8099
7	30 000 m ³ to 50 000 m ³	1.7416		1.7416
8	50 000 m ³ to 70 000 m ³	1.6937		1.6937
9	70 000 m ³ to 100 000 m ³	1.6594		1.6594
10	100 000 m ³ to 140 870 m ³	1.6257		1.6257
11	Delivery - Price Adjustment (All Volumes)	(0.0001) (1)	0.0030	0.0029 (2)
12	Annual minimum delivery commodity charge	2.2571	(0.0035)	2.2536
	<u>M7 Special large volume contract</u>			
	<u>Firm</u>			
13	Monthly demand charge	25.0976		25.0976
14	Monthly delivery commodity charge	0.3531		0.3531
15	Delivery - Price Adjustment	(0.0001) (1)	0.0030	0.0029 (2)
	<u>Interruptible *</u>			
16	Monthly delivery commodity charge: Maximum	2.7106		2.7106
17	Delivery - Price Adjustment	(0.0001) (1)	0.0030	0.0029 (2)
	<u>Seasonal *</u>			
18	Monthly delivery commodity charge: Maximum	2.4665		2.4665
19	Delivery - Price Adjustment	(0.0001) (1)	0.0030	0.0029 (2)
	<u>M9 Large wholesale service</u>			
20	Monthly demand charge	16.7920		16.7920
21	Monthly delivery commodity charge	0.5378		0.5378
22	Delivery - Price Adjustment	(0.0001) (1)	0.0030	0.0029 (2)
	<u>M10 Small wholesale service</u>			
23	Monthly delivery commodity charge	2.6583		2.6583

Notes:

(1) Includes Prospective Recovery of (0.0004), (0.0014), (0.0002) and 0.0019 cents/m³.

(2) Includes Prospective Recovery of (0.0014), (0.0002), 0.0019 and 0.0026 cents/m³.

* Price changes to individual interruptible and seasonal contract rates are provided in Appendix C.

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Contract Carriage Rates

Line No.	Particulars	EB-2008-0109 Approved July 1, 2008 Rate (a)	Rate Change (b)	EB-2008-0281 Approved October 1, 2008 Rate (c)
	<u>Contract Carriage Service</u>			
	<u>T1 Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.010		0.010
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.941		1.941
3	Customer provides deliverability inventory	1.033		1.033
4	Firm incremental injection	1.033		1.033
5	Interruptible withdrawal	1.033		1.033
	Commodity charges:			
6	Withdrawal	0.064		0.064
7	Customer provides compressor fuel	0.007		0.007
8	Injection	0.064		0.064
9	Customer provides compressor fuel	0.007		0.007
10	Storage fuel ratio - customer provides fuel	0.601%		0.601%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge first 140,870 m ³	18.6990		18.6990
12	Monthly demand charge all over 140,870 m ³	12.7775		12.7775
	Commodity charges:			
13	Firm- Union provides compressor fuel first 2,360,653 m ³	0.3619		0.3619
14	Union provides compressor fuel all over 2,360,653 m ³	0.2792		0.2792
15	Customer provides compressor fuel first 2,360,653 m ³	0.1646		0.1646
16	Customer provides compressor fuel all over 2,360,653 m ³	0.0819		0.0819
	Interruptible: *			
17	Maximum - Union provides compressor fuel	2.7106		2.7106
18	Maximum - customer provides compressor fuel	2.5133		2.5133
19	Transportation fuel ratio - customer provides fuel	0.555%		0.555%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
20	Injection May 1 to Oct 31	0.168		0.168
21	Customer provides compressor fuel	0.071		0.071
22	Withdrawals Nov 1 to Apr 30	0.168		0.168
23	Customer provides compressor fuel	0.071		0.071
24	Transportation commodity charge (cents/m ³)	0.9766		0.9766
25	Customer provides compressor fuel	0.7794		0.7794
26	<u>Monthly Charge</u>	\$1,803.96		\$1,803.96

* Price changes to individual interruptible contract rates are provided in Appendix C.

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Contract Carriage Rates

Line No.	Particulars	EB-2008-0109 Approved July 1, 2008	Rate Change (b)	EB-2008-0281 Approved October 1, 2008
		Rate (a)		Rate (c)
	<u>T3 Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.010		0.010
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.941		1.941
3	Customer provides deliverability inventory	1.033		1.033
4	Firm incremental injection	1.033		1.033
5	Interruptible withdrawal	1.033		1.033
	Commodity charges:			
6	Withdrawal	0.064		0.064
7	Customer provides compressor fuel	0.007		0.007
8	Injection	0.064		0.064
9	Customer provides compressor fuel	0.007		0.007
10	Storage fuel ratio- Cust. provides fuel	0.601%		0.601%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge	8.8608		8.8608
	Commodity charges			
12	Firm- Union supplies compressor fuel	0.3248		0.3248
13	Customer provides compressor fuel	0.0667		0.0667
14	Transportation fuel ratio- Cust. provides fuel	0.726%		0.726%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
15	Injection	0.168		0.168
16	Customer provides compressor fuel	0.071		0.071
17	Withdrawals	0.168		0.168
18	Customer provides compressor fuel	0.071		0.071
19	Transportation commodity charge (cents/m ³)	0.6161		0.6161
20	Customer provides compressor fuel (cents/m ³)	0.3580		0.3580
	<u>Monthly Charge</u>			
21	City of Kitchener	\$17,176.63		\$17,176.63
22	Natural Resource Gas	\$2,636.79		\$2,636.79
23	Six Nations	\$878.93		\$878.93

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Unbundled Rates

Line No.	Particulars	EB-2008-0109 Approved July 1, 2008 Rate (a)	Rate Change (b)	EB-2008-0281 Approved October 1, 2008 Rate (c)
	<u>U2 Unbundled Service</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Standard Storage Service (SSS)			
	Combined Firm Space & Deliverability	0.021		0.021
2	Standard Peaking Service (SPS)			
	Combined Firm Space & Deliverability	0.104		0.104
3	Incremental firm injection right	0.938		0.938
4	Incremental firm withdrawal right	0.938		0.938
	Commodity charges:			
5	Injection customer provides compressor fuel	0.015		0.015
6	Withdrawal customer provides compressor fuel	0.015		0.015
7	Storage fuel ratio - Customer provides fuel	0.601%		0.601%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
8	Injection customer provides compressor fuel	0.046		0.046
9	Withdrawal customer provides compressor fuel	0.046		0.046
	<u>U5 Unbundled Service</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
10	Combined Firm Space & Deliverability	0.021		0.021
11	Incremental firm injection right	0.938		0.938
12	Incremental firm withdrawal right	0.938		0.938
	Commodity charges:			
13	Injection customer provides compressor fuel	0.015		0.015
14	Withdrawal customer provides compressor fuel	0.015		0.015
15	Storage fuel ratio - Customer provides fuel	0.601%		0.601%
	<u>Delivery (cents / m³)</u>			
	<u>Firm contracts</u>			
16	Monthly demand charge	21.4233		21.4233
17	Monthly delivery commodity charge	1.7982		1.7982
18	Transportation fuel ratio - Customer provides fuel	0.555%		0.555%
	<u>Interruptible contracts</u>			
19	Monthly Charge	\$501.10		\$501.10
	Monthly delivery commodity charge:			
20	4 800 m ³ to 17 000 m ³	1.5266		1.5266
21	17 000 m ³ to 30 000 m ³	1.3967		1.3967
22	30 000 m ³ to 50 000 m ³	1.3284		1.3284
23	50 000 m ³ to 70 000 m ³	1.2805		1.2805
24	70 000 m ³ to 100 000 m ³	1.2462		1.2462
25	100 000 m ³ to 140 870 m ³	1.2125		1.2125
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
26	Injection customer provides compressor fuel	0.046		0.046
27	Withdrawal customer provides compressor fuel	0.046		0.046

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Unbundled Rates

Line No.	Particulars	EB-2008-0109 Approved July 1, 2008 Rate (a)	Rate Change (b)	EB-2008-0281 Approved October 1, 2008 Rate (c)
	<u>U7 Unbundled Service</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Combined Firm Space & Deliverability	0.021		0.021
2	Incremental firm injection right	0.938		0.938
3	Incremental firm withdrawal right	0.938		0.938
	Commodity charges:			
4	Injection customer provides compressor fuel	0.015		0.015
5	Withdrawal customer provides compressor fuel	0.015		0.015
6	Storage fuel ratio - Customer provides fuel	0.601%		0.601%
	<u>Delivery (cents / m³)</u>			
7	Monthly demand charge first 140,870 m ³	18.6990		18.6990
8	Monthly demand charge all over 140,870 m ³	12.7775		12.7775
	Commodity charges:			
9	Firm Customer provides compressor fuel first 2,360,653 m ³	0.1646		0.1646
10	Firm Customer provides compressor fuel all over 2,360,653 m ³	0.0819		0.0819
	Interruptible:			
11	Maximum customer provides compressor fuel	2.5133		2.5133
12	Transportation fuel ratio - Customer provides fuel	0.555%		0.555%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
13	Injection customer provides compressor fuel	0.046		0.046
14	Withdrawal customer provides compressor fuel	0.046		0.046
15	Transportation commodity charge (cents/m ³)	0.7794		0.7794
	<u>Other Services & Charges</u>			
16	Monthly Charge	\$1,803.96		\$1,803.96
	<u>U9 Unbundled Service</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
17	Firm space	0.021		0.021
18	Incremental firm injection right	0.938		0.938
19	Incremental firm withdrawal right	0.938		0.938
	Commodity charges:			
20	Injection customer provides compressor fuel	0.015		0.015
21	Withdrawal customer provides compressor fuel	0.015		0.015
22	Storage fuel ratio - Customer provides fuel	0.601%		0.601%
	<u>Delivery (cents / m³)</u>			
23	Monthly demand charge	8.8608		8.8608
	Commodity charges:			
24	Firm customer provides compressor fuel	0.0667		0.0667
25	Transportation fuel ratio - Customer provides fuel	0.726%		0.726%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
26	Injection customer provides compressor fuel	0.046		0.046
27	Withdrawal customer provides compressor fuel	0.046		0.046
28	Transportation commodity charge (cents/m ³)	0.3580		0.3580
	<u>Other Services & Charges</u>			
	Monthly Charge			
29	City of Kitchener	\$17,176.63		\$17,176.63
30	NRG	\$2,636.79		\$2,636.79
31	Six Nations	\$878.93		\$878.93

APPENDIX B



RATE 01A – SMALL VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

Any customer in Union's Fort Frances, Western, Northern or Eastern 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 TCPL's system to the Point of Consumption on the customer's premises of natural gas owned by the customer and transported by TCPL 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.

(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

Zone Rate Schedule No.	<u>Fort Frances</u> 201	<u>Western</u> 101	<u>Northern</u> 301	<u>Eastern</u> 601
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$17.00	\$17.00	\$17.00	\$17.00
<u>DELIVERY CHARGE</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 100 m ³ per month @	8.9020	8.9020	8.9020	8.9020
Next 200 m ³ per month @	8.3228	8.3228	8.3228	8.3228
Next 200 m ³ per month @	7.9114	7.9114	7.9114	7.9114
Next 500 m ³ per month @	7.5337	7.5337	7.5337	7.5337
Over 1,000 m ³ per month @	7.2218	7.2218	7.2218	7.2218
Delivery- Price Adjustment (All Volumes)	(0.4072) (1)	(0.4072) (1)	(0.4072) (1)	(0.4072) (1)

Note (1) The Delivery – Price Adjustment consists of a temporary credit of (0.2079) cents/m³ for the period April 1 to December 31, 2008 and a temporary credit of (0.1993) for the period July 1 to December 31, 2008.

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".

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

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

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 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.

Effective

October 1, 2008
O.E.B. ORDER # EB-2008-0281

Chatham, Ontario

Supersedes EB-2008-0109 Rate Schedule effective July 1, 2008.



RATE 10 – LARGE VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

Any customer in Union's Fort Frances, Western, Northern or Eastern 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 TCPL's system to the Point of Consumption on the customer's premises of natural gas owned by the customer and transported by TCPL 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.

(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

Zone Rate Schedule No.	<u>Fort Frances</u> 210	<u>Western</u> 110	<u>Northern</u> 310	<u>Eastern</u> 610
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$70.00	\$70.00	\$70.00	\$70.00
<u>DELIVERY CHARGE</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 1,000 m ³ per month @	7.4145	7.4145	7.4145	7.4145
Next 9,000 m ³ per month @	5.9007	5.9007	5.9007	5.9007
Next 20,000 m ³ per month @	5.0375	5.0375	5.0375	5.0375
Next 70,000 m ³ per month @	4.4848	4.4848	4.4848	4.4848
Over 100,000 m ³ per month @	2.3913	2.3913	2.3913	2.3913
Delivery-Price Adjustment (All Volumes)	(0.1629) (1)	(0.1629) (1)	(0.1629) (1)	(0.1629) (1)

Note (1) The Delivery – Price Adjustment consists of a temporary credit of (0.0220) cents/m³ for the period April 1 to December 31, 2008 and a temporary credit of (0.1409) for the period July 1 to December 31, 2008.

**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".

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

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

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.



RATE 20 – MEDIUM VOLUME FIRM SERVICE

ELIGIBILITY

Any customer in Union's Fort Frances, Western, Northern or Eastern 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 TCPL'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.

(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.

The charge for Unbundled Storage Service will consist of the charges for Transportation Service plus the charges for Unbundled Storage Service which must include charges for delivery/redelivery service to/from storage.

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>	\$781.72
<u>DELIVERY CHARGES</u> (cents per month per m ³)	
Monthly Demand Charge for first 70,000 m ³ of Contracted Daily Demand	19.8503
Monthly Demand Charge for all units over 70,000 m ³ of Contracted Daily Demand	11.6730
Commodity Charge for first 852,000 m ³ of gas volumes delivered	0.3068
Commodity Charge for all units over 852,000 m ³ of gas volumes delivered	0.2272

NOTE

(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.

Zone Rate Schedule No.	<u>Fort Frances</u> 220	<u>Western</u> 120	<u>Northern</u> 320	<u>Eastern</u> 620
<u>MONTHLY CHARGE</u>	\$781.72	\$781.72	\$781.72	\$781.72
<u>DELIVERY CHARGES</u>	<u>cents per m³</u>	<u>cents per m³</u>	<u>cents per m³</u>	<u>cents per m³</u>
Commodity Charge for each unit of gas volumes delivered	1.6120	1.6120	1.6120	1.6120

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 ZONESMONTHLY TRANSPORTATION ACCOUNT CHARGE

For customers that currently have installed or will require installing telemetering equipment: \$220.48

BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement (\$ per GJ per Month) \$11.217

Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$ per GJ per Month) -

Commodity Charge for each unit of gas withdrawn from storage (\$ per GJ) \$0.240

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$ per GJ) \$0.609

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.

UNBUNDLED STORAGE SERVICE CHARGES

Storage Space Charge:

Applied to Contracted Maximum Storage Balance (\$ per GJ per Month) \$0.031

Fuel Ratio:

Applied to all gas injected and withdrawn from storage (%) 0.601%

Commodity Charge:

Applied to all gas injected and withdrawn from storage (\$ per GJ) \$0.015

UNBUNDLED STORAGE SERVICE AUTHORIZED OVERRUN CHARGES:

Fuel Ratio:

Applied to all gas injected and withdrawn from storage (%) 1.03%

Commodity Charge:

Applied to all gas injected and withdrawn from storage (\$ per GJ) \$0.072

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.

**UNBUNDLED STORAGE SERVICE UNAUTHORIZED OVERRUN CHARGES**

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.

UNBUNDLED SERVICE NOMINATION VARIANCES

The rate for unauthorized parking or drafting which results from nomination variances shall be equal to 50% of the "Daily Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff. No Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 4% of the nominated amount and 150 GJ.

Zone Rate Schedule No.	<u>Fort Frances</u> 220	<u>Western</u> 120	<u>Northern</u> 320	<u>Eastern</u> 620
<u>Delivery Service to Storage Facilities (1)</u>				
Demand Charge (\$/GJ/month)	N/A	\$29.227	\$12.025	\$1.202
Commodity (\$/GJ)	N/A	\$0.032	\$0.024	\$0.019
<u>Redelivery Service from Storage Facilities</u>				
Demand Charge (\$/GJ/month)	\$2.242	\$2.242	\$2.242	\$5.875
Commodity (\$/GJ)	N/A	\$0.095	\$0.095	\$0.100

Notes:

1. Delivery Service to Storage Facilities is not available to Northern Zone Customers in the Sault Ste. Marie Delivery Area (SSMDA).
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.

DIVERSION TRANSACTION CHARGE

Charge to a customer Receiving Delivery of diverted gas each time such customer requests a diversion and Union provides the service:

\$10.00

THE BILL

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

MINIMUM BILL

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



DELAYED PAYMENT

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

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.

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

Any customer in Union's Fort Frances, Western, Northern or Eastern 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 TCPL'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.

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>	\$190.42
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<u>DELIVERY CHARGES</u>	<u>cents per m³</u>
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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:

4.6131

NOTE

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



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Effective
2008-10-01
Rate 25
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ADDITIONAL CHARGES FOR SALES SERVICE

Gas Supply Charge

As per applicable rate provided in
Schedule "A".

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

HEAT CONTENT ADJUSTMENT

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

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

ADDITIONAL CHARGES FOR TRANSPORTATION – ALL ZONES

MONTHLY TRANSPORTATION ACCOUNT CHARGE: For customers that currently have installed or will require installing telemetering equipment.

\$220.48

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

When payment of the monthly bill has not been made in full, 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

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.



RATE 30 – INTERMITTENT GAS SUPPLY SERVICE
AND SHORT TERM STORAGE / BALANCING SERVICE

ELIGIBILITY

Any customer in Union's Fort Frances, Western, Northern or Eastern 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.



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2008-10-01
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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, 2008
O.E.B. ORDER # EB-2008-0281

Chatham, Ontario

Supersedes EB-2008-0109 Rate Schedule effective July 1, 2008.

**RATE 77 – WHOLESALE TRANSPORTATION SERVICE****ELIGIBILITY**

Any natural gas distributor in Union's Fort Frances, Western, Northern or Eastern Zones who uses Union's gas distribution facilities for the transportation of natural gas to customers outside Union's franchise area.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) Transportation Service

For the continuous delivery through Union's distribution system from the Point of Receipt on TCPL to the Point of Consumption at the Consumer's distribution system 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 and Delivery Charges shall apply.

MONTHLY RATES AND CHARGES – ALL ZONES

<u>MONTHLY CHARGE</u> (\$ per month)	\$145.32
<u>MONTHLY DELIVERY DEMAND CHARGE</u> (cents per m ³)	28.0628

THE BILL

The bill will equal the sum of the monthly charges plus all applicable taxes.

DELAYED PAYMENT

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

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. 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, 2008
O.E.B. ORDER # EB-2008-0281

Chatham, Ontario

Supersedes EB-2008-0109 Rate Schedule effective July 1, 2008.



RATE 100 – LARGE VOLUME HIGH LOAD FACTOR FIRM SERVICE

ELIGIBILITY

Any customer in Union's Fort Frances, Western, Northern or Eastern 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 TCPL'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.

(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.

The charge for Unbundled Storage Service will consist of the charges for Transportation Service plus the charges for Unbundled Storage Service which must include charges for delivery/redelivery service to/from storage.

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>	\$781.72
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<u>DELIVERY CHARGES</u> (cents per Month per m ³ of Daily Contract Demand)	
Monthly Demand Charge for each unit of Contracted Daily Demand:	11.7547

COMMODITY CHARGE for each unit of gas volumes delivered (cents per m ³)	0.2170
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NOTE:

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

ADDITIONAL CHARGES FOR SALES SERVICEGas Supply Charges

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

Commodity Transportation

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

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

HEAT CONTENT ADJUSTMENT

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

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

**COMMISSIONING AND DECOMMISSIONING RATE**

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

Zone Rate Schedule No.	<u>Fort Frances</u> 2100	<u>Western</u> 1100	<u>Northern</u> 3100	<u>Eastern</u> 6100
<u>MONTHLY CHARGE</u>	\$781.72	\$781.72	\$781.72	\$781.72
<u>DELIVERY CHARGES</u>				
Commodity Charge for each unit of gas volumes delivered	<u>cents per m³</u> 0.7691	<u>cents per m³</u> 0.7691	<u>cents per m³</u> 0.7691	<u>cents per m³</u> 0.7691

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 ZONESMONTHLY TRANSPORTATION ACCOUNT CHARGE

For customers that currently have installed or will require installing telemetering equipment \$220.48

BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement (\$ per GJ per Month) \$11.217

Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$ per GJ per Month) -

Commodity Charge for each unit of gas withdrawn from storage (\$ per GJ) \$0.240

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$ per GJ) \$0.609

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.

UNBUNDLED STORAGE SERVICE CHARGES

Storage Space Charge:

Applied to Contracted Maximum Storage Balance (\$ per GJ per Month) \$0.031

Fuel Ratio:

Applied to all gas injected and withdrawn from storage (%) 0.601%

Commodity Charge:

Applied to all gas injected and withdrawn from storage (\$ per GJ) \$0.015

UNBUNDLED STORAGE SERVICE AUTHORIZED OVERRUN CHARGES

Fuel Ratio:

Applied to all gas injected and withdrawn from storage (%) 1.03%

Commodity Charge:

Applied to all gas injected and withdrawn from storage (\$ per GJ) \$0.072

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.

**UNBUNDLED STORAGE SERVICE UNAUTHORIZED OVERRUN CHARGES**

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.

UNBUNDLED SERVICE NOMINATION VARIANCES

The rate for unauthorized parking or drafting which results from nomination variances shall be equal to 50% of the "Daily Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff. No Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 4% of the nominated amount and 150 GJ.

Zone Rate Schedule No.	<u>Fort Frances</u> 2100	<u>Western</u> 1100	<u>Northern</u> 3100	<u>Eastern</u> 6100
<u>Delivery Service to Storage Facilities (1)</u>				
Demand Charge (\$/GJ/month)	N/A	\$29.227	\$12.025	\$1.202
Commodity (\$/GJ)	N/A	\$0.032	\$0.024	\$0.019
<u>Redelivery Service from Storage Facilities</u>				
Demand Charge (\$/GJ/month)	\$2.242	\$2.242	\$2.242	\$5.875
Commodity (\$/GJ)	N/A	\$0.095	\$0.095	\$0.100

Notes:

1. Delivery Service to Storage Facilities is not available to Northern Zone customers in the Sault Ste. Marie Delivery Area (SSMDA).
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.

DIVERSION TRANSACTION CHARGE

Charge to a customer Receiving Delivery of diverted gas each time such customer requests a diversion and Union provides the service:

\$10.00

THE BILL

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

MINIMUM BILL

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

**DELAYED PAYMENT**

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

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, 2008
O.E.B. ORDER # EB-2008-0281

Chatham, Ontario

Supersedes EB-2008-0109 Rate Schedule effective July 1, 2008.

**RATE S1 – GENERAL FIRM SERVICE STORAGE RATES****ELIGIBILITY**

Any customer or agent in Union's Fort Frances, Western, Northern or Eastern Zones who is authorized to serve an end-user of gas, paying for delivery services under Rate 01A or Rate 10.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) Transportation Service

The customer is responsible for obtaining all Gas Supply services to the end-user including the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Diversion Transaction Charge 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.

(b) 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, unbundled storage and delivery/redelivery services will be provided.

The charge for Unbundled Storage Service will consist of the charges for Transportation Service plus the charges for Unbundled Storage Service which must include charges for delivery/redelivery service to/from storage.

MONTHLY RATES AND CHARGES**UNBUNDLED STORAGE SERVICE CHARGES**

Storage Space Charge	
Applied to Contracted Maximum Storage Space (\$ per GJ per Month)	\$0.031
Fuel Ratio	
Applied to all gas injected and withdrawn from storage (%)	0.601%
Commodity Charge	
Applied to all gas injected and withdrawn from storage (\$ per GJ)	\$0.015

UNBUNDLED STORAGE SERVICE AUTHORIZED OVERRUN CHARGES

Fuel Ratio	
Applied to all gas injected and withdrawn from storage (%)	1.03%
Commodity Charge	
Applied to all gas injected and withdrawn from storage (\$ per GJ)	\$0.072

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.

**UNBUNDLED STORAGE SERVICE UNAUTHORIZED OVERRUN CHARGES**

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.

Zone	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
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Delivery Service to Storage Facilities (1)

Demand Charge (\$/GJ/month)	N/A	\$29.227	\$12.025	\$1.202
Commodity (\$/GJ)	N/A	\$0.032	\$0.024	\$0.019

Redelivery Service from Storage Facilities

Demand Charge (\$/GJ/month)	\$2.242	\$2.242	\$2.242	\$5.875
Commodity (\$/GJ)	N/A	\$0.095	\$0.095	\$0.100

Notes:

1. Delivery Service to Storage Facilities is not available to Northern Zone customers in the Sault Ste. Marie Delivery Area (SSMDA).
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.

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

MONTHLY BILL

The monthly bill will equal the sum of the monthly 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.

DELAYED PAYMENT

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

TERMS AND CONDITIONS OF SERVICE

1. Customers must enter into a Service Agreement with Union prior to the commencement of service.
2. 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.

Effective October 1, 2008
O.E.B. ORDER # EB-2008-0281

Chatham, Ontario

Supersedes EB-2008-0109 Rate Schedule effective July 1, 2008.



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Schedule "A"
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Union Gas Limited
Northern and Eastern Operations Area
Gas Supply Charges

(A) Availability

Available to customers in Union's Fort Frances, Western, Northern and Eastern Delivery Zones.

(B) Applicability:

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

(C) Rates

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 01A (cents / m³)</u>				
Storage	1.8909	1.8885	2.2761	2.5889
Storage - Price Adjustment (1)	(0.0170)	(0.0170)	(0.0170)	(0.0170)
Commodity and Fuel	32.6004	32.8652	33.2064	33.5079
Commodity and Fuel - Price Adjustment (1)	3.1554	3.1554	3.1554	3.1554
Transportation	3.8289	4.0506	4.8757	5.5570
Transportation - Price Adjustment (1)	0.2544	0.2544	0.2544	0.2544
Total Gas Supply Charge	<u>41.7130</u>	<u>42.1971</u>	<u>43.7509</u>	<u>45.0466</u>

Rate 10 (cents / m³)

Storage	1.2108	1.2084	1.5960	1.9088
Storage - Price Adjustment (1)	(0.0108)	(0.0108)	(0.0108)	(0.0108)
Commodity and Fuel	32.6004	32.8652	33.2064	33.5079
Commodity and Fuel - Price Adjustment (1)	3.1554	3.1554	3.1554	3.1554
Transportation	3.5301	3.7518	4.5769	5.2582
Transportation - Price Adjustment (1)	0.4022	0.4022	0.4022	0.4022
Total Gas Supply Charge	<u>40.8881</u>	<u>41.3723</u>	<u>42.9261</u>	<u>44.2217</u>

Notes:

(1) As laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.3138 cents/m³.



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Schedule "A"
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Union Gas Limited
Northern and Eastern Operations Area
Gas Supply Charges

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 20 (cents / m³)</u>				
Commodity and Fuel	32.8321	33.0988	33.4425	33.7462
Commodity and Fuel - Price Adjustment (1)	3.1554	3.1554	3.1554	3.1554
Commodity Transportation - Charge 1	2.7417	2.8294	3.3145	3.7121
Transportation 1 - Price Adjustment (1)	0.7796	0.7796	0.7796	0.7796
Commodity Transportation - Charge 2	0.1933	0.2396	0.3594	0.4605
Monthly Gas Supply Demand	32.8903	36.4326	56.7740	73.3920
Gas Supply Demand - Price Adjustment (1)	-	-	-	-
Commissioning and Decommissioning Rate	5.0183	5.3307	7.0802	8.5112

<u>Rate 100 (cents / m³)</u>				
Commodity and Fuel	32.8321	33.0988	33.4425	33.7462
Commodity and Fuel - Price Adjustment (1)	3.1554	3.1554	3.1554	3.1554
Commodity Transportation - Charge 1	5.1132	5.1790	5.5428	5.8410
Commodity Transportation - Charge 2	0.1933	0.2396	0.3594	0.4605
Monthly Gas Supply Demand	53.8074	57.9404	81.6719	101.0594
Commissioning and Decommissioning Rate	4.8290	5.0778	6.4167	7.5129

<u>Rate 25 (cents / m³)</u>				
Gas Supply Charge:	Interruptible Service			
	Minimum	14.3135	14.3135	14.3135
	Maximum	140.5622	140.5622	140.5622

Notes:

(1) As laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.3138 cents/m³.

Effective: October 1, 2008
O.E.B. Order # EB-2008-0281

Chatham, Ontario

Supersedes EB-2008-0109 Rate Schedule effective July 1, 2008.

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		\$ 17.00
b)	Delivery Charge		
	First	100 m ³	4.9580¢ per m ³
	Next	150 m ³	4.7030¢ per m ³
	All Over	250 m ³	4.0994¢ per m ³
	Delivery – Price Adjustment (All Volumes) (1)		(0.2940)¢ per m ³
c)	Storage Charge (if applicable)		0.9876 ¢ per m ³
	Storage – Price Adjustment (2)		(0.0149)¢ 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".		

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) The Delivery – Price Adjustment includes a temporary credit of (0.2758) cents/m³ for the period April 1 to December 31, 2008 and a temporary credit of (0.0211) for the period July 1 to December 31, 2008.
(2) The Storage – Price Adjustment consists of a temporary credit of (0.0149) cents/m³ for the period April 1 to December 31, 2008.

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

(E) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

**(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 5.9456¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ 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>
1	100.148
2	99.494
3	98.874
4	98.564
5	98.185
6	97.754
7	97.582
8	97.065
9	96.721
10	100.561
11	99.321
12	98.883

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	3.6769¢ per m ³
	Next	6 000 m ³	3.6064¢ per m ³
	Next	13 000 m ³	3.3964¢ per m ³
	All Over	20 000 m ³	3.1445¢ per m ³
	Delivery – Price Adjustment (All Volumes) (1)		(0.0403)¢ per m ³
c)	Storage Charge (if applicable)		0.7273¢ per m ³
	Storage – Price Adjustment (2)		(0.0098)¢ 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".		

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) The Delivery – Price Adjustment includes a temporary credit (0.0221) cents/m³ for the period April 1 to December 31, 2008 and a temporary credit of (0.0211) for the period July 1 to December 31, 2008.
- (2) The Storage – Price Adjustment consists of a temporary credit of (0.0098) cents/m³ for the period April 1 to December 31, 2008.

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

(E) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

**(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 4.4042¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ 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>
1	100.148
2	99.494
3	98.874
4	98.564
5	98.185
6	97.754
7	97.582
8	97.065
9	96.721
10	100.561
11	99.321
12	98.883

Effective

October 1, 2008
O.E.B. ORDER # EB-2008-0281

Chatham, Ontario

Supersedes EB-2008-0109 Rate Schedule effective July 1, 2008.

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 4 800 m³ and 140 870 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 44.8685¢ per m ³ |
| | Next | 19 700 m ³ of daily contracted demand 19.4669¢ per m ³ |
| | All Over | 28 150 m ³ of daily contracted demand 16.1662¢ per m ³ |
| (ii) | A Monthly Delivery Commodity Charge | |
| | First 422 250 m ³ delivered per month | 0.9277¢ per m ³ |
| | Next volume equal to 15 days use of daily contracted demand | 0.9277¢ per m ³ |
| | For remainder of volumes delivered in the month | 0.5081¢ per m ³ |
| | Delivery- Price Adjustment (All Volumes) | 0.0029 ¢ 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 and will be paid for at a Delivery Rate of 2.4028¢ per m³ 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 rate of 5.9456¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

3. 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 contracted demand. Overrun gas volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery Charge of 1.2415¢ per m³ and, if applicable a gas supply commodity 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.



(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

(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 4 800 m³ and 140 870 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

<u>Daily Contracted Demand Level (CD)</u>	<u>Price per m³</u>
4 800 m ³ ≤ CD < 17 000 m ³	1.9398¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³	1.8099¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³	1.7416¢ per m ³
50 000 m ³ ≤ CD < 70 000 m ³	1.6937¢ per m ³
70 000 m ³ ≤ CD < 100 000 m ³	1.6594¢ per m ³
100 000 m ³ ≤ CD ≤ 140 870 m ³	1.6257¢ per m ³

Delivery- Price Adjustment (All Volumes) 0.0029 ¢ per m³

(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 \$501.10 per month



2. In each contract year, the customer shall take delivery from Union, or in any event pay for, if available and not accepted by the customer, a minimum volume of gas or transportation services as specified in the contract between the parties and which will not be less than 700 000 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 a Delivery Charge of 2.2536¢ per m³, 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.

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 rate of 5.9456¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

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 27.1498¢ 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 27.1498¢ per m³ of daily contracted demand and a delivery commodity price adjustment of 0.0029 ¢ per m³.
- c) The interruptible commodity charge will be established under Clause 1 of this schedule.

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

(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.



**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 140 870 m³, and a qualifying annual volume of at least 28 327 840 m³; and
- b) who has site specific energy measuring equipment installed at each Point of Consumption that will be used in determining energy balances.

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 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 of up to 25.0976¢ per m³ for each m³ of daily contracted firm demand.

(ii) A Monthly Delivery Commodity Charge

(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of 0.3531¢ per m³ for each m³, and a Delivery- Price Adjustment of 0.0029 ¢ 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 2.7106¢ 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 2.4665¢ 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.

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 of 2.4014¢ per m³ and the total gas supply charge for utility sales provided in Schedule "A" per m³, if applicable.
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

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

(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.

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.

1. (i) A Monthly Demand Charge of 16.7920¢ per m³ of established daily demand determined in accordance with the service contract, such demand charge to be computed on a calendar month basis and a prorata 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,

- (ii) A Delivery Commodity Charge of 0.5378¢ per m³, a Delivery- Price Adjustment of 0.0029 ¢ per m³ for gas delivered and,

- (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

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

(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 1.0899¢ per m³. 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 36.0¢ per m³.



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(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, 2008
O.E.B. ORDER # EB-2008-0281

Chatham, Ontario

Supersedes EB-2008-0109 Rate Schedule effective July 1, 2008.

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 2.6583¢ per m³ for gas delivered
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

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

(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 rate of 5.9456¢ per m³ for the delivery 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.

(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, 2008
O.E.B. ORDER # EB-2008-0281

Chatham, Ontario

Supersedes EB-2008-0109 Rate Schedule effective July 1, 2008.

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 Ontario Point(s) of Receipt		
b) Firm Backstop Gas Applied to the contracted Firm Backstop Gas Supply Service	\$3.726	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$10.451
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$11.603
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		\$2.955
f) Short Term Storage / Balancing Service (2) Maximum		\$6.000
g) Discretionary Gas Supply Service ("DGSS")		Note (3)



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.

**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 combined firm and interruptible service minimum annual transportation of natural gas is 5 000 000 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 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 installed at each Point of Consumption that will be used in determining energy balances; and
- e) for whom Union has determined transportation and/or storage capacity is available.

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

(C) Rates

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

STORAGE SERVICE:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.010			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.941			
Customer provides deliverability Inventory (4)	\$1.033			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.033			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.033			



	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>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.064	0.601%	\$0.007
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.064	0.601%	\$0.007
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 a customer's gas consumption in the 151-day winter period and consumption during the balance of the year. 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.

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.

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

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

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

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

**TRANSPORTATION CHARGES:**

	Demand Charge <u>Rate/m³/mo</u>	Commodity Charge <u>Rate/m³</u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio (5) (6)	Commodity Charge <u>Rate/m³</u>
a) Annual Firm Transportation Demand				
Applied to the Firm Daily Contract Demand				
First 140,870 m ³ per month	18.6990¢			
All over 140,870 m ³ per month	12.7775¢			
b) Firm Transportation Commodity				
Paid on all firm quantities redelivered to the customer's Point(s) of Consumption				
First 2,360,653 m ³ per month		0.3619¢	0.555%	0.1646¢
All over 2,360,653 m ³ per month		0.2792¢	0.555%	0.0819¢
c) Interruptible Transportation Commodity				
Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption				
Maximum		2.7106¢	0.555%	2.5133¢

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.

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.

	Union Providing Fuel	For Customers Providing Their Own Compressor Fuel <u>Firm or Interruptible Service</u>	
	Firm or Interruptible <u>Service</u>	Fuel <u>Ratio</u>	Commodity <u>Charge</u>
Storage Injections	\$0.168/GJ	1.03%	\$0.071/GJ
Storage Withdrawals	\$0.168/GJ	1.03%	\$0.071/GJ
Transportation	0.9766 ¢/m ³	0.555%	0.7794 ¢/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 5.9456¢ per m³ or \$1.580 per GJ, as appropriate.

3. Storage / Balancing Service

Authorized

The following Overrun rates are applied to any quantities stored in excess of the Contract parameters. Overrun will be authorized by Union Gas at its sole discretion.

	Firm Service <u>Rate/GJ</u>
Space	\$6.000
Injection / Withdrawal Maximum	\$6.000



OTHER SERVICES & CHARGES:

1. Monthly Charge

In addition to the rates and charges described previously for each Point of Consumption, a Monthly Charge shall be applied as follows:

Monthly Charge	\$1 803.96
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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

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day who are delivering gas to Union under direct purchase arrangements may be entitled to non-obligated deliveries. The delivery options available to customers are detailed at www.uniongas.com/aboutus/regulatory/rates/deliveryobligations.asp.

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 \$0.694/GJ/day/month multiplied by the non-obligated daily contract quantity.

5. Additional Service Information

Additional information on Union's T1 service offering can be found at www.uniongas.com/aboutus/regulatory/rates/T1info.asp. 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.



uniongas

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(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

Effective

October 1, 2008
O.E.B. ORDER # EB-2008-0281

Chatham, Ontario

Supersedes EB-2007-0725 Rate Schedule effective August 22, 2008.

**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	\$0.010			
b) Annual Firm Injection/Withdrawal Right Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.941			
Customer provides deliverability Inventory (4)	\$1.033			
c) Incremental Firm Injection Right Applied to the contracted Maximum Incremental Firm Injection Right	\$1.033			
d) Annual Interruptible Withdrawal Right Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.033			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel Fuel Ratio	Commodity Charge <u>Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.064	0.601%	\$0.007
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.064	0.601%	\$0.007
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 a customer's gas consumption in the 151-day winter period and consumption during the balance of the year. 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 <u>Rate/m³/mo</u>	Commodity Charge <u>Rate/m³</u>	For Customers Providing Their Own Compressor Fuel	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/m³</u>
a) Annual Firm Transportation Demand (1) Applied to the Firm Daily Contract Demand	8.8608¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the Customer's Point(s) of Redelivery		0.3248¢	0.726%	0.0667¢

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 <u>Fuel</u>	For Customers Providing Their Own Compressor Fuel <u>Firm or Interruptible Service</u>	
	Firm or Interruptible <u>Service</u>	Fuel <u>Ratio</u>	Commodity <u>Charge</u>
Storage Injections	\$0.168/GJ	1.03%	\$0.071/GJ
Storage Withdrawals	\$0.168/GJ	1.03%	\$0.071/GJ
Transportation	0.6161¢/m ³	0.726%	0.3580¢/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 36.0¢ per m³ or \$9.569 per GJ, as appropriate.

3. Short Term Storage Services

Authorized

The following Overrun rates are applied to any quantities stored in excess of the Contract parameters. Overrun will be authorized by Union Gas at its sole discretion.

	Firm Service <u>Rate/GJ</u>
Space	\$6.000
Injection 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	\$ 17,176.63
NRG	\$ 2,636.79
Six Nations	\$ 878.93

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.

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

**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	\$0.021		
b) Injection Commodity		0.601%	\$0.015
c) Withdrawal Commodity		0.601%	\$0.015
ii) Standard Peaking Service (SPS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.104		
b) Injection Commodity		0.601%	\$0.015
c) Withdrawal Commodity		1.03%	\$0.015



	<u>Demand Charge Rate/GJ/mo</u>	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
iii) Supplemental Service			
a) Incremental Firm Injection Right: (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$0.938		
b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$0.938		
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	1.03%	\$0.046
Withdrawal	1.03%	\$0.046

The Authorized Overrun rate 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.

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.

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

Effective

October 1, 2008
O.E.B. ORDER # EB-2008-0281

Chatham, Ontario

Supersedes EB-2008-0109 Rate Schedule effective July 1, 2008.

**STORAGE AND DELIVERY RATES
FOR UNBUNDLED CUSTOMERS****(A) Availability**

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To an interruptible industrial and commercial customer:

- a) whose daily contracted demand is between 4 800 m³ and 140 870 m³ inclusive;
- b) who enters into an Unbundled Service Contract with Union for the delivery or the storage and delivery of Gas for use at facilities located within Union's gas franchise area;
- c) who has meters with electronic recording at each Point of Consumption;
- d) who nominates injections and withdrawals from storage, deliveries on upstream pipeline systems daily or Ontario Producers authorized to sell to third parties; and
- e) for whom Union has determined delivery and/or storage capacity is available.

(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

	Demand Charge <u>Rate/GJ/mo</u>	Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
i) Standard Storage Service (SSS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.021		
b) Injection Commodity		0.601%	\$0.015
c) Withdrawal Commodity		0.601%	\$0.015
ii) Supplemental Service			
a) Incremental Firm Injection Right (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$0.938		
b) Incremental Firm Withdrawal Right (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$0.938		
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.

DELIVERY SERVICE**1. Interruptible Service**

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

(i) Monthly Delivery Commodity Charge

<u>Daily Contracted Demand Level (CD)</u>	<u>Price per m³</u> (¢/m ³)
4 800 m ³ ≤ CD < 17 000 m ³	1.5266
17 000 m ³ ≤ CD < 30 000 m ³	1.3967
30 000 m ³ ≤ CD < 50 000 m ³	1.3284
50 000 m ³ ≤ CD < 70 000 m ³	1.2805
70 000 m ³ ≤ CD < 100 000 m ³	1.2462
100 000 m ³ ≤ CD ≤ 140 870 m ³	1.2125

(ii) Days Use of Interruptible Contract Demand

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

For 75 days use of contracted demand	.053¢ per m ³ minimum
For each additional days use of contracted demand up to a maximum of 275 days, an additional discount of	.00212¢ per m ³ minimum

(iii) Monthly Charge	\$501.10 per month
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2. In each contract year, the customer shall take delivery from the Company or in any event pay for if available and not accepted by the customer, a minimum volume of gas or delivery services as specified in the contract between the parties and which will not be less than 700 000 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 a Delivery charge of 1.5266¢ per m³.

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

3. **Non-Interruptible Service**

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

- a) The monthly demand charge for firm daily deliveries will be 21.4233¢ per m³.
- b) The commodity charge for firm service shall be the rate for firm service at the Company's firm rates net of a monthly demand charge of 21.4233¢ per m³ of daily contracted demand.
- c) The interruptible commodity charge will be established under Clause 1 of "Delivery Service" of this schedule.

OVERRUN SERVICE

1. Injection and Withdrawal

Authorized

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	1.03%	\$0.046
Withdrawal	1.03%	\$0.046

The Authorized Overrun rate 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.

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.



2. Delivery

Authorized

Overrun Delivery Service is available without penalty provided that it is authorized by the Company in advance. The Company will not unreasonably withhold authorization.

Unauthorized

Unauthorized Delivery Overrun Service taken in a month shall be paid for at the rate of 5.9456¢ per m³.

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. Nomination Variances

The rate for unauthorized parking or drafting which results from nomination variances shall be equal to 50% of the "Daily Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff. During the period September 1 to November 30, and February 1 to April 30, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 4% of the nominated amount and 150 GJ's. For the remainder of the year, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 8% of the nominated amount and 302 GJ's.

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

**STORAGE AND DELIVERY RATES
FOR UNBUNDLED CUSTOMERS****(A) Availability**

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer:

- a) whose combined firm and interruptible service minimum annual delivery of natural gas is 5 000 000 m³ or greater;
- b) who enters into an Unbundled Service Contract with Union for the delivery or the storage and delivery of Gas for use at facilities located within Union's gas franchise area;
- c) who has meters with electronic recording at each Point of Consumption;
- d) who nominates injections and withdrawals from storage, deliveries on upstream pipeline systems daily, or Ontario Producers authorized to sell to third parties;
- e) for whom Union has determined delivery and/or storage capacity is available; and
- f) who has site specific energy measuring equipment installed at each Point of Consumption that will be used in determining energy balances.

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

(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</u> <u>Rate/GJ/mo</u>	<u>Fuel</u> <u>Ratio</u>	<u>Commodity Charge</u> <u>Rate/GJ</u>
i) Standard Storage Service (SSS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.021		
b) Injection Commodity		0.601%	\$0.015
c) Withdrawal Commodity		0.601%	\$0.015
ii) Supplemental Service			
a) Incremental Firm Injection Right (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$0.938		
b) Incremental Firm Withdrawal Right (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$0.938		
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. 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 a customer's gas consumption in the 151-day winter period and consumption during the balance of the year. 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.

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.

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, 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.
7. 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.

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

DELIVERY SERVICE

	Demand Charge Rate/m ³ /mo	Fuel Ratio (5) (6)	Commodity Charge Rate/ m ³
a) Annual Firm Delivery Demand			
Applied to the Firm Daily Contracted Demand			
First 140,870 m ³ per month	18.6990¢		
All over 140,870 m ³ per month	12.7775¢		
b) Firm Delivery Commodity			
Paid on all firm volumes redelivered to the customer's Point(s) of Consumption			
First 2,360,653 m ³ per month		0.555%	0.1646¢
All over 2,360,653 m ³ per month		0.555%	0.0819¢
c) Interruptible Delivery Commodity			
Paid on all interruptible volumes redelivered to the customer's Point of Consumption – Maximum		0.555%	2.5133¢



Notes:

1. All demand charges are paid monthly during the term of the Contract, which shall not be less than one year unless Union, at its sole discretion, accepts a term of less than one year.
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 delivery of gas under interruptible Delivery, the matters that are to be considered include:
 - a) The amount of the Interruptible Delivery for which customer is willing to contract,
 - b) The anticipated load factor for the Interruptible Delivery volumes,
 - c) Interruptible or curtailment provisions, and
 - d) Competition.
4. In each contract year, the customer shall pay for a Minimum Interruptible Delivery 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.

**OVERRUN SERVICE****1. Injection and Withdrawal**

Authorized

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	1.03%	\$0.046
Withdrawal	1.03%	\$0.046

The Authorized Overrun rate 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.

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.

2. Delivery

Authorized

The following Authorized Overrun rates are applied to any volumes transported in excess of 103% of the Contract parameters. Overrun will be authorized by Union at its sole discretion.

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/ m³</u>
Delivery	0.555%	0.7794¢

Unauthorized

For all volumes 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 a rate of 5.9456¢ per m³.

**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	\$1 803.96 per month
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2. Delivery Obligations

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day who are delivering gas to Union under direct purchase arrangements may be entitled to non-obligated deliveries. The delivery options available to customers are detailed at www.uniongas.com/aboutus/regulatory/rates/deliveryobligations.asp.

Unless otherwise authorized by Union, all other 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.

3. 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 U7 storage services, U7 delivery services and U7 gas supply receipts. 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 \$0.694/GJ/day/month multiplied by the non-obligated daily contract quantity.

4. Nomination Variances

The rate for unauthorized parking or drafting which results from nomination variances (i.e. the difference between nominated consumption and actual consumption) shall be equal to 50% of the "Daily Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff. During the period September 1 to November 30, and February 1 to April 30, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 4% of the nominated amount and 150 GJ's. For the remainder of the year, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 8% of the nominated amount and 302 GJ's.



5. Additional Service Information

Additional information on Union's U7 service offering can be found at www.uniongas.com/aboutus/regulatory/rates/U7info.asp. 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.

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

**STORAGE AND DELIVERY RATES
FOR UNBUNDLED CUSTOMERS****(A) Availability**

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a Distributor

- a) whose minimum annual delivery of natural gas is 700 000 m³ or greater;
- b) who enters into an Unbundled Service Contract with Union for the delivery or the storage and delivery of Gas for use at facilities located within Union's gas franchise area;
- c) who has meters with electronic recording at each Point of Consumption;
- d) who nominates injections and withdrawals from storage, deliveries on upstream pipeline systems daily or Ontario Producers authorized to sell to third parties; and
- e) for whom Union has determined delivery and/or storage capacity is available.

(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	\$0.021		
b) Injection Commodity		0.601%	\$0.015
c) Withdrawal Commodity		0.601%	\$0.015
ii) Supplemental Service			
a) Incremental Firm Injection Right (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$0.938		
b) Incremental Firm Withdrawal Right (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$0.938		
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. 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 a customer's gas consumption in the 151-day winter period and consumption during the balance of the year. 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, 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.
7. 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.

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

**DELIVERY SERVICE**

	<u>Demand Charge</u> <u>Rate/ m³/mo</u>	<u>Fuel</u> <u>Ratio</u>	<u>Commodity Charge</u> <u>Rate/ m³</u>
a) Annual Firm Delivery Demand (1) Applied to the Firm Daily Contracted Demand	8.8608¢		
b) Firm Delivery Commodity Paid on all firm volumes redelivered to the customer's Point(s) of Consumption		0.726%	0.0667¢

Notes:

1. All demand charges are paid monthly during the term of the Contract, which shall not be less than one year unless Union, at its sole discretion, accepts a term of less than one year.

OVERRUN SERVICE**1. Injection and Withdrawal****Authorized**

	<u>Fuel</u> <u>Ratio</u>	<u>Commodity Charge</u> <u>Rate/GJ</u>
Injection	1.03%	\$0.046
Withdrawal	1.03%	\$0.046

The Authorized Overrun rate 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.

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.

2. Delivery**Authorized**

The following Authorized Overrun rates are applied to any volumes transported in excess of 103% of the Contract parameters. Overrun will be authorized by Union at its sole discretion.

	<u>Fuel</u> <u>Ratio</u>	<u>Commodity</u> <u>Charge</u> <u>Rate/ m³</u>
Delivery	0.726%	0.3580¢

Unauthorized

For all volumes 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 36.0¢ per m³ or \$9.569 per GJ, as appropriate.



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 to each specific customer as follows:

	<u>Monthly Charge</u>
City of Kitchener	\$17 176.63
NRG	\$ 2 636.79
Six Nations	\$ 878.93

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. 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.

3. Nomination Variances

The rate for unauthorized parking or drafting which results from nomination variances shall be equal to 50% of the "Daily Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff. During the period September 1 to November 30, and February 1 to April 30, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 4% of the nominated amount and 150 GJ's. For the remainder of the year, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 8% of the nominated amount and 302 GJ's.

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

Effective

October 1, 2008
O.E.B. ORDER # EB-2008-0281

Chatham, Ontario

Supersedes EB-2007-0725 Rate Schedule effective August 22, 2008.

**uniongas**Effective
2008-10-01
Schedule "A"**Gas Supply Charges****(A) Availability:**

Available to customers in Union's Southern Delivery Zone.

(B) Applicability:

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

(C) Rates:cents / m³Utility Sales

Commodity and Fuel	33.5079 (1)
Commodity and Fuel - Price Adjustment	1.6012
Transportation	4.1984
Total Gas Supply Commodity Charge	<u>39.3075</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	5.7707
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Storage and Transportation Supplemental Services - Rate T1 & T3\$/GJ

Monthly demand charges:	
Firm gas supply service	38.750
Firm backstop gas	3.726
Commodity charges:	
Gas supply	8.946
Backstop gas	10.451
Reasonable Efforts Backstop Gas	11.603
Supplemental Inventory	Note (2)
Supplemental Gas Sales Service (cents / m ³)	41.8939
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.955
Discretionary Gas Supply Service (DGSS)	Note (3)

Notes:

- (1) The Commodity and Fuel line includes gas supply administration charge of 0.3138 cents/ m³.
- (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.

Effective: October 1, 2008
O.E.B. Order # EB-2008-0281

Chatham, Ontario

Supersedes EB-2008-0109 Rate Schedule effective July 1, 2008.

APPENDIX C

UNION GAS LIMITED
 Infranchise Customers
 Summary of Average Rate and Price Adjustment Changes for Rates 25, M5A, M7 and T1
Effective October 1, 2008

Line No.	Particulars (cents / m ³)	Monthly Charge Increase / (Decrease) (a)	Monthly Demand Charge Increase / (Decrease) (b)	Delivery Commodity Charge Increase / (Decrease) (c)	Delivery - Price Adjustment Increase / (Decrease) (d)
1	Rate 25 All Zones				
2	M5A Interruptible				0.0030
3	M7 Interruptible				0.0030
4	Seasonal				0.0030
5	T1-Interruptible Transportation - Union supplies fuel				
6	Transportation - Customer supplies fuel				

EB-2008-0281
Working Paper Index

Schedule 1	Calculation of Supplemental Service Charges
Schedule 2	Load Balancing Costs

UNION GAS LIMITED
Calculation of Supplemental Service Charges
Commissioning and Decommissioning Rates
Effective October 1, 2008

Line No.	Particulars	Ft. Frances (a)	Western (b)	Northern (c)	Eastern (d)
Northern and Eastern Operations Area					
<u>Rate 20 - At 50% Load Factor</u>					
Delivery (cents / m ³)					
1	Monthly Demand (1)	19.8503	19.8503	19.8503	19.8503
2	x 12 months	238.2036	238.2036	238.2036	238.2036
3	/ 365 days	0.6526	0.6526	0.6526	0.6526
4	@ 50% L.F.	1.3052	1.3052	1.3052	1.3052
5	Commodity Charge (2)	0.3068	0.3068	0.3068	0.3068
6	Total Delivery Commissioning	<u>1.6120</u>	<u>1.6120</u>	<u>1.6120</u>	<u>1.6120</u>
Gas Supply (cents / m ³)					
7	Monthly Demand (3)	32.8903	36.4326	56.7740	73.3920
8	Gas Supply Demand - Price Adjustment (3)	0.0000	0.0000	0.0000	0.0000
9	(Line 7 + Line 8) x 12 months	394.6836	437.1912	681.2880	880.7040
10	/ 365 days	1.0813	1.1978	1.8665	2.4129
11	@ 50% L.F.	2.1626	2.3956	3.7331	4.8258
12	Transportation 1 (4)	2.7417	2.8294	3.3145	3.7121
13	Transportation 1 - Price Adjustment	0.7796	0.7796	0.7796	0.7796
14	(Line 12 + Line 13) x 4/5	2.8170	2.8872	3.2753	3.5934
15	Transportation 2 (5)	0.1933	0.2396	0.3594	0.4605
16	x 1/5	0.0387	0.0479	0.0719	0.0921
17	Total Commodity Transportation Charge for Commissioning Rate	<u>5.0183</u>	<u>5.3307</u>	<u>7.0802</u>	<u>8.5112</u>
<u>Rate 100 - At 70% Load Factor</u>					
Delivery (cents / m ³)					
18	Monthly Demand (6)	11.7547	11.7547	11.7547	11.7547
19	x 12 months	141.0564	141.0564	141.0564	141.0564
20	/ 365 days	0.3865	0.3865	0.3865	0.3865
21	@ 70% L.F.	0.5521	0.5521	0.5521	0.5521
22	Commodity Charge (7)	0.2170	0.2170	0.2170	0.2170
23	Total Delivery Commissioning	<u>0.7691</u>	<u>0.7691</u>	<u>0.7691</u>	<u>0.7691</u>
Gas Supply (cents / m ³)					
24	Monthly Demand (8)	53.8074	57.9404	81.6719	101.0594
25	x 12 months	645.6888	695.2848	980.0628	1,212.7128
26	/ 365 days	1.7690	1.9049	2.6851	3.3225
27	@ 70% L.F.	2.5272	2.7213	3.8359	4.7464
28	Transportation 1 (9)	5.1132	5.1790	5.5428	5.8410
29	x 3/7	2.1914	2.2196	2.3755	2.5033
30	Transportation 2 (10)	0.1933	0.2396	0.3594	0.4605
31	x 4/7	0.1105	0.1369	0.2054	0.2631
32	Total Commodity Transportation Charge for Commissioning Rate	<u>4.8290</u>	<u>5.0778</u>	<u>6.4167</u>	<u>7.5129</u>

Notes:

- (1) Appendix A, Page 3
(2) Appendix A, Page 3
(3) Appendix A, Page 3
(4) Appendix A, Page 3
(5) Appendix A, Page 3

- (6) Appendix A, Page 4
(7) Appendix A, Page 4
(8) Appendix A, Page 4
(9) Appendix A, Page 4
(10) Appendix A, Page 4

UNION GAS LIMITED
Southern Operations Area
Calculation of Supplemental Service Charges
Effective October 1, 2008

Line No.	Particulars	cents / m ³ (a)	(\$ / GJ) (b)
	Minimum annual gas supply commodity charge - Rate M4, M5A		
1	Compressor Fuel	1.2585	
2	Transportation Tolls	4.1984	
3	Administration Charge	0.3138	
4	Minimum annual gas supply commodity charge	5.7707	1.534
	<u>Gas Supply Commodity Charges</u>		
5	Commodity Cost of Gas	31.9356	
6	FT Transportation Commodity	0.4605	
7	FT Fuel	1.2585	
8	Total Gas Supply Commodity Charge	33.6546	8.946
	<u>Firm Gas Supply Service Monthly Demand Charge</u>		
9	FT Demand Charge	145.7764	38.750

UNION GAS LIMITED
Southern Operations Area
Calculation of Supplemental Service Charges
Effective October 1, 2008

Line No.	Particulars		cents / m ³ (a)	(\$ / GJ) (b)
	Firm backstop gas:			
	Demand:			
1	Monthly space charge	0.0365		
2	Units required (1)	43		
	Note: Each unit of added delivery requires 43 m ³ of additional inventory.			
3	Number of months	12	18.8424 (a)	
	Inventory carrying costs:			
4	Sales WACOG	37.7063		
5	Overrun storage withdrawal	0.6331		
6		38.3394		
7	Units required (m ³)	43		
8	Pre-tax return (%)	9.060%	149.3626 (b)	
9	Annual demand charge		168.2050 (a) + (b)	
10			12	
11	Monthly demand charge		14.0171	3.726
	Commodity:			
12	Sales WACOG		37.7063	
13	Overrun storage withdrawal		0.6331	
14	Overrun transportation		0.9766	
15	Commodity charge		39.3161	10.451
	Reasonable efforts backstop gas:			
16	M1 Block 1 plus Storage		5.9456	
17	Sales WACOG		37.7063	
18			43.6519	11.603
	Supplemental inventory:			
19	Sales WACOG		37.7063	
20	Injection commodity		0.3938	
21	Space charge	0.0365 x 12	0.4382	
22			38.5383	10.244
	Carrying costs (1/2 year)			
23	38.5383 x 9.060% / 2		1.7458	
24			40.2841	10.708
	Supplemental gas sales:			
25	Supplemental inventory		40.2841	
26	Overrun storage withdrawal		0.6331	
27	Overrun transportation		0.9766	
28			41.8939	
	Failure to Deliver:			
29	M1 Block 1 plus Storage		5.9456	1.580
30	Failure to Deliver Adjustment		5.1708	1.374
31	Failure to Deliver Charge		11.1164	2.955

Notes:

(1) Each unit of added delivery requires 43 m³ of additional inventory.

UNION GAS LIMITED
Southern Operations Area
Calculation of Supplemental Service Charges
Calculation of Minimum, Maximum & Seasonal Charges
Effective October 1, 2008

Line No.		cents / m ³ (a)
	<u>Minimum Charges</u>	
	Rate M4	
	Minimum annual delivery commodity charge:	
1	Monthly delivery commodity charge (1st Block M4)	0.9277
2	Administration Fee	0.3138
3	Minimum annual delivery commodity charge	<u>1.2415</u>
	Rate M5	
	Minimum annual delivery commodity charge:	
4	Monthly delivery commodity charge (1st block M5)	1.9398
5	Administration Fee	0.3138
6	Minimum annual delivery commodity charge	<u>2.2536</u>
	<u>Maximum Charges</u>	
	Rate M7 Interruptible	
	Maximum interruptible delivery commodity charge:	
7	M7 firm commodity charge	0.3531
8	M7 firm demand charge commoditized using 35% LF	2.3575
9	M7 maximum interruptible charge	<u>2.7106</u>
10	Rate T1 Interruptible	
	Maximum interruptible delivery commodity charge:	<u>2.7106</u>

M7 - Commissioning and Decommissioning Rate

	Delivery (cents / m ³)	
1	Monthly Demand (1)	25.0976
2	x 12 months	301.1715
3	/ 365 days	0.8251
4	@ Class Average Firm Load Factor : 271, 296 (2) /(22,110 (3) /12*365) = 39.6%	2.0454
5	Commodity Charge (4)	0.3531
6	Commodity - Price Adjustment (4)	0.0029
7	Total Delivery Commissioning	2.4014

T1 - At 100% Load Factor

<u>T1 - At 100% Load Factor</u>		Union	Customer
		<u>Supplies Fuel</u>	<u>Supplies Fuel</u>
	<u>Authorized Storage Overrun (\$ / GJ)</u>		
8	Monthly Demand (5)	1.941	1.941
9	x 12 months	23.292	23.292
10	/ 365 days	0.064	0.064
11	@ 100% L.F.	0.064	0.064
12	Commodity Charge (WACOG/ Heat Value * Overrun Fuel Ratio + Injection Commodity) (6)	0.104	0.007
13	Total Storage Overrun	<u>0.168</u>	<u>0.071</u>
	<u>Authorized Transportation Overrun (cents / m³)</u>		
14	Monthly Demand (7)	18.6990	18.6990
15	x 12 months	224.3880	224.3880
16	/ 365 days	0.6148	0.6148
17	@ 100% L.F.	0.6148	0.6148
18	Commodity Charge (WACOG/10 * Transportation fuel ratio/100 + Firm Commodity Transport) (8)	0.3619	0.1646
19	Total Transportation Overrun	<u>0.9766</u>	<u>0.7794</u>

T3 - At 100% Load Factor

	Authorized Transportation Overrun (cents / m ³)		
20	Monthly Demand (9)		
21	x 12 months	8.8608	8.8608
22	/ 365 days	106.3296	106.3296
23	@ 100% L.F.	0.2913	0.2913
24	Commodity Charge (10)	0.2913	0.2913
25	Total Transportation Overrun	<u>0.3248</u>	<u>0.0667</u>
		0.6161	0.3580

U5/U7/U9 - At 100% Load Factor

	<u>Authorized Storage Overrun (\$ / GJ)</u>	
26	Monthly Demand (11)	0.938
27	x 12 months	11.255
28	/ 365 days	0.031
29	@ 100% L.F.	0.031
30	Commodity Charge (12)	0.015
31	Total Storage Overrun	<u>0.046</u>

- | | |
|---|---|
| (1) Appendix A, Page 8 | (7) Appendix A, Page 9 |
| (2) EB-2007-0606, Rate Order, Working Papers, Schedule 4, Page 15 | (8) $\$355.473/10^3\text{m}^3 / 10 * 0.555\% + 0.1646 \text{ cents}/\text{m}^3$ |
| (3) EB-2007-0606, Rate Order, Working Papers, Schedule 4, Page 15 | (9) Appendix A, Page 10 |
| (4) Appendix A, Page 8 | (10) Appendix A, Page 10 |
| (5) Appendix A, Page 9 | (11) Appendix A, Page 11, Line 11 |
| (6) $\$355.473/10^3\text{m}^3 / 37.62 \text{ GJ}/10^3\text{m}^3 * 1.03\% + \$0.007/\text{GJ}$ | (12) Appendix A, Page 11, Line 14 |

UNION GAS LIMITED
Load Balancing Costs

Line No.	Particulars	Load Balancing Allocator (PJs) (a)	Load Balancing Costs (\$000's) (b)	Load Balancing Revenue in 2004 Rates (\$000's) (c)	Interest (\$000's) (d)	Subtotal (\$000's) (e) = (b+c+d)	Previous Projection in QRAM Rates (\$000's) (f)	Subtotal (\$000's) (g) = (e-f)	True-up of Prospective Recovery Amounts (\$000's) (h)	Net Balance (\$000's) (i) = (g+h)
<u>Northern & Eastern and Southern Operations Area</u>										
1	May *				2	2				
2	June *				2	2				
3	July *				2	2				
4	August				9	9				
5	September				9	9				
6	October 2008 - September 2009				-	-				
7	Total		<u>-</u>	<u>-</u>	<u>23</u>	<u>23</u>	<u>15</u>	<u>8</u>	<u>157</u>	<u>165</u>

* Actuals