

EB-2008-0264

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

AND IN THE MATTER OF an Application from Union Gas Limited for approval of the parties to, the period of, and the storage that is the subject of a T1 Gas Storage and Distribution Contract with East Windsor Cogeneration LP.

BEFORE: Gordon Kaiser
Presiding Member

Cathy Spoel
Board Member

DECISION AND ORDER

1.0 THE APPLICATION AND PROCEEDING

Union Gas Limited (“Union”) filed an Application (the “Application”), dated July 16, 2008 with the Ontario Energy Board (the “Board”) under section 39 (2) of the *Ontario Energy Board Act, 1998* (the “Act”) for an order of the Board approving the parties to, the period of, and the space for storage that is the subject of a T1 Gas Storage and Distribution Contract (the “T1 Contract”) with East Windsor Cogeneration LP (“East Windsor”). The Board assigned File No. EB-2008-0264 to this proceeding.

A Notice of Application for the proceeding was issued on August 5, 2008 and was served on all the parties to the EB-2007-0606 proceeding regarding Union’s incentive rate mechanism. The Notice invited written submissions by August 15, 2008. No submissions were filed.

The Board proceeded with this case by way of a written hearing.

2.0 THE CONTRACT

The terms of the T1 Contract are as summarized below:

Storage Space:	122,490 GJ
Deliverability (GJ per Day):	1200 GJ per day
Term:	20-year term effective July 1, 2008 to June 30, 2028.

3.0 THE PUBLIC INTEREST TEST

Section 39 (2) of the Act, stipulates that:

No storage company shall enter into an agreement or renew an agreement with any person for the storage of gas unless the Board, with or without a hearing has approved,

- (a) the parties to the agreement or renewal;*
- (b) the period for which the agreement or renewal is to be in operation; and*
- (c) the storage that is the subject of the agreement or renewal.*

Each component of the above legislation, in the context of this Application, is considered below.

3.1 The Parties to the Agreement

Based on the terms of the T1 Contract, East Windsor has requested, and Union has agreed to provide East Windsor with natural gas storage and distribution services. The Board has no concerns with respect to the parties to the T1 Contract.

3.2 The T1 Contract Term

Union submitted that the 20 year term of the T1 Contract was chosen to align with the 20 year Combined Heat and Power contract signed by East Windsor with the Ontario Power Authority.

The Board accepts the term of the T1 Contract which covers a 20-year period effective July 1, 2008 to June 30, 2028.

3.3 Storage Space and Deliverability

In its decision in the Proceeding on Natural Gas Storage Allocation Policies (EB-2007-0724 and EB-2007-0725), dated April 29, 2008 (the "Allocation Proceeding"), the Board approved the methodologies (the "Board-approved Methodologies") to be used by Enbridge Gas Distribution Inc. and Union to allocate natural gas storage space and deliverability to bundled and semi-bundled in-franchise customers at cost-based rates.

Union and East Windsor had originally signed a T1 Contract on August 17, 2007. This contract provided for 100,000 GJ of storage space and deliverability of 1,200 GJ/day (equal to 1.2% of the space). Following the Allocation Proceeding decision, the storage space allocation was amended to 122,490 GJ. The deliverability was not amended at that time as further analysis of plant operations was required by East Windsor. Union advised that it plans to recalculate the deliverability based on the Board-approved Methodologies.

Findings With Respect to Storage Space

Union's evidence indicates that it has used the Board-approved Methodologies in determining the storage space. The Board accepts Union's evidence that the storage space included in the T1 Contract was determined using Board-approved methodologies and approves the storage space amount.

Findings With Respect to Deliverability

The Board notes that the deliverability amount of 1200 GJ per day was determined on the basis of an initial storage space of 100,000 GJ and that the storage space has since been amended to 122,490 GJ. Based on the Board-approved Methodologies, the allowable deliverability amount for a storage space of 122, 490 GJ would be higher than the 1200 GJ per day included in the current T1 Contract. Thus, the Board considers the proposed deliverability of 1200 GJ per day to be consistent with the Board-approved Methodologies for determining storage parameters.

The Board acknowledges Union's submission that it plans to recalculate the deliverability, once East Windsor confirms its requirements. The Board accepts this approach with the condition that any recalculation must be in accordance with the Board-approved Methodologies for determining storage parameters.

3.4 Conclusion

Based on the above evidence and findings, the Board concludes that approval of the Application is in the public interest.

THE BOARD ORDERS THAT:

- (1) the parties to, the period of, and the storage that is the subject of the T1 Contract between Union Gas Limited and East Windsor Cogeneration LP are approved. A redacted non-confidential version of the contract is attached to this Decision and Order as Appendix A; and
- (2) any changes to the storage parameters contained in the subject T1 Contract must be in accordance with the Board-approved Methodologies for determining storage parameters.

DATED at Toronto, October 27, 2008

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX "A"

TO

DECISION AND ORDER

Union – East Windsor Cogeneration LP

Gas Storage and Distribution Contract

Board File No. EB-2008-0264

Contract ID	
Contract Name	EWC

T1 CONTRACT

This GAS STORAGE AND DISTRIBUTION CONTRACT (this "Contract"), made as of the 17th day of August, 2007 (the "Effective Date")

BETWEEN:

UNION GAS LIMITED
hereinafter called "Union"

- and -

East Windsor Cogeneration LP
An Ontario Limited Partnership
hereinafter called "Customer"

WHEREAS, Customer is building a natural gas fuelled Cogeneration Facility (the "Cogeneration Facility") near the intersection of Riverside Drive and Drouillard Road in Windsor Ontario;

AND WHEREAS Customer has requested Union and Union has agreed to provide Customer with storage and distribution services as specified in Schedule 1 and Schedule 4 (the "Services");

AND WHEREAS, Union is proposing to build, own and operate the required natural gas facilities (the "Expansion Facilities") to provide the Services.

IN CONSIDERATION of the mutual covenants, contained herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1 ATTACHMENTS

The following are hereby incorporated in and form part of this Contract:

- a) DCQ, Storage and Distribution Services Parameters Rate T1 contained in Schedule 1;
- b) Union's specific Service terms and conditions contained in Schedule 2 as amended from time to time in accordance with the procedure in the General Terms and Conditions (the "GT&C");
- c) Union's general GT&C applicable to the Services, as amended from time to time in accordance with the procedure contained in Schedule 3;
- d) In Franchise Market Priced Storage and Deliverability Parameters contained in Schedule 4; and,



- e) Form of letter of credit contained in Schedule 5.

2 CONDITIONS PRECEDENT

(a) The obligations of Union to provide Services hereunder are subject to the following conditions precedent that are for the sole benefit of Union and which may be satisfied or waived in whole or in part in the manner provided in this Contract:

(1) Union shall have obtained, in form and substance satisfactory to Union, acting reasonably, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to:

- a) provide the Services; and,
- b) construct the Expansion Facilities;

Union's target date for the filing of the leave to construct application for the Expansion Facilities, with the OEB is August 10, 2007. Based upon previous filings of a similar nature with the OEB Union expects that it will receive a decision from the OEB within six months from the filing of the leave to construct application. Union shall provide written notice to the Customer if the leave to construct application will not be filed by this date and shall provide a revised filing date.

(2) Union shall have completed and placed into service the Expansion Facilities.

Union's target date for completing and placing the Expansion Facilities into service is July 1, 2008. Union shall provide written notice to the Customer if the Expansion Facilities will not be completed and placed into service by this target date and shall provide a revised target date; and,

(3) Customer shall have complied with the following financial obligations:

a) on or before September 1, 2007 provide Union with a letter of credit in the amount of [REDACTED] pursuant to Section 9(a), or achieve, or provide a guarantor with, a credit rating of at least BBB as reported by Standard & Poors or Dominion Bond Rating Service Limited, or at least Baa2 as reported by Moody's or such other guarantor acceptable to Union ; and,

b) within seven (7) Business Days of Union advising the Customer, that it has received the required final approvals for the construction of the Expansion Facilities from the OEB, an additional letter of credit in the amount of [REDACTED] pursuant to Section 9(b)), or achieve, or provide a guarantor with, a credit rating of at least BBB as reported by Standard & Poors or Dominion Bond Rating Service Limited, or at least Baa2 as reported by Moody's or such other guarantor acceptable to Union.

(b) Union and Customer shall each use commercially reasonable efforts to satisfy and fulfil all of the conditions precedent specified in Section 2(a). Union shall notify the Customer forthwith in writing of the satisfaction or waiver of each applicable condition precedent. If



Union concludes that the conditions precedent in either Section 2(a)(1) or 2(a)(2) will not be satisfied then Union shall provide written notice to the Customer identifying the condition precedent that will not be waived or satisfied and the cause of the failure to satisfy the condition precedent (“**Failed Condition Precedent**”) Customer shall have an additional thirty (30) days period from the receipt of written notice from Union of the Failed Condition Precedent to satisfy the Failed Condition Precedent failing which Union shall have the right to terminate this Contract. During this period Union and Customer agree to use commercially reasonable efforts to satisfy the Failed Condition Precedent.

If Union concludes that either condition precedent in Section 2(a)3 will not be satisfied this Contract shall be terminated.

3 CONTRACT TERM

(a) This Contract shall be effective from the date hereof. However, the Services and obligations and terms and conditions relating thereto, shall commence on the Day of First Delivery. Subject to the provisions hereof, this Contract shall continue in full force and effect for a term of twenty (20) Contract Years following the Day of First Delivery (“**Initial Term**”). Thereafter this Contract shall continue from year to year, unless notice to terminate is provided by written notice by either Union or Customer. Such notice must be delivered at least three (3) months prior to the end of a then current Contract Year. The parties agree that the first Contract Year shall end on the last day of the next calendar year following the Day of First Delivery.

(b) If Customer delivers written notice (the “**Extension Notice**”) to Union at least 120 days prior to the expiration of the Initial Term of this Contract requesting an extension of all of the Services provided hereunder by Union to Customer for an additional period of up to 10 years, then:

- (1) to the extent that Union still offers such Services of a similar nature to new customers requesting such Services as of the expiration of the Initial Term of this Contract,
 - a. Union will advise Customer in writing (the “**Response Offer**”) of the terms and conditions (including price) upon which it offers each of such Services to similarly situated new customers within 30 days of receipt of the Extension Notice, and may include executable contract(s) setting out the definitive terms and conditions of each such Service;
 - b. Customer will have an additional 30 day period following receipt of the Response Offer to provide written notice of Customer’s acceptance of all of the terms and conditions contained in the Response Offer (and to the extent Union included executable contract(s), to provide a duly executed original of such executable contract(s)); and
 - c. If Customer does not accept such terms and conditions and execute such contracts, if any, within such additional 30 day period, then neither party has any further obligation under this Section 3(b); and



(2) to the extent that Union does not offer similar Services to other customers, neither party will have any further obligation under this Section 3(b).

(c) In the event the Customer does not deliver the Extension Notice to Union pursuant to Section 3(b), then this contract shall automatically continue on a year to year basis, until notice to terminate is delivered by either party pursuant to Section 3(a).

4 RATES FOR SERVICE

Customer agrees to pay for Services, commencing on the Day of First Delivery, herein pursuant to the terms and conditions of the following:

- a) the R1 Rate Schedule and T-1 Rate Schedule as they may be amended from time to time by the OEB; and
- b) this Contract and the Schedules hereto.

5 NOTICES

Notices shall be delivered pursuant to the notice provision of the GT&C and delivered to the addresses as referenced in Schedule 1.

6 ADDITIONAL NOMINATION REQUIREMENT

Due to the nature of the variable consumption and delivery patterns Customer is expecting, Union requires incremental information to manage its system. Customer, in addition to the Nomination requirements in Article 1 of the GT&C, shall provide Union with a schedule, (using Union's standard form template, as amended from time to time) which outlines the next Day's hourly consumption at the Point of Consumption and the hourly deliveries at the Point of Receipt, pursuant to Schedule 1. Such schedule shall be provided to Union no later than 11:00 am on the Day prior to consumption. Such requirement is essential for Union to effectively provide the Service. Customer will inform Union of any deviations from the said schedule provided to Union as soon as Customer becomes aware.

7 OPERATIONAL CHANGES

This Contract shall not be amended unless such amendments are agreed to in writing by the parties except:

- a) as contemplated in Section 12.18 of the GT&C; and,
- b) as determined by Union acting reasonably, on 60 days prior written notice to the Customer to allow for any necessary operational or administrative changes, requested by the OEB or implemented by Union, or any changes necessary to implement an OEB decision.



8 FACILITIES

Union will construct, own and maintain the Expansion Facilities necessary to serve the requirements of the Customer.

9 FINANCIAL ASSURANCE

In lieu of the provisions in Section 5.04 of the GT&C, Customer shall provide Union with a letter of credit, in the form attached hereto as Schedule 5 in the following amounts on or before the following dates:

- a) on or before September 1, 2007 a letter of credit in the amount of [REDACTED]
- b) to be increased by the amount of [REDACTED] within seven (7) Business Days of Union advising the Customer, that it has received the required final approvals for the construction of the Expansion Facilities from the OEB, resulting in a letter of credit in the total amount of [REDACTED]

The letter of credit shall be reduced annually by [REDACTED] beginning on July 1, 2009 to a minimum of [REDACTED]

The letter of credit shall be maintained by the Customer until such time that Customer achieves, or provides a guarantor with, a credit rating of at least BBB as reported by Standard & Poors or Dominion Bond Rating Service Limited, or at least Baa2 as reported by Moody's or such other guarantor acceptable to Union. Upon Customer achieving this credit rating, Union agrees to return the letter of credit to the Customer. In the event that the Customer fails to maintain a credit rating of at least BBB as reported by Standard & Poors or Dominion Bond Rating Service Limited, or at least Baa2 as reported by Moody, then the Customer shall immediately upon the demand of Union provide Union with a new letter of credit in an amount equal to the \$5,000,000 less the annual reductions referred to above.

The letter of credit will be automatically extended each year for the period set out herein, provided that if Union is advised the letter of credit will not be renewed or if, the letter of credit is not renewed 30 days prior to expiration, Union may call the letter of credit and hold the money as security for the obligations of Customer.

10 TERMINATION

If this Contract is terminated as a result of the conditions precedent in Section 2(a)(1) or 2(a)(3) not being waived or satisfied by Union, the Customer shall pay to Union the following sums within 30 days of having been invoiced therefor:

- a) the sum of [REDACTED] if the condition precedent in Section 2(a)(3)(a) is not waived or satisfied on or before the 1st day of September, 2007; and



b) the sum of [REDACTED] if all the conditions precedent in Section 2(a)(1) or 2(a)(3)(b) are not waived or satisfied on or before the 30th day of June 2008, or such later date as determined by Union.

Any letter of credit in place at the time of termination of this Contract shall remain in place until the earlier of:

- a) Customer satisfying all of its payment obligations under this Contract (including any obligations arising upon such termination, if any); and,
- b) six months following the effective date of such termination.

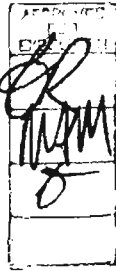
11 MARKET PRICED DELIVERABILITY

Notwithstanding any provision to the contrary the parties acknowledge that the provisions of Schedule 2 Section 6.02, Deliverability Inventory Provided by Customer, do not apply to the Market Priced Deliverability parameters as set out in Schedule 4, Section 2.

IN WITNESS WHEREOF this Contract has been duly executed by the parties hereto as of the date first written above.

UNION GAS LIMITED

Per: [Signature]
Name
Title **Stephen W. Baker**
Vice President
Business Development & Commercial Accounts



Per _____
Name
Title

EAST WINDSOR COGENERATION LP by its General partner,

East Windsor Cogeneration Inc.

Per: [Signature]
Name
Title **J.M. Myers**
President + CEO

Per: [Signature]
Name: **KEN SPINNER**
Title: **V.P.**

Contract ID	SA
Contract Name	
DUNS#	

Schedule 1
DCQ, Storage and Distribution Services Parameters
Rate T1

1. DATES

This Schedule 1 is effective the 1st day of July, 2008.

"Day of First Delivery" means the later of 1st day of July, 2008 or the day following the date that the conditions precedent set out in Section 2(a) have been satisfied or waived by the party entitled to the benefit thereof.

2. DAILY CONTRACT QUANTITY (DCQ)

Upstream Point(s) of Receipt

Location	Obligated DCQ GJ per Day
Western	[REDACTED]
Western (Exchange)	[REDACTED]

Ontario Point(s) of Receipt

Location	Obligated DCQ GJ per Day	Location	Obligated DCQ GJ per Day	Location	Obligated DCQ GJ per Day
Parkway	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Parkway(Trunkline)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Parkway (PEPL)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- Obligated DCQ does not include Compressor Fuel.

3. SUPPLY OF COMPRESSOR FUEL

Customer shall supply compressor fuel for Union's distribution and storage services.

4. STORAGE PARAMETERS

	Amount	Unit of Measure
Annual Firm Storage Space	100,000	GJ
Annual Firm Injection/Withdrawal Right (Union provides deliverability inventory)	1,200	GJ per Day
Annual Firm Injection/Withdrawal Right (Customer provides deliverability inventory)	0	GJ per Day



“Firm Storage Space” means the sum of Annual Firm Storage Space in Schedule 1 Section 4 and Market Priced Storage Space in Schedule 4 Section 1.

“Firm Injection Right” means the sum of Annual Firm Injection/Withdrawal Right in Schedule 1 Section 4 and Market Priced Firm Injection/Withdrawal Right in Schedule 4 Section 2.

“Firm Withdrawal Right” means the sum of Annual Firm Injection/Withdrawal Right in Schedule 1 Section 4 and Market Priced Firm Injection/Withdrawal Right in Schedule 4 Section 2.

5. DISTRIBUTION PARAMETERS

Point(s) of Consumption

	A	B	C	D
Location				
Union Meter Number				

	Unit of Measure	Point(s) of Consumption			
		A	B	C	D
Daily Contract Demand (CD):					
Firm Contract Demand	m ³ /Day	[REDACTED]			
Interruptible Contract Demand	m ³ /Day	[REDACTED]			
Maximum Hourly Volume	m ³ /hour	[REDACTED]			
Minimum Gauge Pressure	kPa	[REDACTED]			
Notice Period for Interruption	hours	[REDACTED]			
Maximum Number of Days Interruption	days	[REDACTED]			

Rate Parameters

	Unit of Measure	Point(s) of Consumption			
		A	B	C	D
Firm Transportation Demand	As per the Rate T-1 Rate Schedule				
Firm Transportation Commodity	As per the Rate T-1 Rate Schedule				
Interruptible Transportation Commodity Charge	cents per m ³	[REDACTED]			

On any Day, any Gas in excess of 103% of the Contract Demand shall be unauthorized overrun as, and shall be paid for at the rate specified in the Rate Schedule.

The parties agree that any reference to Transportation Service in the Rate Schedule shall include the Distribution Parameters as set out in this Schedule 1.



Gas Usage

Distribution parameters

On any Day during the Contract Year, Gas usage shall be deemed as follows:

First gas used	Firm Gas up to the Firm Contract Demand then in effect.
Next gas used	Interruptible Gas (if applicable) up to the Interruptible Contract Demand then in effect.
Next gas used	Overrun for quantities in excess of the parameters as specified in this Section.

Injection/Withdrawal Parameters

On any Day injection/withdrawal activity shall be deemed as follows

First gas injected or withdrawn	Up to 103% of the Firm injection/withdrawal as specified in Section 4.
Next gas injected or withdrawn	Market Priced Firm injection/withdrawal as specified in Schedule 4
Next gas injected or withdrawn	Overrun T-1 injection/withdrawal for all other quantities.

6. MINIMUM ANNUAL VOLUME

	Unit of Measure	Point(s) of Consumption			
		A	B	C	D
Firm Minimum Annual Volume,	m ³ /year				
Interruptible minimum monthly volume for the period July 1, 2007 to the earlier of Dec 31, 2007	m ³ /year				

7. CONTACT LIST FOR NOTICES

Notices for Nomination Matters

Company East Windsor Cogeneration Centre
Title
Address
Phone:
Fax:

Union Gas Limited
Manager, Gas Management Services
50 Keil Dr N, Chatham Ontario N7M 5M1
Phone: 519-436-4545
Fax: 519-436-4635



Notices for Invoices and Payments

Company.
Attention
Address

Union Gas Limited
Manager, Revenue Cycle Services
50 Keil Dr N, Chatham Ontario N7M 5M1
Phone: 519-352-3100
Fax: 519-436-5320

Notices for Interruptions and Force Majeure

	Point(s) of Consumption			
	A	B	C	D
Customer Name				
Position Title				
Phone				
Fax				

Notices for All other Matters

Company
Title
Address
Phone
Fax

Union Gas Limited
Director, Sales & Marketing
50 Keil Dr N, Chatham Ontario N7M 5M1
Phone: 519-352-3100
Fax: 519-436-4645



SCHEDULE "2"
Terms and Conditions
T1 Contract

1 UPSTREAM TRANSPORTATION COSTS

Where Union is receiving Gas from Customer at a Point of Receipt upstream of Union's system, Customer shall be responsible to Union for all direct and indirect upstream transportation costs including fuel from the Point of Receipt to Union's system, whether Gas is received by Union or not for any reason including Force Majeure. Where actual quantities and costs are not available by the date when Union performs its billing, Union's reasonable estimate will be used and the appropriate reconciliation will be done in the following month.

2 DELIVERY, RECEIPT, DISTRIBUTION AND STORAGE OBLIGATIONS

2.01 Delivery

Customer accepts the obligations to deliver the Obligated DCQ parameters in Schedule 1 to Union on a Firm basis. On days when an Authorization Notice is given, the DCQ parameters are as amended in the Authorization Notice. For all Gas to be received by Union at the Upstream Point of Receipt, Customer shall, in addition to the DCQ, supply on each day sufficient Compressor Fuel as determined by the Transporter.

2.02 Receipt

Union agrees to receive a quantity of Gas at the Points of Receipt identified in Schedule 1, on the terms as contained in Schedule 1, provided Union is not obligated to accept quantities of Gas that exceed any of the following:

- a) the sum of the Obligated DCQ as authorized for that Day;
- b) the amount properly nominated by Customer to Union for receipt by Union;
- c) an amount that would result in Customer exceeding the Firm Storage Space;
- d) an amount that would result in Customer exceeding the Firm Injection Right.

2.03 Distribution to Point(s) of Consumption

Union agrees to distribute a quantity of Gas to each Point of Consumption, not to exceed the sum of Firm Contract Demand and Interruptible Contract Demand, or the Firm Contract Demand only when an interruption is in effect, subject to the Maximum Hourly Volume parameters.

2.04 Storage Injection

Union agrees to inject a quantity of Gas to storage, provided Union is not obligated to inject a quantity of Gas that exceeds the sum of the T-1 Firm Injection Right and, if applicable, the MP Firm Injection Right and, if applicable, the Incremental Firm Injection Right.



2.05 Storage Withdrawal

Union agrees to withdraw a quantity of Gas from storage, provided Union is not obligated to withdraw a quantity of Gas that exceeds the T-1 Firm Withdrawal Right and, if applicable, the MP Firm Withdrawal Right or exceeds the quantity of gas remaining in the Customer's Firm Storage Space.

2.06 Overrun

Unless Union specifically provides written authorization to exceed contract parameters, any excess shall be unauthorized overrun and, in addition to any other remedies Union may pursue, Customer shall incur charges as referenced in the Rate Schedule.

2.07 Type Of Distribution Service

The type of Distribution Service herein shall be a combination of Firm and Interruptible Service for each Point of Consumption as identified in Schedule 1.

The Interruptible Contract Demand at a Point of Consumption is subject to interruption by Union and, in addition to Force Majeure, is limited to the Maximum Number of Days of Interruption during each Contract Year as identified in Schedule 1. Union shall provide Customer notice of interruption not less than the Notice Period for Interruption for each Point of Consumption, as identified in Schedule 1.

3 MINIMUM ANNUAL VOLUME

3.01 Firm Minimum Annual Volume

In each Contract Year, the Customer shall consume or, in any event, pay for the Firm Minimum Annual Volume ("FMAV") as adjusted in the formula below. The payment required for the firm quantity not consumed in any Contract Year (the "Firm Deficiency Volume" or "FDV") shall be calculated by multiplying FDV by the Firm Delivery Commodity Charge as of the last day of the Contract Year. This payment would only apply if the FDV was greater than zero.

Where:

$$FDV = [FMAV \times [(U - D_F) / U]] - [FV - (F + O)]$$

And:

FMAV	=	Firm Minimum Annual Volume (as identified in Schedule 1)
U	=	number of days in the Contract Year
D_F	=	number of days of Force Majeure in the Contract Year where service is curtailed below the Firm Contract Demand, then in effect
FV	=	total firm volume taken in the Contract Year
F	=	volumes delivered to the Points of Consumption during Force Majeure
O	=	total Authorized and/or Unauthorized Overrun Gas taken in the Contract Year



3.02 Interruptible Minimum Annual Volume

In each Contract Year, the Customer shall consume or, in any event, pay for the Interruptible Minimum Annual Volume ("IMAV") as adjusted in the formula below. The payment required for the interruptible quantity not consumed in any Contract Year (the "Interruptible Deficiency Volume" or "IDV") shall be calculated by multiplying the IDV by the Interruptible Delivery Commodity Charge as of the last day of the Contract Year. This payment would only apply if the IDV was greater than zero.

Where:

$$IDV = [IMAV \times [(U - D_I) / U]] - [IV - (F + O)]$$

And:

IMAV	=	Interruptible Minimum Annual Volume (as identified in Schedule 1)
U	=	number of days in the Contract Year
D_I	=	number of days of Force Majeure or interruption in the Contract Year where service is curtailed below the Firm Contract Demand, then in effect
IV	=	total interruptible volume taken in the Contract Year
F	=	volumes delivered to the Points of Consumption during Force Majeure or periods of interruption or curtailment
O	=	total Authorized and/or Unauthorized Overrun Gas taken in the Contract Year

3.03 Qualifying Annual Volume

The sum of the adjusted FMAV and adjusted IMAV shall not be less than the qualifying annual volume defined in the Rate Schedule.

4 CUSTOMER SUPPLIED DISTRIBUTION AND STORAGE COMPRESSOR FUEL

Customer shall have the option of supplying Compressor Fuel to Union for movement of Customer's Gas on Union's system for both Distribution and Storage services. Customer's right to supply Compressor Fuel herein shall only be effective where Schedule 1 and/or Schedule 4 states Customer has accepted this option.

4.01 Distribution Compressor Fuel Quantity

If Customer has elected to supply its own distribution compressor fuel, Union shall, on a daily basis, deduct the distribution fuel quantity from the Gas received from Customer. The distribution fuel quantity shall be equal to the quantity of Gas for which a distribution commodity charge applies multiplied by the distribution fuel ratio specified in the Rate Schedule.

4.02 Storage Compressor Fuel Quantity

If Customer has elected to supply its own storage compressor fuel, Union shall reduce Customer's storage inventory by a quantity equal to the "Storage Fuel Quantity". The "Storage Fuel Quantity"



shall be the sum of the injection and withdrawal quantities for which a commodity charge applies, multiplied by the storage fuel ratio specified in the Rate Schedule.

5 ENERGY CONVERSION

Balancing of Gas receipts by Union with Gas distributed to Customer is calculated in energy. The distribution to Customer is converted from volume to energy at the Customer site-specific heat measurement value.

Site-specific heat measuring equipment will be supplied, installed and maintained by Union Gas at each Point of Consumption, or as determined necessary by Union Gas, at the Customer's expense. The resulting heat value adjustment quantity shall be applied to the Customer's storage account.

6 STORAGE SERVICES

6.01 Storage Injection and Withdrawal

Subject to Section 2, if on any Day the quantity of Gas Union receives from Customer exceeds the quantity distributed to Customer, the amount of such excess shall be deemed to have been injected into Customer's storage account.

Subject to Section 2, if on any Day the quantity of Gas Union distributed to Customer exceeds the quantity received from Customer, the amount of such excess shall be deemed to have been withdrawn from Customer's storage account.

6.02 Deliverability Inventory Provided By Customer

If Customer has agreed to supply their own deliverability inventory, Customer's right to withdraw Gas under the Firm Withdrawal Right shall be adjusted between January 1 and April 30. During this period, if Customer's inventory level in storage at the start of each Day is less than 20% of Storage Space entitlement then Customer's Firm Withdrawal Right will be adjusted in accordance with the following formula:

$$AFW = FW \times (I / CDI)$$

Where:

AFW	=	Adjusted Firm Withdrawal
FW	=	Firm Withdrawal Right (Schedule 1)
I	=	Actual Inventory at the beginning of each Day
CDI	=	Customer Deliverability Inventory (Lesser of: $0.2 \times SP$ or $FW/0.075$) where: SP = Firm cost-based Storage Space

6.03 Disposition of Gas at Contract Termination

If this Contract terminates or expires and Customer does not have a contract for Storage Service with Union then, except as authorized by Union, any Gas balance remaining in Customer's Storage Space shall incur a charge equivalent to the Unauthorized Storage Space Overrun rate in the T1 Rate Schedule. Customer shall incur such charge until the Gas balance remaining has been reduced to zero.



7 CUSTOMER'S FAILURE TO DELIVER GAS

7.01 Customer's Failure To Deliver Obligated DCQ to Union

If on any Day, for any reason, including an instance of Force Majeure, Customer fails to deliver the Obligated DCQ to Union then such event shall constitute a Failure to Deliver as defined in the General Terms and Conditions. The Failure to Deliver rate in the R1 Rate Schedule shall apply to the quantity Customer fails to deliver. The upstream transportation costs (if any) (Section 1) shall also apply and be payable by Customer.

For Gas that should have been received, Union may make reasonable attempts, but is not obligated to acquire an alternate supply of Gas ("Alternate Supply Gas"). Union's costs and expenses associated with acquiring Alternate Supply Gas will be payable by Customer. For greater certainty, payment of the Failure to Deliver charge is independent of and shall not in any way influence the calculation of Union's costs and expenses associated with acquiring the said Alternate Supply Gas.

Union's obligation to deliver Gas to the Point(s) of Consumption shall be reduced to a quantity of Gas (the "Reduced Distribution Obligation") in aggregate not to exceed the sum of:

- a) The confirmed Nomination quantity of Gas to be delivered to Union;
- b) Alternate Supply Gas if acquired by Union;
- c) Customer's Firm Withdrawal Right subject to Section 6.02.

In addition to any rights of interruption in the Contract, if the Customer consumes Gas in excess of the Reduced Distribution Obligation, Union may immediately suspend deliveries of Gas to the Point(s) of Consumption. In addition, Union may direct Customer to immediately curtail or cease consumption of Gas at the Point(s) of Consumption.

Customer shall immediately comply with such direction. Such suspension or curtailment shall not constitute an interruption under the Contract.

Union shall not be liable for any damages, losses, costs or expenses incurred by Customer as a consequence of Union exercising its rights under this Section.

7.02 Notice Of Failure

Each Party shall advise the other by the most expeditious means available as soon as it becomes aware that such failure has occurred or is likely to occur. Such notice may be oral, provided it is followed by written notice.

7.03 Customer Failure To Deliver Compressor Fuel

For Gas to be delivered by Customer to Union at an Upstream Point of Receipt, if Customer fails to deliver sufficient Compressor Fuel then in addition to any other remedy Union shall deem the first Gas delivered to be Compressor Fuel and Section 7.01 will apply.



Amended Schedule 1

Contract ID	[REDACTED]
Contract Name	East Windsor Cogen
DUNS#	

Schedule 1
DCQ, Storage and Distribution Services Parameters
Rate T1

1. DATES

This Schedule 1 replaces the Schedule 1 as originally attached to the contract dated 17th of August, 2007.

This Schedule 1 is effective the 1st day of July, 2008.

2. DAILY CONTRACT QUANTITY (DCQ)

Upstream Point(s) of Receipt

Location	Obligated DCQ GJ per Day
Western	[REDACTED]
Western (Exchange)	[REDACTED]

Ontario Point(s) of Receipt

Location	Obligated DCQ GJ per Day	Location	Obligated DCQ GJ per Day	Location	Obligated DCQ GJ per Day
Parkway	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Parkway(Trunkline)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Parkway (PEPL)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- Obligated DCQ does not include Compressor Fuel.

3. SUPPLY OF COMPRESSOR FUEL

Customer shall supply compressor fuel for Union's distribution and storage services.

4. STORAGE PARAMETERS

	Amount	Unit of Measure
Annual Firm Storage Space	122,490	GJ
Annual Firm Injection/Withdrawal Right (Union provides deliverability inventory)	1,200	GJ per Day
Annual Firm Injection/Withdrawal Right (Customer provides deliverability inventory)	0	GJ per Day



“Firm Storage Space” means the sum of Annual Firm Storage Space in Schedule 1 Section 4 and Market Priced Storage Space in Schedule 4 Section 1.

“Firm Injection Right” means the sum of Annual Firm Injection/Withdrawal Right in Schedule 1 Section 4 and Market Priced Firm Injection/Withdrawal Right in Schedule 4 Section 2.

“Firm Withdrawal Right” means the sum of Annual Firm Injection/Withdrawal Right in Schedule 1 Section 4 and Market Priced Firm Injection/Withdrawal Right in Schedule 4 Section 2.

5. DISTRIBUTION PARAMETERS

Point(s) of Consumption

	A	B	C	D
Location	278 Cadillac St. Windsor			
Union Meter Number	1) 2008051 2) 2008040 3) 1425986			

	Unit of Measure	Point(s) of Consumption			
		A	B	C	D
Daily Contract Demand (CD):					
Firm Contract Demand	m ³ /Day	[REDACTED]			
Interruptible Contract Demand	m ³ /Day	[REDACTED]			
Maximum Hourly Volume	m ³ /hour	[REDACTED]			
Minimum Gauge Pressure	kPag	[REDACTED]			
Notice Period for Interruption	hours	[REDACTED]			
Maximum Number of Days Interruption	days	[REDACTED]			

Rate Parameters

	Unit of Measure	Point(s) of Consumption			
		A	B	C	D
Firm Transportation Demand	As per the Rate T-1 Rate Schedule				
Firm Transportation Commodity	As per the Rate T-1 Rate Schedule				
Interruptible Transportation Commodity Charge	cents per m ³	[REDACTED]			

On any Day, any Gas in excess of 103% of the Contract Demand shall be unauthorized overrun as, and shall be paid for at the rate specified in the Rate Schedule.

The parties agree that any reference to Transportation Service in the Rate Schedule shall include the Distribution Parameters as set out in this Schedule 1.

Gas Usage



Distribution parameters

On any Day during the Contract Year, Gas usage shall be deemed as follows:

First gas used Firm Gas up to the Firm Contract Demand then in effect.
 Next gas used Interruptible Gas (if applicable) up to the Interruptible Contract Demand then in effect.
 Next gas used Overrun for quantities in excess of the parameters as specified in this Section.

Injection/Withdrawal Parameters

On any Day injection/withdrawal activity shall be deemed as follows

First gas injected or withdrawn Up to 103% of the Firm injection/withdrawal as specified in Section 4.
 Next gas injected or withdrawn Market Priced Firm injection/withdrawal as specified in Schedule 4
 Next gas injected or withdrawn Overrun T-1 injection/withdrawal for all other quantities.

6. MINIMUM ANNUAL VOLUME

		Point(s) of Consumption			
	Unit of Measure	A	B	C	D
Firm Minimum Annual Volume,	m ³ /year	[REDACTED]			
Interruptible minimum monthly volume for the period July 1, 2008 to Dec 31, 2008	m ³ /month	[REDACTED]			

7. CONTACT LIST FOR NOTICES

Notices for Nomination Matters

Company East Windsor Cogeneration Centre
 East Windsor Commercialization
 First Canadian Centre, Suite 2250
 350 7th Avenue S.W., Calgary AB T2P 3N9
 Phone: 403-218-3746
 Fax: 403-444-6784

Union Gas Limited
 Manager, Gas Management Services
 50 Keil Dr N, Chatham Ontario N7M 5M1
 Phone: 519-436-4545
 Fax: 519-436-4635

Notices for Invoices and Payments

East Windsor Cogeneration L.P.
 Manager, Plant Accounting
 First Canadian Centre
 Suite 2250, 350 7th Ave. S.W.
 Calgary, Alberta T2P 3N9

Union Gas Limited
 Manager, Revenue Cycle Services
 50 Keil Dr N, Chatham Ontario N7M 5M1
 Phone: 519-352-3100
 Fax: 519-436-5320



Notices for Interruptions and Force Majeure

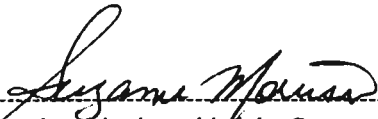
	Point(s) of Consumption			
	A	B	C	D
Customer Name	East Windsor Cogeneration L.P.			
Position Title	East Windsor Commercialization			
Phone	403-218-3776			
Fax	403-444-6784			

Notices for All other Matters

East Windsor Cogeneration L.P.
 East Windsor Commercialization
 First Canadian Centre, Suite 2250
 350 7th Avenue S.W., Calgary AB T2P 3N9
 Phone 403-218-3746
 Fax 403-444-6784

Union Gas Limited
 Director, Sales & Marketing
 50 Keil Dr N, Chatham Ontario N7M 5M1
 Phone: 519-352-3100
 Fax: 519-436-4645

The undersigned execute this Contract as of the above date.

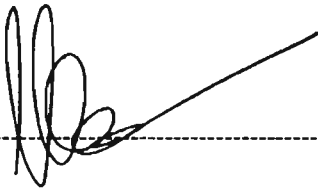


 I have the authority to bind the Corporation, or
 Adhere C/S, if applicable

Customer

SUZANNE MORRISON

 Please Print Name



Union Gas

~~Wayne Andrews, Manager Contract, Billing and
 Operational Support~~

APPROVED FOR EXECUTION
<i>JA</i>
<i>ML</i>
<i>DES</i>
<i>W</i>



uniongas

A Spectra Energy Company