Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

EB-2010-0231

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

AND IN THE MATTER OF an Application by Enbridge Gas Distribution Inc. for an order or orders approving a system reliability Settlement Agreement.

BEFORE: Marika Hare
Presiding Member

Paula Conboy
Member

DECISION AND ORDER

Enbridge Gas Distribution Inc. ("Enbridge") filed an application on July 15, 2010 (the "Application") with the Ontario Energy Board (the "Board") under section 36 of the *Ontario Energy Board Act, 1998*, S.O. c.15, Sched. B, as amended, for an order or orders of the Board approving a system reliability Settlement Agreement (the "Settlement Agreement") and approving changes to rates in order to give effect to the provisions of the Settlement Agreement. The Application included the Settlement Agreement, supporting evidence and minutes of meetings of stakeholder consultations. The Board assigned File Number EB-2010-0231 to this application.

Background

In Enbridge's 2009 rates proceeding, EB-2008-0219, Enbridge raised a system reliability matter for the Board's consideration. System reliability in this context refers to Enbridge's assuredness that the required gas deliveries will materialize on peak days. The trend in recent years was towards a lower proportion of shippers' gas deliveries arriving via firm transportation arrangements. This trend gave rise to Enbridge's concern about the reliability of the system. The issue went to hearing, and in the Board's Phase 2 Decision and Order released on July 14, 2009, Enbridge was directed to file an application with the intention of having a long term resolution for system reliability in place for the 2010/2011 winter season. The Board also stated its expectation that the application would include evidence of a stakeholder consultation on the issue of system reliability. Enbridge initiated a consultation process and held a number of meetings commencing in August 2009 and concluding in early summer 2010.

At the conclusion of the consultation process, the parties reached a full settlement on a resolution to the system reliability matter. A broad group of stakeholders representing a wide spectrum of interests in the Ontario gas industry participated in the consultation and signed on to the Settlement Agreement. None of the stakeholders opposed the Settlement Agreement.

The Settlement Agreement

The Settlement Agreement sets out the terms of a long term resolution of the system reliability issue. It is based on the following elements:

- Assignment of 50,000 GJ/day of short haul transportation capacity and replacement of that capacity with Short Term Firm Transportation ("STFT");
- Replacement of peaking supplies. Enbridge will reduce the amount of peaking supplies in its gas supply portfolio by 200,000 GJ/day and will replace those supplies with STFT;
- Changes to the terms of service for large volume customers in order to enhance the effectiveness and reliability of gas supply planning;
- Revisions to the curtailment rules and practices in order to increase the effectiveness and reliability of curtailment; and,
- Turnback provisions will be changed to place restrictions and administrative requirements for the turnback of firm transportation capacity.

The specific details of the elements above are included in the Settlement Agreement, attached as Appendix "A" to this Decision and Order.

Process

The Board issued the Notice of Application on July 26, 2010 and Procedural Order No. 1 on August 6, 2010.

In Procedural Order No.1 the Board set out a process for parties to ask questions and make submissions on the Application. Board staff asked three interrogatories. The Canadian Manufacturers & Exporters made a submission on August 18, 2010 in which it urged the Board to approve the Settlement Agreement. Enbridge replied on August 20, 2010 and requested that the Board move quickly to approve the Settlement Agreement. There were no other submissions.

Board staff interrogatories asked Enbridge to confirm the ratepayer bill impacts that were shown in the Settlement Agreement. Board staff also asked Enbridge to confirm that the gas cost increases will be built into the forecast gas acquisition costs and that variances will be captured within the Purchased Gas Variance Account. Enbridge confirmed both of these questions but noted that the cost impacts may change based on prevailing market conditions in the gas markets and the prevailing transportation tolls. A third question dealt with whether in Enbridge's view the changes will achieve the desired level of system reliability. Enbridge replied that it would but it may need to make further adjustments if there are material changes in demand, supply or the availability of transport to its franchise area.

The Board notes that Enbridge, in its Application, has requested that the Settlement Agreement be approved prior to September 1, 2010 in order to allow for its implementation for the upcoming 2010/2011 winter season. Appendix "B" to the Settlement Agreement lists the changes required to the rate handbook to give effect to some of the elements of the Settlement Agreement. Enbridge proposed in its August 20, 2010 letter that the rate handbook changes be implemented as part of its October 1, 2010 Quarterly Rate Adjustment Mechanism ("QRAM") filing.

Decision

The Board has reviewed the Settlement Agreement and considered the rationale underlying the Settlement Agreement and has found it to be adequate. The Board also finds that the quality and detail of the supporting evidence is sufficient to allow the Board to make findings on all of the matters of concern. The Board accepts the Settlement Agreement in its entirety and finds that it is in the public interest. Lastly, the Board commends Enbridge on the thoroughness of its consultative process which led to unanimous acceptance of the actions to improve system reliability. Enbridge should proceed to implement the provisions of the Settlement Agreement as soon as possible for the upcoming 2010/2011 winter season.

THE BOARD ORDERS THAT:

1. The October 1, 2010 QRAM filing shall include the rate handbook changes as contemplated in Appendix "B" to the Settlement Agreement.

DATED at Toronto, August 26, 2010
ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX “A”

SETTLEMENT AGREEMENT

System Reliability

EB-2010-0231

SETTLEMENT AGREEMENT

ENBRIDGE GAS DISTRIBUTION INC.

SYSTEM RELIABILITY

JULY 15, 2010

TABLE OF CONTENTS

I. BACKGROUND AND CONTEXT

In its EB-2008-0219 Phase 2 Decision and Order issued on July 14, 2009, the Ontario Energy Board (the "Board") addressed a "system reliability issue"[1] raised by Enbridge Gas Distribution Inc. ("Enbridge"). The Decision set out an interim resolution of the issue that would be in place for the upcoming winter of 2009/2010 and that would remain in place until a long term resolution has been approved by the Board.

In the Decision, the Board went on to state its view that a long term resolution of the system reliability issue is needed. The Board directed Enbridge to bring forward an application with the intention of having the long term resolution implemented for the winter of 2010/2011. The Board also stated its expectation that, for the hearing of the long term resolution, evidence of stakeholder consultation would be brought forward. In order to fulfill the Board's expectation, Enbridge initiated a consultation process with stakeholders to consider a long term solution to the system reliability issue.

The initial meeting of the consultative was held on August 13, 2009. The consensus of the participants in this consultative meeting was that a smaller group (the "Working Group") should be created to continue discussions about a long term resolution of the system reliability issue and that the Working Group should report back to the broader group of participants (the "Consultative Group"). At a second meeting of the consultative on October 16, 2009, the following were chosen as members of the Working Group:

Canadian Manufacturers & Exporters (CME)
Industrial Gas Users Association (IGUA)
Union Gas Limited (Union)
TransCanada PipeLines Limited (TCPL)
Shell Energy North America (Canada) Inc.
Aegent Energy Advisors Inc. (Aegent)
Consumers Council of Canada/Vulnerable Energy Consumers Coalition (CCC/VECC)
Direct Energy Marketing Limited (Direct)
Enbridge.

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[1] In this Background and Context section of the Settlement Agreement, the words "system reliability issue" are quoted from the EB-2008-0219 Phase 2 Decision and Order.

The Working Group met on November 20, 2009, January 21, 2010, February 25, 2010, April 8, 2010 and April 30, 2010 to discuss the system reliability issue. Discussions on the issue advanced to the point where the members of the Working Group agreed that it would be of value to hold a settlement meeting to consider whether the Working Group could agree on a long term resolution. A further consultative meeting of the Working Group was held during the morning of May 17, 2010. The settlement meeting of the Working Group began in the afternoon of May 17th and continued on May 18th.

By the conclusion of the settlement meeting on May 18th, the Working Group had agreed on the components of a proposal for a long term resolution to the system reliability issue (referred to in the following provisions of this agreement as the "Long Term Resolution") to be presented to the Consultative Group. The Working Group reported back to the Consultative Group with regard to this proposal on June 15, 2010 and a further meeting of the Consultative Group took place on June 23, 2010. In addition to the members of the Working Group, the participants in the Consultative Group are as follows:

Access Gas Services Inc. (Access)
Association of Power Producers of Ontario (APPrO)
Building Owners and Managers Association of Greater Toronto (BOMA)
BP Canada (BP)
E2 Energy Inc. (E2)
ECNG Energy L.P. (ECNG)
Energy Probe Research Foundation (Energy Probe)
Federation of Rental-Housing Providers of Ontario (FRPO)[2]
Jason F. Stacey
Just Energy Ontario L.P. (Just Energy)
Ontario Association of Physical Plant Administrators (OAPPA)
Superior Energy Management Gas L.P. (Superior)

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[2] By letter dated May 27, 2010, the Board granted late intervention status to FRPO.

II. SETTLEMENT PREAMBLE

As a result of the consultative process, the Consultative Group has reached agreement on all aspects of the Long Term Resolution of the system reliability issue. Board Staff has attended meetings during the consultative process, but it is not a party to this Settlement Agreement. Certain members of the Consultative Group are of the view that Enbridge has been unable to establish to their satisfaction that it does, in fact, have a system reliability problem by reason of the level of firm upstream transportation arrangements to its franchise areas. Nevertheless, these parties recognize that the Board has acknowledged Enbridge's system reliability concern, and accept that the Long Term Resolution addresses Enbridge's concerns, and should address any concerns of the Board, in a manner that is minimally intrusive of the market and that minimizes ratepayer costs.

The facts supporting this Settlement Agreement are found in the record of information exchanged and discussed at, or in conjunction with, the meetings of the Consultative Group and of the Working Group. The parties are of the view not only that this record supports the Settlement Agreement but also that the quality and detail of the record, together with the corresponding rationale set out in Appendix A to this agreement, will allow the Board to accept the Long Term Resolution.

The parties to the settlement all agree that this Settlement Agreement is a package: the individual aspects of this agreement are inextricably linked to one another and none of the parts of this settlement are severable. As such, there is no agreement among the parties to settle any aspect of the issues addressed in this Settlement Agreement in isolation from the balance of the issues addressed herein. The parties agree, therefore, that in the event that the Board does not accept this Settlement Agreement in its entirety, then there is no agreement. If the Board does not accept the Settlement Agreement, Enbridge will file an application seeking approval of a proposal for a long term resolution of the system reliability issue and the parties to this Settlement Agreement will be at liberty to take such positions as they see fit in respect of that application. More specifically, the efforts of the parties to reach a settlement of the system reliability issue will not in any way prejudice the positions that they may take in the event that the Settlement Agreement is rejected by the Board.

Further, the agreement by the parties on the Long Term Resolution in this case will not in any way prejudice the positions that they may take in future proceedings, particularly if issues relating to Enbridge's system reliability are reconsidered.

While the consultative process under which this settlement was reached was not formally initiated by the Board under Rule 31 of the *Ontario Energy Board Rules of Practice and Procedure*, the parties agree that it is appropriate that Rules 31.09, 31.10 and 32 apply to the settlement process and this Settlement Agreement.

Enbridge is not seeking recovery of any administrative, system, and internal process change costs that may be over and above what is provided for in the existing IR framework unless expressly set out in this Agreement.

III. TERMS OF SETTLEMENT

The Long Term Resolution of the system reliability issue agreed to by the Consultative Group consists of the following terms.

1. Assignment of Short Haul Capacity

Enbridge has contracted with TCPL for short haul firm transportation capacity from Dawn, Ontario to TCPL's Enbridge Central Delivery Area ("CDA"). Subject to the Annual Review described below, Enbridge will assign[3] 50,000 GJ/day of this short haul firm transportation capacity to agents for mass market customers[4] that meet the definition of "Agent" below and Enbridge will replace the assigned capacity with an equivalent volume of TCPL Short Term Firm Transportation ("STFT") capacity from Empress, Alberta that it will secure annually, or if economic, equivalent firm transportation.[5] The cost consequences of this component of the Long Term Resolution will be recovered from sales and Western-T service customers allocated by volume, pursuant to the Board-approved cost allocation and rate design methodology.

[3] Each such assignment of short haul firm transportation capacity will be a "temporary assignment", as that term is used by TCPL.
[4] Mass market customers are those in the general service rate classes, which currently are Rate 1, Rate 6 and Rate 9.
[5] Should Enbridge contract for any such equivalent firm transportation as part of the Long Term Resolution, it will include a note in its QRAM filing to that effect.

The customer bill impacts of this component of the Long Term Resolution are set out at page 11 of Appendix A.

For the purpose of the temporary assignment of short haul firm transportation capacity, an agent is defined to be an agent for mass market customers that has signed a Master Services Agreement with Enbridge and that more particularly meets all of the following criteria:

(i) the agent has created a pool of non-affiliated customers, such that the agent does not own a controlling interest (50% or more) of all of the entities served at the gas delivery locations included within the pool;
(ii) the agent has on file for presentment executed Agency Appointment Letters for all customers included in the pool; and
(iii) the agent has a total mass market Ontario T-service ("OTS") Mean Daily Volume ("MDV") delivery obligation of 1,500 GJ/day or more.

An agent within the meaning of this definition will be referred to as an "Agent' in the following provisions of this Settlement Agreement.

The temporary assignment of short haul firm transportation capacity to an Agent by Enbridge will be mandatory and will be made on the following terms:

(i) each assignment will be for a one year period (the "Assignment Year") and will commence on November 1st, starting with November 1, 2010;
(ii) the amount of transportation capacity assigned to each Agent for each Assignment Year will be determined using an allocation methodology (the "Allocation Methodology") on a date in the immediately preceding year (the "Allocation Date") that accommodates the procurement of STFT by Enbridge when first offered by TCPL for the winter season of the Assignment Year;
(iii) the steps in the Allocation Methodology are as follows:

(a) for each Agent, calculate the total of all mass market account MDV's within the Agent's OTS pools (excluding any large volume account MDVs);

(b) calculate the total of all mass market OTS MDV's (excluding any large volume account MDVs) for all Agents ("Total Mass Market OTS Volumes"); and

(c) for each Agent, divide the total derived from step (a) by the Total Mass Market OTS Volumes derived from step (b) and multiply this amount by 50,000 GJ/day, or such other amount as is determined under the Annual Review described below, to arrive at the amount of short haul firm transportation capacity that will be assigned to the Agent.

(iv) prior to the end of the term of each group of one-year assignments, the transportation capacity to be assigned to each Agent for the next Assignment Year will be determined on the Allocation Date using the Allocation Methodology; and

(v) the total amount of short haul firm transportation capacity to be assigned to Agents by Enbridge will be reviewed annually as of the Allocation Date (the "Annual Review") and the capacity to be assigned for each Assignment Year will be determined in the following manner:

(a) the total amount of short haul firm transportation capacity to be assigned to Agents for the Assignment Year beginning November 1, 2010 is 50,000 GJ/day;

(b) as of each subsequent Allocation Date, the ratio of 50,000 GJ/day to Total Mass Market OTS Volumes will be determined;

(c) if the ratio calculated under (b), above, is such that 50,000 GJ/day represents no more than 40% of Total Mass Market OTS Volumes, then the total amount of short haul firm transportation capacity to be allocated to Agents for the following Assignment Year will be 50,000 GJ/day;

(d) if the ratio calculated under (b) above, is such that 50,000 GJ/day represents more than 40% of Total Mass Market OTS Volumes, then the total amount of short haul firm transportation capacity to be allocated to Agents for the following Assignment Year will be adjusted (that is, decreased below 50,000 GJ/day) to a level that represents 40% of Total Mass Market OTS Volumes; and

(e) in no event will there be an adjustment resulting from the Annual Review under this provision of the Settlement Agreement that increases the total capacity of short haul firm transportation to be assigned above 50,000 GJ/day.

The 50,000 GJ/day of STFT capacity contracted for annually by Enbridge will be for the months of November, December, January, February and March and this STFT service, or the equivalent firm transportation capacity referred to above, will be acquired throughout the term of the Long Term Resolution, unless otherwise agreed to by the parties or ordered by the Board.

2. Replacement of Peaking Supplies

As part of its gas supply portfolio, Enbridge contracts for peaking supplies that are utilized in peak and near-peak conditions. Peaking supplies are pre-contracted arrangements for delivered supply to Enbridge's franchise area that it can call upon, typically on at least ten days during the winter season.

Enbridge will reduce the amount of peaking supplies held under contract as part of its gas supply portfolio by 200,000 GJ/day and it will replace these peaking supplies with an equivalent volume (200,000 GJ/day) of TCPL STFT service from Empress that it will secure annually, or, if economic, equivalent firm transportation.[6] The 200,000 GJ/day of STFT service contracted for annually by Enbridge will be for a period of three months (not limited to calendar months) over the winter throughout the term of the Long Term Resolution, unless otherwise agreed to by the parties or ordered by the Board. The STFT service will be utilized in lieu of an equivalent amount of peaking supplies in peak

[6] Should Enbridge contract for any such equivalent firm transportation as part of the Long Term Resolution, it will include a note in its QRAM filing to that effect.

and near-peak conditions. In addition, STFT service will be used to displace other winter purchases, when it is economic and operationally appropriate to do so. The cost consequences of this component of the Long Term Resolution will be recovered from all customers using the deliverability allocator (that is, rate class demand in excess of its average winter demand) under the Board approved cost allocation and rate design methodology and the benefits associated with displacement of other winter purchases will be allocated by volume to sales and Western-T service customers. The customer bill impacts of this component of the Long Term Resolution are set out at page 14 of Appendix A.

3. Terms of Service for Large Volume Customers

The terms of service for Large Volume customers will be changed in order to enhance the effectiveness and reliability of gas supply planning. These changes will require revisions to Enbridge's Rate Handbook, as set out in Appendix B to this Settlement Agreement. The changes to the terms of service are as follows:

(i) Currently, the Rate Handbook is silent with regard to the notice that must be given by large volume customers to Enbridge in order to suspend deliveries.[1] The Rate Handbook will be revised to state that a large volume customer must deliver its MDV to Enbridge, but that the customer may suspend delivery, fully or partially, of its MDV without authorization from Enbridge, provided that the customer gives notice to Enbridge of the suspension, and of the customer's intent to decrease consumption in tandem with the suspension, at least two full business days before the suspension will commence. Notices of suspension must be given in accordance with Enbridge's Business Transaction Rules.

(ii) Failure to provide proper notice will result in Unauthorized Supply Overrun Gas calculated as the difference between Daily Delivered Volume and the Mean Daily Volume.

(iii) Currently, the contracts for service to large volume customers contain provisions regarding Enbridge's rights in the event of non-compliance by a customer, but these provisions require additional clarity, particularly with respect to Enbridge's right to suspend gas distribution services. The provisions of these contracts will be revised to state that Enbridge may suspend service to a customer taking Unauthorized Supply Overrun Gas or to a customer that has failed to deliver its MDV to Enbridge and that has not given notice that meets the requirements set out in paragraph 3(i), above. Enbridge will amend the wording of its Large Volume Distribution Contract to put into effect this element of the Settlement Agreement, including changes to Part 4.1, Unauthorized Overrun Gas, and Part 6.2, Suspension of Company's Obligations.

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[1] Such suspension is distinct from requests by customers to suspend deliveries for purposes of balancing their banked gas account(s) ("BGA"). These BGA balancing suspensions are pre-authorized by Enbridge through EnTRAC. Enbridge is changing its EnTRAC Business Transaction Rules for pre-authorized suspension and make-up requests to reduce the minimum notice period from five business days to two business days. Two business days is the minimum notice that the Company can accommodate based on current operational and system constraints.

4. Curtailment

Enbridge relies on curtailment of interruptible customers in order to meet peak demands on its system. As part of the Long Term Resolution, steps will be taken to increase the effectiveness and reliability of curtailment, which in turn will increase the effectiveness and reliability of Enbridge's gas supply planning. These steps will require revisions to Enbridge's Rate Handbook, as set out in Appendix B to this Settlement Agreement. The steps to increase the effectiveness of curtailment are as follows:

(i) Enbridge's Rate Handbook provides, in respect of interruptible service under Rate 145, that service shall be subject to curtailment upon the Company issuing a notice not less than 72 hours prior to the time at which curtailment is to commence, and that the customer may, by contract, agree to a shorter notice period. The curtailment credit rates are based on a 16 hour notice period and a 72 hour notice period. Curtailment of service that requires a notice period of 72 hours is no longer an effective part of Enbridge's gas supply planning. Interruptible service on 72 hours notice under Rate 145 will therefore be eliminated. This will require changes to the Rate Handbook that include changing the reference to 72 hours notice under "Character of Service" to 16 hours and removing the curtailment credit for interruptible service with a 72 hour notice period.

(ii) The provisions of the Rate Handbook currently provide that a customer that has taken Unauthorized Supply Overrun Gas is deemed to have purchased such volume of gas at 150% of the <u>average</u> price on each day on which an overrun occurred for the calendar month as published by the Gas Daily for the Niagara and Iroquois export points for the CDA and the EDA delivery areas respectively. The current provisions of the Rate Handbook also state that the third instance of an interruptible customer taking Unauthorized Overrun Gas may result in the customer forfeiting the right to be served under the interruptible rate schedule. The effectiveness of curtailment will be improved by establishing more appropriate penalties that will apply in the event that a customer fails to comply with a curtailment notice. The wording of the Rate Handbook will be changed to state that, when a customer takes Unauthorized Supply Overrun Gas, the customer shall purchase gas at 150% of the <u>highest</u> price on each day on which an overrun occurred (rather than 150% of the <u>average</u> price). The wording will also be changed to state that, when a customer takes a material volume of Unauthorized Supply Overrun Gas during a period of ordered curtailment, the customer will forfeit its curtailment credits for the respective winter season of December through March inclusive. Finally, the wording which now states that the third instance in a contract year when a customer takes Unauthorized Overrun Gas may result in the customer forfeiting the right to be served under an interruptible rate will be changed to say that any instance when a customer takes a material volume of Unauthorized Supply Overrun Gas during a period of ordered curtailment may result in the customer forfeiting the right to receive interruptible service.

(iii) The Rate Handbook does not currently contain an explicit requirement that customers receiving service under an interruptible rate have a demonstrable ability to curtail their consumption. The effectiveness of curtailment will be improved by ensuring that customers who receive service under an interruptible rate do indeed have the ability to curtail upon receipt of the prescribed notice from Enbridge, rather than relying solely on Curtailment Delivered Supply.[2] This will be accomplished by changes to the wording in the Rate Handbook for Rates 145 and 170 to state that service under these Rates is available only to customers who have a demonstrated capability to cease or reduce operations, or to utilize a backup fuel, in order to curtail their consumption of natural gas in accordance with a curtailment notice.

Enbridge will report on curtailment compliance in its application filed with the Board for 2013 rates.

5. Turnback

Rider A, Transportation Service Rider, in the Rate Handbook contains provisions with respect to TCPL Firm Transportation (FT) capacity turnback. These provisions are applicable to Ontario T-Service customers who have been or will be assigned TCPL capacity by Enbridge. Rider A states that Enbridge will accommodate TCPL capacity turnback to the extent that it is allowed to turnback FT capacity to TCPL and in a manner that minimizes stranded and other transitional costs. Rider A also states that

[2] Curtailment Delivered Supply ("CDS") refers to additional supply that a customer plans to deliver to the Enbridge franchise area in order to be able to continue consuming in the face of a request for curtailment

Enbridge is committed to maintaining the integrity of its distribution system and the sanctity of all contracts. Rider A currently is silent with respect to turnback for Western-T Service customers, but in the past Enbridge has accommodated a level of turnback for these customers.

These provisions will be changed to place restrictions on the turnback of FT capacity, in view of Enbridge's concern about firm transportation arrangements to its franchise areas and because FT capacity turnback affects Enbridge's operational ability to meet winter demand using TCPL's Storage and Transportation Service (STS), as such STS entitlement is available based on contracted long haul FT capacity. The turnback changes will require revisions to Enbridge's Rate Handbook, as set out in Appendix B to this Settlement Agreement. The changes to the turnback provisions of Rider A are as follows:

(i) The "Applicability" provision will be changed to include both Ontario T-service customers and Western T-service customers;

(ii) Paragraphs 1, 3 to 7 inclusive and 9 of the "Terms and Conditions of Service" will be removed and replaced with the new paragraph 1 that follows below. The remaining paragraphs of the Terms and Conditions of Service will be re-numbered accordingly. The new paragraph 1 of the Terms and Conditions of Service is:

1. The Company will accommodate TCPL FT capacity turnback requests from customers, but only if it can do so in accordance with the following considerations:

i. The TCPL FT capacity to be turned back must be replaced with alternative, contracted firm transportation (primary capacity or assignment) of equivalent quality to the TCPL FT capacity;

ii The amount of TCPL turnback capacity that Enbridge otherwise may accommodate may be reduced to address the impact of stranded costs, other transitional costs or incremental gas costs arising from any turnback request that reduces flexibility to meet winter demand using TCPL STS; and iii Enbridge will act in a manner that maintains the integrity and reliability of the gas distribution system and that respects the sanctity of contracts.

The new paragraph 2 is "Request for TCPL Turnback must be made in writing to the attention of Enbridge's Direct Purchase Group". This paragraph has been restated to reflect the new administrative process resulting from the Turnback changes listed above in Section V.

These new provisions of Rider A will not apply to any existing turnback arrangements or pending turnback requests that have been accepted by Enbridge prior to the final adoption of the new turnback wording in the Rate Handbook.

IV. MATERIAL CHANGE IN CIRCUMSTANCES

In the event of a change in circumstances that affects security of supply to Enbridge's franchise area and/or the Long Term Resolution in any material way ("Material Change"), Enbridge will review the implications of the change and, within a reasonable period of time after the change has become known, will report to the parties to this Settlement Agreement regarding the implications of the change on system reliability and/or the Long Term Resolution. For this purpose, a Material Change will include, but not be limited to, the following:

~ construction of new facilities that increase the availability of short haul firm transportation service to Enbridge's franchise area

~ a material change in the availability of TCPL discretionary services

~ the conclusion from any future Board process that addresses matters relevant to Enbridge's system reliability.

While Enbridge will be responsible to monitor market or regulatory developments for a Material Change, nothing in this agreement precludes any party from bringing its concerns regarding a Material Change to the Board for consideration of any impact on the Long Term Resolution.

V. AGREEMENT OF THE PARTIES

TCPL and Union do not oppose, but take no position on, the settlement set out in this Settlement Agreement. VECC does not oppose, but takes no position on, part 1 of the Terms of Settlement (Assignment of Short Haul Capacity), and the resulting cost consequences; VECC agrees with the remainder of the settlement. FRPO does not oppose, but takes no position on, part 2 of the Terms of Settlement (Replacement of Peaking Services); FRPO agrees with the remainder of the settlement. All other members of the Working Group or the Consultative Group agree with the settlement set out in this Settlement Agreement.

DATED at Toronto, Ontario July 15, 2010.

ENBRIDGE

EGD Presentation to Stakeholders on System Reliability Issue

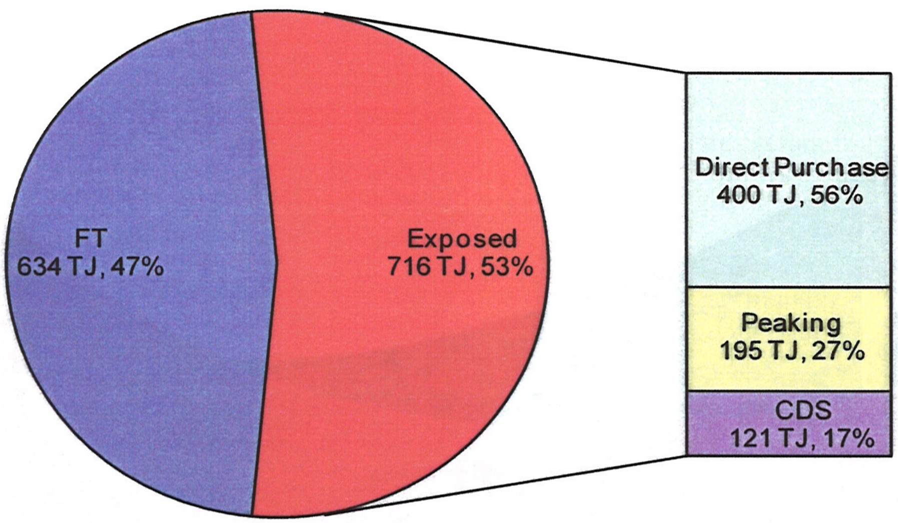
June 15, 2010

Filed: 2010-07-19
EB-2010-0231
Exhibit C
Tab 1
Schedule 1
Appendix A

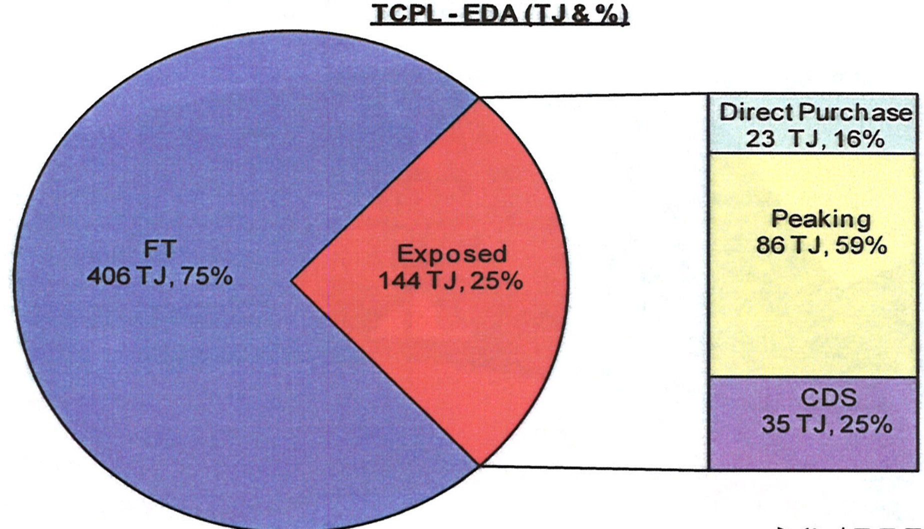
System Reliability Issue as identified by Enbridge

- Extensive use of TCPL's discretionary (non-FT) services to meet firm service commitments to end use customers creates a system reliability concern on peak day
- Use of discretionary transport exceeds 50% and 20% of TCPL deliveries in the CDA and EDA respectively on peak day
- With the exception of pre-contracted STFT, other discretionary services are less reliable in respect of terms of service under extreme weather and pipeline outage situations
- Upstream pipeline outages are often correlated with extreme weather events particularly in low utilization situations
- A supply shortfall in the franchise could result in loss of service to end use customers

TCPL - CDA (TJ & %)



TCPL - EDA (TJ & %)



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EB-2010-0231
Exhibit C
Tab 1
Schedule 1
Appendix A

Description of TCPL Discretionary Services

- Not all discretionary services are of the same quality
- Pre-contracted STFT is closest in quality to FT

	Pros	Cons
STFT	High priority High availability if pre-contracted	Lower availability in event of extreme weather or outages if not pre-contracted Not renewable
Upstream Diversion	High priority	Requires deal with FT holder
Downstream Diversion		Low priority
IT		Lowest priority

Recent Outages and Potential Impact on EGD Customers

- In 2009 TCPL had two outages
  - In Jan 2009, TCPL had a capacity reduction of 600 TJ due to loss of compression. Supply shortfall at the timely window was confirmed at subsequent intra day windows
  - In Sept 2009, TCPL had a capacity reduction of ~1770 TJ due to line break. Given the prevailing demand conditions, there was no impact on supply
- Assuming no discretionary services were successfully acquired to serve EGD's franchise, the table below shows the maximum potential supply shortfall of these events on peak day
  - A residential customer consumes 1 GJ on peak day. The supply shortfall below could result in an equivalent number of residential customers losing service
  - An outage to 100,000 residential customers could take up to 2 weeks to restore

Upstream Pipeline Capacity Outage Scenario (GJ)	600,000 Jan 2009	1,770,000 Sep 2009
EGD potential GJ shortfall/equivalent residential customer impact	176,000	860,000

ENBRIDGE

How can EGD's System Reliability Concerns be Addressed in the Longer Term? (In Response to the Board's Direction)

- Firm Transport
  - Ensure that a significant proportion of peak day requirements are met through FT and pre-contracted winter period STFT
- Load Shedding
  - Ensure that Large Volume customers who fail to deliver cease consumption
  - Verify that interruptible customers are truly able to cease consumption or switch to an alternate fuel rather than rely solely on curtailment delivered supplies
- Changes to Turnback Policy
  - Turnback capacity must be replaced with alternative contracted firm transportation of equivalent quality to TCPL FT capacity
  - EGD may reduce FT Turnback volume if it reduces flexibility to meet winter demand using TCPL's Storage Transportation Service (STS)

Filed: 2010-07-19
EB-2010-0231
Exhibit C
Tab 1
Schedule 1
Appendix A

System Reliability Working Committee Presentation to Stakeholders

June 15, 2010

Filed: 2010-07-19
EB-2010-0231
Exhibit C
Tab 1
Schedule 1
Appendix A

AGENDA

1. Description of EGD Proposal
2. Description of Components, Rationale and Customer Impacts of EGD Proposal
3. Proposal Matrix – Impact on System Reliability, Ratepayer Costs and Implementation
4. Impact of the Proposal on System Reliability
5. Conclusion

EGD – Original Proposal

EGD Objectives

- Address system reliability at reasonable cost
- Minimize impact on competitive market
- Establish longer term resolution

EGD Proposal to Working Committee

✓ Mass Market retailers receive a temporary assignment of 50,000 GJ/d of short haul capacity to CDA. EGD replaces assignment with STFT for five months for sales customers

✓ EGD replaces 200,000 GJ/d of peaking supplies with STFT for three months

X *Acquire 80,000 GJ/d of STFT for Three Months to Provide a Reserve Margin*

✓ Rate Handbook & Contract Changes to LV Firm Service

✓ Increase Effectiveness of Curtailment

✓ Changes to Turnback Policy

1. Assignment of Shorthaul Component

- EGD will provide a temporary assignment (Nov 1) to mass market retailers of 50,000 GJ/d of short haul capacity from Dawn to CDA
- EGD will replace the assignment with STFT (Nov to March) from Empress, AB to EGD CDA or, if economic, equivalent firm transportation
- Assignment criteria
    - Mandatory for agents with General Service Ontario T MDV delivery obligations of 1500 GJ/d or more
    - ~30% of MDV obligation based on current profile
    - Capped at 50,000 Gj/d
    - Reviewed prior to Nov 1 each year to reflect customer migration
        - *Assignment remains at 50,000 GJ/d, or*
        - *Assignment adjusted downward such that assigned short haul capacity represents no more than 40% of total mass market OTS volumes*

1. Shorthaul Component and Rationale

Underlying Rationale

- Increase in firm transport utilization by mass market direct purchase customers
- Increased access to competitive Dawn supplies for mass market direct purchase customers under the proposal would better match the currently diversified portfolio for Sales and Western T customers
- Increased security of supply for all customers

Customer Impact

- Incremental gas costs of $5.4M based on current tolls and basis differentials
- Sales and Western T customers incur an increase in their transportation costs but benefit from increased security of supply for all customers
- Ontario T mass market retailers/customers receive access to lower cost firm transport assuming currently prevailing tolls and basis differentials

1. Shorthaul Component - Customer Impact*

TYPICAL CUSTOMER VOLUME PROFILES	Annual Volume	Unit Rate ($/m3)	Annual Bill Impact $	Burner Tip Annual Bill	Impact
GENERAL SERVICE	m^3	Sales & Western T		$	%
RATE 1 RESIDENTIAL					
Htg. & Wtr.Htg.	3,064	0.0009	3	1,201	0.2%
RATE 6 COMMERCIAL					
Heating & Other Uses	22,606	0.0009	20	7,671	0.3%
Medium Customer	169,563	0.0009	149	50,234	0.3%
CONTRACT SERVICE					
RATE 100					
Commercial - small size	339,188	0.0009	298	103,577	0.3%
RATE 145					
Commercial - small size	339,188	0.0009	313	94,289	0.3%
RATE 110					
Industrial - small size, 50% LF	598,568	0.0010	602	166,913	0.4%
RATE 115					
Industrial - avg. size	4,299,152	0.0010	4,435	1,120,056	0.4%
RATE 135					
Industrial - Seasonal Firm	598,567	0.0010	625	151,625	0.4%
RATE 170					
Industrial - avg. size, 50% LF	9,976,121	0.0010	9,746	2,421,577	0.4%

- Assumes EB-2010-0048 rates
- Assumes current TCPL tolls, analysis reflects current basis spreads between AECO, Chicago and Dawn. Impacts are subject to change based on market conditions at the time of implementation

2. Firming of Peaking Supply Component

- EGD replaces 200,000 GJ/d of peaking supplies with STFT for three winter months from Empress, or equivalent firm transportation, if economic
  - Represents ~75% of design day peaking requirements for 2009 & 2010
- Utilized in lieu of equivalent amount of peaking supplies in peak and near-peak conditions
- When economic, STFT will be used to displace other winter purchases

2. Peaking Rationale and Customer Impact

Underlying Rationale

- EGD has determined that its delivered peaking supplies have been less than firm in extreme weather/system outage situations
- Increase system reliability by reducing reliance on peaking supplies delivered through lower priority discretionary services

Customer Impact

- Incremental gas costs of $17.8M based on current tolls and basis differentials
- Cost impact of firming up peaking supplies borne mostly by heat sensitive sales and direct purchase customers
- Benefits associated with displacement of other winter purchases allocated by volume to sales and Western-T service customers
- Costs and benefits will be allocated to customers using the Board approved cost allocation and rate design methodology

2. Peaking Supply Component Customer Impact*

TYPICAL CUSTOMER VOLUME PROFILES	Annual Volume	Unit Rate $/m³		Annual Bill Impact $		Burner Tip %	
GENERAL SERVICE	m³	Sales & Western T	Ontario T	Sales & Western T	Ontario T	Sales & Western T	Ontario T
RATE 1 RESIDENTIAL							
Htg. & Wtr.Htg.	3,064	0.0017	0.0029	5	9	0.4%	0.7%
RATE 6 COMMERCIAL							
Heating & Other Uses	22,606	0.0015	0.0026	34	60	0.4%	0.8%
Medium Customer	169,563	0.0015	0.0026	256	447	0.5%	0.9%
CONTRACT SERVICE							
RATE 100							
Commercial - small size	339,188	0.0015	0.0026	511	894	0.5%	0.9%
RATE 145							
Commercial - small size	339,188	(0.0011)	0.0000	(382)	0	-0.4%	0.0%
RATE 110							
Industrial - small size, 50% LF	598,568	(0.0008)	0.0003	(484)	191	-0.3%	0.1%
RATE 115							
Industrial - avg. size	4,299,152	(0.0010)	0.0001	(4,307)	541	-0.4%	0.0%
RATE 135							
Industrial - Seasonal Firm	598,567	(0.0011)	0.0000	(675)	0	-0.4%	0.0%
RATE 170							
Industrial - avg. size, 50% LF	9,976,121	(0.0011)	0.0000	(11,249)	0	-0.5%	0.0%

- Assumes EB-2010-0048 rates
- Assumes current TCPL tolls, analysis reflects current basis spreads between AECO, Chicago and Dawn. Impacts are subject to change based on market conditions at the time of implementation.

3. Reserve Margin Component (not included in Settlement)

- Acquire 80,000 GJ/d of STFT for three months to provide a Reserve Margin
- Reserve margin would have been used for coverage in different scenarios, such as
  - one DD over current design day of 39.5 DD
  - higher than average wind conditions on current design day
  - failure to deliver (>300,000 GJ/d of direct shipper gas uses discretionary services)
- Total costs of $11.5 million based on current tolls and basis differentials
- Costs would have been allocated to all customers to match benefits to all customers through increased security of supply
- EGD agreed to withdraw this component for purposes of settlement

3. Reserve Margin - Customer Impact*

TYPICAL CUSTOMER VOLUME PROFILES	Annual Volume	Unit Rate $/m³	Annual Bill Impact $	Burner Tip %
GENERAL SERVICE	m³	All Customers	All Customers	All Customers
RATE 1 RESIDENTIAL				
Htg. & Wtr.Htg.	3,064	0.0010	3	0.3%
RATE 6 COMMERCIAL				
Heating & Other Uses	22,606	0.0010	24	0.3%
Medium Customer	169,563	0.0010	177	0.4%
CONTRACT SERVICE				
RATE 100				
Commercial - small size	339,188	0.0010	354	0.3%
RATE 145				
Commercial - small size	339,188	0.0010	354	0.4%
RATE 110				
Industrial - small size, 50% LF	598,568	0.0010	624	0.4%
RATE 115				
Industrial - avg. size	4,299,152	0.0010	4,485	0.4%
RATE 135				
Industrial - Seasonal Firm	598,567	0.0010	624	0.4%
RATE 170				
Industrial - avg. size, 50% LF	9,976,121	0.0010	10,407	0.4%

- Assumes EB-2010-0048 rates
- Assumes current TCPL tolls, analysis reflects current basis spreads between AECO, Chicago and Dawn. Impacts are subject to change based on market conditions at the time of implementation.

4. LV Component and Rationale

- Rate Handbook Changes
  - Large Volume customers obligated to deliver Mean Daily Volume
  - Large Volume customers have to provide 2 business days notice of suspension of deliveries
    - *Shortfall in delivered volume without adequate notice will be treated as Unauthorized Supply Overrun Volume*
    - *Consumption of Unauthorized Supply Overrun Volume could result in cessation of service*
- Contract Changes
  - EGD will ensure contractual ability to suspend service to large volume customers in an Unauthorized Supply Overrun situation

<u>Underlying Rationale</u>

- Provides EGD with the contractual ability to shed load, targeted to customers who fail to deliver
  - Provides Gas Control timely information in forecasting demand and planning supply
  - Requires large volume customers to accept the consequences of their gas supply and transportation contracting practices

5. Curtailment Component and Rationale

- Customer must demonstrate ability to curtail or use backup fuel rather than relying solely on Curtailment Delivered Supply (CDS)

- Changes to remedies should a customer fail to deliver/curtail during curtailment and takes Unauthorized Supply Overrun Gas
  - Customer pays 150% of highest price on each day applied to unauthorized volume
  - Customer forfeits curtailment credits for the respective winter season (December to March inclusive)
  - Customer taking a material volume of Unauthorized Supply Overrun Gas may forfeit the right to receive service under an interruptible rate

- Elimination of 72 hour curtailment notice service under Rate 145
  - No impact on credits for other interruptible customers

<u>Underlying Rationale</u>

- Provides Gas Control more effective ability to rely on curtailment under peak conditions
  - Strengthen obligations to deliver/curtail under this service
  - Curtailment of customers with 72 hours notice no longer provides benefit under peak day conditions

6. Turnback Component

- Applicability of turnback policy in the Rate Handbook will include Ontario T and Western T service

- Provisions of Rider A* that have become effective on a date will not apply retroactively to turnback requests that have been accepted

- EGD will accommodate turnback of TCPL long haul capacity, only if it can do so in accordance with the following circumstances
  - Turnback is replaced with alternative contracted firm capacity (primary or assigned) of equivalent quality to TCPL FT
  - Turnback volume may be reduced to address the impact of stranded costs, other transitional or incremental gas costs arising from reduced flexibility to meet winter demand using TCPL's STS service
  - EGD maintains the integrity and reliability of the gas distribution system while respecting the sanctity of contracts

<u>Background</u>

- EGD has offered turnback of TCPL FT capacity over the last decade**
- The direct purchase community has subscribed to turnback in large quantities
- Ontario T assignments as of November 2010 equal ~30,000 GJ
- Western T assignments as of November 1, 2010 equal ~141,000 GJ
  - 91% of Western-T capacity is held on behalf of mass market customers

* Rider A Transportation Service Rider EGD Rate Handbook
**Except in April 2009

6. Turnback Rationale

- A change to current Turnback Policy is required to support the long term resolution
- Further turnback of TCPL FT long haul capacity will impact EGD's operational ability to meet winter demand using TCPL's STS
- EGD will accommodate requests if FT turnback capacity is replaced with alternative, contracted firm transportation (primary capacity or assignment) of equivalent quality to TCPL FT capacity (Note: dependent upon operational considerations stated in bullet #2 above)

4. Combined Shorthaul & Peaking Supply Components - Customer Impact

TYPICAL CUSTOMER VOLUME PROFILES	Annual Volume	Unit Rate $/m³		Annual Bill Impact $		Burner Tip %	
GENERAL SERVICE	m³	Sales & Western T	Ontario T	Sales & Western T	Ontario T	Sales & Western T	Ontario T
RATE 1 RESIDENTIAL							
Htg. & Wtr.Htg.	3,064	0.0026	0.0029	8	9	0.7%	0.7%
RATE 6 COMMERCIAL							
Heating & Other Uses	22,606	0.0024	0.0026	54	60	0.7%	0.8%
Medium Customer	169,563	0.0024	0.0026	405	447	0.8%	0.9%
CONTRACT SERVICE							
RATE 100							
Commercial - small size	339,188	0.0024	0.0026	809	894	0.8%	0.9%
RATE 145							
Commercial - small size	339,188	(0.0002)	0.0000	(69)	0	-0.1%	0.0%
RATE 110							
Industrial - small size, 50% LF	598,568	0.0002	0.0003	118	191	0.1%	0.1%
RATE 115							
Industrial - avg. size	4,299,152	0.0000	0.0001	129	541	0.0%	0.0%
RATE 135							
Industrial - Seasonal Firm	598,567	(0.0001)	0.0000	(50)	0	0.0%	0.0%
RATE 170							
Industrial - avg. size, 50% LF	9,976,121	(0.0002)	0.0000	(1,503)	0	-0.1%	0.0%

- Assumes EB-2010-0048 rates
- Assumes current TCPL tolls, analysis reflects current basis spreads between AECO, Chicago and Dawn. Impacts are subject to change based on market conditions at the time of implementation.

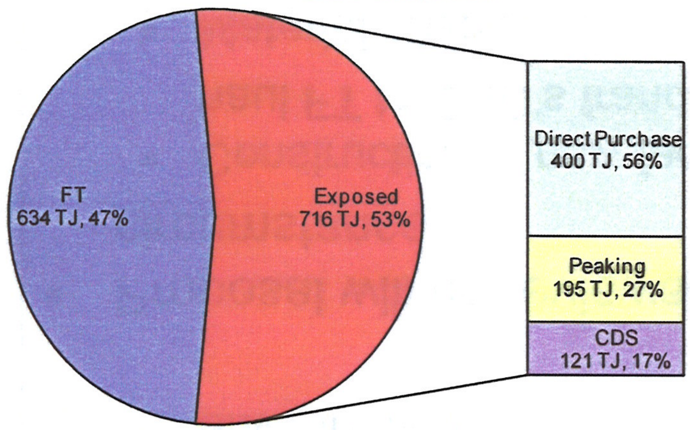
Proposal Matrix

Impact of Proposal	System Reliability		Ratepayer Costs	Implementation
Component	**Firm Transport**	**Load Shedding**	**Ratepayer Costs**	**Implementation**
1. Dawn-CDA Short Haul FT Capacity - Assign 50,000 GJ/d SH FT to Mass Market - EGD contracts STFT 5 months	Positive		Borne by sales and western T customers. Mass market direct purchase customers benefit	Nov 1, 2010
2. Peaking replacement (partial) - Replace 200,000 of peaking with STFT for 3 Mths	Positive		Borne by heat sensitive sales and direct purchase customers. Partial offset for sales and western T customers	Nov 1, 2010
3. Contract changes to LV Firm Service		Positive	Tightening of contract terms	Jan 1, 2011 or earlier
4. Increase Curtailment Effectiveness		Positive	Tightening of contract terms	Jan 1, 2011 or earlier
5. Turnback Policy Changes	Positive		Tightening of contract terms	April 2011

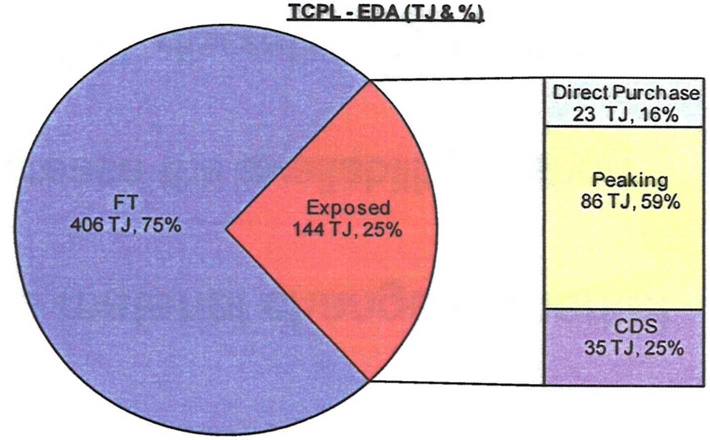
Impact of the Proposal on System Reliability

- The long term resolution will significantly reduce reliance on "less assured" forms of discretionary services in the current market environment

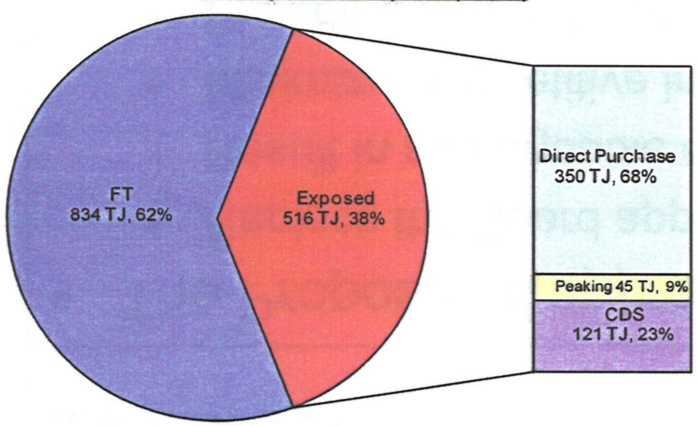
TCPL - CDA (TJ & %)



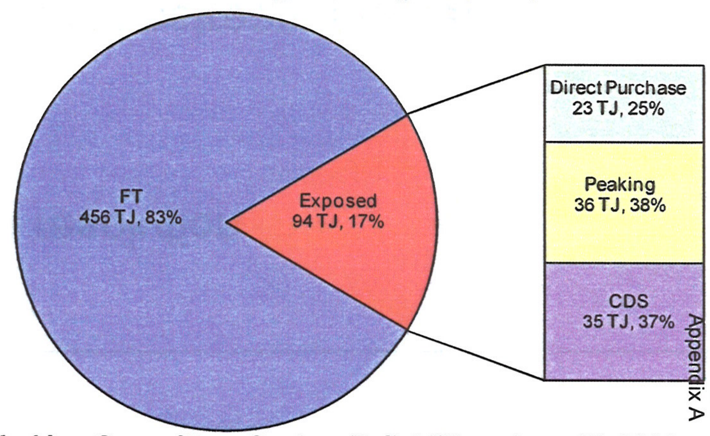
TCPL - EDA (TJ & %)



CDA Impact from Proposal - (TJ & %)



EDA Impact from Proposal - (TJ & %)



Note : Winter season STFT is treated as Firm. Exposure quantities does not reflect benefits from changes to large volume firm and interruptible rates/contracts

Filed: 2010-07-19
EB-2010-0231
Exhibit C
Tab 1
Schedule 1
Appendix A

Conclusion

- The Proposal, if approved, will
  - Replace the Board approved interim resolution
  - Result in manageable cost impacts
  - Minimize competitive impacts
  - Provide a long term resolution in current upstream market environment

- Proposal will be reviewed if there is a material change in market circumstances
  - Construction of new facilities that increase the availability of short haul FT to EGD's franchise area
  - Material change in the availability of TCPL discretionary services
  - Conclusions from future Board process that addresses matters relevant to Enbridge's system reliability

Discussion, Q&A, and follow up ...

- The afternoon of June 15 is scheduled for an extended discussion and Q&A session of the proposed settlement
- Any questions that remain unanswered at the end of day can be submitted by June 18 (?) for a response to be provided by June 22 (?)
- A follow-up session with the Broader Group can be provided for, if required, on June 23 (?)
- At the completion of these proposed steps, parties will be canvassed to indicate whether or not they are in support of the settlement agreement

Next Steps - Process

- Enbridge will apply to the Board for approval of a settlement that results from the consultative process

- Enbridge will propose that the Board give such notice as the Board deems appropriate and that the process for approval be expedited in light of the agreement reached by the consultative

- Enbridge's filing in support of the request for approval will include a description of the consultative process, to which will be attached
  - Meeting minutes and presentations; and
  - Where appropriate, material exchanged as part of the consultative process that sheds light on the discussions and presentations at the meetings

RATE HANDBOOK

ENBRIDGE GAS DISTRIBUTION

HANDBOOK OF RATES AND DISTRIBUTION SERVICES

INDEX

Part I

GLOSSARY OF TERMS

In this Handbook of Rates and Distribution Services, each term set out below shall have the meaning set out opposite it:

Annual Turnover Volume ("ATV"): The sum of the contracted volumes injected into and withdrawn from storage by an applicant within a contract year.

Annual Volume Deficiency: The difference between the Minimum Annual Volume and the volume actually taken in a contract year, if such volume is less than the Minimum Annual Volume.

Applicant: The party who makes application to the Company for one or more of the services of the Company and such term includes any party receiving one or more of the services of the Company.

Authorized Volume: In regards to Sales Service Agreements, the Contract Demand.

In regards to Bundled Transportation Service arrangements, the Contract Demand (CD) less the amount by which the Applicant's Mean Daily Volume (MDV) exceeds the Daily Delivered Volume (Delivery) and less the volume by which the Applicant has been ordered to curtail or discontinue the use of gas (Curtailment Volume) or otherwise represented as:

CD – (MDV – Delivery) – Curtailment Volume

Back-stopping: A service whereby alternative supplies of gas may be available in the event that an Applicant's supply of gas is not available for delivery to the Company.

Banked Gas Account: A record of the amount of gas delivered by the Applicant to the Company in respect of a Terminal Location (credits) and of volume of gas taken by the Applicant at the Terminal Location (debits)

Billing Contract Demand: Applicable only to new customers who take Dedicated Service under Rate 125. The Company and the Applicant shall determine a Billing Contract Demand which would result in annual revenues over the term of the contract that would enable the Company to recover the invested capital, return on capital, and O&M costs of the Dedicated Service in accordance with its system expansion policies.

Billing Month: A period of approximately thirty (30) days following which the Company renders a bill to an applicant. The billing month is determined by the Company's monthly Reading and Billing Schedule. With respect to rate 135 LVDC's, there are eight summer months and four winter months.

Board: Ontario Energy Board. (OEB)

Bundled Service: A service in which the demand for natural gas at a Terminal Location is met by the Company utilizing Load balancing resources.

Buy/Sell Arrangement: An arrangement, the terms of which are provided for in one or more agreements to which one or more of an end user of gas (being a party that buys from the Company gas delivered to a Terminal Location), an affiliate of an end user and a marketer, broker or agent of an end user is a party and the Company is a party, and pursuant to which the Company agrees to buy from the end user or its affiliate a supply of gas and to sell to the end user gas delivered to a Terminal Location served from the gas distribution network. The Company will not enter into any new buy/sell agreement after April 1, 1999.

Buy/Sell Price: The Price per cubic meter which the Company would pay for gas purchased pursuant to a Buy/Sell Arrangement in which the purchase takes place in Ontario.

Commodity Charge: A charge per unit volume of gas actually taken by the Applicant, as distinguished from a demand charge which is based on the maximum daily volume an Applicant has the right to take.

Company: Enbridge Gas Distribution Inc.

Contract Demand: A contractually specified volume of gas applicable to service under a particular Rate Schedule for each Terminal Location which is the maximum volume of gas the Company is required to deliver on a daily basis under a Large Volume Distribution Contract.

Cubic Metre ("m^3"): That volume of gas which at a temperature of 15 degrees Celsius and at an absolute pressure of 101.325 kilopascals ("kPa") occupies one cubic metre. "10^3m^3" means 1,000 cubic metres.

Curtailment: An interruption in an Applicant's gas supply at a Terminal Location resulting from compliance with a request or an order by the Company to discontinue or curtail the use of gas.

Curtailment Credit: A credit available to interruptible customers to recognize the benefits they provide to the system during the winter months.

Curtailment Delivered Supply (CDS): An additional volume of gas, in excess of the Applicant's Mean Daily Volume and determined by mutual agreement between the Applicant and the Company, which is Nominated and delivered by or on behalf of the Applicant to a point of interconnection with the Company's distribution system on a day of Curtailment.

Customer Charge: A monthly fixed charge that reflects being connected to the gas distribution system.

Daily Consumption VS Gas Quantity: The volume of natural gas taken on a day at a Terminal Location as measured by daily metering equipment or, where the Company does not own and maintain daily metering equipment at a Terminal Location, the volume of gas taken within a billing period divided by the number of days in the billing period.

Daily Delivered Volume: The volume of gas accepted by the Company as having been delivered by an Applicant to the Company on a day.

Dedicated Service: An Unbundled Service provided through a gas distribution pipeline that is initially constructed to serve a single customer, and for which the volume of gas is measured through a billing meter that is directly connected to a third party transporter or other third party facility, when service commences.

Delivery Charge: A component of the Rate Schedule through which the Company recovers its operating costs.

Demand Charge: A fixed monthly charge which is applied to the Contract Demand specified in a Service Contract.

Demand Overrun: The amount of gas taken at a Terminal Location exceeding the Contract Demand.

Direct Purchase: Natural gas supply purchase arrangements transacted directly between the Applicant and one or more parties, including the Company.

Disconnect and Reconnect Charges: The charges levied by the Company for disconnecting or reconnecting an Applicant from or to the Company's distribution system.

Diversion: Delivery of gas on a day to a delivery point different from the normal delivery point specified in a Service Contract.

Firm Service: A service for a continuous delivery of gas without curtailment, except under extraordinary circumstances.

Firm Transportation ("FT"): Firm Transportation service offered by upstream pipelines to move gas from a receipt point to a delivery point, as defined by the pipeline.

Force Majeure: Any cause not reasonably within the control of the Company and which the Company cannot prevent or overcome with reasonable due diligence, including:

(a) physical events such as an act of God, landslide, earthquake, storm or storm warning such as a hurricane which results in evacuation of an affected area, flood, washout, explosion, breakage or accident to machinery or equipment or lines of pipe used to transport gas, the necessity for making repairs to or alterations of such machinery or equipment or lines of pipe or inability to obtain materials, supplies (including a supply of services) or permits required by the Company to provide service;

(b) interruption and/or curtailment of firm transportation by a gas transporter for the Company;

(c) acts of others such as strike, lockout or other industrial disturbance, civil disturbance, blockade, act of a public enemy, terrorism, riot, sabotage, insurrections or war, as well as physical damage resulting from the negligence of others;

(d) in relation to Load Balancing, failure or malfunction of any storage equipment or facilities of the Company; and

(e) governmental actions, such as necessity for compliance with any applicable laws.

Gas: Natural Gas.

Gas Delivery Agreement: A written agreement pursuant to which the Company agrees to transport gas on the Applicant's behalf to a specified Terminal Location.

Gas Distribution Network: The physical facilities owned by the Company and utilized to contain, move and measure natural gas.

Gas Sale Contract: A written agreement pursuant to which the Company agrees to supply and deliver gas to a specified Terminal Location.

Gas Supply Charge: A charge for the gas commodity purchased by the applicant.

Gas Supply Load Balancing Charge: A charge in the Rate Schedules where the Company recovers the cost of ensuring gas supply matches consumption on a daily basis.

General Service Rates: The Rate Schedules applicable to those Bundled Services for which a specific contract between the Company and the Applicant is not generally required. The General Service Rates include Rates 1, 6, and 9 of the Company.

Gigajoule ("GJ"): See Joule.

Hourly Demand: A contractually specified volume of gas applicable to service under a particular Rate Schedule which is the maximum volume of gas the Company is required to deliver to an Applicant on a hourly basis under a Service Contract.

Imperial Conversion Factors:

Volume:		
1,000 cubic feet (cf)	=	1 Mcf
	=	28.32784 cubic metres (m^3)
1 billion cubic feet (cf)	=	28.32784 $10^6 m^3$
Pressure:		
1 pound force per square inch (p.s.i.)	=	6.894757 kilopascals (kPa)
1 inch Water Column (in W.C.) (60°F)	=	0.249 kPa (15.5°C)
1 standard atmosphere	=	101.325 kPa
Energy:		
1 million British thermal units	=	1 MMBtu
	=	1.055056 gigajoules (GJ)
948,213.3 Btu	=	1 GJ
Monetary Value:		
$1 per Mcf	=	$0.03530096 per m^3
$1 per MMBtu	=	$0.9482133 per GJ

Interruptible Service: Gas service which is subject to curtailment for either capacity and/or supply reasons, at the option of the Company.

Intra-Alberta Service: Firm transportation service on the Nova pipeline system under which volumes are delivered to an Intra-Alberta point of acceptance.

Joule ("J"): The amount of work done when the point of application of a force of one newton is displaced a distance of one metre in the direction of the force. One megajoule ("MJ") means 1,000,000 joules; one gigajoule ("GJ") means 1,000,000,000 joules.

Large Volume Distribution Contract: (LVDC): A written agreement pursuant to which the Company agrees to supply and deliver gas to a specified Terminal Location.

Large Volume Distribution Contract Rates: The Rate Schedules applicable for annual consumption exceeding 340,000 cubic metres of gas per year and for which a specific contract between the Company and the Applicant is required.

Load-Balancing: The balancing of the gas supply to meet demand. Storage and other peak supply sources, curtailment of interruptible services, and diversions from one delivery point to another may be used by the Company.

Make-up Volume: A volume of gas nominated and delivered, pursuant to mutually agreed arrangements, by an Applicant to the Company for the purpose of reducing or eliminating a net debit balance in the Applicant's Banked Gas Account.

Mean Daily Volume (MDV): The volume of gas which an Applicant who delivers gas to the Company, under a T-Service arrangement, agrees to deliver to the Company each day in the term of the arrangement.

Metric Conversion Factors:

Volume:		
1 cubic metre (m^3)	=	35.30096 cubic feet (cf)
1,000 cubic metres	=	10^3m^3
	=	35,300.96 cf
	=	35.30096 Mcf
28.32784 m^3	=	1 Mcf
Pressure:		
1 kilopascal (kPa)	=	1,000 pascals
	=	0.145 pounds per square inch (p.s.i.)
101.325 kPa	=	one standard atmosphere
Energy:		
1 megajoule (MJ)	=	1,000,000 joules
	=	948.2133 British thermal units (Btu)
1 gigajoule (GJ)	=	948,213.3 Btu
1.055056 GJ	=	1 MMBtu
Monetary Value:		
\$1 per 10^3m^3	=	\$0.02832784 per Mcf
\$1 per gigajoule	=	\$1.055056 per MMBtu

Minimum Annual Volume: The minimum annual volume as stated in the customer's contract, also Section E.

Natural Gas: Natural and/or residue gas comprised primarily of methane.

Nominated Volume: The volume of gas which an Applicant has advised the Company it will deliver to the Company in a day.

Nominate, Nomination: The procedure of advising the Company of the volume which the Applicant expects to deliver to the Company in a day.

Ontario Energy Board: An agency of the Ontario Government which, amongst other things, approves the Company's Rate Schedules (Part V of this HANDBOOK) and the matters described in Parts III and IV of this HANDBOOK.

Point of Acceptance: The point at which the Company accepts delivery of a supply of natural gas for transportation to, or purchase from, the Applicant.

Rate Schedule: A numbered rate of the Company as fixed or approved by the OEB. that specifies rates, applicability, character of service, terms and conditions of service and the effective date.

Seasonal Credit: A credit applicable to Rate 135 customers to recognize the benefits they provide to the storage operations during the winter period.

Service Contract: An agreement between the Company and the Applicant which describes the responsibilities of each party in respect to the arrangements for the Company to provide Sales Service or Transportation Service to one or more Terminal Locations.

System Sales Service: A service of the Company in which the Company acquires and sells to the Applicant the Applicant's natural gas requirements.

T-Service: Transportation Service.

Terminal Location: The building or other facility of the Applicant at or in which natural gas will be used by the Applicant.

Transportation Service: A service in which the Company agrees to transport gas on the Applicant's behalf to a specified Terminal Location.

Unbundled Service: A service in which the demand for natural gas at a Terminal Location is met by the Applicant contracting for separate services (upstream transportation, load balancing/storage, transportation on the Company's distribution system) of which only Transportation Service is mandatory with the Company.

Western Canada Buy Price: The price per cubic metre which the Company would pay for gas pursuant to a Buy/Sell Agreement in which the purchase takes place in Western Canada.

PART II

RATES AND SERVICES AVAILABLE

The provisions of this PART II are intended to provide a general description of services offered by the Company and certain matters relating thereto. Such provisions are not definitive or comprehensive as to their subject matter and may be changed by the Company at any time without notice.

SECTION A - INTRODUCTION

1. In Franchise Services

Enbridge Gas Distribution provides in franchise services for the transportation of natural gas from the point of its delivery to Enbridge Gas Distribution to the Terminal Location at which the gas will be used. The natural gas to be transported may be owned by the Applicant for service or by the Company. In the latter case, it will be sold to the customer at the outlet of the meter located at the Terminal Location.

Applicants may elect to have the Company provide all-inclusively the services which are mutually agreed to be required or they may select (from the 300 series of rates, and Rate 125) only the amounts of those services which they consider they need.

The all-inclusive services are provided pursuant to Rates 1, 6 and 9, ("the General Service Rates") and Rates 100, 110, 115, 135, 145, and 170 ("the Large Volume Service Rates"). Individual services are available under Rates 125, 300, 315, and 316 ("the Unbundled Service Rates").

Service to residential locations is provided pursuant to Rate 1.

Service which may be interrupted at the option of the Company is available, at rates lower than would apply for equivalent service under a firm rate schedule, pursuant to Rates 145, 170. Under all other rate schedules, service is provided upon demand by the Applicant, i.e., on a firm service basis.

2. Ex-Franchise Services

Enbridge Gas Distribution provides ex-franchise services for the transportation of natural gas through its distribution system to a point of interconnection with the distribution system of other distributors of natural gas. Such service is provided pursuant to Rate 200 and provides for the bundled transportation of gas owned by the Company, owned by customers of that distributor, or owned by that distributor.

For the purposes of interpreting the terms and conditions contained in this Handbook of Rates and Distribution Services the ex - franchise distributor shall be considered to be the applicant for the transportation of its customer owned gas and shall assume all the obligations of transportation as if it owned the gas.

Nominations for transportation service must specify whether the volume to be transported is to displace firm or interruptible demand or general service.

In addition, the Company provides Compression, Storage, and Transmission services on its Tecumseh system under Rates 325, 330 and 331.

SECTION B - DIRECT PURCHASE ARRANGEMENTS

Applicants who purchase their natural gas requirements directly from someone other than the Company or who are brokers or agents for an end user, may arrange to transport gas on the Company's distribution network in conjunction with a Western Buy/Sell Arrangement or pursuant to an Ontario Delivery Transportation Service Arrangement, whether Bundled or Unbundled, or a Western Bundled Transportation Service Arrangement.

B. Western Canada

Buy/Sell in a Western Canada Buy/Sell Arrangement the Applicant delivers gas to a point in Western Canada which connects with the transmission pipeline of TransCanada PipeLines Limited. At that point, the Company purchases the gas from the Applicant at a price specified in Rider 'B' of the rate schedules less the costs for transmission of the gas from the point of purchase to a point in Ontario at which the Company's gas distribution network connects with a transmission pipeline system. The Company will not be entering into any new Western Canada buy/sell arrangements after April 1, 1999.

C. Ontario Delivery T-Service Arrangements

In an Ontario Delivery T-Service Arrangement the Applicant delivers gas, to a contractually agreed-upon point of acceptance in Ontario.

Delivery from the point of direct interconnection with the Company's gas distribution network to a Terminal Location served from the Company's gas distribution network may be obtained by the Applicant either under the Bundled Service Rate Schedules or under the Unbundled Service Rate Schedules.

(i) Bundled T-Service

Bundled T-Service is so called because all of the services required by the Applicant (delivery and load balancing) are provided for the prices specified in the applicable Rate Schedule. In a Bundled T-Service arrangement the Applicant contracts to deliver each day to the Company a Mean Daily Volume of gas. Fluctuations in the demand for gas at the Terminal Location are balanced by the Company.

(ii) Unbundled T-Service

The Unbundled Service Rates allow an Applicant to contract for only such kinds of service as the Applicant chooses. The potential advantage to an Applicant is that the chosen amounts of service may be less than the amounts required by an average customer represented in the applicable Rate Schedule, in which case the Applicant may be able to reduce the costs otherwise payable under Bundled T-Service.

D. Western Delivery T-Service Arrangement

In a Western Delivery T-Service Arrangement the Applicant contracts to deliver each day to a point on the TransCanada PipeLines Ltd. transmission system in Western Canada a Mean Daily Volume of gas plus fuel gas. Delivery from that point to the Terminal Location is carried out by the Company using its contracted capacity on the TransCanada PipeLines Limited. system and its gas distribution network. Unbundled T-Service in Ontario is not available with the Western Delivery Option.

An Applicant desiring to receive Transportation Service or to establish a Buy/Sell Agreement must first enter into the applicable written agreements with the Company.

PART III

TERMS AND CONDITIONS APPLICABLE TO ALL SERVICES

The provisions of this PART III are applicable to, and only to, Sales Service and Transportation Service.

SECTION A - AVAILABILITY

Unless otherwise stated in a Rate Schedule, the Company's rates and services are available throughout the entire franchised area serviced by the Company. Transportation service and/or sales service will be provided subject to the Company having the capacity in its gas distribution network to provide the service requested. When the Company is requested to supply the natural gas to be delivered, service shall be available subject to the Company having available to it a supply of gas adequate to meet the requirement without jeopardizing the supply to its existing customers.

Service shall be made available after acceptance by the Company of an application for service to a Terminal Location at which the natural gas will be used.

SECTION B - ENERGY CONTENT

The price of natural gas sold at a Terminal Location is based on the assumption that each cubic metre of such natural gas contains a certain number of megajoules of energy which number is specified in the Rate Schedules. Variations in cost resulting from the energy content of the gas actually delivered to the Company by its supplier(s) differing from the assumed energy content will be recorded and used to adjust future bills. Such adjustments shall be made in accordance with practices approved from time to time by the Ontario Energy Board.

SECTION C - SUBSTITUTION PROVISION

The Company may deliver gas from any standby equipment provided that the gas so delivered shall be reasonably equivalent to the natural gas normally delivered.

SECTION D - BILLS

Bills will be mailed or delivered monthly or at such other time period as set out in the Service Contract. Gas consumption to which the Company's rates apply will be determined by the Company either by meter reading or by the Company's estimate of consumption where meter reading has not occurred. The rates and charges applicable to a billing month shall be those applicable to the calendar month which includes the last day of the billing month.

SECTION E - MINIMUM BILLS

The minimum bill per month applicable to service under any particular Rate Schedule shall be the Customer Charge plus any applicable Contract Demand Charges for Delivery, Gas Supply Load Balancing, and Gas Supply and any applicable Direct Purchase Administration Charge, all as provided for in the applicable Rate Schedule.

In addition, for service under each of the Large Volume Distribution Contact Rates, if in a contract year a volume of gas equal to or greater than the product of the Contract Demand multiplied by a contractually specified multiple of the Contract Demand ("Minimum Annual Volume") is not taken at the Terminal Location the Applicant shall pay, in addition to the minimum monthly bills, the amount obtained when the difference between the Minimum Annual Volume and the volume taken in the contract year (such difference being the Annual Volume Deficiency) is multiplied by the applicable Minimum Bill Charge(s) as provided for in the applicable Rate Schedule. Notwithstanding the foregoing, the Minimum Annual Volume shall be the greater of the Minimum Annual Volume as determined above and 340,000 m^3.

If gas deliveries to the Terminal Location have been ordered to be curtailed or discontinued in a contract year at the request of the Company and have been curtailed or discontinued as ordered, the Minimum Annual Volume shall be reduced for each day of curtailment or discontinuance by the excess of the Contract Demand over the volume delivered to the Terminal Location on such day.

SECTION F - PAYMENT CONDITIONS

Enbridge Gas Distribution charges are due when the bill is received, which is considered to be three days after the date the bill is rendered, or within such other time period as set out in the Service Contract. A late payment charge of 1.5% per month (19.56% effectively per annum) of all of the unpaid Enbridge Gas Distribution charges, including all applicable federal and provincial taxes, is applied to the account on the seventeenth (17th) day following the date the bill is due.

SECTION G - TERM OF ARRANGEMENT

When gas service is provided and there is no written agreement in effect relating to the provision of such service, the term for which such service is to continue shall be one year. The term shall automatically be extended for a further year immediately following the expiry of any initial one year term or one year extension unless reasonable notice to terminate service is given to the Company, in a manner acceptable to the Company, prior to the expiry of the term. An Applicant receiving such service who temporarily discontinues service in the initial one year term or any one year extension and does not pay all the minimum bills for the period of such temporary discontinuance of service shall, upon the continuance of service, be liable to pay an amount equal to the unpaid minimum bills for such period. When a written agreement is in effect relating to the provision of gas service, the term for which such service is to continue shall be as provided for in the agreement.

SECTION H - RESALE PROHIBITION

Gas taken at a Terminal Location shall not be resold other than in accordance with all applicable laws and regulations and orders of any governmental authority or OEB having jurisdiction.

SECTION I - MEASUREMENT

The Company will install, operate and maintain at a Terminal Location such measurement equipment of suitable capacity and design as is required to measure the volume of gas delivered. Any special conditions for measurement are contained in the General Terms and Conditions which form part of each Large Volume Distribution Contract.

SECTION J - RATES IN CONTRACTS

Notwithstanding any rates for service specified in any Service Contract, the rates and charges provided for in an applicable Rate Schedule shall apply for service rendered on and after the effective date stated in such Rate Schedule until such Rate Schedule ceases to be applicable.

SECTION K - ADVICE RE: CURTAILMENT

The Company, if requested, will advise Applicants taking interruptible service of its estimate of service curtailment for the forthcoming winter. Such estimate will be provided as guidance to the Applicant in arranging for alternate fuel supply requirements. Abnormal weather and/or other unforeseen events may cause greater or lesser curtailment of service than expected.

SECTION L - DAILY DELIVERED VOLUMES

For purposes including that of calculating daily overrun gas volumes, the Company will recognize as having been delivered to it on a given day the sum of:

a) the volume of gas delivered under Intra-Alberta transportation arrangements, if any, plus;

b) the volume of gas delivered under FT transportation arrangements, if any, plus;

SECTION M - AUTHORIZED OVERRUN GAS

If an Applicant requests permission to exceed the Authorized Volume for a day, and such authorization is granted, such gas shall constitute Authorized Overrun Gas. Such gas shall either be sold by the Company to the Applicant pursuant to the provisions of Rate 320 applicable on such day, or, at the Company's sole discretion, under the Rate Schedule the customer is purchasing prior to such request. If the Applicant is supplying their own gas requirements and if the Applicant request and at the Company's sole discretion, such Overrun Gas will be debited to the Applicant's Baked gas Account.

SECTION N - UNAUTHORIZED SUPPLY OVERRUN GAS

If an Applicant for Transportation Service pursuant to the General Service Rates on any day delivers to the Company a Daily Delivered Volume which is less than the Mean Daily Volume, the volume of gas by which the Mean Daily Volume applicable to such day exceeds the Daily Delivered Volume delivered by the Applicant to the Company on such day shall constitute Unauthorized Supply Overrun Gas and shall be deemed to have been taken and purchased on such day. The rate applicable to such volume shall be 150% of the ~~average~~ highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and the EDA delivery areas respectively.

Unauthorized Supply Overrun Gas for a day applicable to a Service Contract with an Applicant for service under the Large Volume Distribution Contract Rates is:

(a) the volume of gas by which the Daily Gas Quantity under the Service Contract on such day exceeds the Authorized Volume for such day, if any

plus

(b) if the day is in the months of December to March inclusive for an Applicant taking service on Rate 135 under Option a) or if the day is in the month of December under Option b), or if the day is a day on or in respect of which the Applicant has been requested in accordance with the Service Contract to curtail or discontinue the use of gas and the Service Contract is in whole or in part for interruptible Transportation Service, the volume of gas, if any, by which

(i) the Mean Daily Volume set out in the Service Contract and is applicable to such day exceeds

(ii) the Daily Delivered Volume delivered by the Applicant to the Company on such day, which excess volume of gas shall be deemed to have been taken and purchased by the Applicant on such day.

The Applicant shall pay the Company for Unauthorized Supply Overrun Gas at the rate applicable to Unauthorized Supply Overrun Gas as provided for in the Rate Schedule(s) applicable to the Service Contract.

An Applicant taking service pursuant to a Gas Delivery Agreement and a Large Volume Distribution Contract Rate must provide two business days notice to the Company of the Applicant's intention to deliver a Daily Delivered Volume which is less than the Mean Daily Volume for a specified time period. Failure to provide proper notice will result in Unauthorized Supply Overrun Gas calculated as the difference between Daily Delivered Volume and the Mean Daily Volume.

Unauthorized Supply Overrun Gas for a day applicable to a Service Contract with an Applicant for service under Rate 125 or Rate 300 shall be determined from the provisions of the applicable Rate Schedule. The Applicant shall pay the Company for Unauthorized Supply Overrun Gas at the rate applicable to Unauthorized Supply Overrun Gas as provided for in the Rate Schedule(s) applicable to the Service Contract.

SECTION O – COMPANY RESPONSIBILTY AND LIABILITY

This Section O applies only to gas distribution service under Rates 1, 6 and 9, and does not replace or supercede the terms in any applicable Service Contract.
The Company shall make reasonable efforts to maintain, but does not guarantee, continuity of gas service to its customers. The Company may, in its sole discretion, terminate or interrupt gas service to customers;

to maintain safety and reliability on, or to facilitate construction, installation, maintenance, repair, replacement or inspection of the Company's facilities; or

for any reason related to dangerous or hazardous circumstances, emergencies or Force Majeure.

The Company shall not be liable for any loss, injury, damage, expense, charge, cost or liability of any kind, whether direct, indirect, special or consequential in nature, (excepting only direct physical loss, injury or damage to a customer or a customer's property, resulting from the negligent acts or omissions of the Company, its employees or agents) arising from or connected with any failure, defect, fluctuation or interruption in the provision of gas service by the Company to its customers.

PART IV

TERMS AND CONDITIONS – DIRECT PURCHASE ARRANGEMENTS

Any Applicant, at the time of applying for service, may elect, in and for the term of any Service Contract, to deliver its own natural gas requirements to the Company and the Company shall deliver gas to a Terminal Location as required by the Applicant, subject to the terms and conditions contained in the applicable Rate Schedule and in the Service Contract. For Buy/Sell Arrangements and Bundled T-Service the deliveries by the Applicant to the Company shall be at the Applicant's estimated mean daily rate of consumption.

Backstopping of an Applicant's natural gas supply for Transportation Service arrangements will be available pursuant to Rate 320 subject to the Company's ability to do so using reasonable commercial efforts. Gas Purchase Agreements in respect to Buy/Sell Arrangements shall specify terms and conditions available to the Company to alleviate certain consequences of the Applicant's failure to deliver the required volume of gas.

The following Terms and Conditions shall apply to, and only to, Transportation Service and/or Gas Purchase Agreements.

SECTION A - NOMINATIONS

An Applicant delivering gas to the Company pursuant to a contract is responsible for advising the Company, by means of a contractually specified Nomination procedure, of the daily volume of gas to be delivered to the Company by or on behalf of the Applicant.

An initial daily volume must be Nominated by a contractually specified time before the first day on which gas is to be delivered to the Company. Any Nomination, once accepted by the Company, shall be considered as a standing nomination applicable to each subsequent day in a contract term unless specifically varied by written notice to the Company.

A contract may specify certain contractual provisions that are applicable in the event that an Applicant either fails to advise of a revised daily nomination or fails to deliver the daily volume so nominated.

A Nominated Volume in excess of the Applicant's Maximum Daily Volume as specified in the Service Contract will not be accepted except as specifically provided for in any contract.

SECTION B - OBLIGATION TO DELIVER

During any period of curtailment or discontinuance of Bundled interruptible Transportation Service as ordered by the Company, any Applicant supplying its own gas requirements must, on such day, deliver to the Company the Mean Daily Volume of gas specified in any Service Contract.

Each Applicant taking service pursuant to a Gas Delivery Agreement and a Large Volume Distribution Contract Rate is obligated to deliver the Mean Daily Volume of gas as specified in any Service Contract, unless the Applicant provides two business days notice to the Company of the Applicant's intention to deliver a Daily Delivered Volume which is less than the Mean daily Volume for a specified time period.

An Applicant taking service on Rate 135 under Option a) must deliver to the Company the Mean Daily Volume of gas specified in the Service Contract in the months of December to March, inclusive.

An Applicant taking service on Rate 135 under Option b) must deliver to the Company the Modified Mean Daily Volume of gas specified in the Service Contract in the month of December.

Applicants taking service on General Service rates pursuant to a Direct Purchase Agreement must, on each day in the term of such agreement, deliver to the Company the Mean Daily Volume of gas specified in such agreement.

SECTION C - DIVERSION RIGHTS

Subject to compliance with the Terms and Conditions of all Required Orders, an Applicant who has entered into a Transportation Service Agreement or Agreements which provide(s) for deliveries to the Company for more than one Terminal Location shall have the right, on such terms and only on such terms as are specified in the applicable Transportation Service Agreement, to divert deliveries from one or more contractually specified Terminal Locations to other contractually specified Terminal Locations.

SECTION D - BANKED GAS ACCOUNT (BGA)

For T-Service Applicants, the Company shall keep a record ("Banked Gas Account") of the volume of gas delivered by the Applicant to the Company in respect of a Terminal Location (credits) and of the volume of gas taken by the Applicant at the Terminal Location (debits). (Any volume of gas sold by the Company to the Applicant in respect to the Terminal Location shall not be debited to the Banked Gas Account). The Company shall periodically report to the Applicant the net balance in the Applicant's Banked Gas Account.

SECTION E - DISPOSITION OF BANKED GAS ACCOUNT (BGA) BALANCES

A. The following Terms and Conditions shall apply to Bundled T-Service:

(a) At the end of each contract year, disposition of any net debit balance in the Banked Gas Account (BGA) shall be made as follows:

The Applicant, by written notice to the Company within thirty (30) days of the end of the contract year, may elect to return to the Company, in kind, during the one hundred and eighty (180) days following the end of the contract year, that portion of any debit balance in the Banked Gas Account as at the end of the contract year not exceeding a volume of twenty times the Applicant's Mean Daily Volume by the Applicant delivering to the Company on days agreed upon by the Company and the Applicant a volume of gas greater than the Mean Daily Volume, if any, applicable to such day under a Service Contract. Any volume of gas returned to the Company as aforesaid shall not be credited to the Banked Gas Account in the subsequent contract year. Any debit balance in the Banked Gas Account as at the end of the contract year which is not both elected to be returned, and actually returned, to the Company as aforesaid shall be deemed to have been sold to the Applicant and the Applicant shall pay for such gas within ten (10) days of the rendering of a bill therefor. The rate applicable to such gas shall be:

(1) for *Bundled Western T-Service*, 120% of the average price over the contracted year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs.

(2) for *Bundled Ontario T-Service*, 120% of the average price over the contracted year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs, plus the Company's average transportation cost to its franchise area over the contract year.

(b) A credit balance in the Banked Gas Account as at the end of the contract year must be eliminated in one or more of the following manners, namely:

(i) Subject to clause (ii), if the Applicant continues to take service from the Company under a contract pursuant to which the Applicant delivers gas to the Company and the Applicant so elects (by written notice to the Company within thirty (30) days of the end of the contract year), that portion of such balance which the Applicant stipulates in such written notice and which does not exceed twenty times the Applicant's Mean Daily Volume may be carried forward as a credit to the Banked Gas Account for the next succeeding contract year. Any volume duly elected to be carried forward under this clause shall, and may only, be reduced within the period of one hundred and

Issued: 2010-04-01 **Replaces: 2010-01-01**		**Page 8 of 9**	ENBRIDGE

Deleted: Unless otherwise authorized by the Company in writing, each Applicant taking service pursuant to an OTS-ABC Gas Delivery Agreement shall meet its obligation to deliver gas to the Company by underpinning a minimum percentage and volume of their gas deliveries with firm transport (which in this section is both Firm Transportation and Short Term Firm Transportation) for the winter period commencing January 1 and ending March 31 (the "winter period"). ¶

Deleted: The minimum amounts to be underpinned by firm transport shall be expressed in both volumetric and percentage terms. For the percentage amount, each Applicant shall calculate the annual percentage of gas deliveries to the Company for each of the immediate past three winter periods which were underpinned by firm transport, and taking the average of these three years' percentages, add ten percentage(1) points to the average to establish the minimal amount of gas deliveries that must be underpinned by firm transport for the winter period (e.g., if the average of the past three years is 50% then the addition of ten points will yield 60%(2)). ¶
¶
No later than November 1 of each year and beginning November 1, 2009, each Applicant shall provide written confirmation to the Company of their gas delivery plans for the winter period, including the amounts to be underpinned by firm transport (expressed in both volumetric and percentage terms) as calculated above.¶

Deleted: (1) If a direct shipper had no deliveries for a given year, then the calculation should exclude that year; if a direct shipper has less than three winter periods, the calculation will be the average of the periods in which deliveries occurred. ¶
(2) The amount shall not exceed 100%. ¶

eighty (180) days ("Adjustment Period") immediately following the contract year, by the Applicant delivering to the Company, on days in the Adjustment Period agreed upon by the Company and the Applicant ("Adjustment Days"), a volume of gas less than the Mean Daily Volume applicable to such day under a Service Contract. Subject to the foregoing, the credit balance in the Banked Gas Account shall be deemed to be reduced on each Adjustment Day by the volume ("Daily Reduction Volume") by which the Mean Daily Volume applicable to such day exceeds the greater of the volume of gas delivered by the Applicant on such day and the Nominated Volume for such day which was accepted by the Company.

(ii) Any portion of a credit balance in the Banked Gas Account which is not eligible to be eliminated in accordance with clause (i), or which the Applicant elects (by written notice to the Company within thirty (30) days of the end of the contract year) to sell under this clause, shall be deemed to have been tendered for sale to the Company and the Company shall purchase such portion at:

(1) for *Bundled Western T*-Service, a price per cubic metre of eighty percent (80%) of the average price over the contract year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs, less the Company's average transportation cost to its franchise area over the contract year.

(2) for *Bundled Ontario T-Service*, a price per cubic metre of eighty percent (80%) of the average price over the contract year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs.

Any volume of gas deemed to have been so tendered for sale shall be deemed to have been eliminated from the credit balance of the Banked Gas Account.

During the Adjustment Period the Company shall use reasonable efforts to accept the Applicant's reduced gas deliveries. Any credit balance in the Banked Gas Account not eliminated as aforesaid in the Adjustment Period shall be forfeited to, and be the property of, the Company, and such volume of gas shall be debited to the Banked Gas Account as at the end of the Adjustment Period.

Subject to its ability to do so, the Company will attempt to accommodate arrangements which would permit adjustments to Banked Gas Account balances at times and in a manner which are mutually agreed upon by the Applicant and the Company.

B. The following Terms and Conditions shall apply to Unbundled Service:

The Terms and Conditions for disposition of Cumulative Imbalance Account balances shall be as specified in the applicable Service Contracts.

RATE NUMBER: 100	FIRM CONTRACT SERVICE

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of a specified annual volume of natural gas of not less than 340,000 cubic metres to be delivered at a specified maximum daily rate.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$121.52**
Delivery Charge	
Per cubic metre of Contract Demand	**8.1900 ¢/m³**
For the first 14,000 m³ per month	**5.1674 ¢/m³**
For the next 28,000 m³ per month	**3.8084 ¢/m³**
For all over 42,000 m³ per month	**3.2494 ¢/m³**
Gas Supply Load Balancing Charge	**0.4858 ¢/m³**
Transportation Charge per cubic metre	**4.6549 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**21.0876 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider "C" and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the ~~average~~ highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

RATE NUMBER: **100**

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service):

10.2535 ¢/m³

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2010 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2010 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2010 and that indicates as the Board Order, EB-2009-0172, effective January 1, 2010.

RATE NUMBER: 110	LARGE VOLUME LOAD FACTOR SERVICE

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of an annual supply of natural gas of not less than 183 times a specified maximum daily volume of not less than 1,865 cubic metres.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$585.00**
Delivery Charge	
Per cubic metre of Contract Demand	**22.9100 ¢/m³**
Per cubic metre of gas delivered	
For the first 1,000,000 m³ per month	**0.6267 ¢/m³**
For all over 1,000,000 m³ per month	**0.4767 ¢/m³**
Gas Supply Load Balancing Charge	**0.1346 ¢/m³**
Transportation Charge per cubic metre	**4.6549 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**21.0244 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider "C" and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the ~~average~~ highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

RATE NUMBER: **110**

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service):

5.3615 ¢/m³

In determining the Annual Volume Deficiency, the minimum bill multiplier shall not be less than 183.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2010 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2010 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2010 and that indicates as the Board Order, EB-2009-0172, effective January 1, 2010.

RATE NUMBER: **115**	**LARGE VOLUME LOAD FACTOR SERVICE**

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of an annual supply of natural gas of not less than 292 times a specified maximum daily volume of not less than 1,165 cubic metres.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$620.86**
Delivery Charge	
Per cubic metre of Contract Demand	**24.3600 ¢/m³**
Per cubic metre of gas delivered	
For the first 1,000,000 m³ per month	**0.3616 ¢/m³**
For all over 1,000,000 m³ per month	**0.2616 ¢/m³**
Gas Supply Load Balancing Charge	**0.0452 ¢/m³**
Transportation Charge per cubic metre	**4.6549 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**21.0244 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider "C" and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the ~~average~~ highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

RATE NUMBER: **115**

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service):

5.0070 ¢/m³

In determining the Annual Volume Deficiency the minimum bill multiplier shall not be less than 292.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2010 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2010 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2010 and that indicates as the Board Order, EB-2009-0172, effective January 1, 2010.

RATE NUMBER: 135	SEASONAL FIRM SERVICE

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of an annual supply of natural gas of not less than 340,000 cubic metres.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure. A maximum of five percent of the contracted annual volume may be taken by the Applicant in a single month during the months of December to March inclusively.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month	
	December to March	**April to November**
Monthly Customer Charge	**$114.82**	**$114.82**
Delivery Charge		
For the first 14,000 m³ per month	**6.7929 ¢/m³**	**2.0929 ¢/m³**
For the next 28,000 m³ per month	**5.5929 ¢/m³**	**1.3929 ¢/m³**
For all over 42,000 m³ per month	**5.1929 ¢/m³**	**1.1929 ¢/m³**
Gas Supply Load Balancing Charge	**0.0000 ¢/m³**	**0.0000 ¢/m³**
Transportation Charge per cubic metre	**4.6549 ¢/m³**	**4.6549 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**21.0869 ¢/m³**	**21.0869 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider "C" and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

The applicant has the option of delivering either Option a) a Mean Daily Volume ("MDV") based on 12 months, or Option b) a Modified Mean Daily Volume ("MMDV") based on nine months of deliveries. Authorized Volumes for the months of January, February and March would be zero under option b).

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the ~~average~~ highest price on each day on which an overrun occurred for the calendar month as published in t Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Failure to deliver a volume of gas equal to the Mean Daily Volume under Option a) set out in the Service Contract during the months of December to March inclusive may result in the Applicant not being eligible for service under this rate in a subsequent contract period, at the Company's sole discretion.

Failure to deliver a volume of gas equal to the Modified Mean Daily Volume under Option b) set out in the Service Contract during the month of December may result in the Applicant not being eligible for service under this rate in a subsequent contract period, at the Company's sole discretion.

RATE NUMBER: **135**

SEASONAL CREDIT:

Rate per cubic metre of Mean Daily Volume from December to March	**$**	**0.77** ***/m³***
Rate per cubic metre of Modified Mean Daily Volume for December	**$**	**0.77** ***/m³***

SEASONAL OVERRUN CHARGE:

During the months of December through March inclusively, any volume of gas taken in a single month in excess of five percent of the annual contract volume (Seasonal Overrun Monthly Volume) will be subject to Seasonal Overrun Charges in place of both the Delivery and Gas Supply Load Balancing Charges. The Seasonal Overrun Charge applicable for the months of December and March shall be calculated as 2.0 times the sum of the Gas Supply Load Balancing Charge, Transportation Charge and the maximum Delivery Charge. The Seasonal Overrun Charge applicable for the months of January and February shall be calculated as 5.0 times the sum of the Load Balancing Charge, Transportation Charge and the maximum Delivery Charge.

Seasonal Overrun Charges:

December and March	**22.8956 ¢/m³**
January and February	**57.2390 ¢/m³**

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency (See Terms and Conditions of Service):	**8.2598 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2010 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2010 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2010 and that indicates as the Board Order, EB-2009-0172, effective January 1, 2010.

RATE NUMBER: 145	INTERRUPTIBLE SERVICE

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation of a specified maximum daily volume of natural gas to a single terminal location ("Terminal Location") which can accommodate the total interruption of gas service as ordered by the Company exercising its sole discretion. The Company reserves the right to satisfy itself that the customer can accommodate the interruption of gas through either a shutdown of operations or a demonstrated ability and readiness to switch to an alternative fuel source.
Any Applicant for service under this rate schedule must agree to transport a minimum annual volume of 340,000 cubic metres.

CHARACTER OF SERVICE:

In addition to events as specified in the Service Contract including force majeure, service shall be subject to curtailment or discontinuance upon the Company issuing a notice not less than ~~72~~ 16 hours prior to the time at which such curtailment or discontinuance is to commence. An Applicant may, by contract, agree to accept a shorter notice period.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$122.73**
Delivery Charge	
Per cubic metre of Firm Contract Demand	**8.2300 ¢/m³**
For the first 14,000 m³ per month	**2.8750 ¢/m³**
For the next 28,000 m³ per month	**1.5160 ¢/m³**
For all over 42,000 m³ per month	**0.9570 ¢/m³**
Gas Supply Load Balancing Charge	**0.3639 ¢/m³**
Transportation Charge per cubic metre	**4.6549 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**21.2033 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider "C" and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

CURTAILMENT CREDIT:

Rate for 16 hours of notice per cubic metre of Mean Daily Volume from December to March	$	0.50 /m³
~~Rate for 72 hours of notice per cubic metre of Mean Daily Volume from December to March~~	~~$~~	~~0.11 /m³~~

In addition, if the Applicant is supplying its own gas requirements, the gas delivered by the Applicant during the period of curtailment shall be purchased by the Company for the Company's use. The purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas *Market Report* published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled "Domestic spot gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

For the areas specified in Appendix A to this Rate Schedule, the Company's gas distribution network does not have sufficient physical capacity under current operating conditions to accommodate the provision of firm service to existing interruptible locations.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the ~~average~~ highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Any material instance of failure to curtail ~~The third instance of such failure~~ in any contract year may result in the Applic forfeiting the right to be served under this rate schedule.

In such case, service hereunder would cease, notwithstanding any Service Contract between the Company and the Applicant. Gas supply and/or transportation service would continue to be available to the Applicant pursuant to the provisions of the Company's Rate 6 until a Service Contract pursuant to another applicable Rate Schedule was executed.

Any Applicant taking a material volume of Unauthorized Supply Overrun Gas, during a period of ordered curtailment, may forfeit its curtailment credits for the respective winter season, December through March inclusive.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency (See Terms and Conditions of Service):	**7.8391 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2010 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2010 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2010 and that indicates as the Board Order, EB-2009-0172, effective January 1, 2010.

RATE NUMBER: 170	LARGE INTERRUPTIBLE SERVICE

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation of a specified maximum daily volume of natural gas of not less than 30,000 cubic metres and a minimum annual volume of 5,000,000 cubic metres to a single terminal location ("Terminal Location") which can accommodate the total interruption of gas service when required by the Company.
The Company reserves the right to satisfy itself that the customer can accommodate the interruption of gas through either a shutdown of operations or a demonstrated ability and readiness to switch to an alternative fuel source.
The Company, exercising its sole discretion, may order interruption of gas service upon not less than four (4) hours notice.

CHARACTER OF SERVICE:

In addition to events as specified in the Service Contract including force majeure, service shall be subject to curtailment or discontinuance upon the Company issuing a notice not less than 4 hours prior to the time at which such curtailment or discontinuance is to commence.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$278.27**
Delivery Charge	
Per cubic metre of Contract Demand	**4.0900 ¢/m³**
Per cubic metre of gas delivered	
For the first 1,000,000 m³ per month	**0.5583 ¢/m³**
For all over 1,000,000 m³ per month	**0.3583 ¢/m³**
Gas Supply Load Balancing Charge	**0.2040 ¢/m³**
Transportation Charge per cubic metre	**4.6549 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**21.0244 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider "C" and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

CURTAILMENT CREDIT:

Rate for 4 hours of notice per cubic metre of Mean Daily Volume from December to March $ **1.10 /m³**

RATE NUMBER: **170**

In addition, if the Applicant is supplying its own gas requirements, the gas delivered by the Applicant during the period of curtailment shall be purchased by the Company for the Company's use. The purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas *Market Report* published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled "Domestic spot gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

For the areas specified in Appendix A to this Rate Schedule, the Company's gas distribution network does not have sufficient physical capacity under current operating conditions to accommodate the provision of firm service to existing interruptible locations.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the ~~average~~ highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Any material instance of failure to curtail ~~The third instance of such failure~~ in any contract year may result in the Applic forfeiting the right to be served under this rate schedule.

In such case, service hereunder would cease, notwithstanding any Service Contract between the Company and the Applicant. Gas supply and/or transportation service would continue to be available to the Applicant pursuant to the provisions of the Company's Rate 6 until a Service Contract pursuant to another applicable Rate Schedule was executed.

Any Applicant taking a material volume of Unauthorized Supply Overrun Gas, during a period of ordered curtailment, may forfeit its curtailment credits for the respective winter season, December through March inclusive.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service):

5.3625 ¢/m³

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2010 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2010 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2010 and that indicates as the Board Order, EB-2009-0172, effective January 1, 2010.

RATE NUMBER: **200**	**WHOLESALE SERVICE**

APPLICABILITY:

To any Distributor who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation of an annual supply of natural gas to customers outside of the Company's franchise area.

CHARACTER OF SERVICE:

Service shall be continuous (firm), except for events as specified in the Service Contract including force majeure, up to the contracted firm daily demand and subject to curtailment or discontinuance, of demand in excess of the firm contract demand, upon the Company issuing a notice not less than 4 hours prior to the time at which such curtailment or discontinuance is to commence.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	
The monthly customer charge shall be negotiated with the applicant and shall not exceed:	**$2,000.00**
Delivery Charge	
Per cubic metre of Firm Contract Demand	**14.7000 ¢/m³**
Per cubic metre of gas delivered	**1.1667 ¢/m³**
Gas Supply Load Balancing Charge	**0.5236 ¢/m³**
Transportation Charge per cubic metre	**4.6549 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**21.0244 ¢/m³**
Buy/Sell Sales Gas Supply Charge per cubic metre (If applicable)	**21.0020 ¢/m³**

The rates quoted above shall be subject to the Gas Inventory Adjustment contained in Rider "C" and the Revenue Adjustment Rider contained in Rider "E". Also, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable to volumes of natural gas purchased from the Company. The volumes purchased shall be the volumes delivered at the Point of Delivery less any volumes, which the Company does not own and are received at the Point of Acceptance for delivery to the Applicant at the Point of Delivery.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

CURTAILMENT CREDIT:

Rate for 4 hours of notice per cubic metre of Mean Daily Volume from December to March **$ 1.10 /m³**

RATE NUMBER: **200**

In addition, if the Applicant is supplying its own gas requirements, the gas delivered by the Applicant during the period of curtailment shall be purchased by the Company for the Company's use. The purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas *Market Report* published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled "Domestic spot gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

For the areas specified in Appendix A to this Rate Schedule, the Company's gas distribution network does not have sufficient physical capacity under current operating conditions to accommodate the provision of firm service to existing interruptible locations.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the ~~average~~ highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

The third instance of such failure in any contract year may result in the Applicant orfeiting the right to be served under this Rate Schedule. In such case, service hereunder would cease, notwithstanding any Service Contract between the Company and the Applicant. Gas supply and/or transportation service would continue to be available to the Applicant pursuant to the provisions of the Company's Rate 6 until a Service Contract pursuant to another applicable Rate Schedule was executed.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency (See Terms and Conditions of Service):	**6.2905 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2010 under Sales Service including Buy/Sell Arrangements and Transportation Service. This rate schedule is effective April 1, 2010 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2010 and that indicates as the Board Order, EB-2009-0172, effective January1, 2010.

RIDER: A	TRANSPORTATION SERVICE RIDER

APPLICABILITY:

This rider is applicable to any Applicant who enters into Gas Transportation Agreement with the Company under any rate other than Rates 125 and 300.

MONTHLY DIRECT PURCHASE ADMINISTRATION CHARGE:

Fixed Charge	$75.00 per month
Account Charge	$0.21 per month per account

AVERAGE COST OF TRANSPORTATION:

The average cost of transportation effective January 1, 2010:

Point of Acceptance	Firm Transportation (FT)
CDA, EDA	4.6549 ¢/m³

TCPL FT CAPACITY TURNBACK:

APPLICABILITY:

To Ontario T-Service and Western T-Service customers who have been or will be assigned TCPL capacity by the Company.

TERMS AND CONDITIONS OF SERVICE:

~~1. The Company will accommodate TCPL FT capacity turnback from customers to the extent that the Company is allowed to turnback FT capacity to TCPL.~~

~~2. The Company will accommodate all TCPL FT capacity turnback requests in a manner that minimizes stranded and other transitional costs. The Company is committed to maintaining the integrity of its distribution system and the sanctity of all contracts.~~

1. The Company will accommodate TCPL FT capacity turnback requests from customers, but only if it can do so in accordance with the following considerations:
   i. The FT capacity to be turned back must be replaced with alternative, contracted firm transportation (primary capacity or assignment) of equivalent quality to the TCPL FT capacity;
   ii. The amount of turnback capacity that Enbridge otherwise may accommodate may be reduced to address the impact of stranded costs, other transitional costs or incremental gas costs resulting from the loss of STS capacity arising from any turnback request; and
   iii. Enbridge must act in a manner that maintains the integrity and reliability of the gas distribution system and that respects the sanctity of contracts.

~~3. The Company may amend any contracts to accommodate a customer's request to turnback capacity.~~

~~4. Notice of TCPL FT turnback capacity will be accepted on Enbridge's Election for Enbridge Firm Transportation Assignment form or other authorized written notice.~~

2. Requests for TCPL FT turnback must be made in writing to the attention of Enbridge's Direct Purchase group.

~~5. The daily contractual right to receive natural gas would still be subject to the delivery, on a firm basis, of the full Mean Daily Volume into the Company's Central Delivery Area (CDA) and/or Eastern Delivery Area (EDA). The delivery area must match the area in which consumption will occur.~~

RIDER:	A

~~6.~~ ~~The proportion of TCPL FT capacity that an eligible customer may request to be turned back each year ("percentage turnback") shall not exceed the proportion of the TCPL capacity that Enbridge is entitled to turn-back that year. This percentage turnback will be applied to calculate the customer's turnback capacity limit based on the renewal volume of the direct purchase agreement.~~

~~7.~~ ~~If the Company is unable to accommodate all or a portion of an eligible customer's request to turnback TCPL FT capacity in the month requested by the customer, the Company will indicate the month(s) when such customer request can be fully satisfied and the costs, if any, associated with accommodating this request. The customer may then advise the Company as to whether or not they wish to proceed with the TCPL FT capacity turnback request.~~

~~8.~~ 3. All TCPL FT capacity turnback requests will be treated on an equitable basis.

~~9.~~ ~~Customers may withdraw their original election given they provide notice to the Company a minimum of one week prior to the deadline specified in the TransCanada tariff for FT contract extension.~~

~~10.~~ 4. The percentage turnback of TCPL FT capacity will be applied at the Direct Purchase Agreement level.

~~11.~~ 5. Written notice to turnback capacity must be received by the Company the earlier of:

(a) Sixty days prior to the expiry date of the current contract.

or

(b) A minimum of one week prior to the deadline specified in TransCanada tariff for FT contract extension.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after April 1, 2010. This rate schedule is effective April 1, 2010 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2010 and that indicates as the Board Order, EB-2009-0172, effective January 1, 2010.