EB-2010-0207

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

AND IN THE MATTER OF an Application by Union Gas Limited for an order or orders amending or varying its approved C1 rate schedule to accommodate a firm transportation service from Dawn to the Dawn-TCPL interconnect;

BEFORE: Gordon Kaiser
Vice-Chair and Presiding Member

DECISION AND ORDER

[1] This Decision concerns an application by Union Gas Limited ("Union") filed with the Ontario Energy Board on June 11, 2010 under the *Ontario Energy Board Act, 1998* seeking approval to modify its current approved C1 rate schedule to accommodate firm transportation service from Dawn to the Dawn-TCPL interconnect, effective November 1, 2010. Union filed an update to the Application on July 15, 2010[1]. For the reasons set out below, the Board approves the Application.

[2] The Board issued a Notice of Application, Written Hearing and Procedural Order on June 24, 2010. In the Notice, the Board adopted the intervenors in the EB-2009-0275 proceeding as intervenors in this proceeding[2]. The Notice set out a timeline for the

---

[1] The updated Application revised the estimated number of days that the proposed service would be used by TransCanada and highlighted the impacts that the change will have on Union's rate proposal for the service.

[2] These intervenors are listed in Appendix "A".

parties to file interrogatories and submissions on the basis that the Board would proceed to hear the Application by way of a written hearing, which it did.

[3] Canadian Manufacturers and Exporters ("CME") was the only intervenor to file submissions in this proceeding. Submissions were also received from Board staff. The Applicant filed a reply argument on August 3, 2010.

Background

[4] Union is applying for approval of a firm Dawn to Dawn-TCPL transportation rate, effective November 1, 2010. The new service is in direct response to the changing North American gas supply dynamics and a request for firm transportation service from TransCanada. The continued decline in gas supplies from the Western Canadian Sedimentary Basin, together with the rapid and significant growth in new sources of supply, including the Marcellus Shale in Pennsylvania and New York, are impacting the flows of natural gas, both into and out of Dawn.

[5] In response to TransCanada's request for this service, Union conducted an open season for firm transportation from Dawn to Dawn-TCPL. TransCanada submitted a binding request for firm transportation for a quantity of 500,000 GJ/d and a term of 5 years. Union and TransCanada have executed a firm transportation contract for this service commencing November 1, 2010.

[6] To provide the proposed transportation service at the volume requested, Union must make modifications to its existing facilities at Dawn to allow for custody transfer metering[3]. The estimated capital cost of the station and metering modifications is $3.3 million. Union plans to complete these modifications during the summer of 2010 in order to meet the contracted requirement with TransCanada. These facilities do not require Leave to Construct approval from the Board.

[7] Union's current approved rate schedules do not provide for firm transportation service between Dawn and the Dawn-TCPL interconnect. Union, therefore, plans to modify the C1 rate schedule to accommodate a firm transportation service from Dawn to Dawn-TCPL at the rates set out in the following table.

[3] A map describing the proposed service is attached as Appendix "B".

Proposed Firm Dawn to Dawn-TCPL Transportation Rate

	Proposed
• Monthly Demand Charge ($/GJ applied to Daily Contract Demand)	$0.222
• Fuel Ratio - November 1 to March 31 - Fuel & UFG	0.645%
• Fuel Ratio- April 1 to October 31 - UFG Only	0.332%

Customer Need

[8] The physical design of the Dawn yard is based on gas imports from the west (Western Canadian Sedimentary Basin) and exports to the east (Ontario, Quebec, New York). However, as customer needs change, Union may be required to add additional facilities and/or develop firm transportation rates to accommodate changes in gas flows in the Dawn area.

[9] Currently, Union can accommodate requests for westerly exports to Dawn-TCPL on an interruptible basis, via displacement. This service is currently contingent on having sufficient easterly flowing gas from Great Lakes Gas Transmission Company to Dawn-TCPL.

[10] To provide firm service between interconnects within the Dawn yard; Union requires new facilities and a new rate. Previously, the Board approved a rate for similar firm transportation services between interconnects within the Dawn yard. In 2007, at the request of Greenfield Energy Centre LP, Union applied for approval of a firm transportation service from Dawn to Dawn-Vector. The Dawn to Dawn-Vector service supports the export of gas west out of Dawn to the Vector pipeline. The Board approved this service effective January 1, 2008[4].

[11] Union's system always had the ability to export gas from Dawn to Dawn-TCPL on an interruptible basis but customers now wish for greater reliability through a firm transportation service between these two points.

[12] TransCanada currently sells short-haul transportation services with a receipt point of Dawn-TCPL and a delivery point further east, including the CDA, EDA and

[4] *Ontario Energy Board Decision and Order* (EB-2007-0613) (June 28, 2007)

Waddington. TransCanada's firm commitments for these transportation routes are approximately 500,000 GJ/day greater than the easterly contracted capacity it has on Union's system between Dawn and Parkway. To meet these obligations east of Parkway, TransCanada has historically used a combination of Dawn to Parkway contracts with Union, along with the flexibility provided by its integrated system.

[13] Union conducted an open season from April 27, 2010 to May 19, 2010 for firm Dawn to Dawn- TCPL transportation. The open season provided customers the ability to request firm transportation from Dawn to Dawn-TCPL for a quantity up to 500,000 GJ/d and a term of 10 years.

[14] As the open season progressed, TransCanada requested two changes to the open season. First they requested an extension to the close of the open season to allow all interested parties additional time to understand the issue and reach consensus on who should participate in the open season (either individual shippers or TransCanada on behalf of its shippers). Secondly they requested a shorter contract term (5 years) to be more closely aligned with the terms of the shipper contracts on its system as well as the contract TransCanada holds on Great Lakes to transport gas from Dawn-TCPL to St. Clair to Emerson. Union was able to accommodate both requests. The open season was extended to May 27, 2010 and an additional offer of a 5-year term and an associated 5-year rate was made available.

[15] At the close of the open season, TransCanada submitted a binding request for a firm transportation contract for Dawn to Dawn-TCPL for a daily quantity of 500,000 GJ/d and a term of 5 years. Union and TransCanada have executed a firm transportation contract.

[16] Board staff agreed that the proposed service offering is necessary to meet the needs of TransCanada as a result of the changing North American gas supply market.

Board Findings – Customer Need

[17] The Board finds that Union has demonstrated the need for the proposed Dawn to Dawn-TCPL transportation service. No one has objected to the proposed service and all of the available capacity for the new service has been contracted by one single shipper, TransCanada, for a 5-year term.

Rate Design

[18] To facilitate the Dawn to Dawn-TCPL transportation service, Union will physically transport gas westerly from Dawn to the Dawn-TCPL interconnect. Union will use existing compression facilities at Dawn and incur incremental compressor fuel and UFG costs. Union will also require modifications to its existing facilities to allow for custody transfer metering at the anticipated volumetric levels. The estimated capital cost associated with the station and metering modifications is $3.3 million.

[19] Union proposed that the current approved C1 rate schedule be modified to accommodate firm transportation service from Dawn to the Dawn-TCPL interconnect. The proposed rate design has two components:

(a) A firm monthly transportation demand charge of $0.222/GJ applied to daily contracted demand. This component of the rate is intended to make a contribution towards the recovery of existing Dawn compression costs and to recover the costs associated with the new facilities necessary to provide firm transportation service.

(b) Seasonal fuel ratios to recover incremental Dawn compressor fuel and UFG associated with providing the service.

[20] TransCanada requested this service to meet its winter 2010/2011 transportation requirements. Accordingly, Union asked that the proposed rates become effective November 1, 2010.

[21] Union proposes that the firm monthly Dawn to Dawn-TCPL transportation demand charge of $0.222/GJ be comprised of two parts.

[22] The first part of the firm monthly demand charge was calculated using Dawn transmission compression-related costs included in the firm rate for transportation service on the Ojibway/St. Clair transmission system, adjusted for the estimated number of days compression is required. Union estimated that there will be approximately 90 days per year in the winter when gas requiring Dawn compression flows through the Dawn-TCPL interconnect. This component of Union's proposed rate design provides for a reasonable contribution to the recovery of fixed costs associated with the assets used

to provide the transportation service. This rate design is consistent with the Board approved rate design of the Dawn to Dawn-Vector firm transportation rate.

[23] The second part of the firm monthly demand charge recovers the costs associated with the capital investment of approximately $3.3 million required to provide the firm transportation service.

[24] TransCanada is contracting for a firm transportation service from Dawn to the Dawn-TCPL interconnect for five years only. Union has no assurance that TransCanada will renew the contract after the term of 5 years. TransCanada was the only participant in the open season. If TransCanada does not renew its contract, the traditional rate design methodology will not recover all of the capital costs. Accordingly, Union proposes to recover the costs associated with the investment over five years. All costs will be recovered solely from TransCanada. This approach is necessary to ensure that the costs are not borne by other ratepayers.

[25] As a result, Union requested the Board's approval of a depreciation rate of 20% for the $3.3 million capital investment based on the five year contract term.

[26] Union proposed to set the seasonal fuel ratios to recover incremental Dawn compressor fuel and UFG for the number of days compression is required. The proposed fuel ratio for winter transportation is 0.645% which recovers Dawn compressor fuel and UFG for 90 days of compression. If transportation service is required between April 1 and October 31 the proposed fuel ratio is 0.332% which will recover UFG only.

[27] Board staff submitted that recovering the capital costs over a period of 5 years while not typical is appropriate given the uncertainty Union faces in contracting beyond the initial 5-year term. Board staff also submitted that Union's proposed rate design is appropriate to ensure no ratepayers, other than TransCanada, incur capital costs related to the service. Board staff also noted that TransCanada has not objected.

[28] Union, in response to a Board Staff Interrogatory[5], stated that no adjustments will be made to the firm monthly demand charge if the capital investment is higher or lower than the estimated $3.3 million. As a result, Board staff submitted that the Board should

[5] Union's IR Responses, (July 15, 2010) – Ex. B1.05 - No. 5(f)

rule that any capital costs related to the new service over the $3.3 million estimate should be paid by Union's shareholders and not its ratepayers.

[29] CME submitted that the proposed Dawn to Dawn-TCPL service offering has no adverse impact on ratepayers and should be approved.

Board Findings – Rate Design

[30] The Board finds that the proposed rate design for the Dawn to Dawn-TCPL transportation service is appropriate. Given the uncertainty regarding the demand beyond the initial 5-year term, the Board agrees with Union that the capital costs of $3.3 million should be recovered entirely over the 5-year term of the contract and therefore approves the depreciation methodology proposed by the Applicant. The Board also agrees that any capital costs in excess of the $3.3 million estimated by Union should be paid by Union's shareholders and not its ratepayers.

[31] The Board approves the rate for the Dawn to Dawn-TCPL transportation service as set out in the C1 Rate Schedule, attached as Appendix "C" to this Decision, effective November 1, 2010.

Cost Awards

[32] The Board may grant cost awards to eligible stakeholders pursuant to its power under section 30 of the *Ontario Energy Board Act, 1998*. When determining the amount of the cost awards, the Board will apply the principles set out in section 5 of the Board's *Practice Direction on Cost Awards*. The maximum hourly rates set out in the Board's Cost Awards Tariff will also be applied.

[33] The Board will issue a Decision on Cost Awards after the steps set out below have been completed.

THE BOARD THEREFORE ORDERS THAT:

1. The rate for the Dawn to Dawn-TCPL transportation service as set out in the C1 Rate Schedule, attached as Appendix "C" to this Decision, is approved effective November 1, 2010. This approval is conditional upon Union's shareholders paying any capital costs in excess of the estimated $3.3 million.

2. CME shall file with the Board and forward its respective cost claim to Union within 14 days from the date of this Decision.

3. Union shall file with the Board and forward to CME any objections to the claimed costs of CME within 21 days from the date of this Decision.

4. If Union objects to CME's costs, CME shall file with the Board and forward to Union any responses to any objections for cost claims within 28 days of the date of this Decision.

5. Union shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2010-0207**, be made through the Board's web portal at www.errr.oeb.gov.on.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.oeb.gov.on.ca. If the web portal is not available you may email your document to the address below. Those who do not have internet access are required to submit all filings on a CD or diskette in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

DATED at Toronto, August 12, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX "A"

TO DECISION AND ORDER

LIST OF INTERVENORS

BOARD FILE NO. EB-2010-0207

DATED: August 12, 2010

UNION GAS LIMITED

EB-2010-0207

APPLICANT & LIST OF INTERVENTIONS

Applicant	Rep. And Address for Service
Union Gas Limited	**Karen Hockin** Manager, Regulatory Initiatives Union Gas Limited P.O. Box 2001 50 Keil Drive North Chatham ON N7M 5M1 Tel: 519-436-5473 Fax: 519-436-4641 Email: khockin@uniongas.com
Applicant Counsel	**Crawford G. Smith** Torys LLP Suite 3000, Maritime Life Tower P.O. Box 270 Toronto Dominion Centre Toronto ON M5K 1N2 Tel: 416-865-8209 Fax: 416-865-7380 Email: csmith@torys.com

Intervenors	Rep. And Address for Service
Association of Power Producers of Ontario	**David Butters** President Association of Power Producers of Ontario 25 Adelaide St. E. Suite 1602 Toronto ON M5C 3A1 Tel: 416-322-6549 ext.231 Fax: 416-481-5785 Email: david.butters@appro.org

Association of Power Producers of Ontario

Richard King
Ogilvy Renault LLP
Suite 3800, P.O. Box 84
Royal Bank Plaza, South Tower
200 Bay Street
Toronto ON M5J 2Z4

Tel: 416-216-2311
Fax: 416-216-3930
Email: rking@ogilvyrenault.com

John Wolnik
Elenchus Research Associates
34 King St. East
Toronto ON M5C 2X8

Tel: 519-474-0844
Fax: 519-474-0844
Email: jwolnik@era-inc.ca

Canadian Manufacturers & Exporters

Paul Clipsham
Director of Policy
Canadian Manufacturers & Exporters
6725 Airport Road, Suite 200
Mississauga ON L4V 1V2

Tel: 905-672-3466 ext. 3236
Fax: 905-672-1764
Email: paul.clipsham@cme-mec.ca

Peter C.P. Thompson, Q.C.
Borden Ladner Gervais LLP
Barristers & Solicitors
100 Queen Street, Suite 1100
Ottawa ON K1P 1J9

Tel: 613-787-3528
Fax: 613-230-8842
Email: pthompson@blgcanada.com

Canadian Manufacturers & Exporters	**Vincent J. DeRose.** Borden Ladner Gervais LLP Barristers & Solicitors 100 Queen Street, Suite 1100 Ottawa ON K1P 1J9 Tel: 613-787-3589 Fax: 613-230-8842 Email: vderose@blgcanada.com
City of Kitchener	**James Gruenbauer** Manager, Regulatory Affiairs & Supply The Corporation of the City of Kitchener City Hall, P.O. Box 1118 200 King St. W., 5th Floor Kitchener ON N2G 4G7 Tel: 519-741-2616 Fax: 519-741-2633 jim.gruenbauer@kitchener.ca
	Alick Ryder Ryder Wright Blair & Holmes LLP 333 Adelaide St. W., 3rd Floor Toronto ON M5V 1R5 Tel: 416-340-9070 ext. 227 Fax: 416-340-9250 jaryder@rwbh.ca
Consumers Council of Canada	**Julie Girvan** Consultant Consumers Council of Canada 2 Penrose Road Toronto ON M4S 1P1 Tel: 416-322-7936 Fax: 416-322-9703 Email: jgirvan@ca.inter.net

Consumers Council of Canada

Robert B. Warren
WeirFoulds LLP
The Exchange Tower
Suite 1600, P.O. Box 480
130 King St. W.
Toronto ON M5X 1J5

Tel: 416-947-5075
Fax: 416-365-1876
Email: rwarren@weirfoulds.com

Direct Energy Marketing Limited

Ric Forster
Director
Government & Regulatory Affairs
Direct Energy Marketing Inc.
2225 Sheppard Ave. E.
Toronto ON M2J 5C2

Tel: 416-718-5942
Fax: 416-758-4272
Email: ric.forster@directenergy.com

ECNG Energy L.P.

Bill Killeen
Director, Energy Supply and Regulatory
ECNG Energy L.P.
5575 North Service Road, Suite 400
Burlington ON L7L 6M1

Tel: 905-635-3288
Fax: 905-635-3298
Email: bkilleen@ecng.com

Enbridge Gas Distribution Inc.

Bonnie Adams
Regulatory Coordinator
Enbridge Gas Distribution Inc.
500 Consumers Road
Willowdale ON M2J 1P8

Tel: 416-495-5499
Fax: 416-753-7336
Email:
EGDRegulatoryProceedings@enbridge.com

Enbridge Gas Distribution Inc.	**Norm Ryckman** Director, Regulatory Affairs Enbridge Gas Distribution Inc. 500 Consumers Road Willowdale ON M2J 1P8 Tel: 416-495-5499 Fax: 416-495-6072 Email: EGDRegulatoryProceedings@enbridge.com **Fred D. Cass** Aird & Berlis LLP Brookfield Place, P.O. Box 754 Suite 1800, 181 Bay Street Toronto ON M5J 2T9 Tel: 416-865-7742 Fax: 416-863-1515 Email: fcass@airdberlis.com
Energy Probe	**David S. MacIntosh** Consultant Energy Probe 225 Brunswick Ave. Toronto ON M5S 2M6 Tel: 416-964-9223 ext. 235 Fax: 416-964-8239 Email: DavidMacIntosh@nextcity.com
Federation of Rental-housing Providers of Ontario	**Dwayne Quinn** Principal Dr. Quinn & Associates 160 White Pine Cres. Waterloo ON N2V 1C1 Tel: 519-500-1022 Email: drquinn@rogers.com

Industrial Gas Users Association	**Murray Newton** President Industrial Gas Users Association 99 Metcalfe Street, Suite 1201 Ottawa ON K1P 1J9 Tel: 613-236-8021 Fax: 613-230-9531 Email: mnewton@igua.ca **Ian Mondrow** Counsel Macleod Dixon, LLP Toronto Dominion Centre 500-100 Wellington St. W. Toronto ON M5K 1H1 Tel: 416-203-4435 Fax: 416-360-8277 Email: ian.mondrow@macleoddixon.com
Just Energy Savings L.P.	**Nola Ruzycki** Director, Regulatory Affairs Just Energy Savings L.P. 6345 Dixie Rd., Suite 200 Mississauga ON L5T 2E6 Tel: 905-795-4204 Fax: 905-564-6069 Email: nruzycki@justenergy.com
London Property Management Association	**Randy Aiken** Aiken & Associates 578 McNaughton Ave. West Chatham ON N7L 4J6 Tel: 519-351-8624 Fax: 519-351-4331 Email: raiken@xcelco.on.ca

Natural Gas Specialist	**Jason Stacey** Natural Gas Specialist 471 Lincoln Gate Oakville ON L6H 3J8 Tel: 905-338-8786 Fax: 905-338-5348 Email: jfstacey@interlog.com
Ontario Association of Physical Plant Administrators	**Valerie Young** Director, Research and Analysis Aegent Energy Advisors Inc. 1 Eva Road, Suite 317 Toronto ON M9C 4Z5 Tel: 416-622-9449 ext. 104 Fax: 416-622-9797 Email: vyoung@aegent.ca
Ontario Power Generation Inc.	**Barbara Reuber** Director, Ontario Regulatory Affairs Ontario Power Generation Inc. 700 University Avenue, H18-G2 Toronto ON M5G 1X6 Tel: 416-592-5419 Fax: 416-592-8519 Email: Barbara.reuber@opg.com
Portland Energy Centre Inc. on behalf of Portlands Energy Centre L.P.	**Jason Rioux** Commercial Manager Portlands Energy Centre Inc. on behalf of Portlands Energy Centre L.P. 470 Unwin Ave. Toronto ON M4M 3B9 Tel: 416-462-8673 Fax: 416-462-1863 Email: Jason@portlandsenergycentre.com

School Energy Coalition	**Bob Williams** Coordinator School Energy Coalition 439 University Avenue, 18th Floor Toronto ON M5G 1Y8 Tel: 416-340-2540 Fax: 416-340-7571 Email: bwilliams@opsba.org **John De Vellis** Shibley Righton LLP Barristers and Solicitors 250 University Avenue, Suite 700 Toronto ON M5H 3E5 Tel: 416-214-5232 Fax: 416-214-5432 Email: john.devellis@shibleyrighton.com
Shell Energy North America (Canada) Inc. (Shell Energy)	**Paul Kerr** Manager, Market Affairs Shell Energy North America (Canada) Inc. 60 Struck Court, Suite 100 Cambridge ON N1R 8L2 Tel: 519-620-7712 Fax: 519-624-7712 Email: paul.kerr@shell.com
TransCanada Energy Ltd.	**Brian Kelly** Manager TransCanada Energy Ltd. 55 Yonge St., 8th Floor Toronto ON M5E 1J4 Tel: 416-869-2183 Fax: 416-869-2114 Email: brian_kelly@transcanada.com

Joel Forrest
Senior Legal Counsel
TransCanada Energy Ltd.
450 – 1^{st} Street S.W.
Calgary AB T2P 5H1

Tel: 403-920-6156
Fax: 403-920-2354
Email: joel_forrest@transcanada.com

TransCanada Pipelines Limited

James Bartlett
Manager, Regulatory Research & Analysis
TransCanada PipeLines Ltd.
450-1^{st} Street S.W.
Calgary AB T2P 5H1

Tel: 403-920-7165
Fax: 403-920-2347
Email: jim_bartlett@transcanada.com

Murray Ross
TransCanada PipeLines Ltd.
55 Yonge Street, 8^{th} Floor
Toronto ON M5E 1J4

Tel: 416-869-2110
Fax: 416-869-2119
Email: murray_ross@transcanada.com

Kevin Thrasher
TransCanada PipeLines Ltd.
450-1^{st} Street S.W.
Calgary AB T2P 5H1

Tel: 403-920-7838
Fax: 403-920-2354
Email: kevin_thrasher@transcanada.com

Vulnerable Energy Consumers Coalition	**Michael Buonaguro** Counsel Public Interest Advocacy Centre 34 King St. E., Suite 1102 Toronto ON M5C 2X8 Tel: 416-767-1666 Fax: 416-348-0641 Email: mbuonaguro@piac.ca **James Wightman** Econalysis Consulting Services Inc. 34 King St. E., Suite 1120 Toronto ON M5C 2X8 Tel : 416-348-0640 Fax : 416-348-0641 jwightman@econalysis.ca

APPENDIX “B”

TO DECISION AND ORDER

MAP

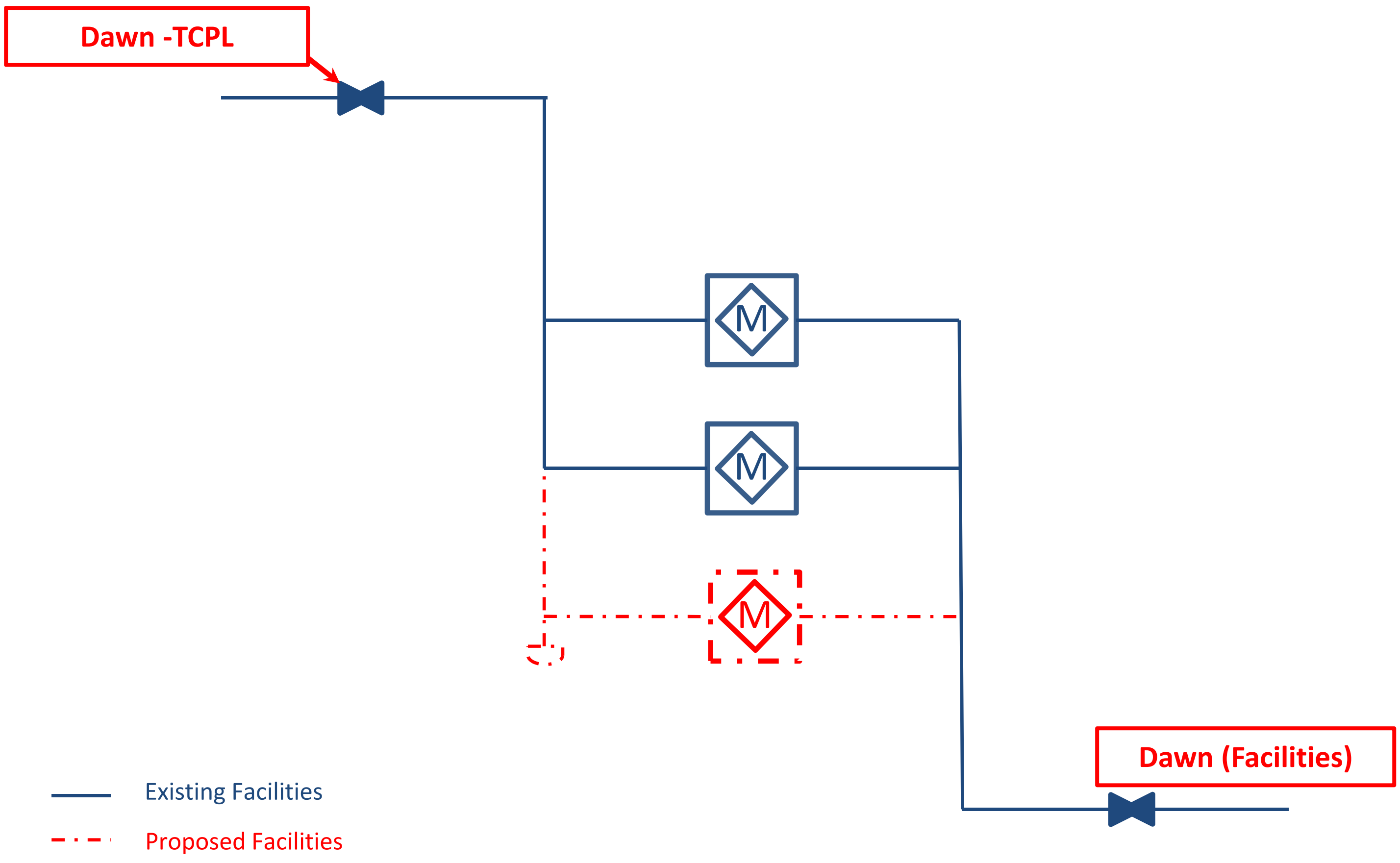
BOARD FILE NO. EB-2010-0207

DATED: August 12, 2010

Filed: 2010-07-15
EB-2010-0207
Exhibit B1.03
Attachment

Dawn to TCPL – Westerly

Bi-Directional Flow



07 July 2010

APPENDIX "C"

TO DECISION AND ORDER

RATE SCHEDULE

BOARD FILE NO. EB-2010-0207

DATED: August 12, 2010

unliongas

CROSS FRANCHISE TRANSPORTATION RATES

(A) Applicability

To a Shipper who enters into a Contract with Union for delivery by Shipper of gas to Union at one of Union's points listed below for redelivery by Union to Shipper at one of Union's points.

Applicable Points	(1)	(2)
	Ojibway	WDA
	St. Clair	NDA
	Dawn*	SSMDA
	Parkway	SWDA
	Kirkwall	CDA
	Bluewater	EDA

*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)

(B) Services

Transportation Service under this rate schedule is transportation on Union's pipeline facilities between any two Points as specified in Section (A), column 1.

(C) Rates

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

Transportation Service:

	Monthly Demand Charge (applied to daily contract demand)	Commodity Charges			
		If Union supplies fuel Commodity Charge		If Shipper supplies fuel Fuel Ratio	
		Apr.1-Oct.31	Nov.1-Mar.31	Apr.1-Oct.31	Nov.1-Mar.31
	Rate/GJ	Rate/GJ	Rate/GJ	%	%
a) Firm Transportation					
Between:					
St.Clair & Dawn	$0.985	$0.023	$0.027	0.356%	0.436%
Ojibway & Dawn	$0.985	$0.030	$0.035	0.502%	0.572%
Bluewater & Dawn	$0.985	$0.023	$0.027	0.356%	0.436%
From:					
Parkway to Kirkwall	$0.551	$0.023	$0.020	0.357%	0.332%
Parkway to Dawn	$0.551	$0.023	$0.020	0.357%	0.332%
Dawn to Kirkwall	$2.014	$0.032	$0.070	0.523%	1.149%
Dawn to Parkway	$2.366	$0.032	$0.070	0.523%	1.149%
b) Interruptible and Short Term (1 year or less) Firm Transportation:					
Maximum		$75.00	$75.00		
c) Firm Transportation between two points within Dawn					
Dawn to Dawn-Vector	$0.043	n/a	n/a	0.207%	n/a
Dawn to Dawn-TCPL	$0.222	n/a	n/a	0.332%	0.645%
d) Interruptible Transportation between two points within Dawn*					
*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)				0.332%	0.332%

(C) Rates (Cont'd)

Authorized Overrun:

The following Overrun rates are applied to any quantities transported in excess of the Contract parameters. Overrun will be authorized at Union's sole discretion.

	If Union supplies fuel Commodity Charge		Commodity Charges If Shipper supplies fuel Fuel Ratio		Commodity Charge
a) Firm Transportation	Apr.1-Oct.31 Rate/GJ	Nov.1-Mar.31 Rate/GJ	Apr.1-Oct.31 %	Nov.1-Mar.31 %	Rate/GJ
Between:					
St.Clair & Dawn	$0.055	$0.060	0.356%	0.436%	$0.033
Ojibway & Dawn	$0.063	$0.069	0.502%	0.572%	$0.033
Bluewater & Dawn	$0.055	$0.060	0.356%	0.436%	$0.033
From:					
Parkway to Kirkwall	$0.021	$0.019	0.958%	0.933%	$0.018
Parkway to Dawn	$0.021	$0.019	0.958%	0.933%	$0.018
Dawn to Kirkwall	$0.079	$0.117	1.124%	1.750%	$0.066
Dawn to Parkway	$0.090	$0.128	1.124%	1.750%	$0.078
b) Firm Transportation within Dawn					
Dawn to Dawn-Vector	n/a	n/a	0.443%	n/a	$0.001
Dawn to Dawn-TCPL	n/a	n/a	0.332%	0.645%	$0.007

Authorized overrun for short-term firm transportation is available at negotiated rates.

Unauthorized Overrun:

The Unauthorized Overrun rate shall be the higher of the reported daily spot price of gas at either, Dawn, Parkway, Niagara, Iroquois or Chicago in the month of or the month following the month in which the overrun occurred plus 25% for all usage on any day in excess of 102% of Union's contractual obligation.

(D) Terms of Service

General Terms and Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A".

(E) Nominations

Nominations under this rate schedule shall be in accordance with the attached Schedule "B".