



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND RATE ORDER

EB-2015-0029

UNION GAS LIMITED

Application for approval of 2015-2020 demand side management plan.

BEFORE: Christine Long
Presiding Member

Allison Duff
Member

Susan Frank
Member

May 5, 2016

1 INTRODUCTION AND PROCESS

Union Gas Limited (Union) is a major Canadian natural gas storage, transmission and distribution company serving about 1.4 million residential, commercial and industrial customers in communities across northern, southwestern and eastern Ontario.

On April 1, 2015, Union filed an application with the Ontario Energy Board (OEB) for approval of natural gas conservation and efficiency programs, and the associated budgets, to be delivered to its customers between 2015 and 2020. The proposed DSM programs target all customer types (residential, commercial and industrial). For each program, Union provided program details, participant eligibility criteria, proposed annual budgets, target metrics and shareholder incentives.

On January 20, 2016, the OEB issued a Decision and Order (the Decision) on Union's 2015-2020 DSM plan. The Decision represented the OEB's determination regarding Union's application. However, the OEB allowed Union the opportunity to provide written comments to verify the accuracy of the "numbers" in the appendices of the Decision prior to the filing of a draft Rate Order.

On February 24, 2016, the OEB issued its updated Decision and Order (the Updated Decision). As part of the Updated Decision, the OEB ordered Union to file a draft Rate Order and offered OEB staff the opportunity to file comments.

On March 14, 2016, Union filed its draft Rate Order. Union indicated that the resulting rate impacts of the Updated Decision will be implemented on July 1, 2016 to align with other rate changes expected to result from the Quarterly Rate Adjustment Mechanism (QRAM).

The OEB has reviewed Union's draft Rate Order and approves it as filed.

The resulting bill impacts, on an annual basis, for typical residential customers who use 2,200 m³ of natural gas per year are as follows:

- Fort Frances – Increase of \$8.75
- Western – Increase of \$8.75
- Northern – Increase of \$8.75
- Eastern – Increase of \$8.75
- Southern – Increase of \$7.04

2 DRAFT RATE ORDER

Union filed its draft Rate Order on March 14, 2016. Union indicated that the resulting rate impacts of the Updated Decision will be implemented on July 1, 2016 to align with other rate changes expected to result from the July 2016 QRAM.

OEB staff filed its submission on Union's draft Rate Order on March 29, 2016. In its submission, OEB staff submitted that Union's proposed allocation of the DSM budget to rate classes and the proposed methodology for recovering the incremental 2016 DSM budget is appropriate.

OEB staff made certain assumptions regarding the methods Union had used in preparing its draft Rate Order. OEB staff invited Union to provide any further clarification in its reply submission.

On April 20, 2016, Union confirmed that it agreed with each of the assumptions made by OEB staff. Union requested that the OEB approve the draft Rate Order as filed.

Findings

The OEB has reviewed Union's draft Rate Order and is satisfied that it accurately reflects the OEB's findings in this proceeding. Therefore, the OEB approves the draft Rate Order as filed.

3 ORDER

THE OEB ORDERS THAT:

1. The rate changes set out in Appendix A and the rate schedules set out in Appendix B are approved effective January 1, 2016. Union shall implement these rates on the first billing cycle on or after July 1, 2016.
2. The rates pursuant to all contracts for interruptible service under Rates 25, M4, M5A, M7, T1, and T2 be adjusted effective January 1, 2016, by the amounts set out in Appendix C. The rates pursuant to contracts for interruptible service under Rate 25 shall be negotiated within the range as adjusted in Appendix C. Union shall implement these rate changes on the first billing cycle on or after July 1, 2016.
3. The 2016 incremental DSM budget amounts totaling \$24.233 million receivable from ratepayers as set out in Appendix D are approved.
4. The general service prospective recovery unit rates as set out in Appendix E are approved. To account for the timing differences between the January 1, 2016 effective date of the 2016 DSM budget and the inclusion in rates beginning July 1, 2016, Union shall recover the 2016 DSM-related charges for that period as a prospective rate adjustment for general service rate classes from July 1, 2016 to December 31, 2016 as set out in Appendix E and as a one-time adjustment for contract rate classes.
5. Union shall establish the Demand Side Management Cost-Efficiency Incentive deferral account (No. 179-150) effective January 1, 2016 as set out in Appendix F.

All filings to the Board must quote the file number, EB-2015-0029, be made through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the OEB Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Valerie Bennett at valerie.bennett@ontarioenergyboard.ca and OEB Counsel, Michael Millar at michael.millar@ontarioenergyboard.ca.

DATED at Toronto May 5, 2016

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX A
DECISION AND ORDER
UNION GAS LIMITED
EB-2015-0029
MAY 5, 2016

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

Line No.	Particulars (cents/m ³)	EB-2016-0040 Approved April 1, 2016 Rate (a)	Rate Change (b)	EB-2015-0029 Approved January 1, 2016 Rate (c)
1	Monthly Charge - All Zones	\$21.00		\$21.00
	Monthly Delivery Charge - All Zones			
2	First 100 m ³	8.4475	0.4050	8.8525
3	Next 200 m ³	8.2322	0.3948	8.6270
4	Next 200 m ³	7.8944	0.3788	8.2732
5	Next 500 m ³	7.5844	0.3641	7.9485
6	Over 1,000 m ³	7.3285	0.3518	7.6803
7	Delivery - Price Adjustment (All Volumes)	-	0.6393	0.6393 (1)
	Gas Transportation Service			
8	Fort Frances	5.8185		5.8185
9	Western Zone	4.9868		4.9868
10	Northern Zone	6.4915		6.4915
11	Eastern Zone	7.7619		7.7619
12	Transportation - Price Adjustment (All Zones)	(0.4844) (2)		(0.4844) (3)
	Storage Service			
13	Fort Frances	3.6786		3.6786
14	Western Zone	3.3463		3.3463
15	Northern Zone	3.9476		3.9476
16	Eastern Zone	4.4552		4.4552
17	Storage - Price Adjustment (All Zones)	-		-
	Commodity Cost of Gas and Fuel			
18	Fort Frances	9.3831		9.3831
19	Western Zone	9.4488		9.4488
20	Northern Zone	9.5505		9.5505
21	Eastern Zone	9.6312		9.6312
22	Commodity and Fuel - Price Adjustment (All Zones)	(1.4484) (4)		(1.4484) (5)

Notes:

- (1)0 Includes a temporary charge of 0.6393 cents/m³ expiring December 31, 2016.
- (2) Includes Prospective Recovery of (0.0284), (0.0985), (0.3510), and (0.0065) cents/m³.
- (3) Includes Prospective Recovery of (0.0284), (0.0985), (0.3510), and (0.0065) cents/m³.
- (4) Includes Prospective Recovery of (0.6098), (0.2116), 0.4405, and (1.0675) cents/m³.
- (5) Includes Prospective Recovery of (0.6098), (0.2116), 0.4405, and (1.0675) cents/m³.

UNION GAS LIMITED
Union North
Summary of Changes to Sales Rates
Rate 10 - Large Volume General Firm Service

Line No.	Particulars (cents/m ³)	EB-2016-0040 Approved April 1, 2016 Rate (a)	Rate Change (b)	EB-2015-0029 Approved January 1, 2016 Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
2	First 1,000 m ³	6.6410	0.5443	7.1853
3	Next 9,000 m ³	5.4060	0.4442	5.8502
4	Next 20,000 m ³	4.7771	0.3892	5.1663
5	Next 70,000 m ³	4.3191	0.3524	4.6715
6	Over 100,000 m ³	2.5841	0.2128	2.7969
7	Delivery - Price Adjustment (All Volumes)	-	0.5971	0.5971 (1)
	Gas Transportation Service			
8	Fort Frances	5.1333		5.1333
9	Western Zone	4.3016		4.3016
10	Northern Zone	5.8063		5.8063
11	Eastern Zone	7.0767		7.0767
12	Transportation - Price Adjustment (All Zones)	(0.4605) (2)		(0.4605) (3)
	Storage Service			
13	Fort Frances	2.4007		2.4007
14	Western Zone	2.0684		2.0684
15	Northern Zone	2.6697		2.6697
16	Eastern Zone	3.1773		3.1773
17	Storage - Price Adjustment (All Zones)	-		-
	Commodity Cost of Gas and Fuel			
18	Fort Frances	9.3831		9.3831
19	Western Zone	9.4488		9.4488
20	Northern Zone	9.5505		9.5505
21	Eastern Zone	9.6312		9.6312
22	Commodity and Fuel - Price Adjustment (All Zones)	(1.4484) (4)		(1.4484) (5)

Notes:

- (1) Includes a temporary charge of 0.5971 cents/m³ expiring December 31, 2016.
- (2) Includes Prospective Recovery of (0.0129), (0.0926), (0.3498), and (0.0052) cents/m³.
- (3) Includes Prospective Recovery of (0.0129), (0.0926), (0.3498), and (0.0052) cents/m³.
- (4) Includes Prospective Recovery of (0.6098), (0.2116), 0.4405, and (1.0675) cents/m³.
- (5) Includes Prospective Recovery of (0.6098), (0.2116), 0.4405, and (1.0675) cents/m³.

UNION GAS LIMITED
Union North
Summary of Changes to Sales Rates
Rate 20 - Medium Volume Firm Service

Line No.	Particulars (cents/m ³)	EB-2016-0040 Approved April 1, 2016 Rate (a)	Rate Change (b)	EB-2015-0029 Approved January 1, 2016 Rate (c)
1	Monthly Charge	\$932.79		\$932.79
	Delivery Demand Charge			
2	First 70,000 m ³	27.6426	1.6621	29.3047
3	All over 70,000 m ³	16.2552	0.9774	17.2326
	Delivery Commodity Charge			
4	First 852,000 m ³	0.5213	0.0588	0.5801
5	All over 852,000 m ³	0.3764	0.0428	0.4192
	Monthly Gas Supply Demand Charge			
6	Fort Frances	55.7556		55.7556
7	Western Zone	34.5138		34.5138
8	Northern Zone	72.9435		72.9435
9	Eastern Zone	105.4062		105.4062
10	Gas Supply Demand - Price Adjustment (All Zones)	-		-
	Commodity Transportation 1			
11	Fort Frances	4.4802		4.4802
12	Western Zone	4.0146		4.0146
13	Northern Zone	4.8570		4.8570
14	Eastern Zone	5.5682		5.5682
15	Transportation 1 - Price Adjustment (All Zones)	(0.3308) (1)		(0.3308) (2)
	Commodity Transportation 2			
16	Fort Frances	-		-
17	Western Zone	-		-
18	Northern Zone	-		-
19	Eastern Zone	-		-
	Commodity Cost of Gas and Fuel			
20	Fort Frances	9.1653		9.1653
21	Western Zone	9.2294		9.2294
22	Northern Zone	9.3287		9.3287
23	Eastern Zone	9.4075		9.4075
24	Commodity and Fuel - Price Adjustment (All Zones)	(1.4484) (3)		(1.4484) (4)
	Bundled Storage Service (\$/GJ)			
25	Monthly Demand Charge	12.489		12.489
26	Commodity Charge	0.159		0.159
27	Storage Demand - Price Adjustment	-		-

Notes:

- (1) Includes Prospective Recovery of 0.1258, (0.1076), (0.3725), and 0.0235 cents/m³.
- (2) Includes Prospective Recovery of 0.1258, (0.1076), (0.3725), and 0.0235 cents/m³.
- (3) Includes Prospective Recovery of (0.6098), (0.2116), 0.4405, and (1.0675) cents/m³.
- (4) Includes Prospective Recovery of (0.6098), (0.2116), 0.4405, and (1.0675) cents/m³.

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

Line No.	Particulars (cents/m ³)	EB-2016-0040 Approved April 1, 2016 Rate (a)	Rate Change (b)	EB-2015-0029 Approved January 1, 2016 Rate (c)
1	Monthly Charge	\$1,423.71		\$1,423.71
2	Delivery Demand Charge All Zones	15.2678	0.2542	15.5220
3	Delivery Commodity Charge All Zones	0.2218	0.0033	0.2251
4	Monthly Gas Supply Demand Charge Fort Frances	103.8605		103.8605
5	Western Zone	79.0784		79.0784
6	Northern Zone	123.9130		123.9130
7	Eastern Zone	161.7862		161.7862
8	Gas Supply Demand - Price Adjustment (All Zones)	-		-
	Commodity Transportation 1			
9	Fort Frances	7.1222		7.1222
10	Western Zone	6.7730		6.7730
11	Northern Zone	7.4048		7.4048
12	Eastern Zone	7.9382		7.9382
13	Transportation 1 - Price Adjustment (All Zones)	-		-
	Commodity Transportation 2			
14	Fort Frances	-		-
15	Western Zone	-		-
16	Northern Zone	-		-
17	Eastern Zone	-		-
	Commodity Cost of Gas and Fuel			
18	Fort Frances	9.1653		9.1653
19	Western Zone	9.2294		9.2294
20	Northern Zone	9.3287		9.3287
21	Eastern Zone	9.4075		9.4075
22	Commodity and Fuel - Price Adjustment (All Zones)	(1.4484) (1)		(1.4484) (2)
	Bundled Storage Service (\$/GJ)			
23	Monthly Demand Charge	12.489		12.489
24	Commodity Charge	0.159		0.159
25	Storage Demand - Price Adjustment	-		-

Notes:

- (1) Includes Prospective Recovery of (0.6098), (0.2116), 0.4405, and (1.0675) cents/m³.
(2) Includes Prospective Recovery of (0.6098), (0.2116), 0.4405, and (1.0675) cents/m³.

UNION GAS LIMITED
Union North
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2016-0040 Approved April 1, 2016 Rate (a)	Rate Change (b)	EB-2015-0029 Approved January 1, 2016 Rate (c)
1	<u>Rate 25 - Large Volume Interruptible Service</u> Monthly Charge	\$331.70		\$331.70
2	Delivery Charge - All Zones * Maximum	4.3945	0.3598	4.7543
3	Gas Supply Charges - All Zones Minimum	1.4848		1.4848
4	Maximum	675.9484		675.9484

* see Appendix C.

UNION GAS LIMITED
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2016-0040 Approved April 1, 2016 Rate (a)	Rate Change (b)	EB-2015-0029 Approved January 1, 2016 Rate (c)
<u>Utility Sales</u>				
1	Commodity and Fuel	9.6231		9.6231
2	Commodity and Fuel - Price Adjustment	(0.4178) (1)		(0.4178) (2)
3	Transportation	3.9625		3.9625
4	Total Gas Supply Commodity Charge	13.1678	-	13.1678
 <u>M4 Firm Commercial/Industrial</u>				
5	Minimum annual gas supply commodity charge	4.5429		4.5429
 <u>M4 / M5A Interruptible Commercial/Industrial</u>				
6	Minimum annual gas supply commodity charge	4.5429		4.5429
 <u>Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3</u>				
		<u>\$/GJ</u>		<u>\$/GJ</u>
Monthly demand charges: (\$/GJ)				
7	Firm gas supply service	59.279		59.279
8	Firm backstop gas	1.526		1.526
Commodity charges:				
9	Gas supply	2.430		2.430
10	Backstop gas	3.912	(0.007)	3.905
11	Reasonable Efforts Backstop Gas	4.646	0.087	4.733
12	Supplemental Inventory	Note (3)		Note (3)
13	Supplemental Gas Sales Service (cents/m ³)	16.4569	(0.0280)	16.4289
14	Failure to Deliver	2.478	0.087	2.565
15	Discretionary Gas Supply Service (DGSS)	Note (4)		Note (4)

Notes:

- (1) Includes Prospective Recovery of (0.4607), 0.2545, (0.1174), and (0.0942) cents/m³.
- (2) Includes Prospective Recovery of (0.4607), 0.2545, (0.1174), and (0.0942) cents/m³.
- (3) The charge for banked gas purchases shall be the higher of the daily spot gas cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.
- (4) Reflects the "back to back" price plus gas supply administration charge.

UNION GAS LIMITED
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2016-0040 Approved April 1, 2016 Rate (a)	Rate Change (b)	EB-2015-0029 Approved January 1, 2016 Rate (c)
	<u>Rate M1 - Small Volume General Service Rate</u>			
1	Monthly Charge	\$21.00		\$21.00
2	First 100 m ³	3.7446	0.3362	4.0808
3	Next 150 m ³	3.5530	0.3192	3.8722
4	All over 250 m ³	3.0579	0.2753	3.3332
5	Delivery - Price Adjustment (All Volumes)	-	(1) 0.4966	0.4966 (1)
6	Storage Service	0.7027		0.7027
7	Storage - Price Adjustment	-		-
	<u>Rate M2 - Large Volume General Service Rate</u>			
8	Monthly Charge	\$70.00		\$70.00
9	First 1,000 m ³	3.5586	0.4640	4.0226
10	Next 6,000 m ³	3.4919	0.4555	3.9474
11	Next 13,000 m ³	3.3276	0.4312	3.7588
12	All over 20,000 m ³	3.0868	0.4003	3.4871
13	Delivery - Price Adjustment (All Volumes)	-	(2) 0.6649	0.6649 (2)
14	Storage Service	0.6161		0.6161
15	Storage - Price Adjustment	-		-

Notes:

- (1) Includes a temporary charge of 0.4966 cents/m³ expiring December 31, 2016.
(2) Includes a temporary charge of 0.6649 cents/m³ expiring December 31, 2016.

UNION GAS LIMITED
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2016-0040 Approved April 1, 2016 Rate (a)	Rate Change (b)	EB-2015-0029 Approved January 1, 2016 Rate (c)
<u>Rate M4 - Firm comm/ind contract rate</u>				
Monthly demand charge:				
1	First 8,450 m ³	48.6123	4.3108	52.9231
2	Next 19,700 m ³	21.7965	1.9329	23.7294
3	All over 28,150 m ³	18.3122	1.6238	19.9360
Monthly delivery commodity charge:				
4	First block	1.0712	0.1455	1.2167
5	All remaining use	0.4387	0.0627	0.5014
6	Delivery - Price Adjustment (All Volumes)	-		-
7	Minimum annual firm delivery commodity charge	1.2622	0.1455	1.4077
<u>Interruptible contracts *</u>				
8	Monthly Charge	\$669.55		\$669.55
Daily delivery commodity charge:				
9	2,400 m ³ to 17,000 m ³	2.7347	0.2435	2.9782
10	17,000 m ³ to 30,000 m ³	2.6048	0.2435	2.8483
11	30,000 m ³ to 50,000 m ³	2.5365	0.2435	2.7800
12	50,000 m ³ to 60,000 m ³	2.4886	0.2435	2.7321
13	Delivery - Price Adjustment (All Volumes)	-		-
14	Minimum annual interruptible delivery commodity charge	2.9257	0.2435	3.1692
<u>Rate M5A - interruptible comm/ind contract</u>				
<u>Firm contracts *</u>				
15	Monthly demand charge	28.5762	2.1265	30.7027
16	Monthly delivery commodity charge	2.1078	0.1592	2.2670
17	Delivery - Price Adjustment (All Volumes)	-		-
<u>Interruptible contracts *</u>				
18	Monthly Charge	\$669.55		\$669.55
Daily delivery commodity charge:				
19	2,400 m ³ to 17,000 m ³	2.7347	0.2435	2.9782
20	17,000 m ³ to 30,000 m ³	2.6048	0.2435	2.8483
21	30,000 m ³ to 50,000 m ³	2.5365	0.2435	2.7800
22	50,000 m ³ to 60,000 m ³	2.4886	0.2435	2.7321
23	Delivery - Price Adjustment (All Volumes)	-		-
24	Minimum annual interruptible delivery commodity charge	2.9257	0.2435	3.1692

Notes:

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

UNION GAS LIMITED
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2016-0040 Approved April 1, 2016 Rate (a)	Rate Change (b)	EB-2015-0029 Approved January 1, 2016 Rate (c)
<u>Rate M7 - Special large volume contract</u>				
<u>Firm</u>				
1	Monthly demand charge	27.0809	0.5992	27.6801
2	Monthly delivery commodity charge	0.3343	0.0085	0.3428
3	Delivery - Price Adjustment	-		-
<u>Interruptible *</u>				
4	Monthly delivery commodity charge: Maximum	4.8305	0.1080	4.9385
5	Delivery - Price Adjustment	-		-
<u>Seasonal *</u>				
6	Monthly delivery commodity charge: Maximum	4.5864	0.1080	4.6944
7	Delivery - Price Adjustment	-		-
<u>Rate M9 - Large wholesale service</u>				
8	Monthly demand charge	17.4339		17.4339
9	Monthly delivery commodity charge	0.1628		0.1628
10	Delivery - Price Adjustment	-		-
<u>Rate M10 - Small wholesale service</u>				
11	Monthly delivery commodity charge	5.8937		5.8937

Notes:

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

UNION GAS LIMITED
Union South
Summary of Changes to Contract Carriage Rates

Line No.	Particulars (cents/m ³)	EB-2016-0040 Approved April 1, 2016 Rate (a)	Rate Change (b)	EB-2015-0029 Approved January 1, 2016 Rate (c)
<u>Contract Carriage Service</u>				
<u>Rate T1 - Storage and Transportation</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
1	Firm space	0.011		0.011
Firm Injection/Withdrawal Right				
2	Union provides deliverability inventory	1.531		1.531
3	Customer provides deliverability inventory	1.195		1.195
4	Firm incremental injection	1.195		1.195
5	Interruptible withdrawal	1.195		1.195
Commodity charges:				
6	Withdrawal	0.026		0.026
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.026		0.026
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - customer provides fuel	0.403%		0.403%
<u>Transportation (cents / m³)</u>				
11	Monthly demand charge first 28,150 m ³	33.4147	(0.8545)	32.5602
12	Monthly demand charge next 112,720 m ³	23.0858	(0.5904)	22.4954
Firm commodity charges:				
13	Union provides compressor fuel - All volumes	0.1276		0.1276
14	Customer provides compressor fuel - All volumes	0.0760		0.0760
Interruptible commodity charges: *				
15	Maximum - Union provides compressor fuel	4.8305	0.1080	4.9385
16	Maximum - customer provides compressor fuel	4.7789	0.1080	4.8869
17	Transportation fuel ratio - customer provides fuel	0.303%		0.303%
<u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges				
18	Injection / Withdrawals	0.096		0.096
19	Customer provides compressor fuel	0.058		0.058
20	Transportation commodity charge (cents/m ³)	1.2261	(0.0280)	1.1981
21	Customer provides compressor fuel	1.1746	(0.0281)	1.1465
22	<u>Monthly Charge</u>	\$1,924.04		\$1,924.04

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

UNION GAS LIMITED
Union South
Summary of Changes to Contract Carriage Rates

Line No.	Particulars (cents/m ³)	EB-2016-0040 Approved April 1, 2016 Rate (a)	Rate Change (b)	EB-2015-0029 Approved January 1, 2016 Rate (c)
<u>Contract Carriage Service</u>				
<u>Rate T2 - Storage and Transportation</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
1	Firm space	0.011		0.011
Firm Injection/Withdrawal Right				
2	Union provides deliverability inventory	1.531		1.531
3	Customer provides deliverability inventory	1.195		1.195
4	Firm incremental injection	1.195		1.195
5	Interruptible withdrawal	1.195		1.195
Commodity charges:				
6	Withdrawal	0.026		0.026
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.026		0.026
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - customer provides fuel	0.403%		0.403%
<u>Transportation (cents / m³)</u>				
11	Monthly demand charge first 140,870 m ³	21.8329	0.9073	22.7402
12	Monthly demand charge all over 140,870 m ³	11.5485	0.4800	12.0285
Firm commodity charges:				
13	Union provides compressor fuel - All volumes	0.0561		0.0561
14	Customer provides compressor fuel - All volumes	0.0082		0.0082
Interruptible commodity charges: *				
15	Maximum - Union provides compressor fuel	4.8305	0.1080	4.9385
16	Maximum - customer provides compressor fuel	4.7826	0.1162	4.8988
17	Transportation fuel ratio - customer provides fuel	0.282%		0.282%
<u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges				
18	Injection / Withdrawals	0.096		0.096
19	Customer provides compressor fuel	0.058		0.058
20	Transportation commodity charge (cents/m ³)	0.7739	0.0216	0.7955
21	Customer provides compressor fuel	0.7260	0.0298	0.7558
22	<u>Monthly Charge</u>	\$5,751.12		\$5,751.12

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

UNION GAS LIMITED
Union South
Summary of Changes to Contract Carriage Rates

Line No.	Particulars (cents/m ³)	EB-2016-0040 Approved April 1, 2016 Rate (a)	Rate Change (b)	EB-2015-0029 Approved January 1, 2016 Rate (c)
<u>Rate T3 - Storage and Transportation</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
1	Firm space	0.011		0.011
Firm Injection/Withdrawal Right				
2	Union provides deliverability inventory	1.531		1.531
3	Customer provides deliverability inventory	1.195		1.195
4	Firm incremental injection	1.195		1.195
5	Interruptible withdrawal	1.195		1.195
Commodity charges:				
6	Withdrawal	0.026		0.026
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.026		0.026
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - customer provides fuel	0.403%		0.403%
<u>Transportation (cents / m³)</u>				
11	Monthly demand charge	11.6340		11.6340
12	Union provides compressor fuel - All volumes	0.0751		0.0751
13	Customer provides compressor fuel - All volumes	0.0108		0.0108
14	Transportation fuel ratio- Cust. provides fuel	0.378%		0.378%
<u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges				
15	Injection / Withdrawals	0.096		0.096
16	Customer provides compressor fuel	0.058		0.058
17	Transportation commodity charge (cents/m ³)			
18	Customer provides compressor fuel	0.4576		0.4576
		0.3933		0.3933
<u>Monthly Charge</u>				
19	City of Kitchener	\$20,208.17		\$20,208.17
20	Natural Resource Gas	\$3,102.16		\$3,102.16
21	Six Nations	\$1,034.05		\$1,034.05

UNION GAS LIMITED
Union South
Summary of Changes to Unbundled Rates

Line No.	Particulars (cents/m ³)	EB-2016-0040 Approved April 1, 2016 Rate (a)	Rate Change (b)	EB-2015-0029 Approved January 1, 2016 Rate (c)
<u>U2 Unbundled Service</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
Standard Storage Service (SSS)				
1	Combined Firm Space & Deliverability	0.023		0.023
Standard Peaking Service (SPS)				
2	Combined Firm Space & Deliverability	0.115		0.115
3	Incremental firm injection right	1.039		1.039
4	Incremental firm withdrawal right	1.039		1.039
Commodity charges:				
5	Injection customer provides compressor fuel	0.026		0.026
6	Withdrawal customer provides compressor fuel	0.026		0.026
7	Storage fuel ratio - Customer provides fuel	0.403%		0.403%
<u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges:				
8	Injection customer provides compressor fuel	0.060		0.060
9	Withdrawal customer provides compressor fuel	0.060		0.060

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2016-0040 Approved April 1, 2016 Rate (a)	Rate Change (b)	EB-2015-0029 Approved January 1, 2016 Rate (c)
	<u>M12 Transportation Service</u>			
	<u>Firm transportation</u>			
	Monthly demand charges:			
1	Dawn to Kirkwall	2.421		2.421
2	Dawn to Oakville/Parkway	2.883		2.883
3	Kirkwall to Parkway	0.462		0.462
4	F24-T	0.069		0.069
	<u>M12-X Firm Transportation</u>			
5	Between Dawn, Kirkwall and Parkway	3.602		3.602
	Commodity charges:			
6	Easterly	Note (1)		Note (1)
7	Westerly	Note (1)		Note (1)
8	Parkway (TCPL) to Parkway (Cons)	Note (1)		Note (1)
	<u>Limited Firm/Interruptible</u>			
	Monthly demand charges:			
9	Maximum	6.919		6.919
	Commodity charges :			
10	Others	Note (1)		Note (1)
	<u>Authorized Overrun</u>			
	Transportation commodity charges:			
	Easterly:			
11	Dawn to Kirkwall - Union supplied fuel	Note (1)		Note (1)
12	Dawn to Oakville/Parkway - Union supplied fuel	Note (1)		Note (1)
13	Dawn to Kirkwall - Shipper supplied fuel	0.080 (1)		0.080 (1)
14	Dawn to Oakville/Parkway - Shipper supplied fuel	0.095 (1)		0.095 (1)
15	Kirkwall to Parkway - Union supplied fuel	Note (1)		Note (1)
16	Kirkwall to Parkway - Shipper supplied fuel	0.015		0.015
17	Westerly - Union supplied fuel	Note (1)		Note (1)
18	Westerly - Shipper supplied fuel	0.095 (1)		0.095 (1)
	<u>M12-X Firm Transportation</u>			
19	Between Dawn, Kirkwall and Parkway - Union supplied fuel	Note (1)		Note (1)
20	Between Dawn, Kirkwall and Parkway - Shipper supplied fuel	0.118 (1)		0.118 (1)
	<u>M13 Transportation of Locally Produced Gas</u>			
21	Monthly fixed charge per customer station	\$946.47		\$946.47
22	Transmission commodity charge to Dawn	0.035		0.035
23	Commodity charge - Union supplies fuel	0.007		0.007
24	Commodity charge - Shipper supplies fuel	Note (2)		Note (2)
25	Authorized Overrun - Union supplies fuel	0.077		0.077
26	Authorized Overrun - Shipper supplies fuel	0.070 (2)		0.070 (2)

Notes:

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

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2016-0040 Approved April 1, 2016 Rate (a)	Rate Change (b)	EB-2015-0029 Approved January 1, 2016 Rate (c)
<u>M16 Storage Transportation Service</u>				
1	Monthly fixed charge per customer station	\$1,505.73		\$1,505.73
Monthly demand charges:				
2	East of Dawn	0.765		0.765
3	West of Dawn	1.055		1.055
4	Transmission commodity charge to Dawn	0.035		0.035
Transportation Fuel Charges to Dawn:				
5	East of Dawn - Union supplied fuel	0.007		0.007
6	West of Dawn - Union supplied fuel	0.007		0.007
7	East of Dawn - Shipper supplied fuel	Note (1)		Note (1)
8	West of Dawn - Shipper supplied fuel	Note (1)		Note (1)
Transportation Fuel Charges to Pools:				
9	East of Dawn - Union supplied fuel	0.008		0.008
10	West of Dawn - Union supplied fuel	0.019		0.019
11	East of Dawn - Shipper supplied fuel	Note (1)		Note (1)
12	West of Dawn - Shipper supplied fuel	Note (1)		Note (1)
<u>Authorized Overrun</u>				
Transportation Fuel Charges to Dawn:				
13	East of Dawn - Union supplied fuel	0.067		0.067
14	West of Dawn - Union supplied fuel	0.077		0.077
15	East of Dawn - Shipper supplied fuel	0.060	(1)	0.060 (1)
16	West of Dawn - Shipper supplied fuel	0.070	(1)	0.070 (1)
Transportation Fuel Charges to Pools:				
17	East of Dawn - Union supplied fuel	0.034		0.034
18	West of Dawn - Union supplied fuel	0.054		0.054
19	East of Dawn - Shipper supplied fuel	0.025	(1)	0.025 (1)
20	West of Dawn - Shipper supplied fuel	0.035	(1)	0.035 (1)
<u>C1 - Cross Franchise Transportation Service</u>				
<u>Transportation service</u>				
Monthly demand charges:				
21	St. Clair / Bluewater & Dawn	1.055		1.055
22	Ojibway & Dawn	1.055		1.055
23	Parkway to Dawn	0.719		0.719
24	Parkway to Kirkwall	0.719		0.719
25	Kirkwall to Dawn	1.268		1.268
26	Dawn to Kirkwall	2.421		2.421
27	Dawn to Parkway	2.883		2.883
28	Kirkwall to Parkway	0.462		0.462
29	Dawn to Dawn-Vector	0.029		0.029
30	Dawn to Dawn-TCPL	0.137		0.137
Short-term:				
31	Maximum	75.00		75.00
Commodity charges:				
32	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.012		0.012
33	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.009		0.009
34	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.013		0.013
35	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.019		0.019
36	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.007		0.007
37	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.013		0.013
38	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.007		0.007
39	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.007		0.007
40	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.033		0.033
41	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.014		0.014
42	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.045		0.045
43	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.025		0.025
44	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.019		0.019
45	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.018		0.018

Notes:

(1) Plus customer supplied fuel per rate schedule.

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2016-0040	EB-2015-0029
		Approved April 1, 2016 Rate (a)	Approved January 1, 2016 Rate (c)
<u>C1 - Cross Franchise Transportation Service</u>			
<u>Transportation service cont'd</u>			
1	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)	Note (1)
2	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)	Note (1)
3	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)	Note (1)
4	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)	Note (1)
5	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)	Note (1)
6	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)	Note (1)
7	Kirkwall to Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)	Note (1)
8	Kirkwall to Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)	Note (1)
9	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)	Note (1)
10	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)	Note (1)
11	Dawn to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)	Note (1)
12	Dawn to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	Note (1)	Note (1)
13	Kirkwall to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)	Note (1)
14	Kirkwall to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	Note (1)	Note (1)
15	Dawn to Dawn-Vector - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)	Note (1)
16	Dawn to Dawn-Vector - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)	Note (1)
17	Dawn to Dawn-TCPL - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)	Note (1)
18	Dawn to Dawn-TCPL - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)	Note (1)
Interruptible commodity charges:			
19	Maximum	75.00	75.00
20	Dawn(Tecumseh), Dawn(Facilities or TCPL), Dawn (Vector) and Dawn (TSLE)	Note (1)	Note (1)
<u>Authorized Overrun</u>			
Firm transportation commodity charges:			
21	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.046	0.046
22	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.044	0.044
23	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.048	0.048
24	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.054	0.054
25	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.128	0.128
26	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.134	0.134
27	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.049	0.049
28	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.049	0.049
29	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.139	0.139
30	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.120	0.120
31	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.166	0.166
32	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.146	0.146
33	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.061	0.061
34	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.060	0.060
35	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.035 (1)	0.035 (1)
36	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.035 (1)	0.035 (1)
37	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.035 (1)	0.035 (1)
38	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.035 (1)	0.035 (1)
39	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.095 (1)	0.095 (1)
40	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.095 (1)	0.095 (1)
41	Kirkwall to Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.042 (1)	0.042 (1)
42	Kirkwall to Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.042 (1)	0.042 (1)
43	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.080 (1)	0.080 (1)
44	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.080 (1)	0.080 (1)
45	Dawn to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.095 (1)	0.095 (1)
46	Dawn to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	0.095 (1)	0.095 (1)
47	Kirkwall to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.015 (1)	0.015 (1)
48	Kirkwall to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	0.015 (1)	0.015 (1)
49	Dawn to Dawn-Vector - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.001 (1)	0.001 (1)
50	Dawn to Dawn-Vector - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.001 (1)	0.001 (1)
51	Dawn to Dawn-TCPL - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.005 (1)	0.005 (1)
52	Dawn to Dawn-TCPL - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.005 (1)	0.005 (1)
Short Term Firm transportation commodity charges:			
53	Maximum	75.00	75.00

Notes:

(1) Plus customer supplied fuel per rate schedule

APPENDIX B
DECISION AND ORDER
UNION GAS LIMITED
EB-2015-0029
MAY 5, 2016



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>	\$21.00	\$21.00	\$21.00	\$21.00
<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 @	8.8525	8.8525	8.8525	8.8525
Next 200 m ³ per month @	8.6270	8.6270	8.6270	8.6270
Next 200 m ³ per month @	8.2732	8.2732	8.2732	8.2732
Next 500 m ³ per month @	7.9485	7.9485	7.9485	7.9485
Over 1,000 m ³ per month @	7.6803	7.6803	7.6803	7.6803
Delivery-Price Adjustment (All Volumes)	0.6393 (1)	0.6393 (1)	0.6393 (1)	0.6393 (1)

Notes:

(1) Includes a temporary charge of 0.6393 cents/m³ expiring December 31, 2016.



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

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

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

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

January 1, 2016
O.E.B. Order # EB-2015-0029

Chatham, Ontario

Supersedes EB-2016-0040 Rate Schedule effective April 1, 2016.



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 @	7.1853	7.1853	7.1853	7.1853
Next 9,000 m ³ per month @	5.8502	5.8502	5.8502	5.8502
Next 20,000 m ³ per month @	5.1663	5.1663	5.1663	5.1663
Next 70,000 m ³ per month @	4.6715	4.6715	4.6715	4.6715
Over 100,000 m ³ per month @	2.7969	2.7969	2.7969	2.7969
Delivery-Price Adjustment (All Volumes)	0.5971 (1)	0.5971 (1)	0.5971 (1)	0.5971 (1)

Notes:

(1) Includes a temporary charge of 0.5971 cents/m³ expiring December 31, 2016.



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

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

SERVICE AGREEMENT

Customers providing their own gas supply in whole or in part, for transportation by Union and customers purchasing gas from Union with maximum daily requirements in excess of 3,000 m³ per day must enter into a Service Agreement with Union.

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0029

Chatham, Ontario

Supersedes EB-2016-0040 Rate Schedule effective April 1, 2016.



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.

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



MONTHLY RATES AND CHARGES

APPLICABLE TO ALL SERVICES - ALL ZONES (1)

<u>MONTHLY CHARGE</u>	\$932.79
<u>DELIVERY CHARGES</u> (cents per month per m ³)	
Monthly Demand Charge for first 70,000 m ³ of Contracted Daily Demand	29.3047
Monthly Demand Charge for all units over 70,000 m ³ of Contracted Daily Demand	17.2326
Commodity Charge for first 852,000 m ³ of gas volumes delivered	0.5801
Commodity Charge for all units over 852,000 m ³ of gas volumes delivered	0.4192

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>	\$932.79	\$932.79	\$932.79	\$932.79
<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	2.5070	2.5070	2.5070	2.5070

GAS SUPPLY CHARGES

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

ADDITIONAL CHARGES FOR TRANSPORTATION AND STORAGE SERVICES – ALL ZONES

MONTHLY TRANSPORTATION ACCOUNT CHARGE

For customers that currently have installed or will require installing telemetering equipment \$220.55

BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement (\$/GJ/Month) \$12.489

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

Commodity Charge for each unit of gas withdrawn from storage (\$/GJ) \$0.159

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ) \$0.570

The Authorized Overrun Commodity Charge is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

DIVERSION TRANSACTION CHARGE

Charge to a customer Receiving Delivery of diverted gas each time such customer requests a diversion and Union provides the service: \$10.00

THE BILL

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

MINIMUM BILL

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



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DELAYED PAYMENT

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

SERVICE AGREEMENT

All customers must enter into a Service Agreement with Union before receiving service under this rate schedule.

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0029

Chatham, Ontario

Supersedes EB-2016-0040 Rate Schedule effective April 1, 2016.



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>	\$331.70
<u>DELIVERY CHARGES</u>	<u>cents per m³</u>
A Delivery Price for all volumes delivered to the customer to be negotiated between Union and the customer and the average price during the period in which these rates remain in effect shall not exceed:	4.7543
<u>UNAUTHORIZED OVERRUN NON - COMPLIANCE RATE</u>	<u>cents per m³</u>
Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect.	232.8600

Notes:

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



ADDITIONAL CHARGES FOR SALES SERVICE

Gas Supply Charge

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. \$220.55

THE BILL

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

MINIMUM BILL

The minimum bill shall be the Monthly Charge and the Transportation Account Charge, if applicable.

DELAYED PAYMENT

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

SERVICE AGREEMENT

All customers must enter into a Service Agreement with Union before receiving service under this rate schedule.



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TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0029

Chatham, Ontario

Supersedes EB-2016-0040 Rate Schedule effective April 1, 2016.



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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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

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Chatham, Ontario

Supersedes EB-2016-0040 Rate Schedule effective April 1, 2016.



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.

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



MONTHLY RATES AND CHARGES

APPLICABLE TO ALL SERVICES - ALL ZONES (1)

<u>MONTHLY CHARGE</u>	\$1,423.71
<u>DELIVERY CHARGES</u> (cents per Month per m ³ of Daily Contract Demand)	
Monthly Demand Charge for each unit of Contracted Daily Demand	15.5220
Commodity Charge for each unit of gas volumes delivered (cents/m ³)	0.2251

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 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>	\$1,423.71	\$1,423.71	\$1,423.71	\$1,423.71
<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	0.9541	0.9541	0.9541	0.9541

GAS SUPPLY CHARGES

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

ADDITIONAL CHARGES FOR TRANSPORTATION AND STORAGE SERVICES – ALL ZONES

MONTHLY TRANSPORTATION ACCOUNT CHARGE

For customers that currently have installed or will require installing telemetering equipment \$220.55

BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement (\$/GJ/Month) \$12.489

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

Commodity Charge for each unit of gas withdrawn from storage (\$/GJ) \$0.159

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ) \$0.570

The Authorized Overrun Commodity Charge is payable on all quantities on any Day in excess of the customer's contractual rights, for which authorization has been received. Overrun will be authorized by Union at its sole discretion.

DIVERSION TRANSACTION CHARGE

Charge to a customer Receiving Delivery of diverted gas each time such customer requests a diversion and Union provides the service: \$10.00

THE BILL

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

MINIMUM BILL

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



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DELAYED PAYMENT

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

SERVICE AGREEMENT

All customers must enter into a Service Agreement with Union before receiving service under this rate schedule.

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0029

Chatham, Ontario

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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)	\$0.086
Fuel Ratio	
Applied to all gas injected and withdrawn from storage (%)	0.403%
Commodity Charge	
Applied to all gas injected and withdrawn from storage (\$ per GJ)	\$0.027

UNBUNDLED STORAGE SERVICE AUTHORIZED OVERRUN CHARGES

Fuel Ratio	
Applied to all gas injected and withdrawn from storage (%)	0.860%
Commodity Charge	
Applied to all gas injected and withdrawn from storage (\$ per GJ)	\$0.054

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>
<u>Delivery Service to Storage Facilities (1)</u>				
Demand Charge (\$/GJ/month)	N/A	\$23.187	\$9.083	\$0.908
Commodity (\$/GJ)	N/A	\$0.049	\$0.023	\$0.008
<u>Redelivery Service from Storage Facilities</u>				
Demand Charge (\$/GJ/month)	\$1.822	\$1.822	\$1.822	\$7.939
Commodity (\$/GJ)	N/A	\$0.036	\$0.036	\$0.049

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

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

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 January 1, 2016 Chatham, Ontario
O.E.B. Order # EB-2015-0029
Supersedes EB-2016-0040 Rate Schedule effective April 1, 2016.



Union Gas Limited
Union North
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, Rate 25, and Natural Gas Liquefaction Service.

(C) Rates

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 01A (cents / m³)</u>				
Storage	3.6786	3.3463	3.9476	4.4552
Storage - Price Adjustment	-	-	-	-
Commodity and Fuel (1)	9.3831	9.4488	9.5505	9.6312
Commodity and Fuel - Price Adjustment	(1.4484)	(1.4484)	(1.4484)	(1.4484)
Transportation	5.8185	4.9868	6.4915	7.7619
Transportation - Price Adjustment	(0.4844)	(0.4844)	(0.4844)	(0.4844)
Total Gas Supply Charge	16.9474	15.8491	18.0568	19.9155

Rate 10 (cents / m³)

Storage	2.4007	2.0684	2.6697	3.1773
Storage - Price Adjustment	-	-	-	-
Commodity and Fuel (1)	9.3831	9.4488	9.5505	9.6312
Commodity and Fuel - Price Adjustment	(1.4484)	(1.4484)	(1.4484)	(1.4484)
Transportation	5.1333	4.3016	5.8063	7.0767
Transportation - Price Adjustment	(0.4605)	(0.4605)	(0.4605)	(0.4605)
Total Gas Supply Charge	15.0082	13.9099	16.1176	17.9763

Notes:

(1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1910 cents/m³.



Union Gas Limited
Union North
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 (1)	9.1653	9.2294	9.3287	9.4075
Commodity and Fuel - Price Adjustment	(1.4484)	(1.4484)	(1.4484)	(1.4484)
Commodity Transportation - Charge 1	4.4802	4.0146	4.8570	5.5682
Transportation 1 - Price Adjustment	(0.3308)	(0.3308)	(0.3308)	(0.3308)
Commodity Transportation - Charge 2	-	-	-	-
Monthly Gas Supply Demand	55.7556	34.5138	72.9435	105.4062
Gas Supply Demand - Price Adjustment	-	-	-	-
Commissioning and Decommissioning Rate	7.2502	5.4810	8.6818	11.3853

Rate 100 (cents / m³)

Commodity and Fuel (1)	9.1653	9.2294	9.3287	9.4075
Commodity and Fuel - Price Adjustment	(1.4484)	(1.4484)	(1.4484)	(1.4484)
Commodity Transportation - Charge 1	7.1222	6.7730	7.4048	7.9382
Commodity Transportation - Charge 2	-	-	-	-
Monthly Gas Supply Demand	103.8605	79.0784	123.9130	161.7862
Commissioning and Decommissioning Rate	7.9304	6.6168	8.9933	11.0007

Rate 25 (cents / m³)

Gas Supply Charge:	Interruptible Service			
	Minimum	1.4848	1.4848	1.4848
	Maximum	675.9484	675.9484	675.9484

Natural Gas Liquefaction Service (\$ / GJ) (2)

Gas Supply Charge:	Interruptible Service	
	Minimum	0.3919
	Maximum	178.3976

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1910 cents/m³.
- (2) Billing in energy (\$/GJ) will only apply to the Natural Gas Liquefaction Service.

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Chatham, Ontario

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SMALL VOLUME GENERAL SERVICE RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To general service customers whose total consumption is equal to or less than 50,000 m³ per year.

(C) Rates

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

a)	Monthly Charge		\$21.00
b)	Delivery Charge		
	First	100 m ³	4.0808 ¢ per m ³
	Next	150 m ³	3.8722 ¢ per m ³
	All Over	250 m ³	3.3332 ¢ per m ³
	Delivery – Price Adjustment (All Volumes)		0.4966 ¢ per m ³ (1)
c)	Storage Charge (if applicable)		0.7027 ¢ per m ³
	Storage - Price Adjustment (All Volumes)		0.0000 ¢ 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) Includes a temporary charge of 0.4966 cents/m³ expiring December 31, 2016.

(D) Supplemental Service to Commercial and Industrial Customers Under Group Meters

Combination of readings from several meters may be authorized by the Company and the Company will not reasonably withhold authorization in cases where meters are located on contiguous pieces of property of the same owner not divided by a public right-of-way

(E) Delayed Payment

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



(F) Direct Purchase

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

(G) Overrun Charge

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. The customer may pay 4.7835 ¢ 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>	Assumed Atmospheric Pressure kPa
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

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Chatham, Ontario

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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	4.0226 ¢ per m ³	
	Next	6 000 m ³	3.9474 ¢ per m ³	
	Next	13 000 m ³	3.7588 ¢ per m ³	
	All Over	20 000 m ³	3.4871 ¢ per m ³	
	Delivery – Price Adjustment (All Volumes)		0.6649 ¢ per m ³	(1)
c)	Storage Charge (if applicable)		0.6161 ¢ per m ³	
	Storage - Price Adjustment (All Volumes)		0.0000 ¢ 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) Includes a temporary charge of 0.6649 cents/m³ expiring December 31, 2016.

(D) Supplemental Service to Commercial and Industrial Customers Under Group Meters

Combination of readings from several meters may be authorized by the Company and the Company will not reasonably withhold authorization in cases where meters are located on contiguous pieces of property of the same owner not divided by a public right-of-way.

(E) Delayed Payment

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



(F) Direct Purchase

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

(G) Overrun Charge

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. The customer may pay 4.6387 ¢ 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

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FIRM INDUSTRIAL AND COMMERCIAL CONTRACT RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a daily contracted demand between 2 400 m³ and 60 000 m³.

(C) Rates

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

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

(i)	A Monthly Demand Charge		
	First	8 450 m ³ of daily contracted demand	52.9231 ¢ per m ³
	Next	19 700 m ³ of daily contracted demand	23.7294 ¢ per m ³
	All Over	28 150 m ³ of daily contracted demand	19.9360 ¢ per m ³
(ii)	A Monthly Delivery Commodity Charge		
	First 422 250 m ³ delivered per month		1.2167 ¢ per m ³
	Next volume equal to 15 days use of daily contracted demand		1.2167 ¢ per m ³
	For remainder of volumes delivered in the month		0.5014 ¢ per m ³
	Delivery- Price Adjustment (All Volumes)		0.0000 ¢ 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 2.9566 ¢ 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 4.7835 ¢ 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. Firm Minimum Annual Charge

In each contract year, the customer shall purchase from Union or pay for a minimum volume of gas or transportation services equivalent to 146 days use of firm contracted demand. Overrun gas volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery Charge of 1.4077 ¢ 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.



4. Interruptible Service

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

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

a) (i) Monthly Delivery Commodity Charge

<u>Daily Contracted Demand Level (CD)</u>	<u>Price per m³</u>
2 400 m ³ ≤ CD < 17 000 m ³	2.9782 ¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³	2.8483 ¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³	2.7800 ¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³	2.7321 ¢ per m ³

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

(ii) Days Use of Interruptible Contract Demand

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

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

(iii) Gas Supply Charge (if applicable)

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

(iv) Monthly Charge \$669.55 per month

b) In each contract year, the customer shall take delivery from Union, or in any event pay for, if available and not accepted by the customer, a minimum volume of gas or transportation services as specified in the contract between the parties and which will not be less than 350 000 m³ per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery Charge of 3.1692 ¢ 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.

c) Overrun gas is available without penalty provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization. Overrun means gas taken on any day in excess of 105% of contracted daily demand.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 4.7835 ¢ 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.

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 231.3000 ¢ per m³ (\$60 per GJ) for the delivery.



(D) Delayed Payment

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

(E) Direct Purchase

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

(F) Bundled Direct Purchase Delivery

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

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



INTERRUPTIBLE INDUSTRIAL AND COMMERCIAL CONTRACT RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a daily contracted demand between 2 400 m³ and 60 000 m³ inclusive.

(C) Rates

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

1. Interruptible Service

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

a) (i) Monthly Delivery Commodity Charge

<u>Daily Contracted Demand Level (CD)</u>	<u>Price per m³</u>
2 400 m ³ ≤ CD < 17 000 m ³	2.9782 ¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³	2.8483 ¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³	2.7800 ¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³	2.7321 ¢ per m ³

Delivery- Price Adjustment (All Volumes) 0.0000 ¢ 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

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 \$669.55 per month



2. In each contract year, the customer shall take delivery from Union, or in any event pay for, if available and not accepted by the customer, a minimum volume of gas or transportation services as specified in the contract between the parties and which will not be less than 350 000 m³ per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery Charge of 3.1692 ¢ 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 4.7835 ¢ 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.

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 231.3000 ¢ per m³ (\$60 per GJ) for the delivery.

4. Non-Interruptible Service

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

- a) The monthly demand charge for firm daily deliveries will be 30.7027 ¢ 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 30.7027 ¢ per m³ of daily contracted demand and a delivery commodity price adjustment of 0.0000 ¢ per m³.
- c) The interruptible commodity charge will be established under Clause 1 of this schedule.

(D) Delayed Payment

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

(E) Direct Purchase

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

(F) Bundled Direct Purchase Delivery

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

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

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SPECIAL LARGE VOLUME
INDUSTRIAL AND COMMERCIAL CONTRACT RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a Customer

- a) who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a combined maximum daily requirement for firm, interruptible and seasonal service of at least 60 000 m³; and
- b) who has site specific energy measuring equipment that will be used in determining energy balances.

(C) Rates

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

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

(i) A Monthly Demand Charge

A negotiated Monthly Demand Charge of up to 27.6801 ¢ 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 0.3428 ¢ per m³ for each m³, and a Delivery - Price Adjustment of 0.0000 ¢ 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 4.9385 ¢ per m³, and a Delivery - Price Adjustment of 0.0000 ¢ 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 4.6944 ¢ per m³, and a Delivery - Price Adjustment of 0.0000 ¢ 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.

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 231.3000 ¢ per m³ (\$60 per GJ) for the delivery.

2. In negotiating the Monthly Interruptible and Seasonal Commodity Charges, the matters to be considered include:
 - (a) The volume of gas for which the customer is willing to contract,
 - (b) The load factor of the customer's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for,
 - (c) Interruptible or curtailment provisions, and
 - (d) Competition.
3. In each contract year, the customer shall take delivery from Union, or in any event, pay for if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun gas volumes will not contribute to the minimum volume.
4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the customer during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the "transition period"). In such event, the contract will provide for a Monthly Delivery Commodity Charge to be applied on such volume during the transition of 3.5598 ¢ 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

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

(E) Direct Purchase

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

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

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

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Chatham, Ontario

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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 17.4339 ¢ 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 pro-rata charge to be made for the fraction of a calendar month which will occur if the day of first regular delivery does not fall on the first day of a month,
- (ii) A Delivery Commodity Charge of 0.1628 ¢ per m³, a Delivery Price Adjustment of 0.0000 ¢ 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

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

(E) Direct Purchase

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

(F) Overrun Charge

Authorized:

For all quantities on any day in excess of 103% of the customer's contractual rights, for which authorization has been received, the customer will be charged 0.7360 ¢ 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.



uniongas

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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.

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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 5.8937 ¢ 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

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

(E) Direct Purchase

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

(F) Overrun Charge

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. This gas shall be paid for at the rate of 4.7835 ¢ 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

January 1, 2016
O.E.B. Order # EB-2015-0029

Chatham, Ontario

Supersedes EB-2016-0040 Rate Schedule effective April 1, 2016.



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	\$1.526	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$3.905
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$4.733
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		\$2.565
f) Short Term Storage / Balancing Service (2) Maximum		\$6.000
g) Discretionary Gas Supply Service ("DGSS")		Note (3)
h) Parkway Delivery Commitment Incentive ("PDCI") (4)		\$(0.134)



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.

- (4) Parkway Delivery Commitment Incentive ("PDCI") effective November 1, 2016.



STORAGE AND TRANSPORTATION RATES
FOR CONTRACT CARRIAGE CUSTOMERS

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer:

- a) whose qualifying annual transportation volume for combined firm and interruptible service is at least 2 500 000 m³ or greater and has a daily firm contracted demand up to 140,870 m³; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for use at facilities located within Union's gas franchise area; and
- c) who has meters with electronic recording at each Point of Consumption; and
- d) who has site specific energy measuring equipment that will be used in determining energy balances; and
- e) for whom Union has determined transportation and/or storage capacity is available.

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

(C) Rates

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

STORAGE SERVICE:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			Fuel Ratio	Commodity Charge <u>Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory Customer provides deliverability Inventory (4)	\$1.531 \$1.195			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.195			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.195			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.026	0.403%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.026	0.403%	\$0.008
g) Short Term Storage / Balancing Service Maximum		\$6.000		

Notes:

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

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

3.1 Aggregate Excess

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

3.2 Obligated daily contract quantity multiple of 15

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

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



4. Annual Injection/Withdrawal Right

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

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

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

5. Additional storage space or deliverability, in excess of the allocated entitlements per Notes 3 and 4, may be available at market prices.

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

7. Deliverability Inventory being defined as 20% of annual storage space.

8. Short Term Storage / Balancing Service is:

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

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

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



TRANSPORTATION CHARGES:

	Demand Charge <u>Rate/m³/mo</u>	Commodity Charge <u>Rate/m³</u>	For Customers Providing Their Own Compressor Fuel Fuel Ratio (5)	Commodity Charge <u>Rate/m³</u>
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand				
First 28,150 m ³ per month	32.5602 ¢			
Next 112,720 m ³ per month	22.4954 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption Commodity Charge (All volumes)		0.1276 ¢	0.303%	0.0760 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum		4.9385 ¢	0.303%	4.8869 ¢

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. 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.
3. 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.
4. 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.
5. 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 Firm or Interruptible Service	
	Firm or Interruptible Service	Fuel Ratio	Commodity Charge
Storage Injections	\$0.096/GJ	0.860%	\$0.058/GJ
Storage Withdrawals	\$0.096/GJ	0.860%	\$0.058/GJ
Transportation	1.1981 ¢/m ³	0.303%	1.1465 ¢/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 4.7835 ¢ per m³ or \$1.233 per GJ, as appropriate.

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 231.3000 ¢ per m³ (\$60 per GJ) for the transportation service.

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 Rate/GJ
Space	\$6.000
Injection / Withdrawal Maximum	\$6.000



OTHER SERVICES & CHARGES:

1. Monthly Charge

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

Monthly Charge	\$1,924.04
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2. Diversion of Gas

The availability of the right to divert gas will be based on Union's ability to accommodate the diversion. The price to be charged for the right to divert shall be determined through negotiation.

3. Delivery Obligations

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

4. Additional Service Information

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

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

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

5. Parkway Delivery Commitment Incentive ("PDCI")

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.	<u>Rate/GJ</u>
PDCI Effective November 1, 2016	\$(0.134)

(D) Delayed Payment

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

Effective	January 1, 2016	Chatham, Ontario
	O.E.B. Order # EB-2015-0029	

Supersedes EB-2016-0040 Rate Schedule effective April 1, 2016.



STORAGE AND TRANSPORTATION RATES
FOR CONTRACT CARRIAGE CUSTOMERS

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer:

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

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

(C) Rates

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

STORAGE SERVICE:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.531			
Customer provides deliverability Inventory (4)	\$1.195			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.195			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.195			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.026	0.403%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.026	0.403%	\$0.008
g) Short Term Storage / Balancing Service Maximum		\$6.000		

Notes:

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

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

3.1 Aggregate Excess

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

3.2 Obligated daily contract quantity multiple of 15

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

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 <u>Ratio (5) (6)</u>	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	22.7402 ¢			
All over 140,870 m ³ per month	12.0285 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption				
Commodity Charge (All volumes)		0.0561 ¢	0.282%	0.0082 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption				
Maximum		4.9385 ¢	0.282%	4.8988 ¢

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 Firm or Interruptible Service	
	Firm or Interruptible Service	Fuel Ratio	Commodity Charge
Storage Injections	\$0.096/GJ	0.860%	\$0.058/GJ
Storage Withdrawals	\$0.096/GJ	0.860%	\$0.058/GJ
Transportation	0.7955 ¢/m ³	0.282%	0.7558 ¢/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 4.7835 ¢ per m³ or \$1.233 per GJ, as appropriate.

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 231.3000 ¢ per m³ (\$60 per GJ) for the transportation service.

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 Rate/GJ
Space	\$6.000
Injection / Withdrawal Maximum	\$6.000



OTHER SERVICES & CHARGES:

1. Monthly Charge

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

Monthly Charge	\$5,751.12
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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/business/account-services/unionline/contracts-rates/T1-service-features

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

4. Nominations

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day who have non obligated deliveries may contract to use Union's 5 additional nomination windows (13 in total) for the purposes of delivering gas to Union. These windows are in addition to the standard NAESB and TCPL STS nomination windows. Customers taking the additional nomination window service will pay an additional monthly demand charge of \$0.068/GJ/day/month multiplied by the non-obligated daily contract quantity.

5. Additional Service Information

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

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

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

6. Parkway Delivery Commitment Incentive ("PDCI")

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.	<u>Rate/GJ</u>
PDCI Effective November 1, 2016	\$(0.134)



uniongas

Effective
2016-01-01
Rate T2
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(D) Delayed Payment

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0029

Chatham, Ontario

Supersedes EB-2016-0040 Rate Schedule effective April 1, 2016.



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> Fuel Ratio	Commodity Charge <u>Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.531			
Customer provides deliverability Inventory (4)	\$1.195			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.195			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.195			



	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		\$0.026	0.403%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.026	0.403%	\$0.008
g) Short Term Storage / Balancing Service Maximum		\$6.000		

Notes:

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

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

3.1 Aggregate Excess

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

3.2 Obligated daily contract quantity multiple of 15

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

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

4. Annual Injection/Withdrawal Right

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

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



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

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

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



TRANSPORTATION CHARGES:

	Demand Charge <u>Rate/m³/mo</u>	Commodity Charge <u>Rate/m³</u>	For Customers Providing Their Own Compressor Fuel Fuel <u>Ratio</u>	Commodity Charge <u>Rate/m³</u>
a) Annual Firm Transportation Demand (1) Applied to the Firm Daily Contract Demand	11.6340 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the Customer's Point(s) of Redelivery		0.0751 ¢	0.378%	0.0108 ¢

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	\$0.096/GJ	0.860%	\$0.058/GJ
Storage Withdrawals	\$0.096/GJ	0.860%	\$0.058/GJ
Transportation	0.4576 ¢/m ³	0.378%	0.3933 ¢/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 \$9.276 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	\$ 20,208.17
NRG	\$ 3,102.16
Six Nations	\$ 1,034.05

If a customer combines Sales Service with Contract Carriage Service, the monthly charge will be prorated such that the customer will under both services pay no more than the above monthly charge.

2. Diversion of Gas

The availability of the right to divert gas will be based on Union's ability to accommodate the diversion. The price to be charged for the right to divert shall be determined through negotiation.

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

4. Parkway Delivery Commitment Incentive ("PDCI")

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.	<u>Rate/GJ</u>
PDCI Effective November 1, 2016	\$(0.134)

(D) Delayed Payment

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0029

Chatham, Ontario

Supersedes EB-2016-0040 Rate Schedule effective April 1, 2016.



Gas Supply Charges

(A) Availability:

Available to customers in Union's Southern Delivery Zone.

(B) Applicability:

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

(C) Rates:

cents / m³

Utility Sales

Commodity and Fuel	9.6231 (1)
Commodity and Fuel - Price Adjustment	(0.4178)
Transportation	3.9625
Total Gas Supply Commodity Charge	13.1678

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract 4.5429

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

\$/GJ

Monthly demand charges:	
Firm gas supply service	59.279
Firm backstop gas	1.526
Commodity charges:	
Gas supply	2.430
Backstop gas	3.905
Reasonable Efforts Backstop Gas	4.733
Supplemental Inventory	Note (2)
Supplemental Gas Sales Service (cents / m ³)	16.4289
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.565
Discretionary Gas Supply Service (DGSS)	Note (3)

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1910 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: January 1, 2016
O.E.B. Order # EB-2015-0029

Chatham, Ontario

Supersedes EB-2016-0040 Rate Schedule effective April 1, 2016.



STORAGE RATES FOR
UNBUNDLED CUSTOMERS

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer, or an agent, who is authorized to service residential and non-contract commercial and industrial end-users paying for the Monthly Fixed Charge and Delivery charge under Rate M1 or Rate M2:

- a) who enters into an Unbundled Service Contract with Union for the storage of Gas for use at facilities located within Union's gas franchise area;
- b) who contracts for Standard Peaking Service (SPS) with Union unless the customer can demonstrate that it has a replacement to the deliverability available in the SPS physically tied into Union's system and an OEB approved rate to provide the SPS replacement service;
- c) who accepts daily estimates of consumption at Points of Consumption as prepared by Union so that they may nominate an equivalent amount from storage, upstream transportation, or Ontario Producers authorized to sell to third parties;
- d) who nominates injections and withdrawals from storage and deliveries on upstream pipeline systems daily or Ontario Producers authorized to sell to third parties;
- e) for whom Union has determined storage capacity is available; and
- f) who accepts a monthly bill as prepared by Union.

(C) Rates

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

STORAGE SERVICE	<u>Demand Charge Rate/GJ/mo</u>	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
i) Standard Storage Service (SSS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.023		
b) Injection Commodity		0.403%	\$0.026
c) Withdrawal Commodity		0.403%	\$0.026
ii) Standard Peaking Service (SPS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.115		
b) Injection Commodity		0.403%	\$0.026
c) Withdrawal Commodity		0.860%	\$0.026



	<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	\$1.039		
b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$1.039		
c) Short Term Storage / Balancing Service - Maximum			\$6.000

Notes:

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

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

 - i) The minimum amount of storage service to which a customer is willing to commit,
 - ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
 - iii) Utilization of facilities,
 - iv) Competition, and
 - v) Term.
5. Union's ability to offer incremental injection and withdrawal rights is subject to annual asset availability.



OVERRUN SERVICE

1. Injection and Withdrawal

Authorized

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	0.860%	\$0.060
Withdrawal	0.860%	\$0.060

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.
2. **Parkway Delivery Commitment Incentive ("PDCI")**

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.	<u>Rate/GJ</u>
PDCI Effective November 1, 2016	\$(0.134)

(D) Delayed Payment

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

Effective

January 1, 2016
O.E.B. Order # EB-2015-0029

Chatham, Ontario

APPENDIX C
DECISION AND ORDER
UNION GAS LIMITED
EB-2015-0029
May 5, 2016

UNION GAS LIMITED
Infranchise Customers
Summary of Average Interruptible Rate and Price Adjustment Changes for Rates 25, M4, M5A, M7, T1 and T2
Effective January 1, 2016

Line No.	Particulars (cents / m ³)	Monthly Charge Increase / (Decrease) (a)	Delivery Commodity Charge Increase / (Decrease) (b)	Delivery - Price Adjustment Increase / (Decrease) (c)	Gas Commodity Price Adjustment Rate (1) (d)
1	Rate 25 All Zones		-		(0.2720)
2	Rate M4 Interruptible		0.2435		
3	Rate M5A Interruptible		0.2435		
4	Rate M7 Interruptible		0.0783		
5	Seasonal		0.0783		
6	Rate T1 - Interruptible Transportation - Union supplies fuel		-		
7	Transportation - Customer supplies fuel		(0.0130)		
8	Rate T2 - Interruptible Transportation - Union supplies fuel		-		
9	Transportation - Customer supplies fuel		0.0153		

Notes:

(1) Applies to sales service customers only.

APPENDIX D
DECISION AND ORDER
UNION GAS LIMITED
EB-2015-0029
May 5, 2016

UNION GAS LIMITED
Comparison of the DSM Budget in Current-Approved 2016 Rates and Board-Approved 2016 DSM Budget by Rate Class

Line No.	Particulars (\$000s)	DSM Budget Included in 2016 Rates (1)	Board-Approved 2016 DSM Budget (2)	Difference (c) = (b - a)
		(a)	(b)	
	<u>Union North</u>			
1	Rate 01	3,843	7,576	3,733
2	Rate 10	1,222	2,675	1,453
3	Rate 20	1,004	1,895	891
4	Rate 100	1,852	2,096	244
5	Total Union North	<u>7,920</u>	<u>14,241</u>	<u>6,321</u>
	<u>Union South</u>			
6	Rate M1	10,763	19,979	9,216
7	Rate M2	4,012	9,017	5,004
8	Rate M4 (3)	1,655	2,958	1,303
9	Rate M5A (3)	2,763	3,937	1,174
10	Rate M7 (3)	933	1,032	99
11	Rate T1	1,855	1,664	(191)
12	Rate T2	2,687	3,994	1,307
13	Total Union South	<u>24,668</u>	<u>42,580</u>	<u>17,913</u>
14	Total Union (line 5 + line 13)	<u><u>32,588</u></u>	<u><u>56,821</u></u>	<u><u>24,233</u></u>

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 11, column (h).
- (2) EB-2015-0029, Rate Order, Working Papers, Schedule 1 other than Rate M4, Rate M5A and Rate M7.
- (3) EB-2015-0029, Rate Order, Appendix D, p. 2 for calculation of pooled Rate M4, Rate M5A, Rate M7 budget.

UNION GAS LIMITED
Rate M4, Rate M5A, and Rate M7 Pooled DSM Budget

Line No.	Particulars	2016 Board-Approved Billing Units (1) (10 ⁹ m ³) (a)	Percentage for Allocation (%) (b)	2016 Board-Approved DSM Budget (2) (\$000s) (c)	Pooled DSM Budget (3) (\$000s) (d) = (total * b)
1	Rate M4	362,270	37.3%	3,322	2,958
2	Rate M5A	482,279	49.7%	2,374	3,937
3	Rate M7	126,351	13.0%	2,230	1,032
4	Total	<u>970,900</u>		<u>7,927</u>	<u>7,927</u>

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (t).
- (2) EB-2015-0029, Rate Order, Working Papers, Schedule 1, column (o).
- (3) DSM budget for Rate M4, Rate M5A, and Rate M7 reallocated by 2016 Board-approved billing units.

APPENDIX E
DECISION AND ORDER
UNION GAS LIMITED
EB-2015-0029
May 5, 2016

UNION GAS LIMITED
Calculation of the General Service Prospective Recovery Unit Rates

Line No.	Particulars	Total Amount for Recovery (1) (\$) (a)	Billing Units for Disposition (2) (10 ³ m ³) (b)	Unit Rate Adjustment for Prospective Recovery (cents/m ³) (c) = (a / b)
	<u>Union North</u>			
1	Rate 01	2,319,043	362,775	0.6393
2	Rate 10	866,094	145,054	0.5971
	<u>Union South</u>			
3	Rate M1	5,677,425	1,143,316	0.4966
4	Rate M2	3,043,159	457,716	0.6649

Notes:

- (1) Total Amount per EB-2015-0029, Rate Order, Appendix E, p.2, column (n).
- (2) Based on 2016 Board-approved billing units for July 1, 2016 to December 31, 2016.

APPENDIX F
DECISION AND ORDER
UNION GAS LIMITED
EB-2015-0029
May 5, 2016

UNION GAS LIMITED

**Accounting Entries for
Demand Side Management Cost-Efficiency Incentive Deferral Account
("DSMCEIDA") Deferral Account No. 179-150**

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

Debit - Account No. 728
 General Expense

Credit - Account No. 179-150
 Other Deferred Charges – DSMCEIDA

The purpose of the DSMCEIDA is to record, as a credit in Deferral Account No. 179 150, the differences between Union Gas Limited's (Union or the Company) annual approved DSM budget and the actual amounts spent to achieve the total aggregate annual lifetime savings (cumulative cubic metres of natural gas, or CCM) targets made up of all 100% CCM targets across all programs, in accordance with program evaluation results. Any OEB- approved DSMCEIDA amounts will be available to use in meeting the Company's targets in a subsequent year over the 2015-2020 DSM term.