



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

DECISION AND RATE ORDER

EB-2016-0118

UNION GAS LIMITED

Application for disposition and recovery of certain 2015 Deferral
and Variance Account Balances and approval of the 2015 Earnings
Sharing Amount

BEFORE: Allison Duff
Presiding Member

Ellen Fry
Member

August 4, 2016

1 INTRODUCTION AND BACKGROUND

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. The distribution service area of Union extends throughout northern Ontario, from the Manitoba border to the North Bay / Muskoka area, through southwestern Ontario from Windsor to Hamilton and across eastern Ontario, from Port Hope to Cornwall.

Union filed an application on April 19, 2016 with the Ontario Energy Board (OEB) for approval to recover certain 2015 deferral and variance account balances. The application also seeks approval of the 2015 earnings sharing amount. Union filed corrected evidence on May 5, 2016.

Deferral accounts capture amounts not included in existing OEB-approved rates while variance accounts record the difference between estimated and actual amounts for certain types of costs and revenues.¹ All but one of the deferral accounts that are the subject of this application are accounts that are not cleared through the OEB's Quarterly Rate Adjustment Mechanism (QRAM) process.²

The net deferral account balance of \$23.103 million is a debit to be collected from Union's customers and includes interest to September 30, 2016.³ For 2015, there are no earnings to be shared with customers as Union's utility earnings did not exceed the threshold for earnings sharing which was established by the OEB as part of Union's 2014-2018 Incentive Regulation (IR) Framework.⁴

Union proposed to dispose of the balances in the deferral accounts prospectively over six months from October 1, 2016 to March 31, 2017 for general service rate classes. For in-franchise contract and ex-franchise rate classes, Union proposed to dispose of the net 2015 balances as a one-time adjustment on October 2016 bills.⁵

A settlement conference was held, resulting in a settlement proposal that was filed on July 7, 2016 (the Settlement Proposal), which reflects a full settlement on all the issues in the proceeding.

¹ For simplicity, deferral and variance accounts are referred to as "deferral accounts" for the remainder of this Decision.

² The exception is a portion of the Spot Gas Variance Account (No. 179-107).

³ The \$23.103 million debit amount also includes a 2014 earnings sharing adjustment (\$0.227 million credit to customers). EB-2016-0118, draft rate order, July 7, 2016 at Appendix C.

⁴ EB-2013-0202.

⁵ EB-2016-0118, Settlement Proposal, July 7, 2016 at p. 18.

The OEB approves the Settlement Proposal as filed. As a result of this Decision, a typical residential customer in Union's North Service Areas will pay an additional \$19.54 for the six-month period from October 1, 2016 to March 31, 2017, i.e. approximately \$3.26 per month on average. This is an increase of about 2.3% on the total annual bill, over Union's current OEB-approved rates.

As a result of this Decision, a typical residential customer in Union's South Service Area will pay an additional \$7.12 for the six-month period from October 1, 2016 to March 31, 2017, i.e. approximately \$1.19 per month on average. This is an increase of about 1.1% on the total annual bill, over Union's current OEB-approved rates.

2 PROCESS

The OEB issued a Notice of Hearing (the Notice) on May 4, 2016. Union served and published the Notice as directed by the OEB. The OEB granted the following parties intervenor status:

- Building Owners and Managers Association Toronto (BOMA)
- Canadian Manufacturers and Exporters (CME)
- City of Kitchener
- Consumers Council of Canada (CCC)
- Energy Probe Research Foundation (Energy Probe)
- Federation of Rental-housing Providers of Ontario (FRPO)
- Industrial Gas Users Association (IGUA)
- London Property Management Association (LPMA)
- Ontario Greenhouse Vegetable Growers (OGVG)
- School Energy Coalition (SEC)
- TransCanada PipeLines Limited
- Vulnerable Energy Consumers Coalition (VECC)

A settlement conference was held on June 23 and 24, 2016.

On July 7, 2016, Union filed the Settlement Proposal resulting from the settlement conference, which reflects full settlement on all the issues in the proceeding. Union attached a draft rate order as an appendix to the Settlement Proposal.

OEB staff participated in the settlement conference. OEB staff filed a submission that supported the Settlement Proposal and the draft rate order.

3 DECISION

3.1 Settlement Proposal

As indicated above, Union and the intervenors were able to settle all of the issues in the proceeding.

OEB staff reviewed the Settlement Proposal in the context of Union's 2014-2018 IR Framework⁶, other applicable OEB policies, relevant OEB decisions, and the OEB's statutory obligations.

OEB staff submitted that the Settlement Proposal appropriately reflects Union's 2014-2018 IR Framework. OEB staff also submitted that the OEB's approval of the Settlement Proposal is in the public interest and would result in just and reasonable rates for customers.⁷

Findings

The OEB agrees with OEB staff's submission and approves the Settlement Proposal as filed. The OEB finds Union's deferral account balances as at December 31, 2015, including interest to September 30, 2016, to be appropriate and approves disposition on a final basis.

The OEB notes that the Settlement Proposal includes a credit to customers of \$0.227 million due to a \$0.454 million adjustment to Union's 2014 earnings sharing calculation. The OEB approved Union's 2014 earning sharing calculation on a final basis in EB-2015-0010. However, the Settlement Proposal filed in this proceeding indicated that Union had recorded in 2014 certain affiliate revenues and expenses that were actually incurred in 2013.⁸ If these affiliate revenues and expenses had been correctly recorded in 2013, when they were incurred, rather than in 2014, Union's earnings in 2014 would have been higher by \$0.454 million. As Union was in a 50/50 earning sharing position in 2014, the amount paid to customers in 2014 would have been higher by \$0.227 million.

OEB staff submitted that although the OEB previously approved Union's 2014 earning sharing calculation on a final basis, it is appropriate to refund the \$0.227 million to

⁶ EB-2013-0202.

⁷ EB-2016-0118, OEB Staff Submission, July 13, 2016 at p. 1.

⁸ EB-2016-0118, Settlement Proposal, July 7, 2016 at p. 15.

customers because it will ensure that Union does not profit from its incorrect accounting entries.⁹

The OEB agrees with OEB staff's submission on this issue.

3.2 Implementation

Union and the intervenors included a draft rate order as an appendix to the Settlement Proposal. OEB staff submitted that the draft rate order accurately reflects the Settlement Proposal.¹⁰

Findings

The OEB accepts the draft rate order as filed, as it accurately reflects the Settlement Proposal. The final, approved customer rate schedules are attached as Appendix B to this Decision and Rate Order.

The OEB orders that the rates resulting from this Decision and Rate Order shall be implemented on October 1, 2016 to align with other rate changes expected to result from the QRAM proceeding.

The OEB has made provision for a cost award process for intervenors. The OEB will issue a cost award decision after the steps set out in the Order are complete.

⁹ EB-2016-0118, OEB Staff Submission, July 13, 2016 at p. 4.

¹⁰ EB-2016-0118, OEB Staff Submission, July 13, 2016 at p. 6.

4 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The rate changes set out in Appendix A and the rate schedules attached as Appendix B are approved and shall be effective October 1, 2016. Union shall implement these rates in the first billing cycle on or after October 1, 2016.
2. The net deferral account balance of \$23.103 million receivable from customers as set out in Appendix C, including interest up to September 30, 2016¹¹, is approved for recovery from customers.
3. For residential and general service customer rate classes, Union shall recover the net total balance in the deferral accounts prospectively over six months through a temporary rate adjustment starting October 1, 2016. For in-franchise contract and ex-franchise rate classes, Union shall apply the unit rates as a one-time adjustment in October 2016 bills as set out in Appendix D.
4. Intervenors shall file with the OEB, and forward to Union, their respective cost claims by **August 18, 2016**.
5. Union shall file with the OEB, and forward to intervenors, any objections to the claimed costs by **September 1, 2016**.
6. Intervenors shall file with the OEB, and forward to Union, any responses to any objections for cost claims by **September 8, 2016**.
7. Union shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

All filings to the OEB must quote the file number, **EB-2016-0118** and be made electronically in searchable/unrestricted PDF format through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed. 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

¹¹ The \$23.103 million debit amount also includes the OEB-approved 2014 earnings sharing adjustment (\$0.227 million credit to customers).

<http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available, parties may email their documents to the address below.

All communications should be directed to the attention of the Board 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, Lawrie Gluck at Lawrie.Gluck@ontarioenergyboard.ca and Board Counsel, Michael Millar at Michael.Millar@ontarioenergyboard.ca.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

E-mail: boardsec@ontarioenergyboard.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto August 4, 2016

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX A
DECISION AND RATE ORDER
UNION GAS LIMITED
EB-2016-0118
AUGUST 4, 2016
SUMMARY OF CHANGES TO SALES RATES

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-2016-0181 Approved July 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0118 Approved October 1, 2016 Rate (c)
1	Monthly Charge - All Zones	\$21.00		\$21.00
	Monthly Delivery Charge - All Zones			
2	First 100 m ³	8.8679		8.8679
3	Next 200 m ³	8.6424		8.6424
4	Next 200 m ³	8.2886		8.2886
5	Next 500 m ³	7.9639		7.9639
6	Over 1,000 m ³	7.6957		7.6957
7	Delivery - Price Adjustment (All Volumes)	0.6393 (1)	0.6186	1.2579 (2)
	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)	(0.4172) (3)	0.5091	0.0919 (4)
	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	9.9172		9.9172
19	Western Zone	9.9854		9.9854
20	Northern Zone	10.0911		10.0911
21	Eastern Zone	10.1752		10.1752
22	Commodity and Fuel - Price Adjustment (All Zones)	(1.7675) (5)		(1.7675) (6)

Notes:

- (1) Includes a temporary charge of 0.6393 cents/m³ expiring December 31, 2016.
- (2) Includes a temporary charge of 0.6393 cents/m³ expiring December 31, 2016, and a temporary charge of 0.6186 cents/m³ expiring March 31, 2017.
- (3) Includes Prospective Recovery of (0.0985), (0.3510), (0.0065), and 0.0388 cents/m³.
- (4) Includes Prospective Recovery of (0.0985), (0.3510), (0.0065), and 0.0388 cents/m³, and a temporary charge of 0.5091 cents/m³ expiring March 31, 2017.
- (5) Includes Prospective Recovery of (0.2116), 0.4405, (1.0675), and (0.9289) cents/m³.
- (6) Includes Prospective Recovery of (0.2116), 0.4405, (1.0675), and (0.9289) 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-2016-0181 Approved July 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0118 Approved October 1, 2016 Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
2	First 1,000 m ³	7.1977		7.1977
3	Next 9,000 m ³	5.8626		5.8626
4	Next 20,000 m ³	5.1787		5.1787
5	Next 70,000 m ³	4.6839		4.6839
6	Over 100,000 m ³	2.8093		2.8093
7	Delivery - Price Adjustment (All Volumes)	0.5971 (1)	0.4730	1.0701 (2)
	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)	(0.4061) (3)	0.5312	0.1251 (4)
	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	9.9172		9.9172
19	Western Zone	9.9854		9.9854
20	Northern Zone	10.0911		10.0911
21	Eastern Zone	10.1752		10.1752
22	Commodity and Fuel - Price Adjustment (All Zones)	(1.7675) (5)		(1.7675) (6)

Notes:

- (1) Includes a temporary charge of 0.5971 cents/m³ expiring December 31, 2016.
- (2) Includes a temporary charge of 0.5971 cents/m³ expiring December 31, 2016, and a temporary charge of 0.4730 cents/m³ expiring March 31, 2017.
- (3) Includes Prospective Recovery of (0.0926), (0.3498), (0.0052), and 0.0415 cents/m³.
- (4) Includes Prospective Recovery of (0.0926), (0.3498), (0.0052), and 0.0415 cents/m³, and a temporary charge of 0.5312 cents/m³ expiring March 31, 2017.
- (5) Includes Prospective Recovery of (0.2116), 0.4405, (1.0675), and (0.9289) cents/m³.
- (6) Includes Prospective Recovery of (0.2116), 0.4405, (1.0675), and (0.9289) 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-2016-0181	Rate	EB-2016-0118
		Approved July 1, 2016	Change	Approved October 1, 2016
		Rate	(b)	Rate
		(a)	(b)	(c)
1	Monthly Charge	\$932.79		\$932.79
	Delivery Demand Charge			
2	First 70,000 m ³	29.3047		29.3047
3	All over 70,000 m ³	17.2326		17.2326
	Delivery Commodity Charge			
4	First 852,000 m ³	0.5826		0.5826
5	All over 852,000 m ³	0.4217		0.4217
	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)	(0.3957) (1)		(0.3957) (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	9.6866		9.6866
21	Western Zone	9.7532		9.7532
22	Northern Zone	9.8564		9.8564
23	Eastern Zone	9.9384		9.9384
24	Commodity and Fuel - Price Adjustment (All Zones)	(1.7675) (3)		(1.7675) (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 (0.1076), (0.3725), 0.0235, and 0.0609 cents/m³.
- (2) Includes Prospective Recovery of (0.1076), (0.3725), 0.0235, and 0.0609 cents/m³.
- (3) Includes Prospective Recovery of (0.2116), 0.4405, (1.0675), and (0.9289) cents/m³.
- (4) Includes Prospective Recovery of (0.2116), 0.4405, (1.0675), and (0.9289) 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-2016-0181 Approved July 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0118 Approved October 1, 2016 Rate (c)
1	Monthly Charge	\$1,423.71		\$1,423.71
2	Delivery Demand Charge All Zones	15.5220		15.5220
3	Delivery Commodity Charge All Zones	0.2251		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)	-		-
9	Commodity Transportation 1 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)	-		-
14	Commodity Transportation 2 Fort Frances	-		-
15	Western Zone	-		-
16	Northern Zone	-		-
17	Eastern Zone	-		-
18	Commodity Cost of Gas and Fuel Fort Frances	9.6866		9.6866
19	Western Zone	9.7532		9.7532
20	Northern Zone	9.8564		9.8564
21	Eastern Zone	9.9384		9.9384
22	Commodity and Fuel - Price Adjustment (All Zones)	(1.7675) (1)		(1.7675) (2)
23	Bundled Storage Service (\$/GJ) 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 (0.2116), 0.4405, (1.0675), and (0.9289) cents/m³.
 (2) Includes Prospective Recovery of (0.2116), 0.4405, (1.0675), and (0.9289) cents/m³.

UNION GAS LIMITED
 Union North
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2016-0181 Approved July 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0118 Approved October 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	4.7654		4.7654
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-2016-0181 Approved July 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0118 Approved October 1, 2016 Rate (c)
<u>Utility Sales</u>				
1	Commodity and Fuel	10.1666		10.1666
2	Commodity and Fuel - Price Adjustment	(0.4420) (1)	0.1957	(0.2463) (2)
3	Transportation	4.0983		4.0983
4	Total Gas Supply Commodity Charge	13.8229	0.1957	14.0186
 <u>M4 Firm Commercial/Industrial</u>				
5	Minimum annual gas supply commodity charge	4.6788		4.6788
 <u>M4 / M5A Interruptible Commercial/Industrial</u>				
6	Minimum annual gas supply commodity charge	4.6788		4.6788
 <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	1.578		1.578
Commodity charges:				
9	Gas supply	2.570		2.570
10	Backstop gas	4.083		4.083
11	Reasonable Efforts Backstop Gas	4.910		4.910
12	Supplemental Inventory	Note (3)		Note (3)
13	Supplemental Gas Sales Service (cents/m ³)	17.1501		17.1501
14	Failure to Deliver	2.567		2.567
15	Discretionary Gas Supply Service (DGSS)	Note (4)		Note (4)

Notes:

- (1) Includes Prospective Recovery of 0.2545, (0.1174), (0.0942), and (0.4849) cents/m³.
- (2) Includes Prospective Recovery of 0.2545, (0.1174), (0.0942), and (0.4849) cents/m³, and a temporary charge of 0.1957 cents/m³ expiring March 31, 2017.
- (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-2016-0181 Approved July 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0118 Approved October 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	4.0898		4.0898
3	Next 150 m ³	3.8812		3.8812
4	All over 250 m ³	3.3422		3.3422
5	Delivery - Price Adjustment (All Volumes)	0.4966 (1)	0.2283	0.7249 (2)
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	4.0304		4.0304
10	Next 6,000 m ³	3.9552		3.9552
11	Next 13,000 m ³	3.7666		3.7666
12	All over 20,000 m ³	3.4949		3.4949
13	Delivery - Price Adjustment (All Volumes)	0.6649 (3)	0.1629	0.8278 (4)
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 0.4966 cents/m³ expiring December 31, 2016, and a temporary charge of 0.2283 cents/m³ expiring March 31, 2017.
- (3) Includes a temporary charge of 0.6649 cents/m³ expiring December 31, 2016
- (4) Includes a temporary charge of 0.6649 cents/m³ expiring December 31, 2016, and a temporary charge of 0.1629 cents/m³ expiring March 31, 2017.

UNION GAS LIMITED
 Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2016-0181 Approved July 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0118 Approved October 1, 2016 Rate (c)
<u>Rate M4 - Firm comm/ind contract rate</u>				
Monthly demand charge:				
1	First 8,450 m ³	52.9231		52.9231
2	Next 19,700 m ³	23.7294		23.7294
3	All over 28,150 m ³	19.9360		19.9360
Monthly delivery commodity charge:				
4	First block	1.2247		1.2247
5	All remaining use	0.5094		0.5094
6	Delivery - Price Adjustment (All Volumes)	-		-
7	Minimum annual firm delivery commodity charge	1.4157		1.4157
<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	2.9858		2.9858
10	17,000 m ³ to 30,000 m ³	2.8559		2.8559
11	30,000 m ³ to 50,000 m ³	2.7876		2.7876
12	50,000 m ³ to 60,000 m ³	2.7397		2.7397
13	Delivery - Price Adjustment (All Volumes)	-		-
14	Minimum annual interruptible delivery commodity charge	3.1768		3.1768
<u>Rate M5A - interruptible comm/ind contract</u>				
<u>Firm contracts *</u>				
15	Monthly demand charge	30.7027		30.7027
16	Monthly delivery commodity charge	2.2746		2.2746
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	2.9858		2.9858
20	17,000 m ³ to 30,000 m ³	2.8559		2.8559
21	30,000 m ³ to 50,000 m ³	2.7876		2.7876
22	50,000 m ³ to 60,000 m ³	2.7397		2.7397
23	Delivery - Price Adjustment (All Volumes)	-		-
24	Minimum annual interruptible delivery commodity charge	3.1768		3.1768

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-2016-0181 Approved July 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0118 Approved October 1, 2016 Rate (c)
<u>Rate M7 - Special large volume contract</u>				
<u>Firm</u>				
1	Monthly demand charge	27.6801		27.6801
2	Monthly delivery commodity charge	0.3513		0.3513
3	Delivery - Price Adjustment	-		-
<u>Interruptible *</u>				
Monthly delivery commodity charge:				
4	Maximum	4.9470		4.9470
5	Delivery - Price Adjustment	-		-
<u>Seasonal *</u>				
Monthly delivery commodity charge:				
6	Maximum	4.7029		4.7029
7	Delivery - Price Adjustment	-		-
<u>Rate M9 - Large wholesale service</u>				
8	Monthly demand charge	17.4339		17.4339
9	Monthly delivery commodity charge	0.1704		0.1704
10	Delivery - Price Adjustment	-		-
<u>Rate M10 - Small wholesale service</u>				
11	Monthly delivery commodity charge	5.9046		5.9046

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-2016-0181 Approved July 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0118 Approved October 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	1.542		1.542
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	32.5602		32.5602
12	Monthly demand charge next 112,720 m ³	22.4954		22.4954
Firm commodity charges:				
13	Union provides compressor fuel - All volumes	0.1292		0.1292
14	Customer provides compressor fuel - All volumes	0.0760		0.0760
Interruptible commodity charges: *				
15	Maximum - Union provides compressor fuel	4.9470		4.9470
16	Maximum - customer provides compressor fuel	4.8938		4.8938
17	Transportation fuel ratio - customer provides fuel	0.303%		0.303%
<u>Authorized overrun services</u>				
Storage (\$ / GJ)				
Commodity charges				
18	Injection / Withdrawals	0.098		0.098
19	Customer provides compressor fuel	0.059		0.059
20	Transportation commodity charge (cents/m ³)	1.1997		1.1997
21	Customer provides compressor fuel	1.1465		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-2016-0181 Approved July 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0118 Approved October 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	1.542		1.542
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	22.7402		22.7402
12	Monthly demand charge all over 140,870 m ³	12.0285		12.0285
Firm commodity charges:				
13	Union provides compressor fuel - All volumes	0.0576		0.0576
14	Customer provides compressor fuel - All volumes	0.0082		0.0082
Interruptible commodity charges: *				
15	Maximum - Union provides compressor fuel	4.9470		4.9470
16	Maximum - customer provides compressor fuel	4.8976		4.8976
17	Transportation fuel ratio - customer provides fuel	0.282%		0.282%
<u>Authorized overrun services</u>				
Storage (\$ / GJ)				
Commodity charges				
18	Injection / Withdrawals	0.098		0.098
19	Customer provides compressor fuel	0.059		0.059
20	Transportation commodity charge (cents/m ³)	0.8052		0.8052
21	Customer provides compressor fuel	0.7558		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-2016-0181 Approved July 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0118 Approved October 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	1.542		1.542
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	0.0771		0.0771
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	0.098		0.098
16	Customer provides compressor fuel	0.059		0.059
17	Transportation commodity charge (cents/m ³)			
18	Customer provides compressor fuel	0.4596		0.4596
		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-2016-0181 Approved July 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0118 Approved October 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-2016-0181 Approved July 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0118 Approved October 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
10	Commodity charges : 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
14	Dawn to Oakville/Parkway - Shipper supplied fuel	0.095	(1)	0.095
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
M12-X Firm Transportation				
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
<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

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-2016-0181 Approved July 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0118 Approved October 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	0.009		0.009
10	West of Dawn - Union supplied fuel	0.020		0.020
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	0.055		0.055
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)	0.014		0.014
35	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.020		0.020
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)	0.034		0.034
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)	0.046		0.046
43	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct. 31)	0.026		0.026
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-2016-0181 Approved July 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0118 Approved October 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)
Interruption 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)	0.047		0.047
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)	0.055		0.055
25	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.130		0.130
26	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.136		0.136
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)	0.141		0.141
30	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.122		0.122
31	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.169		0.169
32	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.148		0.148
33	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.062		0.062
34	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.061		0.061
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 RATE ORDER
UNION GAS LIMITED
EB-2016-0118
AUGUST 4, 2016
RATE SCHEDULES



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	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
Rate Schedule No.	201	101	301	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 @	8.8679	8.8679	8.8679	8.8679
Next 200 m ³ per month @	8.6424	8.6424	8.6424	8.6424
Next 200 m ³ per month @	8.2886	8.2886	8.2886	8.2886
Next 500 m ³ per month @	7.9639	7.9639	7.9639	7.9639
Over 1,000 m ³ per month @	7.6957	7.6957	7.6957	7.6957
Delivery-Price Adjustment (All Volumes)	1.2579 (1)	1.2579 (1)	1.2579 (1)	1.2579 (1)

Notes:

(1) Includes a temporary charge of 0.6393 cents/m³ expiring December 31, 2016, and a temporary charge of 0.6186 cents/m³ expiring March 31, 2017.



uniongas

Effective
2016-10-01
Rate 01A
Page 2 of 2

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

October 1, 2016
O.E.B. Order # EB-2016-0118

Chatham, Ontario

Supersedes EB-2016-0181 Rate Schedule effective July 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	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
Rate Schedule No.	210	110	310	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 @	7.1977	7.1977	7.1977	7.1977
Next 9,000 m ³ per month @	5.8626	5.8626	5.8626	5.8626
Next 20,000 m ³ per month @	5.1787	5.1787	5.1787	5.1787
Next 70,000 m ³ per month @	4.6839	4.6839	4.6839	4.6839
Over 100,000 m ³ per month @	2.8093	2.8093	2.8093	2.8093
Delivery-Price Adjustment (All Volumes)	1.0701 (1)	1.0701 (1)	1.0701 (1)	1.0701 (1)

Notes:

(1) Includes a temporary charge of 0.5971 cents/m³ expiring December 31, 2016, and a temporary charge of 0.4730 cents/m³ expiring March 31, 2017.



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

October 1, 2016
O.E.B. Order # EB-2016-0118

Chatham, Ontario

Supersedes EB-2016-0181 Rate Schedule effective July 1, 2016.



uniongas

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)	9.9172	9.9854	10.0911	10.1752
Commodity and Fuel - Price Adjustment	(1.7675)	(1.7675)	(1.7675)	(1.7675)
Transportation	5.8185	4.9868	6.4915	7.7619
Transportation - Price Adjustment	0.0919	0.0919	0.0919	0.0919
Total Gas Supply Charge	17.7387	16.6429	18.8546	20.7167

Rate 10 (cents / m³)

Storage	2.4007	2.0684	2.6697	3.1773
Storage - Price Adjustment	-	-	-	-
Commodity and Fuel (1)	9.9172	9.9854	10.0911	10.1752
Commodity and Fuel - Price Adjustment	(1.7675)	(1.7675)	(1.7675)	(1.7675)
Transportation	5.1333	4.3016	5.8063	7.0767
Transportation - Price Adjustment	0.1251	0.1251	0.1251	0.1251
Total Gas Supply Charge	15.8088	14.7130	16.9247	18.7868

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)	9.6866	9.7532	9.8564	9.9384
Commodity and Fuel - Price Adjustment	(1.7675)	(1.7675)	(1.7675)	(1.7675)
Commodity Transportation - Charge 1	4.4802	4.0146	4.8570	5.5682
Transportation 1 - Price Adjustment	(0.3957)	(0.3957)	(0.3957)	(0.3957)
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)	9.6866	9.7532	9.8564	9.9384
Commodity and Fuel - Price Adjustment	(1.7675)	(1.7675)	(1.7675)	(1.7675)
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.

Effective: October 1, 2016
O.E.B. Order # EB-2016-0118

Chatham, Ontario

Supersedes EB-2016-0181 Rate Schedule effective July 1, 2016.



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	4.0898 ¢ per m ³
	Next	150 m ³	3.8812 ¢ per m ³
	All Over	250 m ³	3.3422 ¢ per m ³
	Delivery – Price Adjustment (All Volumes)		0.7249 ¢ 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, and a temporary charge of 0.2283 cents/m³ expiring March 31, 2017.

(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 4.7925 ¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³.

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

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

<u>Zone</u>	<u>Assumed Atmospheric Pressure kPa</u>
1	100.148
2	99.494
3	98.874
4	98.564
5	98.185
6	97.754
7	97.582
8	97.065
9	96.721
10	100.561
11	99.321
12	98.883

Effective

October 1, 2016
O.E.B. Order # EB-2016-0118

Chatham, Ontario

Supersedes EB-2016-0181 Rate Schedule effective July 1, 2016.



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	4.0304 ¢ per m ³	
	Next	6 000 m ³	3.9552 ¢ per m ³	
	Next	13 000 m ³	3.7666 ¢ per m ³	
	All Over	20 000 m ³	3.4949 ¢ per m ³	
	Delivery – Price Adjustment (All Volumes)		0.8278 ¢ 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, and a temporary charge of 0.1629 cents/m³ expiring March 31, 2017.

(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 4.6465 ¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³.

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

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

<u>Zone</u>	<u>Assumed Atmospheric Pressure kPa</u>
1	100.148
2	99.494
3	98.874
4	98.564
5	98.185
6	97.754
7	97.582
8	97.065
9	96.721
10	100.561
11	99.321
12	98.883

Effective

October 1, 2016
O.E.B. Order # EB-2016-0118

Chatham, Ontario

Supersedes EB-2016-0181 Rate Schedule effective July 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	10.1666 (1)
Commodity and Fuel - Price Adjustment	(0.2463)
Transportation	4.0983
Total Gas Supply Commodity Charge	14.0186

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	4.6788
--	--------

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

\$/GJ

Monthly demand charges:	
Firm gas supply service	59.279
Firm backstop gas	1.578
Commodity charges:	
Gas supply	2.570
Backstop gas	4.083
Reasonable Efforts Backstop Gas	4.910
Supplemental Inventory	Note (2)
Supplemental Gas Sales Service (cents / m ³)	17.1501
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.567
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: October 1, 2016
O.E.B. Order # EB-2016-0118

Chatham, Ontario

Supersedes EB-2016-0181 Rate Schedule effective July 1, 2016.

APPENDIX C
DECISION AND RATE ORDER
UNION GAS LIMITED
EB-2016-0118
AUGUST 4, 2016
DEFERRAL ACCOUNT BALANCES

UNION GAS LIMITED
Deferral Account Balances
Year Ending December 31, 2015

			<u>Filed</u>
Line No.	Account Number	Account Name	Balance ¹ (\$000's)
<u>Gas Supply Accounts:</u>			
1	179-107	Spot Gas Variance Account	-
2	179-108	Unabsorbed Demand Costs (UDC) Variance Account	391
3	179-128	Gas Supply Review Consultant Costs	-
4	179-131	Upstream Transportation Optimization	8,671
5	179-132	Deferral Clearing Variance Account - Supply	173 ³
6	179-132	Deferral Clearing Variance Account - Transport	<u>1,679 ³</u>
7	Total Gas Supply Accounts (Lines 1 through 6)		10,914 ²
<u>Storage Accounts:</u>			
8	179-70	Short-Term Storage and Other Balancing Services	<u>512</u>
<u>Other:</u>			
9	179-103	Unbundled Services Unauthorized Storage Overrun	-
10	179-112	Gas Distribution Access Rule (GDAR) Costs	760
11	179-117	Carbon Dioxide Offset Credits	-
12	179-120	IFRS Conversion Cost	-
13	179-123	Conservation Demand Management	(214)
14	179-132	Deferral Clearing Variance Account	1,328 ³
15	179-133	Normalized Average Consumption	10,634
16	179-134	Tax Variance	(60)
17	179-135	Unaccounted for Gas (UFG) Volume Variance Account	-
18	179-136	Parkway West Project Costs	(337)
19	179-137	Brantford-Kirkwall/Parkway D Project Costs	583
20	179-138	Parkway Obligation Rate Variance	-
21	179-139	Energy East Pipeline Consultation Costs	138
22	179-141	Unaccounted for Gas (UFG) Price Variance Account	(590)
23	179-142	Lobo C Compressor/Hamilton-Milton Pipeline Project Costs	(338)
24	N/A	2014 Earnings Sharing Adjustment	<u>(227)</u>
25	Total Other Accounts (Lines 9 through 24)		<u>11,677</u>
26	Total Deferral Account Balances (Lines 7 + 8 + 25)		<u>23,103</u>

Notes:

¹ Account balances include interest to September 30, 2016.

² With the exception of UDC (No. 179-108), Gas Supply Review Consultant Costs (No. 179-128), Upstream Transportation Optimization (No. 179-131), Deferral Clearing Variance Account (No. 179-132) related to Supply and Transport, and a portion of the Spot Gas Variance Account (No. 179-107), all gas supply-related deferral account balances are disposed of through the QRAM process.

³ Deferral Clearing Variance Account (No. 179-132) total balance of \$3,180 (\$173 + \$1,679 + \$1,328)

APPENDIX D
DECISION AND RATE ORDER

UNION GAS LIMITED

EB-2016-0118

AUGUST 4, 2016

**UNIT RATES FOR PROSPECTIVE RECOVERY / (REFUND) & ONE-TIME
ADJUSTMENT, AND STORAGE AND TRANSPORTATION SERVICE (EX-
FRANCHISE) AMOUNTS FOR DISPOSITION**

UNION GAS LIMITED
 General Service Unit Rates for Prospective Recovery/(Refund) - Delivery
2015 Deferral Account Disposition

Line No.	Particulars	Rate Class	2015 Deferral Balances (\$000's) (a)	Earnings Sharing Mechanism (\$000's) (b)	Deferral Balance for Disposition (\$000's) (c) = (a+b)	Forecast Volume (10 ³ m ³) (1) (d)	Unit Rate for Prospective Recovery/(Refund) (cents/m ³) (e) = (c/d)*100
1	Small Volume General Service	01	4,929	(41)	4,889	790,336	0.6186
2	Large Volume General Service	10	1,230	(6)	1,224	258,683	0.4730
3	Small Volume General Service	M1	5,476	(89)	5,387	2,359,719	0.2283
4	Large Volume General Service	M2	1,451	(13)	1,438	882,624	0.1629

Notes:

(1) Forecast volume for the period October 1, 2016 to March 31, 2017.

UNION GAS LIMITED
 General Service Unit Rates for Prospective Recovery/(Refund) - Gas Supply Transportation
2015 Deferral Account Disposition

Line No.	Particulars	Rate Class	2015 Deferral Balances (\$000's) (a)	Earnings Sharing Mechanism (\$000's) (b)	Deferral Balance for Disposition (\$000's) (c) = (a+b)	Forecast Volume (10 ³ m ³) (1) (d)	Unit Rate for Prospective Recovery/(Refund) (cents/m ³) (e) = (c/d)*100
1	Small Volume General Service	01	4,024	-	4,024	790,336	0.5091
2	Large Volume General Service	10	1,368	-	1,368	257,433	0.5312

Notes:

(1) Forecast volume for the period October 1, 2016 to March 31, 2017.

UNION GAS LIMITED
 Unit Rates for Prospective Recovery/(Refund) - Gas Supply Commodity
2015 Deferral Account Disposition

Line No.	Particulars	Rate Class	2015 Deferral Balances (\$000's) (a)	Earnings Sharing Mechanism (\$000's) (b)	Deferral Balance for Disposition (\$000's) (c) = (a+b)	Forecast Volume (10 ³ m ³) (1) (d)	Unit Rate for Prospective Recovery/(Refund) (cents/m ³) (2) (e) = (c/d)*100
1	Small Volume General Service	M1	4,218	-	4,218	2,104,190	0.1957
2	Large Volume General Service	M2	807	-	807	457,042	0.1957
3	Firm Com/Ind Contract	M4	36	-	36	19,180	0.1957
4	Interruptible Com/Ind Contract	M5	19	-	19	5,994	0.1957
5	Special Large Volume Contract	M7	17	-	17	17,842	0.1957
6	Small Wholesale	M10	0	-	0	279	0.1957
7	Total				5,097	2,604,528	0.1957

Notes:

- (1) Forecast sales service volumes for the period October 1, 2016 to March 31, 2017.
- (2) Unit rate for prospective recovery/refund for each rate class equal to the gas supply commodity weighted-average unit rate.

UNION GAS LIMITED
 Contract Unit Rates for One-Time Adjustment - Delivery
2015 Deferral Account Disposition

Line No.	Particulars	Rate Class	2015 Deferral Balances (\$000's) (a)	Earnings Sharing Mechanism (\$000's) (b)	Deferral Balance for Disposition (\$000's) (c) = (a+b)	2015 Actual Volume (10 ³ m ³) (d)	Unit Rate (cents/m ³) (e) = (c/d)*100
<u>Union North</u>							
1	Medium Volume Firm Service (1)	20	(1)	(1)	(1)	102,074	(0.0013)
2	Medium Volume Firm Service (2)	20T	(2)	(4)	(6)	438,518	(0.0013)
3	Large Volume High Load Factor (2)	100T	(0)	(3)	(4)	1,398,188	(0.0003)
4	Large Volume Interruptible	25	5	(1)	4	147,757	0.0026
<u>Union South</u>							
5	Firm Com/Ind Contract	M4	(14)	(3)	(17)	457,209	(0.0038)
6	Interruptible Com/Ind Contract	M5	(54)	(3)	(57)	208,864	(0.0271)
7	Special Large Volume Contract	M7	(9)	(1)	(10)	427,949	(0.0023)
8	Large Wholesale	M9	(3)	(0)	(3)	66,511	(0.0048)
9	Small Wholesale	M10	0	(0)	0	301	0.0542
10	Contract Carriage Service	T1	18	(2)	15	443,869	0.0035
11	Contract Carriage Service	T2	163	(10)	152	4,365,603	0.0035
12	Contract Carriage- Wholesale	T3	19	(1)	17	263,235	0.0066

Notes:

- (1) Sales and Bundled-T customers only.
- (2) T-Service customers only.

UNION GAS LIMITED
 Contract Unit Rates for One-Time Adjustment - Gas Supply Transportation and Bundled Storage
2015 Deferral Account Disposition

Line No.	Particulars	Rate Class	2015 Deferral Balances (\$000's) (a)	Earnings Sharing Mechanism (\$000's) (b)	Deferral Balance for Disposition (\$000's) (c) = (a+b)	2015 Actual Volume/ Demand (d)	Billing Units	Unit Volumetric/ Demand Rate (e) = (c/d)*100
<u>Gas Supply Transportation (cents/m³)</u>								
1	Medium Volume Firm Service	20	322	-	322	5,688	10 ³ m ³ /d	5.6607
2	Large Volume Interruptible	25	103	-	103	97,426	10 ³ m ³	0.1062
<u>Storage (\$/GJ)</u>								
3	Bundled-T Storage Service	20T/100T	6	-	6	147,504	GJ/d	0.0389

UNION GAS LIMITED
 Storage and Transportation Service Amounts for Disposition
2015 Deferral Account Disposition

Line No.	Particulars (\$000's) (1)	Rate Class	2015 Deferral Balances (a)	Earnings Sharing Mechanism (b)	Deferral Balance for Disposition (c)
1	Storage and Transportation	M12	(793)	(47)	(841)
2	Local Production	M13	(8)	(0)	(8)
3	Short-Term Cross Franchise	C1	5	(0)	4
4	Storage Transportation Service	M16	(5)	(0)	(5)

Notes:

- (1) Exfranchise Rate M12, Rate M13, Rate M16 and Rate C1 customer specific amounts determined using approved deferral account allocation methodologies.