



EB-2006-0106

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, pursuant to section 36(1) of the *Ontario Energy Board Act, 1998*, for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission, and storage of gas as of July 1, 2006;

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism approved by the Ontario Energy Board in RP-2003-0063.

BEFORE: Ken Quesnelle
Member

DECISION AND ORDER

Union Gas Limited (“Union”) filed an application (the “Application”) dated May 26, 2006, with the Ontario Energy Board (the “Board”) for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission, and storage of gas commencing July 1, 2006. The Application was made pursuant to Union’s approved Quarterly Rate Adjustment Mechanism (“QRAM”). Union also provided the Application and evidence supporting the proposed changes to all parties of record in the EB-2005-0520 proceeding. Union’s application was assigned Board file number EB-2006-0106.

On June 2, 2006, the Board issued a Notice of Written Hearing and Procedural Order No. 1 setting June 8, 2006 as the deadline for submissions on the Application and June 12, 2006 as the deadline for Union’s reply submissions.

The Board has considered the evidence and finds that it is appropriate to adjust Union’s rates effective July 1, 2006 to reflect the projected changes in gas costs and the prospective recovery of the projected twelve-month balances of the gas supply deferral accounts for the period ending June 30, 2007. The Board also finds that it is

appropriate to adjust Union's reference prices to reflect the projected changes in gas costs.

THE BOARD THEREFORE ORDERS THAT:

1. The Alberta Border Reference Price used to set Union's rates and other charges be established at \$8.954/GJ (33.7118 ¢/m³). The resulting rate changes set out in Appendix "A" and the rate schedules set out in Appendix "B" shall be effective July 1, 2006. The Alberta Border Reference Price shall also be used for the North Purchased Gas Variance Account (Deferral Account No. 179-105) and the TCPL Tolls and Fuel - Northern and Eastern Operations Area deferral account (Deferral Account No. 179-100).
2. The rates pursuant to all contracts for interruptible service under Rates 16, 25, M5A, M7, and T1 be adjusted effective July 1, 2006, by the amounts set out in Appendix "C". The rates pursuant to contracts for interruptible service under Rate 25 shall be negotiated within the range as adjusted in Appendix "C";
3. The reference price for use in determining the amounts to be recorded in the South Purchased Gas Variance Account (Deferral Account No. 179-106) be set at the Ontario Landed Reference Price of \$10.449/GJ (39.3405 ¢/m³) effective July 1, 2006. The Ontario Landed Reference Price shall also be used for the Spot Gas Variance Account (Deferral Account No. 179-107).
4. The South Portfolio Cost Differential be established at \$0.138/GJ (0.5196 ¢/m³) effective July 1, 2006;
5. The inventory revaluation credit resulting from changes in the reference price as of July 1, 2006 be recorded in the Inventory Revaluation Account (Deferral Account No. 179-109); and
6. The respective forms of the customer notices set out in Appendix "D" be provided to all customers with the first bill or invoice reflecting the new rates.

DATED at Toronto, June 15, 2006

Original signed by

Peter H. O'Dell
Assistant Board Secretary

APPENDIX "A" TO
DECISION AND ORDER
BOARD FILE No. EB-2006-0106
DATED JUNE 15, 2006

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates
Rate 01A - Small Volume General Firm Service

Line No.	Particulars (cents/m ³)	EB-2006-0033 Approved April 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Proposed July 1, 2006 Rate (c)
1	Monthly Charge - All Zones	\$14.00		\$14.00
	Monthly Delivery Charge - Western, Northern, Eastern			
2	First 100 m3	9.6853		9.6853
3	Next 200 m3	9.0482		9.0482
4	Next 200 m3	8.6141		8.6141
5	Next 500 m3	8.2407		8.2407
6	Over 1,000 m3	7.9931		7.9931
7	Delivery - Price Adjustment (All Volumes)			
	Monthly Delivery Charge - Fort Frances			
8	First 100 m3	9.6853		9.6853
9	Next 200 m3	9.0482		9.0482
10	Next 200 m3	8.6141		8.6141
11	Next 500 m3	8.2407		8.2407
12	Over 1,000 m3	5.0373		5.0373
13	Delivery - Price Adjustment (All Volumes)			
	Gas Transportation Service			
14	Fort Frances	2.7223		2.7223
15	Western Zone	2.7186		2.7186
16	Northern Zone	3.3180		3.3180
17	Eastern Zone	3.8019		3.8019
18	Transportation - Price Adjustment (All Zones)	(0.3806) (1)	(0.0160)	(0.3966) (2)
	Storage Service			
19	Fort Frances	1.9304		1.9304
20	Western Zone	2.0056		2.0056
21	Northern Zone	2.4577		2.4577
22	Eastern Zone	2.8445		2.8445
23	Storage - Price Adjustment (All Zones)	(0.2167) (3)	0.0561	(0.1606) (4)
	Commodity Cost of Gas and Fuel			
24	Fort Frances	35.4008	(0.8183)	34.5825
25	Western Zone	35.8463	(0.8171)	35.0292
26	Northern Zone	36.4438	(0.8154)	35.6284
27	Eastern Zone	36.9224	(0.8105)	36.1119
28	Commodity and Fuel - Price Adjustment (All Zones)	(0.7124) (5)	(3.0585)	(3.7709) (6)

Notes:

- (1) Includes Prospective Recovery of (0.1027), (0.1406), (0.0681) and (0.0692) cents / m³.
- (2) Includes Prospective Recovery of (0.1406), (0.0681), (0.0692) and (0.1187)cents/m³
- (3) Includes Prospective Recovery of (0.0533), (0.0674), (0.0999) and 0.0039 cents / m³.
- (4) Includes Prospective Recovery of (0.0674), (0.0999), 0.0039 and 0.0028cents / m³.
- (5) Includes Prospective Recoveries of (0.0617), (2.6593), 2.9377 and (0.9291) cents / m³.
- (6) Includes Prospective Recoveries of (2.6593), 2.9377, (0.9291) and (3.1202) cents / m³.

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates
Rate 10 - Large Volume General Firm Service

Line No.	Particulars (cents/m ³)	EB-2006-0033 Approved April 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Proposed July 1, 2006 Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
2	First 1,000 m3	6.9493		6.9493
3	Next 9,000 m3	5.5060		5.5060
4	Next 20,000 m3	4.6850		4.6850
5	Next 70,000 m3	4.1341		4.1341
6	Over 100,000 m3	2.1262		2.1262
7	Delivery - Price Adjustment (All Zones)			
	Gas Transportation Service			
8	Fort Frances	2.5453		2.5453
9	Western Zone	2.5416		2.5416
10	Northern Zone	3.1410		3.1410
11	Eastern Zone	3.6249		3.6249
12	Transportation - Price Adjustment (All Zones)	(0.3718) (1)	(0.0106)	(0.3824) (2)
	Storage Service			
13	Fort Frances	1.1864		1.1864
14	Western Zone	1.2616		1.2616
15	Northern Zone	1.7137		1.7137
16	Eastern Zone	2.1005		2.1005
17	Storage - Price Adjustment (All Zones)	(0.1753) (3)	0.0414	(0.1339) (4)
	Commodity Cost of Gas and Fuel			
18	Fort Frances	35.4008	(0.8183)	34.5825
19	Western Zone	35.8463	(0.8171)	35.0292
20	Northern Zone	36.4438	(0.8154)	35.6284
21	Eastern Zone	36.9224	(0.8105)	36.1119
22	Commodity and Fuel - Price Adjustment (All Zones)	(0.7124) (5)	(3.0585)	(3.7709) (6)

Notes:

- (1) Includes Prospective Recovery of (0.0972), (0.1396), (0.0671) and (0.0679) cents / m³.
(2) Includes Prospective Recovery of (0.1396), (0.0671), (0.0679) and (0.1078) cents / m³.
(3) Includes Prospective Recovery of (0.0444), (0.0567), (0.0696) and (0.0046) cents / m³.
(4) Includes Prospective Recovery of (0.0567), (0.0696), (0.0046) and (0.0030)cents / m³.
(5) Includes Prospective Recoveries of (0.0617), (2.6593), 2.9377 and (0.9291) cents / m³.
(6) Includes Prospective Recoveries of (2.6593), 2.9377, (0.9291) and (3.1202) cents / m³.

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates
Rate 16 - Small Volume Interruptible Service

Line No.	Particulars (cents/m ³)	EB-2006-0033 Approved April 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Proposed July 1, 2006 Rate (c)
1	Monthly Charge	\$70.00		\$70.00
2	Monthly Delivery Charge * All Zones	5.2232		5.2232
Gas Supply Charges - Summer (Apr. 16 - Oct. 31) *				
3	Fort Frances	37.2709		37.2709
4	Western Zone	37.7164		37.7164
5	Northern Zone	38.3139		38.3139
6	Eastern Zone	38.7925		38.7925
7	Gas Supply - Price Adjustment (All Zones)	(0.7124) (1)	(3.0585)	(3.7709) (2)
Gas Supply Charges - Winter (Nov. 1 - Apr. 15) *				
8	Fort Frances	39.0801		39.0801
9	Western Zone	39.5198		39.5198
10	Northern Zone	41.0681		41.0681
11	Eastern Zone	42.3127		42.3127
12	Gas Supply - Price Adjustment (All Zones)	(0.7124) (1)	(3.0585)	(3.7709) (2)

Notes:

(1) Includes Prospective Recoveries of (0.0617), (2.6593), 2.9377 and (0.9291) cents / m³.

(2) Includes Prospective Recoveries of (2.6593), 2.9377, (0.9291) and (3.1202) cents / m³.

* See Appendix C

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates
Rate 20 - Medium Volume Firm Service

Line No.	Particulars (cents/m ³)	EB-2006-0033 Approved April 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Proposed July 1, 2006 Rate (c)
1	Monthly Charge	\$780.00		\$780.00
	Delivery Demand Charge			
2	First 70,000 m ³	18.9962		18.9962
3	All over 70,000 m ³	11.4267		11.4267
	Delivery Commodity Charge			
4	First 852,000 m ³	0.2647		0.2647
5	All over 852,000 m ³	0.2057		0.2057
	Monthly Gas Supply Demand Charge			
6	Fort Frances	26.6352		26.6352
7	Western Zone	26.6362		26.6362
8	Northern Zone	42.7632		42.7632
9	Eastern Zone	55.7302		55.7302
10	Gas Supply Demand - Price Adjustment (All Zones)	(1.8186) (1)	0.9235	(0.8951) (2)
	Commodity Transportation 1			
11	Fort Frances	2.3916		2.3916
12	Western Zone	2.3916		2.3916
13	Northern Zone	2.7716		2.7716
14	Eastern Zone	3.0716		3.0716
15	Transportation 1 - Price Adjustment (All Zones)	(0.4175) (3)	(0.0570)	(0.4745) (4)
	Commodity Transportation 2			
16	Fort Frances	0.1263		0.1263
17	Western Zone	0.1205		0.1205
18	Northern Zone	0.1883		0.1883
19	Eastern Zone	0.2447		0.2447
	Commodity Cost of Gas and Fuel			
20	Fort Frances	35.6246	(0.8235)	34.8011
21	Western Zone	36.0730	(0.8224)	35.2506
22	Northern Zone	36.6743	(0.8206)	35.8537
23	Eastern Zone	37.1559	(0.8156)	36.3403
24	Commodity and Fuel - Price Adjustment (All Zones)	(0.7124) (5)	(3.0585)	(3.7709) (6)
	Bundled Storage Service (\$/GJ)			
25	Monthly Demand Charge	11.820		11.820
26	Commodity Charge	0.236		0.236
27	Storage Demand - Price Adjustment	(1.660) (7)	0.5020	(1.158) (8)

Notes:

- (1) Includes Prospective Recovery of (0.6959), (0.9197), (0.4321) and 0.2291 cents / m³.
- (2) Includes Prospective Recovery of (0.9197), (0.4321), 0.2291 and 0.2276 cents / m³.
- (3) Includes Prospective Recovery of (0.1123), (0.1496), (0.0737) and (0.0819)cents/ m³.
- (4) Includes Prospective Recovery of (0.1496), (0.0737), (0.0819) and (0.1693)cents/ m³.
- (5) Includes Prospective Recoveries of (0.0617), (2.6593), 2.9377 and (0.9291) cents / m³.
- (6) Includes Prospective Recoveries of (2.6593), 2.9377, (0.9291) and (3.1202) cents / m³.
- (7) Includes Prospective Recoveries of (0.553), (0.586), (0.450) and (0.071) \$/GJ.
- (8) Includes Prospective Recoveries of (0.586), (0.450), (0.071) and (0.051) \$/GJ.

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates
Rate 100 - Large Volume High Load Factor Firm Service

Line No.	Particulars (cents/m ³)	EB-2006-0033 Approved April 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Proposed July 1, 2006 Rate (c)
1	Monthly Charge	\$780.00		\$780.00
2	Delivery Demand Charge All Zones	11.2304		11.2304
3	Delivery Commodity Charge All Zones	0.1983		0.1983
4	Monthly Gas Supply Demand Charge Fort Frances	41.1426		41.1426
5	Western Zone	41.1436		41.1436
6	Northern Zone	59.9586		59.9586
7	Eastern Zone	75.0866		75.0866
8	Commodity Transportation 1 Fort Frances	4.1400		4.1400
9	Western Zone	4.1400		4.1400
10	Northern Zone	4.4200		4.4200
11	Eastern Zone	4.6500		4.6500
12	Commodity Transportation 2 Fort Frances	0.1263		0.1263
13	Western Zone	0.1205		0.1205
14	Northern Zone	0.1883		0.1883
15	Eastern Zone	0.2447		0.2447
16	Commodity Cost of Gas and Fuel Fort Frances	35.6246	(0.8235)	34.8011
17	Western Zone	36.0730	(0.8224)	35.2506
18	Northern Zone	36.6743	(0.8206)	35.8537
19	Eastern Zone	37.1559	(0.8156)	36.3403
20	Commodity and Fuel - Price Adjustment (All Zones)	(0.7124) (1)	(3.0585)	(3.7709) (2)
21	Bundled Storage Service (\$/GJ) Monthly Demand Charge	11.820		11.820
22	Commodity Charge	0.236		0.236
23	Storage Demand - Price Adjustment	(1.660) (3)	0.5020	(1.158) (4)

Notes:

- (1) Includes Prospective Recoveries of (0.0617), (2.6593), 2.9377 and (0.9291) cents / m³.
- (2) Includes Prospective Recoveries of (2.6593), 2.9377, (0.9291) and (3.1202) cents / m³.
- (3) Includes Prospective Recoveries of (0.553), (0.586), (0.450) and (0.071) \$/GJ.
- (4) Includes Prospective Recoveries of (0.586), (0.450), (0.071) and (0.051) \$/GJ.

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates
Rate 25 - Large Volume Interruptible Service

Line No.	Particulars (cents/m ³)	EB-2006-0033 Approved April 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Proposed July 1, 2006 Rate (c)
1	Monthly Charge	\$190.00		\$190.00
2	Delivery Charge - All Zones * Maximum	2.8255		2.8255
	Gas Supply Charges 25 *			
	Fort Frances			
3	Minimum	13.7545		13.7545
4	Maximum	63.6890		63.6890
	Western Zone			
5	Minimum	13.8788		13.8788
6	Maximum	64.7046		64.7046
	Northern Zone			
7	Minimum	14.1233		14.1233
8	Maximum	67.0257		67.0257
	Eastern Zone			
9	Minimum	14.3135		14.3135
10	Maximum	68.9354		68.9354

• See Appendix C

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates
Rate 77 - Wholesale Transportation Service

Line No.	Particulars (cents/m ³)	EB-2006-0033 Approved April 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Proposed July 1, 2006 Rate (c)
1	Monthly Charge	\$145.00		\$145.00
	Delivery Demand Charge			
2	Fort Frances	28.2609		28.2609
3	Western Zone	28.2609		28.2609
4	Northern Zone	28.2609		28.2609
5	Eastern Zone	28.2609		28.2609

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2006-0033		EB-2006-0106
		Approved April 1, 2006 Rate (a)	Rate Change (b)	Proposed July 1, 2006 Rate (c)
<u>Utility Sales</u>				
1	Commodity and Fuel	36.8782	(0.8105)	36.0677
2	Commodity and Fuel - Price Adjustment	(1.8696) (1)	(1.7572)	(3.6268) (2)
3	Transportation	3.5504	(0.5497)	3.0007
4	Total Gas Supply Commodity Charge (Line 1+2+3)	<u>38.5590</u>	<u>(3.1174)</u>	<u>35.4416</u>
<u>M4 Firm comm/ind</u>				
5	Minimum annual gas supply commodity charge	5.8923	(0.5357)	5.3566
<u>M5A Interruptible comm/ind contract</u>				
6	Annual minimum gas supply commodity charge	5.8923	(0.5357)	5.3566
<u>M6A Seasonal comm/ind contract/day</u>				
7	Monthly minimum gas supply commodity charge	\$96.86	(\$8.81)	\$88.05
<u>Storage and Transportation Supplemental Services - Rate T1 & T3</u>				
		<u>\$/GJ</u>		<u>\$/GJ</u>
Monthly demand charges: (\$/GJ)				
8	Firm gas supply service	26.474		26.474
9	Firm backstop gas	5.334	(0.144)	5.190
Commodity charges:				
10	Gas supply	9.794	(0.215)	9.579
11	Backstop gas	12.523	(0.361)	12.162
12	Reasonable Efforts Backstop Gas	12.495	(0.361)	12.134
13	Supplemental Inventory	Note (3)		Note (3)
14	Supplemental Gas Sales Service (cents / m ³)	50.2505	(1.4356)	48.8149
15	Failure to Deliver	3.131		3.131
16	Delivery Commitment Credit (DCC) for all obligated deliveries	(0.023)		(0.023)
17	Discretionary Gas Supply Service (DGSS)	Note (4)		Note (4)

Notes:

- (1) Includes Prospective Recovery unit rate of (0.3240), (2.0331), 1.6954 and (1.2079) cents/ m³.
- (2) Includes Prospective Recovery unit rate of (2.0331), 1.6954, (1.2079) and (2.0812)cents/ m³.
- (3) The charge for banked gas purchases shall be the higher of the daily spot gas cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted avg. cost of gas.
- (4) Reflects the "back to back" price plus gas supply administration charge.

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2006-0033 Approved April 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Proposed July 1, 2006 Rate (c)
<u>M2 General Service Rate</u>				
1	Monthly Charge	\$14.00		\$14.00
Monthly delivery commodity charge:				
2	First 1 400 m ³	5.6614		5.6614
3	Next 4 600 m ³	4.0465		4.0465
4	Next 124 000 m ³	2.8544		2.8544
5	Next 270 000 m ³	2.1188		2.1188
6	All over 400 000 m ³	1.9749		1.9749
7	Delivery - Price Adjustment (All Volumes)	(0.0327) (1)	(0.0587)	(0.0914) (2)
8	Storage Service	0.9544		0.9544
<u>M4 Firm comm/ind contract rate</u>				
Monthly demand charge:				
9	First 8 450 m ³	46.9922		46.9922
10	Next 19 700 m ³	17.5809		17.5809
11	All over 28 150 m ³	13.8932		13.8932
Monthly delivery commodity charge:				
12	First block	0.7963		0.7963
13	All remaining use	0.3930		0.3930
14	Delivery - Price Adjustment (All Volumes)	(0.0287) (3)	(0.1041)	(0.1328) (4)
15	Minimum annual delivery commodity charge	1.0158	0.0287	1.0444
<u>M5A interruptible comm/ind contract</u>				
<u>Firm contracts</u>				
16	Monthly demand charge	25.5770		25.5770
17	Monthly delivery commodity charge	1.5756		1.5756
18	Delivery - Price Adjustment (All Volumes)		(0.0725)	(0.0725) (5)
<u>Interruptible contracts</u>				
19	Monthly Charge	\$500.00		\$500.00
Daily delivery commodity charge:				
20	4 800 m ³ to 17 000 m ³	1.8642		1.8642
21	17 000 m ³ to 30 000 m ³	1.7343		1.7343
22	30 000 m ³ to 50 000 m ³	1.6660		1.6660
23	50 000 m ³ to 70 000 m ³	1.6181		1.6181
24	70 000 m ³ to 100 000 m ³	1.5838		1.5838
25	100 000 m ³ to 140 870 m ³	1.5501		1.5501
26	Delivery - Price Adjustment (All Volumes)	(0.0176) (6)	(0.0549)	(0.0725) (7)
27	Annual minimum delivery commodity charge	2.0947	0.0176	2.1123
<u>M6A Seasonal comm/ind contract</u>				
28	Monthly delivery commodity charge	1.3569		1.3569
29	Monthly min. delivery commodity charge	\$26.38		\$26.38

Notes:

- (1) Includes Prospective Recovery of (0.0268), (0.0024), (0.0015) and (0.0020) cents/ m³.
- (2) Includes Prospective Recovery of (0.0024), (0.0015), (0.0020) and (0.0855)cents/ m³.
- (3) Includes Prospective Recovery of (0.0259), (0.0010), (0.0008) and (0.0010)cents/ m³.
- (4) Includes Prospective Recovery of (0.0010), (0.0008), (0.0010) and (0.1300) cents/ m³.
- (5) Includes Prospective Recovery of (0.0001), (0.0024) and (0.0700) cents/ m³ associated with load balancing costs.
- (6) Includes Prospective Recovery of (0.0151), (0.0001) and (0.0024) cents/ m³ associated with load balancing costs.
- (7) Includes Prospective Recovery of (0.0001), (0.0024) and (0.0700) cents/ m³ associated with load balancing costs.

* Price changes to individual M5A firm and interruptible contract rates are provided in Appendix C.

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2006-0033 Approved April 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Proposed July 1, 2006 Rate (c)
<u>M7 Special large volume contract</u>				
<u>Firm</u>				
1	Monthly demand charge	24.8644		24.8644
2	Monthly delivery commodity charge	0.2739		0.2739
3	Delivery - Price Adjustment	0.0096 (1)	(0.1112)	(0.1016) (2)
<u>Interruptible *</u>				
4	Monthly delivery commodity charge: Maximum	2.6191	(0.0096)	2.6095
5	Delivery - Price Adjustment	0.0096 (1)	(0.1112)	(0.1016) (2)
<u>Seasonal *</u>				
6	Monthly delivery commodity charge: Maximum	2.3750	(0.0096)	2.3654
7	Delivery - Price Adjustment	0.0096 (1)	(0.1112)	(0.1016) (2)
<u>M9 Large wholesale service</u>				
8	Monthly demand charge	17.2858		17.2858
9	Monthly delivery commodity charge	0.5233		0.5233
10	Delivery - Price Adjustment	(0.0409) (3)	(0.0810)	(0.1219) (4)
<u>M10 Small wholesale service</u>				
11	Monthly delivery commodity charge	2.7318		2.7318

Notes:

- (1) Includes Prospective Recoveries of 0.0005, 0.0136, (0.0002) and (0.0043) cents/ m³.
- (2) Includes Prospective Recoveries of 0.0136, (0.0002), (0.0043) and (0.1107) cents/ m³.
- (3) Includes Prospective Recovery of (0.0313), (0.0019), (0.0032) and (0.0045) cents/ m³.
- (4) Includes Prospective Recovery of (0.0019), (0.0032), (0.0045) and (0.1123) cents/ m³.

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

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Contract Carriage Rates

Line No.	Particulars	EB-2006-0033 Approved April 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Proposed July 1, 2006 Rate (c)
	<u>Contract Carriage Service</u>			
	<u>T1 Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.010		0.010
	Firm withdrawal			
2	Union provides deliverability inventory	1.966		1.966
3	Customer provides deliverability inventory	1.023		1.023
4	Firm incremental injection	1.023		1.023
5	Interruptible withdrawal	1.023		1.023
	Commodity charges:			
6	Withdrawal	0.056		0.056
7	Customer provides compressor fuel	0.004		0.004
8	Injection	0.056		0.056
9	Customer provides compressor fuel	0.004		0.004
10	Storage fuel ratio- Cust. provides fuel	0.631%		0.631%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge first 140,870 m ³	16.9379		16.9379
12	Monthly demand charge all over 140,870 m ³	12.2359		12.2359
	Commodity charges:			
13	Firm- Union supplies compressor fuel first 2,360,653 m ³	0.3151		0.3151
14	Union supplies compressor fuel all over 2,360,653 m ³	0.2598		0.2598
15	Customer provides compressor fuel first 2,360,653 m ³	0.1336		0.1336
16	Customer provides compressor fuel all over 2,360,653 m ³	0.0783		0.0783
	Interruptible: *			
17	Maximum	2.6191	(0.0096)	2.6095
18	Maximum customer provides comp. fuel	2.5638	(0.0096)	2.5542
19	Transportation fuel ratio- Cust. provides fuel	0.584%		0.584%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
20	Injection May 1 to Oct 31	0.155		0.155
21	Customer provides compressor fuel	0.069		0.069
22	Withdrawals Nov 1 to Apr 30	0.155		0.155
23	Customer provides compressor fuel	0.069		0.069
24	Transportation commodity charge (cents / m ³)	0.8719		0.8719
25	Customer provides compressor fuel	0.6905		0.6905
26	<u>Monthly Charge</u>	\$1,800		\$1,800

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

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Contract Carriage Rates

Line No.	Particulars	EB-2006-0033 Approved April 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Proposed July 1, 2006 Rate (c)
<u>T3 Storage and Transportation</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
1	Firm space	0.010		0.010
	Firm withdrawal			
2	Union provides deliverability inventory	1.966		1.966
3	Customer provides deliverability inventory	1.023		1.023
4	Firm incremental injection	1.023		1.023
5	Interruptible withdrawal	1.023		1.023
Commodity charges :				
6	Withdrawal	0.056		0.056
7	Customer provides compressor fuel	0.004		0.004
8	Injection	0.056		0.056
9	Customer provides compressor fuel	0.004		0.004
10	Storage fuel ratio- Cust. provides fuel	0.631%		0.631%
 <u>Transportation (cents / m³)</u>				
11	Monthly demand charge	13.0145		13.0145
Commodity charges				
12	Firm- Union supplies compressor fuel	0.2547		0.2547
13	Customer provides compressor fuel	0.0733		0.0733
14	Transportation fuel ratio- Cust. provides fuel	0.584%		0.584%
 <u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges:				
15	Injection	0.155		0.155
16	Customer provides compressor fuel	0.069		0.069
17	Withdrawals	0.155		0.155
18	Customer provides compressor fuel	0.069		0.069
19	Transportation commodity charge (cents / m ³)	0.6826		0.6826
20	Customer provides compressor fuel (cents / m ³)	0.5012		0.5012
 <u>Monthly Charge</u>				
21	City of Kitchener	\$15,083		\$15,083
22	Natural Resource Gas	\$1,417		\$1,417
23	Six Nations	\$250		\$250

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Unbundled Rates

Line No.	Particulars	EB-2006-0033 Approved April 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Proposed July 1, 2006 Rate (c)
<u>U2 Unbundled Customers</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
1	Firm space	0.022		0.022
2	Incremental firm injection right	0.929		0.929
3	Incremental firm withdrawal right	0.929		0.929
Commodity charges:				
4	Injection customer provides compressor fuel	0.013		0.013
5	Withdrawal customer provides compressor fuel	0.013		0.013
6	Storage fuel ratio- Cust. provides fuel	0.631%		0.631%
<u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges:				
7	Injection customer provides compressor fuel	0.044		0.044
8	Withdrawal customer provides compressor fuel	0.044		0.044

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Unbundled Rates

Line No.	Particulars	EB-2006-0033 Approved April 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Proposed July 1, 2006 Rate (c)
<u>U5 Unbundled Customers</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
1	Firm space	0.022		0.022
2	Incremental firm injection right	0.929		0.929
3	Incremental firm withdrawal right	0.929		0.929
Commodity charges:				
4	Injection customer provides compressor fuel	0.013		0.013
5	Withdrawal customer provides compressor fuel	0.013		0.013
6	Storage fuel ratio- Cust. provides fuel	0.631%		0.631%
<u>Delivery (cents / m³)</u>				
<u>Firm contracts</u>				
7	Monthly demand charge	21.4790		21.4790
8	Monthly delivery commodity charge	1.5777		1.5777
9	Transportation fuel ratio- Cust. provides fuel	0.584%		0.584%
<u>Interruptible contracts</u>				
10	Monthly Charge	\$500.00		\$500.00
Monthly delivery commodity charge:				
11	4 800 m ³ to 17 000 m ³	1.4724		1.4724
12	17 000 m ³ to 30 000 m ³	1.3425		1.3425
13	30 000 m ³ to 50 000 m ³	1.2742		1.2742
14	50 000 m ³ to 70 000 m ³	1.2263		1.2263
15	70 000 m ³ to 100 000 m ³	1.1920		1.1920
16	100 000 m ³ to 140 870 m ³	1.1583		1.1583
<u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges:				
17	Injection customer provides compressor fuel	0.044		0.044
18	Withdrawal customer provides compressor fuel	0.044		0.044

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Unbundled Rates

Line No.	Particulars	EB-2006-0033 Approved April 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Proposed July 1, 2006 Rate (c)
<u>U7 Unbundled Customers</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
1	Firm space	0.022		0.022
2	Incremental firm injection right	0.929		0.929
3	Incremental firm withdrawal right	0.929		0.929
Commodity charges:				
4	Injection customer provides compressor fuel	0.013		0.013
5	Withdrawal customer provides compressor fuel	0.013		0.013
6	Storage fuel ratio- Cust. provides fuel	0.631%		0.631%
<u>Delivery (cents / m³)</u>				
7	Monthly demand charge first 140,870 m ³	16.9379		16.9379
8	Monthly demand charge all over 140,870 m ³	12.2359		12.2359
Commodity charges				
9	Firm Customer provides compressor fuel first 2,360,653 m ³	0.1336		0.1336
10	Firm Customer provides compressor fuel all over 2,360,653 m ³	0.0783		0.0783
<i>Interruptible:</i>				
11	Maximum customer provides comp. fuel	2.5638	(0.0096)	2.5542
12	Transportation fuel ratio- Cust. provides fuel	0.584%		0.584%
<u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges:				
13	Injection customer provides compressor fuel	0.044		0.044
14	Withdrawal customer provides compressor fuel	0.044		0.044
15	Transportation commodity charge(cents / m ³)	0.6905		0.6905
<u>Other Services & Charges</u>				
16	Monthly Charge	\$1,800		\$1,800

UNION GAS LIMITED
Southern Operations Area
Summary of Changes to Unbundled Rates

Line No.	Particulars	EB-2006-0033 Approved April 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Proposed July 1, 2006 Rate (c)
	<u>U9 Unbundled Customers</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.022		0.022
2	Incremental firm injection right	0.929		0.929
3	Incremental firm withdrawal right	0.929		0.929
	Commodity charges:			
4	Injection customer provides compressor fuel	0.013		0.013
5	Withdrawal customer provides compressor fuel	0.013		0.013
6	Storage fuel ratio- Cust. provides fuel	0.631%		0.631%
	<u>Delivery (cents / m³)</u>			
7	Monthly demand charge	13.0145		13.0145
	Commodity charges:			
8	Firm customer provides compressor fuel	0.0733		0.0733
9	Transportation fuel ratio- Cust. provides fuel	0.584%		0.584%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
10	Injection customer provides compressor fuel	0.044		0.044
11	Withdrawal customer provides compressor fuel	0.044		0.044
12	Transportation commodity charge (cents / m ³)	0.5012		0.5012
	<u>Other Services & Charges</u>			
	Monthly Charge			
13	City of Kitchener	\$15,083		\$15,083
14	NRG	\$1,417		\$1,417
15	Six Nations	\$250		\$250

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2005-0531 Approved January 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Approved April 1, 2006 Rate (c)
<u>Storage & Transportation Service</u>				
<u>M12 Service</u>				
<u>Storage service</u>				
Monthly demand charges:				
1	Space- Union providing deliverability inventory	0.026		0.026
2	Space- Shipper providing deliverability inventory	0.010		0.010
3	Firm deliverability	1.024		1.024
Interruptible deliverability				
4	Minimum	n/a		n/a
5	Maximum	3.575		3.575
Commodity charges:				
6	Injection - Union supplied fuel (includes UFG)	0.056		0.056
7	Injection - Shipper supplied fuel (includes UFG)	0.004 (2)		0.004 (2)
8	Withdrawal - Union supplied fuel (includes UFG)	0.056		0.056
9	Withdrawal - Shipper supplied fuel (includes UFG)	0.004 (2)		0.004 (2)
10	Dehydration commodity	0.001		0.001
<u>Firm transportation</u>				
Monthly demand charges:				
11	Without compression - Kirkwall	1.713		1.713
12	Without compression - Oakville/Parkway	2.079		2.079
13	With compression - Kirkwall	1.968		1.968
14	With compression - Oakville/Parkway	2.334		2.334
15	Dawn Compression	0.255		0.255
16	Dehydration	0.045		0.045
Commodity charges:				
17	Easterly without compression	Note (1)		Note (1)
18	Easterly with compression	Note (1)		Note (1)
19	Westerly with compression	Note (1)		Note (1)
<u>Limited Firm/Interruptible</u>				
Monthly demand charges:				
20	Minimum	n/a		n/a
21	Maximum	5.602		5.602
Commodity charges :				
22	Others with compression	Note (1)		Note (1)
<u>Firm Transportation from Dawn to Kirkwall and Dawn to Parkway without LCU Protection</u>				
Monthly demand charges:				
Dawn to Kirkwall Without LCU Protection				
23	Minimum	n/a		n/a
24	Maximum	5.602		5.602
Dawn To Parkway Without LCU Protection				
25	Minimum	n/a		n/a
26	Maximum	5.602		5.602
Commodity charges :				
27	Others with compression	Note (1)		Note (1)

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

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2005-0531 Approved January 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Approved April 1, 2006 Rate (c)
<u>M12 Service (cont'd)</u>				
<u>Authorized Overrun</u>				
Storage commodity charges:				
1	Injection - Union supplied fuel (includes UFG)	0.124		0.124
2	Injection - Customer supplied fuel (includes UFG)	0.038	(2)	0.038 (2)
3	Withdrawal - Union supplied fuel (includes UFG)	0.124		0.124
4	Withdrawal - Customer supplied fuel (includes UFG)	0.038	(2)	0.038 (2)
5	Dehydration - Tecumseh	0.003		0.003
6	Dehydration - Others	0.001		0.001
7	Dawn Compression commodity charge	0.008		0.008
Transportation commodity charges:				
Easterly without compression				
8	Dawn to Kirkwall - Union supplied fuel	Note (1)		Note (1)
9	Dawn to Oakville - Union supplied fuel	Note (1)		Note (1)
10	Dawn to Kirkwall - Customer supplied fuel	0.056	(1)	0.056 (1)
11	Dawn to Oakville - Customer supplied fuel	0.068	(1)	0.068 (1)
Easterly with compression				
12	Dawn to Kirkwall - Union supplied fuel	Note (1)		Note (1)
13	Dawn to Oakville - Union supplied fuel	Note (1)		Note (1)
14	Dawn to Kirkwall - Customer supplied fuel	0.065	(1)	0.065 (1)
15	Dawn to Oakville - Customer supplied fuel	0.077	(1)	0.077 (1)
16	Westerly - Union supplied fuel	Note (1)		Note (1)
17	Westerly - Customer supplied fuel	0.077	(1)	0.077 (1)
<u>Unauthorized Overrun</u>				
Overrun of Maximum Storage Balance				
18	August 1 to December 15	0.937		0.937
19	December 16 to July 31	0.094		0.094
Drafted Storage Balance				
20	February 1 to April 30	0.937		0.937
21	May 1 to January 31	0.094		0.094
<u>M13 Transportation of Locally Produced Gas</u>				
22	Monthly fixed charge per customer station	\$347		\$347
23	Commodity charge - Union supplies fuel	0.068		0.068
24	Commodity charge - Customer supplies fuel	0.027	(2)	0.027 (2)
25	Authorized Overrun - Union supplies fuel	0.103		0.103
26	Authorized Overrun - Customer supplies fuel	0.061	(2)	0.061 (2)
<u>M16 Storage Transportation Services</u>				
27	Monthly fixed charge per customer station	\$525		\$525
Monthly demand charges:				
28	East of Dawn	0.726		0.726
29	West of Dawn	1.049		1.049
30	Transmission commodity charge to Dawn	0.025		0.025
Transportation Fuel Charges to Dawn:				
31	East of Dawn - Union supplied fuel	0.029		0.029
32	West of Dawn - Union supplied fuel	0.029		0.029
33	East of Dawn - Customer supplied fuel	Note (2)		Note (2)
34	West of Dawn - Customer supplied fuel	Note (2)		Note (2)
Transportation Fuel Charges to Pools:				
35	East of Dawn - Union supplied fuel	0.037		0.037
36	West of Dawn - Union supplied fuel	0.044		0.044
37	East of Dawn - Customer supplied fuel	Note (2)		Note (2)
38	West of Dawn - Customer supplied fuel	Note (2)		Note (2)

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

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2005-0531 Approved January 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Approved April 1, 2006 Rate (c)
<u>M16 Storage Transportation Services (cont'd)</u>				
<u>Authorized Overrun</u>				
Commodity charges to Dawn:				
1	East of Dawn - Union supplied fuel	0.078		0.078
2	West of Dawn - Union supplied fuel	0.088		0.088
3	East of Dawn - Customer supplied fuel	0.049 (2)		0.049 (2)
4	West of Dawn - Customer supplied fuel	0.059 (2)		0.059 (2)
Commodity charges to Pool:				
5	East of Dawn - Union supplied fuel	0.061		0.061
6	West of Dawn - Union supplied fuel	0.078		0.078
7	East of Dawn - Customer supplied fuel	0.024 (2)		0.024 (2)
8	West of Dawn - Customer supplied fuel	0.034 (2)		0.034 (2)
<u>C1 Cross Franchise Service</u>				
<u>Storage service</u>				
Commodity charges :				
Short-Term (less than 2 years)				
Combined Storage Space and Interruptible Deliverability				
9	Minimum	n/a		n/a
10	Maximum	3.000		3.000
Firm Deliverability				
11	Minimum	n/a		n/a
12	Maximum	3.000		3.000
Long-Term (2 years or more)				
Combined Storage Space and Interruptible Deliverability				
13	Minimum	n/a		n/a
14	Maximum	3.000		3.000
Firm Deliverability				
15	Minimum	n/a		n/a
16	Maximum	3.000		3.000
<u>Transportation service</u>				
Monthly demand charges:				
17	St. Clair & Dawn	1.049		1.049
18	Bluewater & Dawn	1.049		1.049
19	Ojibway & Dawn	1.049		1.049
20	Parkway to Dawn	0.569		0.569
21	Parkway to Kirkwall	0.569		0.569
22	Dawn to Kirkwall with Dawn compression	1.968		1.968
23	Dawn to Parkway with Dawn compression	2.334		2.334
Short-term:				
24	Minimum	n/a		n/a
25	Maximum	5.602		5.602
Dawn to Parkway Without LCU Protection				
26	Minimum	n/a		n/a
27	Maximum	5.602		5.602
Dawn to Kirkwall Without LCU Protection				
28	Minimum	n/a		n/a
29	Maximum	5.602		5.602

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

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2005-0531 Approved January 1, 2006 Rate (a)	Rate Change (b)	EB-2006-0106 Approved April 1, 2006 Rate (c)
<u>C1 Cross Franchise Service</u>				
<u>Transportation service cont'd</u>				
Commodity charges:				
1	St. Clair & Dawn - Union supplied fuel	0.036		0.036
2	Bluewater & Dawn - Union supplied fuel	0.036		0.036
3	Ojibway & Dawn - Union supplied fuel	0.095		0.095
4	Parkway to Dawn - Union supplied fuel	0.033		0.033
5	Parkway to Kirkwall - Union supplied fuel	0.033		0.033
6	Dawn to Kirkwall - Union supplied fuel	0.081		0.081
7	Dawn to Parkway - Union supplied fuel	0.081		0.081
8	St. Clair & Dawn - Customer supplied fuel	Note (2)		Note (2)
9	Bluewater & Dawn - Customer supplied fuel	Note (2)		Note (2)
10	Ojibway & Dawn - Customer supplied fuel	Note (2)		Note (2)
11	Parkway to Dawn - Customer supplied fuel	Note (2)		Note (2)
12	Parkway to Kirkwall - Customer supplied fuel	Note (2)		Note (2)
13	Dawn to Kirkwall - Customer supplied fuel	Note (2)		Note (2)
14	Dawn to Parkway - Customer supplied fuel	Note (2)		Note (2)
Interruptible commodity charges:				
15	Minimum	n/a		n/a
16	Maximum	9.373		9.373
17	Dawn(Tecumseh), Dawn(Facilities or TCPL) and Dawn (Vector)	0.007		0.007
<u>Authorized Overrun</u>				
Storage commodity charges:				
Injection:				
18	Minimum	n/a		n/a
19	Maximum	3.000		3.000
Withdrawal:				
20	Minimum	n/a		n/a
21	Maximum	3.000		3.000
Overrun of Maximum Storage Balance				
22	August 1 to December 15	0.937		0.937
23	December 16 to July 31	0.094		0.094
Drafted Storage Balance				
24	February 1 to April 30	0.937		0.937
25	May 1 to January 31	0.094		0.094
Firm transportation commodity charges:				
26	St. Clair & Dawn - Union supplied fuel	0.070		0.070
27	Bluewater & Dawn - Union supplied fuel	0.070		0.070
28	Ojibway & Dawn - Union supplied fuel	0.129		0.129
29	Parkway to Dawn - Union supplied fuel	0.051		0.051
30	Parkway to Kirkwall - Union supplied fuel	0.051		0.051
31	Dawn to Kirkwall - Union supplied fuel	0.146		0.146
32	Dawn to Parkway - Union supplied fuel	0.158		0.158
33	St. Clair & Dawn - Customer supplied fuel	0.034 (2)		0.034 (2)
34	Bluewater & Dawn - Customer supplied fuel	0.034 (2)		0.034 (2)
35	Ojibway & Dawn - Customer supplied fuel	0.034 (2)		0.034 (2)
36	Parkway to Dawn - Customer supplied fuel	0.018 (2)		0.018 (2)
37	Parkway to Kirkwall - Customer supplied fuel	0.018 (2)		0.018 (2)
38	Dawn to Kirkwall - Customer supplied fuel	0.065 (2)		0.065 (2)
39	Dawn to Parkway - Customer supplied fuel	0.077 (2)		0.077 (2)
Interruptible transportation commodity charges:				
40	Minimum	n/a		n/a
41	Maximum	9.373		9.373
42	Dawn(Tecumseh), Dawn(Facilities or TCPL) and Dawn (Vector)	0.007		0.007

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

APPENDIX "B" TO
DECISION AND ORDER
BOARD FILE No. EB-2006-0106
DATED JUNE 15, 2006



RATE 01A – SMALL VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

Any Customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end user whose total gas requirements at that location are equal to or less than 50,000 m³ per year.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

For continuous supply of natural gas by Union and associated transportation and storage services necessary to ensure deliverability in accordance with the Customer's needs. For this service, the Monthly, Delivery and Gas Supply Charges shall apply.

(b) **Transportation Service**

For continuous delivery on Union's distribution system from the Point of Receipt on TCPL's system to the Point of Consumption on the Customer's premises of natural gas owned by the Customer and transported by TCPL under a firm transportation service tariff or equivalent National Energy Board Order. For this service, the Monthly, and Delivery Charges shall apply. Unless otherwise authorized by Union, customers who initiate a movement to Transportation Service from a Sales Service or Bundled Transportation Service must accept an assignment from Union of transportation capacity on upstream pipeline systems.

(c) **Bundled Transportation Service**

For continuous delivery by Union of gas owned by the Customer and for the associated transportation and storage services necessary to ensure deliverability in accordance with the Customer's needs. For this service the Monthly, and Delivery Charges, as well as the Storage and Transportation Charges of the Gas Supply Charge shall apply.

MONTHLY RATES AND CHARGES

Zone Rate Schedule No.	<u>Fort Frances</u> 201	<u>Western</u> 101	<u>Northern</u> 301	<u>Eastern</u> 601
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$14.00	\$14.00	\$14.00	\$14.00
<u>DELIVERY CHARGE</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 100 m ³ per month @	9.6853	9.6853	9.6853	9.6853
Next 200 m ³ per month @	9.0482	9.0482	9.0482	9.0482
Next 200 m ³ per month @	8.6141	8.6141	8.6141	8.6141
Next 500 m ³ per month @	8.2407	8.2407	8.2407	8.2407
Over 1,000 m ³ per month @	5.0373	7.9931	7.9931	7.9931
Delivery- Price Adjustment (All Volumes)	-	-	-	-



ADDITIONAL CHARGES FOR SALES SERVICE

GAS SUPPLY CHARGES PER CUBIC METRE DELIVERED:

Gas Supply Charge (if applicable)

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

MONTHLY BILL

The monthly bill will equal the sum of the monthly charges plus the rates multiplied by the applicable gas quantities delivered plus all applicable taxes. If the Customer transports its own gas, the Gas Supply Charge under Sales Service will not apply.

MINIMUM MONTHLY BILL

The Minimum Monthly Bill shall be the Monthly Charge.

LATE PAYMENT CHARGE

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

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

Effective

July 1, 2006
O.E.B. ORDER # EB-2006-0106

Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



RATE 10 – LARGE VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

Any Customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end-user whose total firm gas requirements at one or more Company-owned meters at one location exceed 50,000 m³ per year.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

For continuous supply of natural gas by Union and associated transportation and storage services necessary to ensure deliverability in accordance with the Customer's needs. For this service, the Monthly, Delivery and Gas Supply Charges shall apply.

(b) **Transportation Service**

For continuous delivery on Union's distribution system from the Point of Receipt on TCPL's system to the Point of Consumption on the Customer's premises of natural gas owned by the Customer and transported by TCPL under a firm transportation service tariff or equivalent National Energy Board Order. For this service, the Monthly, and Delivery Charges shall apply. Unless otherwise authorized by Union, customers who initiate a movement to Transportation Service from a Sales Service or Bundled Transportation Service must accept an assignment from Union of transportation capacity on upstream pipeline systems. Customers may reduce their assignment of transportation capacity in compliance with Union's Turnback Policy.

(c) **Bundled Transportation Service**

For continuous delivery by Union of gas owned by the Customer and for the associated transportation and storage services necessary to ensure deliverability in accordance with the Customer's needs. For this service the Monthly, and Delivery Charges, as well as the Storage and Transportation Charges of the Gas Supply Charge shall apply.

MONTHLY RATES AND CHARGES

Zone Rate Schedule No.	<u>Fort Frances</u> 210	<u>Western</u> 110	<u>Northern</u> 310	<u>Eastern</u> 610
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$70.00	\$70.00	\$70.00	\$70.00
<u>DELIVERY CHARGE</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 1,000 m ³ per month @	6.9493	6.9493	6.9493	6.9493
Next 9,000 m ³ per month @	5.5060	5.5060	5.5060	5.5060
Next 20,000 m ³ per month @	4.6850	4.6850	4.6850	4.6850
Next 70,000 m ³ per month @	4.1341	4.1341	4.1341	4.1341
Over 100,000 m ³ per month @	2.1262	2.1262	2.1262	2.1262
Delivery- Price Adjustment (All Volumes)	-	-	-	-



ADDITIONAL CHARGES FOR SALES SERVICE

GAS SUPPLY CHARGES:

Gas Supply Charge (if applicable)

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

MONTHLY BILL

The monthly bill will equal the sum of the monthly charges plus the rates multiplied by the applicable gas quantities delivered plus all applicable taxes. If the Customer transports its own gas, the Gas Supply Charge under Sales Service will not apply.

MINIMUM MONTHLY BILL

The minimum monthly bill shall be the Monthly Charge.

LATE PAYMENT CHARGE

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

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

Effective

July 1, 2006
O.E.B. ORDER # EB-2006-0106

Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



RATE 16 – SMALL VOLUME INTERRUPTIBLE SERVICE

ELIGIBILITY

Any Customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end-user or who is authorized to serve an end-user of gas through one or more Company-owned meters at one location and whose maximum daily interruptible gas requirements exceed 3,000 m³ but is less than 14,000 m³ provided such requirement is not the interruptible portion of a maximum daily requirement for combined firm and interruptible service of 14,000 m³ or more and whose operations, in the judgement of Union, can readily accept interruption and restoration of gas service.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

For interruptible supply of natural gas by Union and associated transportation services necessary for its delivery to the Customer. For this service the Customer, Delivery and Gas Supply Charges shall apply.

(b) **Transportation Service**

For delivery of natural gas owned by the Customer on Union's distribution system from the Point of Receipt on TCPL's system to the Point of Consumption on the Customer's or end-user's premises, providing that in the judgement of Union, acting reasonably, the Customer-owned gas does not displace service from Union under a Rate 20 or Rate 100 contract specific to that location. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Monthly, Delivery and Diversion Transaction Charges shall apply.

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

MONTHLY RATES AND CHARGES

APPLICABLE TO ALL SERVICES – ALL ZONES

<u>MONTHLY CHARGE</u>	\$70.00
<u>DELIVERY CHARGE PER CUBIC METRE DELIVERED:</u> cents/m ³	5.2232

ADDITIONAL CHARGES FOR SALES SERVICE

Gas Supply Charge (if applicable)

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

MONTHLY BILL

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



MINIMUM MONTHLY BILL

The minimum bill shall be the Monthly Charge.

LATE PAYMENT CHARGE

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

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

Effective

July 1, 2006
O.E.B. ORDER # EB-2006-0106

Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



RATE 20 – MEDIUM VOLUME FIRM SERVICE

ELIGIBILITY

Any Customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end-user or who is authorized to serve an end-user of gas through one or more Company-owned meters at one location, and whose total maximum daily requirements for firm or combined firm and interruptible service is 14,000 m³ or more.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

For continuous supply of natural gas by Union and associated transportation and storage services necessary to ensure deliverability in accordance with the Customer's needs. For this service, the Monthly, Delivery and Gas Supply Charges shall apply.

(b) **Transportation Service**

For continuous delivery on Union's distribution system from the Point of Receipt on TCPL's system to the Point of Consumption on the Customer's premises of natural gas owned by the Customer. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Monthly, Delivery, Transportation Account and Diversion Transaction Charges shall apply. Unless otherwise authorized by Union, customers who initiate a movement to Transportation Service from a Sales Service or Bundled Transportation Service must accept an assignment from Union of transportation capacity on upstream pipeline systems. Customers may reduce their assignment of transportation capacity in compliance with Union's Turnback Policy.

(c) **Bundled Transportation Service**

For continuous delivery by Union of gas owned by the Customer and for the associated transportation and storage services necessary to ensure deliverability in accordance with the Customer's needs. For this service the Monthly, Delivery, Gas Supply Demand and Commodity Transportation Charges shall apply.

(d) **Storage Service**

For load balancing purposes for Customers using Transportation Service on this rate schedule. If at the sole discretion of Union, adequate supplies exist, bundled and unbundled storage and delivery/redelivery services will be provided.

The charge for Bundled Storage Service will consist of the charges for Transportation Service plus the charges for Bundled Storage Service.

The charge for Unbundled Storage Service will consist of the charges for Transportation Service plus the charges for Unbundled Storage Service which must include charges for delivery/redelivery service to/from storage.

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



MONTHLY RATES AND CHARGES

APPLICABLE TO ALL SERVICES – ALL ZONES (1)

<u>MONTHLY CHARGE</u>	\$780.00
<u>DELIVERY CHARGES:</u> (cents per month per m ³)	
Monthly Demand Charge for first 70,000 m ³ of Contracted Daily Demand	18.9962
Monthly Demand Charge for all units over 70,000 m ³ of Contracted Daily Demand	11.4267
Commodity Charge for first 852,000 m ³ of gas volumes delivered	0.2647
Commodity Charge for all units over 852,000 m ³ of gas volumes delivered	0.2057

NOTE:

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

ADDITIONAL CHARGES FOR SALES SERVICE

Zone	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
Rate Schedule No.	220	120	320	620
<u>Gas Supply Charges</u>	<u>cents per Month per m³ of Daily Contract Demand</u>			
Monthly Demand Charge for each unit of Contracted Daily Demand:	26.6352	26.6362	42.7632	55.7302
Gas Supply Demand- Price Adjustment	(0.8951)	(0.8951)	(0.8951)	(0.8951)

Gas Supply Charge

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

Commodity Transportation

Charge 1 applies for all gas volumes delivered in the billing month up to the volume represented by the Contract Demand multiplied by the number of days in the billing month multiplied by 0.4.

Charge 2 applies for all additional gas volumes delivered in the billing month.

HEAT CONTENT ADJUSTMENT

The gas supply commodity charges hereunder will be adjusted upwards or downwards as described below if the average total heating value of the gas per cubic metre (m³) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per m³, respectively.

The adjustment shall be determined by multiplying the amount otherwise payable by a fraction, where the numerator is the monthly weighted average total heating value per cubic meter and the denominator 37.89.



COMMISSIONING AND DECOMMISSIONING RATE

The contract may provide that the Monthly Demand Charges specified above shall not apply on all or part of the daily contracted demand used by the customer either during the testing, commissioning and phasing in of gas using equipment or, alternatively, in the decommissioning and phasing out of gas using equipment being displaced by other gas using equipment, for a period not to exceed one year ("the transitional period"). To be eligible the new or displaced gas using equipment must be separately meterable. In such event, the contract will provide the following rates that such volume during the transitional period will be charged.

Zone Rate Schedule No.	Fort Frances 220	Western 120	Northern 320	Eastern 620
<u>MONTHLY CHARGE</u>	\$780.00	\$780.00	\$780.00	\$780.00
<u>DELIVERY CHARGES</u>	<u>cents per m³</u>	<u>cents per m³</u>	<u>cents per m³</u>	<u>cents per m³</u>
Commodity Charge for each unit of gas volumes delivered	1.5138	1.5138	1.5138	1.5138
<u>GAS SUPPLY CHARGES:</u>				
Commodity Transportation Charge	3.2515	3.2504	4.6283	5.7322
Gas Commodity Charge – as per applicable rate provided in Appendix "A"				

ADDITIONAL CHARGES FOR TRANSPORTATION AND STORAGE SERVICES – ALL ZONES

MONTHLY TRANSPORTATION ACCOUNT CHARGE

For Customers that currently have installed or will require installing telemetering equipment: \$220.00

BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES:

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$ per GJ per Month) \$11.820

Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$ per GJ per Month) (\$1.158)

Commodity Charge for each unit of gas withdrawn from storage: (\$ per GJ) \$0.236

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage: (\$ per GJ) \$0.625

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

UNBUNDLED STORAGE SERVICE CHARGES:

Storage Space Charge:
Applied to Contracted Maximum Storage Balance: (\$ per GJ per Month) \$0.031

Fuel Ratio:
Applied to all gas injected and withdrawn from storage: (%) 0.631%

Commodity Charge:
Applied to all gas injected and withdrawn from storage: (\$ per GJ) \$0.013

UNBUNDLED STORAGE SERVICE AUTHORIZED OVERRUN CHARGES:

Fuel Ratio:
Applied to all gas injected and withdrawn from storage: (%) 1.05%

Commodity Charge:
Applied to all gas injected and withdrawn from storage: (\$ per GJ) \$0.065

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



UNBUNDLED STORAGE SERVICE UNAUTHORIZED OVERRUN CHARGES:

If at any time, the Customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be \$50.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$2.823 per GJ.

UNBUNDLED SERVICE NOMINATION VARIANCES:

The rate for unauthorized parking or drafting which results from nomination variances shall be equal to 50% of the "Daily Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff. No Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 4% of the nominated amount and 150 GJ.

Zone Rate Schedule No.	<u>Fort Frances</u> 201	<u>Western</u> 101	<u>Northern</u> 301	<u>Eastern</u> 601
<u>Delivery service to Storage Facilities (1)</u>				
Demand Charge (\$/GJ/month)	N/A	N/A	\$9.351	\$0.935
Commodity (\$/GJ)	N/A	N/A	\$0.062	\$0.017
<u>Redelivery Service from Storage Facilities</u>				
Demand Charge (\$/GJ/month)	\$3.763	\$3.763	\$3.763	\$10.313
Commodity (\$/GJ)	\$0.046	\$0.046	\$0.046	\$0.076

Notes:

1. Delivery Service to Storage Facilities is not available to Northern Zone Customers in the Sault Ste. Marie Delivery Area (SSMDA).
2. Daily Firm injection and Withdrawal Rights shall be pursuant to the storage contract.
3. Storage Space, Withdrawal Rights and Injection Rights are not assignable to any other party without the prior written consent of Union and where necessary, approval from the Ontario Energy Board.

DIVERSION TRANSACTION CHARGE

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

THE BILL

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

MINIMUM BILL

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



LATE PAYMENT CHARGE

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

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

Effective

July 1, 2006
O.E.B. ORDER # EB-2006-0106

Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



RATE 25 – LARGE VOLUME INTERRUPTIBLE SERVICE

ELIGIBILITY

Any Customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end-user or who is authorized to serve an end-user of gas through one or more Company-owned meters at one location, and whose total maximum daily interruptible requirement is 14,000 m³ or more or the interruptible portion of a maximum daily requirement for firm and interruptible service of 14,000 m³ or more and whose operations, in the judgement of Union, can readily accept interruption and restoration of gas service.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

For interruptible supply of natural gas by Union and associated transportation services necessary to ensure its delivery in accordance with Customer's needs. For this service, the Monthly, Delivery and Gas Supply Charges shall apply.

(b) **Transportation Service**

For delivery of natural gas owned by the Customer on Union's distribution system from the Point of Receipt from TCPL's system to the Point of Consumption on the Customer's or end-user's premises, providing that, in the judgement of Union, acting reasonably, the Customer-owned gas does not displace service from Union under a Rate 20 or Rate 100 contract specific to that location. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Monthly, Delivery, Transportation Account and Diversion Transaction Charges shall apply.

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

MONTHLY RATES AND CHARGES

APPLICABLE TO ALL SERVICES – ALL ZONES (1)

MONTHLY CHARGE: \$190.00

DELIVERY CHARGES: cents per m³
A Delivery Price for all volumes delivered to the Customer to be negotiated between Union and the Customer and the average price during the period in which these rates remain in effect shall not exceed: 2.8255

NOTE:

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



ADDITIONAL CHARGES FOR SALES SERVICE

Zone	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
Rate Schedule No.	225	125	325	625

Gas Supply Charge:

As per applicable rate provided in Schedule "A".

Interruptible Service: Applicable all year at a price agreed upon between Union and the Customer and the average price during the period in which these rates remain in effect.

HEAT CONTENT ADJUSTMENT

The gas supply commodity charges hereunder will be adjusted upwards or downwards as described below if the average total heating value of the gas per cubic metre (m³) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per m³, respectively.

The adjustment shall be determined by multiplying the amount otherwise payable by a fraction, where the numerator is the monthly weighted average total heating value per cubic meter and the denominator 37.89.

ADDITIONAL CHARGES FOR TRANSPORTATION – ALL ZONES

MONTHLY TRANSPORTATION ACCOUNT CHARGE: For Customers that currently have installed or will require installing telemetering equipment. \$220.00

THE BILL

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

MINIMUM BILL

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

LATE PAYMENT CHARGE

When payment of the monthly bill has not been made in full, 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

SERVICE AGREEMENT

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



TERMS AND CONDITIONS OF SERVICE

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

Effective

July 1, 2006
O.E.B. ORDER # EB-2006-0106

Chatham, Ontario

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RATE 30 – INTERMITTENT GAS SUPPLY SERVICE
AND SHORT TERM STORAGE / BALANCING SERVICE

ELIGIBILITY

Any Customer in Union's Fort Frances, Western, Northern or Eastern Zones already connected to Union's gas distribution system who is an end-user or is authorized to serve an end-user.

SERVICE AVAILABLE

For intermittent, short-term gas supply which will be a substitute for energy forms other than Company owned gas sold under other rate schedules. This may include situations where customer-owned gas supplies are inadequate and short-term backstopping service is requested or during a situation of curtailment on the basis of price when the purchase price of Spot gas is outside the interruptible service price range. The gas supply service available hereunder is offered only in conjunction with service to the Customer under an applicable firm or interruptible service rate schedule of Union. The service is for intermittent gas supply and short term storage / balancing service and will be billed in combination with Customer, Delivery, and other applicable charges for such services under the applicable rate schedule. Gas supply under this rate will be provided when, at the sole discretion of Union, adequate supplies are available.

GAS SUPPLY CHARGE

The gas supply charge shall be \$5.00 per 10³m³ plus the greater of the incremental cost of gas for Union and the customer's gas supply charge.

SHORT TERM STORAGE / BALANCING SERVICE

Short Term Storage / Balancing Service is:

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

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

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

A commodity charge to be negotiated between Union and the customer not to exceed \$3.00/GJ.

THE BILL

The bill for gas supply and/or short term supplemental services under this rate shall be rendered in conjunction with the billing for delivery and other services under the Customer's applicable rate for such services.

SERVICE AGREEMENT

All customers must enter into a Service Agreement with Union for this service and must agree therein to curtail or interrupt use of gas under this rate schedule whenever requested to do so by Union.



TERMS AND CONDITIONS OF SERVICE

1. Failure of the Customer to interrupt or curtail use of gas on this rate as requested by Union shall be subject to the Unauthorized Overrun Gas Penalty as provided in Union's Terms and Conditions. Anytime the Customer has such failure, Union reserves the right to cancel service under this rate.
2. The Terms and Conditions of the applicable rate schedule for delivery of the gas sold hereunder shall also apply.
3. The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher or lower than the identified rates.

Effective

July 1, 2006
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Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



RATE 77 – WHOLESALE TRANSPORTATION SERVICE

ELIGIBILITY

Any natural gas distributor in Union's Fort Frances, Western, Northern or Eastern Zones who uses Union's gas distribution facilities for the transportation of natural gas to customers outside Union's franchise area.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Transportation Service**

For the continuous delivery through Union's distribution system from the Point of Receipt on TCPL to the Point of Consumption at the Consumer's distribution system of natural gas owned by the Customer. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Monthly and Delivery Charges shall apply.

MONTHLY RATES AND CHARGES – ALL ZONES

<u>MONTHLY CHARGE:</u> (\$ per month)	\$145.00
<u>MONTHLY DELIVERY DEMAND CHARGE:</u> (cents per m ³)	28.2609

THE BILL

The bill will equal the sum of the monthly charges plus all applicable taxes.

LATE PAYMENT CHARGE

When payment of the monthly bill has not been made in full, 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

1. Service shall be for a minimum term of one year.
2. Customers must enter into a Service Agreement with Union prior to the commencement of service.
3. The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher or lower than the identified rates.

Effective July 1, 2006
O.E.B. ORDER # EB-2006-0106

Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



RATE 100 – LARGE VOLUME HIGH LOAD FACTOR FIRM SERVICE

ELIGIBILITY

Any Customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end-user or who is authorized to serve an end-user of gas through one or more Company-owned meters at one location, and whose maximum daily requirement for firm service is 100,000 m³ or more, and whose annual requirement for firm service is equal to or greater than its maximum daily requirement multiplied by 256.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

For continuous supply of natural gas by Union and associated transportation and storage services necessary to ensure deliverability in accordance with the Customer's needs. For this service, the Monthly, Delivery and Gas Supply Charges shall apply.

(b) **Transportation Service**

For continuous delivery on Union's distribution system from the Point of Receipt on TCPL's system to the Point of Consumption on the Customer's premises of natural gas owned by the Customer. The customer is responsible for obtaining the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Monthly, Delivery, Transportation Account and Diversion Transaction Charges shall apply. Unless otherwise authorized by Union, customers who initiate a movement to Transportation Service from a Sales Service or Bundled Transportation Service must accept an assignment from Union of transportation capacity on upstream pipeline systems. Customers may reduce their assignment of transportation capacity in compliance with Union's Turnback Policy.

(c) **Bundled Transportation Service**

For continuous delivery by Union of gas owned by the Customer and for the associated transportation and storage services necessary to ensure deliverability in accordance with the Customer's needs. For this service the Monthly, Delivery, Gas Supply Demand and Commodity Transportation Charges shall apply.

(d) **Storage Service**

For load balancing purposes for Customers using Transportation Service on this rate schedule. If at the sole discretion of Union, adequate supplies exist, bundled and unbundled storage and delivery/redelivery services will be provided.

The charge for Bundled Storage Service will consist of the charges for Transportation Service plus the charges for Bundled Storage Service.

The Charge for Unbundled Storage Service will consist of the charges for Transportation Service plus the charges for Unbundled Storage Service which must include charges for delivery/redelivery service to/from storage.

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



MONTHLY RATES AND CHARGES

APPLICABLE TO ALL SERVICES – ALL ZONES (1)

MONTHLY CHARGE \$780.00

DELIVERY CHARGES: (cents per Month per m³ of Daily Contract Demand)
Monthly Demand Charge for each unit of Contracted Daily Demand: 11.2304

COMMODITY CHARGE for each unit of gas volumes delivered (cents per m³) 0.1983

NOTE:

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

ADDITIONAL CHARGES FOR SALES SERVICE

Zone	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
Rate Schedule No.	2100	1100	3100	6100
<u>Gas Supply Charges</u>	<u>cents per Month per m³ of Daily Contract Demand</u>			
Monthly Demand Charge for each unit of Contracted Daily Demand	41.1426	41.1436	59.9586	75.0866

Gas Commodity Charge – as per applicable rate provided in Schedule “A”

Commodity Transportation

Charge 1 applies for all gas volumes delivered in the billing month up to the volume represented by the Contract Demand multiplied by the number of days in the billing month multiplied by 0.3.

Charge 2 applies for all additional gas volumes delivered in the billing month.

HEAT CONTENT ADJUSTMENT

The gas supply commodity charges hereunder will be adjusted upwards or downwards as described below if the average total heating value of the gas per cubic metre (m³) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per m³, respectively.

The adjustment shall be determined by multiplying the amount otherwise payable by a fraction, where the numerator is the monthly weighted average total heating value per cubic meter and the denominator 37.89.



COMMISSIONING AND DECOMMISSIONING RATE

The contract may provide that the Monthly Demand Charges specified above shall not apply on all or part of the daily contracted demand used by the customer either during the testing, commissioning and phasing in of gas using equipment or, alternatively, in the decommissioning and phasing out of gas using equipment being displaced by other gas using equipment, for a period not to exceed one year ("the transitional period"). To be eligible the new or displaced gas using equipment must be separately meterable. In such event, the contract will provide the following rates that such volume during the transitional period will be charged.

Zone Rate Schedule No.	<u>Fort Frances</u> 2100	<u>Western</u> 1100	<u>Northern</u> 3100	<u>Eastern</u> 6100
<u>MONTHLY CHARGE</u>	\$780.00	\$780.00	\$780.00	\$780.00
<u>DELIVERY CHARGES</u>				
Commodity Charge for each unit of gas volumes delivered	<u>cents per m³</u> 0.7258	<u>cents per m³</u> 0.7258	<u>cents per m³</u> 0.7258	<u>cents per m³</u> 0.7258
<u>GAS SUPPLY CHARGES:</u>				
Commodity Transportation Charge	3.7788	3.7755	4.8179	5.6593
Gas Commodity Charge – as per applicable rate provided in Schedule "A"				

ADDITIONAL CHARGES FOR TRANSPORTATION AND STORAGE SERVICES – ALL ZONES

MONTHLY TRANSPORTATION ACCOUNT CHARGE

For Customers that currently have installed or will require installing telemetering equipment: \$220.00

BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES:

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$ per GJ per Month) \$11.820

Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$ per GJ per Month) (\$1.158)

Commodity Charge for each unit of gas withdrawn from storage: (\$ per GJ) \$0.236

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage: (\$ per GJ) \$0.625

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

UNBUNDLED STORAGE SERVICE CHARGES:

Storage Space Charge:
Applied to Contracted Maximum Storage Balance: (\$ per GJ per Month) \$0.031

Fuel Ratio:
Applied to all gas injected and withdrawn from storage: (%) 0.631%

Commodity Charge:
Applied to all gas injected and withdrawn from storage: (\$ per GJ) \$0.013

UNBUNDLED STORAGE SERVICE AUTHORIZED OVERRUN CHARGES:

Fuel Ratio:
Applied to all gas injected and withdrawn from storage: (%) 1.05%

Commodity Charge:
Applied to all gas injected and withdrawn from storage: (\$ per GJ) \$0.065

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



UNBUNDLED STORAGE SERVICE UNAUTHORIZED OVERRUN CHARGES:

If at any time, the Customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be \$50.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$2.823 per GJ.

UNBUNDLED SERVICE NOMINATION VARIANCES:

The rate for unauthorized parking or drafting which results from nomination variances shall be equal to 50% of the "Daily Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff. No Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 4% of the nominated amount and 150 GJ.

Zone Rate Schedule No.	<u>Fort Frances</u> 201	<u>Western</u> 101	<u>Northern</u> 301	<u>Eastern</u> 601
<u>Delivery service to Storage Facilities (1)</u>				
Demand Charge (\$/GJ/month)	N/A	N/A	\$9.351	\$0.935
Commodity (\$/GJ)	N/A	N/A	\$0.062	\$0.017
<u>Redelivery Service from Storage Facilities</u>				
Demand Charge (\$/GJ/month)	\$3.763	\$3.763	\$3.763	\$10.313
Commodity (\$/GJ)	\$0.046	\$0.046	\$0.046	\$0.076

Notes:

1. Delivery Service to Storage Facilities is not available to Northern Zone Customers in the Sault Ste. Marie Delivery Area (SSMDA).
2. Daily Firm Injection and Withdrawal Rights shall be pursuant to the storage contract.
3. Storage Space, Withdrawal Rights and Injection Rights are not assignable to any other party without the prior written consent of Union and where necessary, approval from the Ontario Energy Board.

DIVERSION TRANSACTION CHARGE

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

THE BILL

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

MINIMUM BILL

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



LATE PAYMENT CHARGE

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

SERVICE AGREEMENT

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

TERMS AND CONDITIONS OF SERVICE

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

Effective

July 1, 2006
O.E.B. ORDER # EB-2006-0106

Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



RATE S1 – GENERAL FIRM SERVICE STORAGE RATES

ELIGIBILITY

Any customer or agent in Union's Fort Frances, Western, Northern or Eastern Zones who is authorized to serve an end-user of gas, paying for delivery services under Rate 01A or Rate 10.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Transportation Service**

The customer is responsible for obtaining all Gas Supply services to the end-user including the requisite regulatory approvals for the supply and transmission of such gas to Union's distribution system. For this service, the Diversion Transaction Charge shall apply. Unless otherwise authorized by Union, customers who initiate a movement to Transportation Service from a Sales Service or Bundled Transportation Service must accept an assignment from Union of transportation capacity on upstream pipeline systems.

(b) **Storage Service**

For load balancing purposes for Customers using Transportation Service on this rate schedule. If at the sole discretion of Union, adequate supplies exist, unbundled storage and delivery/redelivery services will be provided.

The charge for Unbundled Storage Service will consist of the charges for Transportation Service plus the charges for Unbundled Storage Service which must include charges for delivery/redelivery service to/from storage.

MONTHLY RATES AND CHARGES

UNBUNDLED STORAGE SERVICE CHARGES:

Storage Space Charge:		
Applied to Contracted Maximum Storage Space: (\$ per GJ per Month)		\$0.031
Fuel Ratio:		
Applied to all gas injected and withdrawn from storage: (%)		0.631%
Commodity Charge:		
Applied to all gas injected and withdrawn from storage: (\$ per GJ)		\$0.013

UNBUNDLED STORAGE SERVICE AUTHORIZED OVERRUN CHARGES:

Fuel Ratio:		
Applied to all gas injected and withdrawn from storage: (%)		1.05%
Commodity Charge:		
Applied to all gas injected and withdrawn from storage: (\$ per GJ)		\$0.065

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



UNBUNDLED STORAGE SERVICE UNAUTHORIZED OVERRUN CHARGES

If at any time, the Customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be \$50.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$2.823 per GJ.

Zone Rate Schedule No.	<u>Fort Frances</u> 201	<u>Western</u> 101	<u>Northern</u> 301	<u>Eastern</u> 601
<u>Delivery Service to Storage Facilities (1)</u>				
Demand Charge (\$/GJ/month)	N/A	N/A	\$9.351	\$0.935
Commodity (\$/GJ)	N/A	N/A	\$0.062	\$0.017
<u>Redelivery Service from Storage Facilities</u>				
Demand Charge (\$/GJ/month)	\$3.763	\$3.763	\$3.763	\$10.313
Commodity (\$/GJ)	\$0.046	\$0.046	\$0.046	\$0.076

Notes:

1. Delivery Service to Storage Facilities is not available to Northern Zone Customers in the Sault Ste. Marie Delivery Area (SSMDA).
2. Daily Firm Injection and Withdrawal Rights shall be pursuant to the storage contract.
3. Storage Space, Withdrawal Rights, and Injection Rights are not assignable to any other party without the prior written consent of Union and where necessary, approval from the Ontario Energy Board.

Diversion Transaction Charge

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

MONTHLY BILL

The monthly bill will equal the sum of the monthly charges for all services selected plus the rates multiplied by the applicable gas quantities delivered or withdrawn for each service chosen plus all applicable taxes.

LATE PAYMENT CHARGE

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

TERMS AND CONDITIONS OF SERVICE

1. Customers must enter into a Service Agreement with Union prior to the commencement of service.
2. The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher or lower than the identified rates.

Effective July 1, 2006
O.E.B. ORDER # EB-2006-0106

Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



uniongas

Effective
2006-07-01
Schedule "A"
Page 1 of 2

Union Gas Limited
Northern and Eastern Operations Area
Gas Supply Charges

(A) Availability

Available to customers in Union's Fort Frances, Western, Northern and Eastern Delivery Zones.

(B) Applicability:

To all sales customers served under Rate 01A, Rate 10, Rate 16, Rate 20 and Rate 100.

(C) Rates

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 01A (cents / m³)</u>				
Effective July 1, 2006 (EB-2006-0106)				
Storage	1.9304	2.0056	2.4577	2.8445
Storage - Price Adjustment (1)	(0.1606)	(0.1606)	(0.1606)	(0.1606)
Commodity and Fuel	34.5825	35.0292	35.6284	36.1119
Commodity and Fuel - Price Adjustment (1)	(3.7709)	(3.7709)	(3.7709)	(3.7709)
Transportation	2.7223	2.7186	3.3180	3.8019
Transportation - Price Adjustment (1)	(0.3966)	(0.3966)	(0.3966)	(0.3966)
Total Gas Supply Charge	34.9071	35.4253	37.0760	38.4302

Rate 10 (cents / m³)

Effective July 1, 2006 (EB-2006-0106)				
Storage	1.1864	1.2616	1.7137	2.1005
Storage - Price Adjustment (1)	(0.1339)	(0.1339)	(0.1339)	(0.1339)
Commodity and Fuel	34.5825	35.0292	35.6284	36.1119
Commodity and Fuel - Price Adjustment (1)	(3.7709)	(3.7709)	(3.7709)	(3.7709)
Transportation	2.5453	2.5416	3.1410	3.6249
Transportation - Price Adjustment (1)	(0.3824)	(0.3824)	(0.3824)	(0.3824)
Total Gas Supply Charge	34.0270	34.5452	36.1959	37.5501

Rate 16 (cents / m³)

Effective July 1, 2006 (EB-2006-0106)				
Gas Supply Charges - Winter ~	39.0801	39.5198	41.0681	42.3127
Gas Supply - Price Adjustment	(3.7709)	(3.7709)	(3.7709)	(3.7709)
Total Gas Supply Charges - Winter	35.3092	35.7489	37.2972	38.5418
Gas Supply Charges - Summer	37.2709	37.7164	38.3139	38.7925
Gas Supply - Price Adjustment	(3.7709)	(3.7709)	(3.7709)	(3.7709)
Total Gas Supply Charges - Summer	33.5000	33.9455	34.5430	35.0216

~ Winter - November 1 to April 15

Notes:

(1) As laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.2923 cents/m³.



Union Gas Limited
Northern and Eastern Operations Area
Gas Supply Charges

Utility Sales

	Fort Frances	Western	Northern	Eastern
<u>Rate 20 (cents / m³)</u>				
Effective July 1, 2006 (EB-2006-0106)				
Commodity and Fuel	34.8011	35.2506	35.8537	36.3403
Commodity and Fuel - Price Adjustment (1)	(3.7709)	(3.7709)	(3.7709)	(3.7709)
Commodity Transportation - Charge 1	2.3916	2.3916	2.7716	3.0716
Transportation 1 - Price Adjustment (1)	(0.4745)	(0.4745)	(0.4745)	(0.4745)
Commodity Transportation - Charge 2	0.1263	0.1205	0.1883	0.2447
Monthly Gas Supply Demand	26.6352	26.6362	42.7632	55.7302
Gas Supply Demand - Price Adjustment (1)	(0.8951)	(0.8951)	(0.8951)	(0.8951)

Rate 100 (cents / m³)

Effective July 1, 2006 (EB-2006-0106)				
Commodity and Fuel	34.8011	35.2506	35.8537	36.3403
Commodity and Fuel - Price Adjustment (1)	(3.7709)	(3.7709)	(3.7709)	(3.7709)
Commodity Transportation - Charge 1	4.1400	4.1400	4.4200	4.6500
Commodity Transportation - Charge 2	0.1263	0.1205	0.1883	0.2447
Monthly Gas Supply Demand	41.1426	41.1436	59.9586	75.0866

Rate 25 (cents/ m³)

Effective July 1, 2006 (EB-2006-0106)				
Gas Supply Charge:	Interruptible Service			
	Minimum	13.7545	13.8788	14.1233
	Maximum	63.6890	64.7046	67.0257
				68.9354

Notes:

(1) As laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.2923 cents/m³.

Effective: July 1, 2006
O.E.B. Order # EB-2006-0106

Chatham, Ontario

Supersedes EB-2006-0033 Rate Schedule effective April 1, 2006.



GENERAL SERVICE RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To residential and non-contract commercial and industrial customers.

(C) Rates

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

a)	Monthly Charge		\$ 14.00
b)	Delivery Charge		
c)			
	First	1 400 m ³	5.6614¢ per m ³
	Next	4 600 m ³	4.0465¢ per m ³
	Next	124 000 m ³	2.8544¢ per m ³
	Next	270 000 m ³	2.1188¢ per m ³
	All Over	400 000 m ³	1.9749¢ per m ³
	Delivery – Price Adjustment (All Volumes)		(0.0914)¢ per m ³
c)	Storage Charge (if applicable)		0.9544¢ per m ³
	Applicable to all bundled customers (sales and bundled transportation service).		
d)	Gas Supply Charge (if applicable)		
	The gas supply charge is comprised of charges for transportation and for commodity and fuel. The applicable rates are provided in Schedule "A".		

During any month in which a customer terminates service or begins service, the fixed charge for the month will be prorated to such customer.

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

Combination of readings from several meters may be authorized by the Company and the Company will not reasonably withhold authorization in cases where meters are located on contiguous pieces of property of the same owner not divided by a public right-of-way. In such cases, an additional service charge shall be rendered each month in the amount of \$15.00 per month for each additional meter so combined.

(E) Delayed Payment

When payment of the monthly bill has not been made in full, 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.



(F) Direct Purchase

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

(G) Overrun Charge

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. The customer may pay 6.6158¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³.

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

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

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



FIRM INDUSTRIAL AND COMMERCIAL CONTRACT RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a daily contracted demand between 4 800 m³ and 140 870 m³.

(C) Rates

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

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

(i) A Monthly Demand Charge		
First	8 450 m ³ of daily contracted demand	46.9922¢ per m ³
Next	19 700 m ³ of daily contracted demand	17.5809¢ per m ³
All Over	28 150 m ³ of daily contracted demand	13.8932¢ per m ³

(ii) A Monthly Delivery Commodity Charge		
First 422 250 m ³ delivered per month		0.7963¢ per m ³
Next volume equal to 15 days use of daily contracted demand		0.7963¢ per m ³
For remainder of volumes delivered in the month		0.3930¢ per m ³

 Delivery- Price Adjustment (All Volumes) (0.1328)¢ per m³

(iii) Gas Supply Charge (if applicable)

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

2. Overrun Charge

Authorized overrun gas is available provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization. Overrun means gas taken on any day in excess of 103% of contracted daily demand. Authorized overrun will be available April 1 through October 31 and will be paid for at a Delivery Rate of 2.3413¢ per m³ and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m³ for all volumes purchased.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 6.6158¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

3. Minimum Annual Charge

In each contract year, the customer shall purchase from Union or pay for a minimum volume of gas or transportation services equivalent to 146 days use of contracted demand. Overrun gas volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery Charge of 1.0444¢ per m³ and, if applicable a gas supply commodity charge provided in Schedule "A".

In the event that the contract period exceeds one year the annual minimum volume will be prorated for any part year.



(D) Delayed Payment

When payment of the monthly bill has not been made in full, 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

(E) Direct Purchase

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

(F) Bundled Direct Purchase Delivery

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

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



INTERRUPTIBLE INDUSTRIAL AND COMMERCIAL CONTRACT RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a daily contracted demand between 4 800 m³ and 140 870 m³ inclusive.

(C) Rates

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

1. Interruptible Service

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

a) (i) Monthly Delivery Commodity Charge

<u>Daily Contracted Demand Level (CD)</u>	<u>Price per m³</u>
4 800 m ³ ≤ CD < 17 000 m ³	1.8642¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³	1.7343¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³	1.6660¢ per m ³
50 000 m ³ ≤ CD < 70 000 m ³	1.6181¢ per m ³
70 000 m ³ ≤ CD < 100 000 m ³	1.5838¢ per m ³
100 000 m ³ ≤ CD ≤ 140 870 m ³	1.5501¢ per m ³

Delivery- Price Adjustment (All Volumes) (0.0725)¢ per m³

(ii) Days Use of Interruptible Contract Demand

The price determined under Paragraph 1(a) of "Rates" will be reduced by the amount based on the number of Days Use of Contracted Demand as scheduled below:

For 75 days use of contracted demand	.053¢ per m ³
For each additional days use of contracted demand up to a maximum of 275 days, an additional discount of	.00212¢ per m ³

(iii) Gas Supply Charge (if applicable)

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

(iv) Monthly Charge \$500 per month



2. In each contract year, the customer shall take delivery from Union or in any event pay for if available and not accepted by the customer, a minimum volume of gas or transportation services as specified in the contract between the parties and which will not be less than 700 000 m³ per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery Charge of 2.1123¢ per m³, and if applicable, a gas supply charge provided in Schedule "A".

In the event that the contract period exceeds one year, the annual minimum volume will be prorated for any part year.

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

Unauthorized overrun gas taken in any month shall be paid for at the rate of 6.6158¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

4. Non-Interruptible Service

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

- a) The monthly demand charge for firm daily deliveries will be 25.5770¢ per m³.
- b) The commodity charge for firm service shall be the rate for firm service at Union's firm rates net of a monthly demand charge of 25.5770¢ per m³ of daily contracted demand.
- c) The interruptible commodity charge will be established under Clause 1 of this schedule.

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

(E) Direct Purchase

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

(F) Bundled Direct Purchase Delivery

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

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

Effective July 1, 2006
O.E.B. ORDER # EB-2006-0106

Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



SEASONAL INDUSTRIAL AND COMMERCIAL CONTRACT RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer who enters into a contract for the purchase or transportation of gas for a season or seasons only that specifies a daily demand between 4 800 m³ and 140 870 m³ inclusive.

(C) Rates

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

1. The price of all gas delivered by Union pursuant to any contract, contract amendment or contract renewal shall be a Delivery Commodity Charge of 1.3569¢ per m³ and, if applicable.

Gas Supply Charge (if applicable).

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

2. A minimum monthly bill will apply equal to a daily charge of \$26.38 for delivery and, if applicable, a minimum charge provided in Schedule "A" for gas supply times the number of days in which gas is taken. For each April 1 to October 31 contract period, the customer shall take delivery from Union or in any event pay for a minimum volume of gas transportation services which will not be less than 400 000 m³.
3. Overrun gas is available without penalty provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization. Overrun means gas taken on any day in excess of 105% of contracted daily demand.

Unauthorized overrun gas taken in any month shall be paid for at the rate of 6.6158¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

(E) Direct Purchase

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



(F) Bundled Direct Purchase Delivery

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

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

Effective

July 1, 2006
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Chatham, Ontario

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SPECIAL LARGE VOLUME
INDUSTRIAL AND COMMERCIAL CONTRACT RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a Customer

- a) who enters into a contract for the purchase or transportation of gas for a minimum term of one year that specifies a combined maximum daily requirement for firm, interruptible and seasonal service of at least 140 870 m³, and a qualifying annual volume of at least 28 327 840 m³; and
- b) who has site specific energy measuring equipment installed at each Point of Consumption that will be used in determining energy balances.

(C) Rates

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

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

(i) A Monthly Demand Charge

A negotiated Monthly Demand Charge of up to 24.8644¢ per m³ for each m³ of daily contracted firm demand.

(ii) A Monthly Delivery Commodity Charge

(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of 0.2739¢ per m³ for each m³, and a Delivery- Price Adjustment of 0.1016¢ per m³.

(2) A Monthly Interruptible Delivery Commodity Charge for all interruptible volumes to be negotiated between Union and the customer not to exceed an annual average of 2.6095¢ per m³.

(3) A Monthly Seasonal Delivery Commodity Charge for all seasonal volumes to be negotiated between Union and the customer not to exceed an annual average of 2.3654¢ per m³.

(iii) Gas Supply Charge (if applicable)

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

(iv) Overrun Gas

Overrun gas is available without penalty provided that it is authorized by Union in advance. Union will not unreasonably withhold authorization.

Unauthorized overrun gas taken in any month shall be paid for at the M2 rate in effect at the time the overrun occurs, plus, if applicable the total gas supply charge for utility sales provided in Schedule "A" per m³ for all the gas supply volumes purchased.



2. In negotiating the Monthly Interruptible and Seasonal Commodity Charges, the matters to be considered include:
 - a) The volume of gas for which the customer is willing to contract,
 - b) The load factor of the customer's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for,
 - c) Interruptible or curtailment provisions, and
 - d) Competition.
3. In each contract year, the customer shall take delivery from Union, or in any event, pay for if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun gas volumes will not contribute to the minimum volume.
4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the customer during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the "transition period"). In such event, the contract will provide for a Monthly Delivery Commodity Charge to be applied on such volume during the transition of 1.5297¢ per m³ and the total gas supply charge for utility sales provided in Schedule "A" per m³, if applicable.
5. Either the utility or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

(E) Direct Purchase

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

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

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



LARGE WHOLESALE SERVICE RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a distributor who enters into a contract to purchase and/or receive delivery of a firm supply of gas for distribution to its customers and who agrees to take or pay for an annual quantity of at least two million cubic metres.

(C) Rates

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

1. (i) A Monthly Demand Charge of 17.2858¢ per m³ of established daily demand determined in accordance with the service contract, such demand charge to be computed on a calendar month basis and a prorata charge to be made for the fraction of a calendar month which will occur if the day of first regular delivery does not fall on the first day of a month,
- (ii) A Delivery Commodity Charge of 0.5233¢ per m³, a Delivery- Price Adjustment of (0.1219)¢ per m³ for gas delivered and, if applicable,
- (iii) Gas Supply Charge (if applicable)

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

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

(E) Direct Purchase

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

(F) Overrun Charge

Authorized:

For all quantities on any day in excess of 103% of the Customer's contractual rights, for which authorization has been received, the Customer will be charged 1.0916¢ per m³. Overrun will be authorized by Union at its sole discretion.

Unauthorized:

For all quantities on any day in excess of 103% of the Customer's contractual rights, for which authorization has not been received, the Customer will be charged 36.0¢ per m³.



uniongas

Effective
2006-07-01
Rate M9
Page 2 of 2

(G) Bundled Direct Purchase Delivery

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

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

Effective

July 1, 2006
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Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



SMALL WHOLESALE SERVICE RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a non-contract distributor who purchases and/or receives delivery of a firm supply of gas for distribution only to its own customers.

(C) Rates

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

1. A Delivery Commodity Charge of 2.7318¢ per m³ for gas delivered and, if applicable,
2. Gas Supply Charge (if applicable)

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

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

(E) Direct Purchase

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

(F) Overrun Charge

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. This gas shall be paid for at the rate of 6.6158¢ per m³ for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³ for all gas supply volumes purchased.

(G) Bundled Direct Purchase Delivery

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

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

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Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



BUNDLED DIRECT PURCHASE CONTRACT RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer who enters into a Receipt Contract or Gas Purchase Contract for delivery and/or sale of gas to Union.

(C) Rates

	<u>Demand Charge Rate/GJ/month</u>	<u>Commodity Charges/Credits Rate/GJ</u>
a) Transportation by Union: For gas delivered to Union at any point other than the Ontario Point(s) of Receipt, Union will charge a customer all approved tolls and charges, incurred by Union to transport the gas to the Ontario Point(s) of Receipt		
b) Delivery Commitment Credit (DCC): For all obligated deliveries		(\$0.023)
c) FST Downstream Differential: For all FST quantities delivered		\$0.000
d) Firm Backstop Gas: Applied to the contracted Firm Backstop Gas Supply Service	\$5.190	
Backstop Gas Commodity Charge: On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$12.162
e) Reasonable Efforts Backstop Gas: Paid on all quantities of gas supplied by Union to the Customer's Point(s) of Consumption		\$12.134
f) Banked Gas Purchase: T-service		Note (1)
g) Failure to Deliver: Applied to all quantities not delivered to Union in the event the customer's supply fails		\$3.131
h) Short Term Storage / Balancing Service (2) Maximum		\$3.000
i) Discretionary Gas Supply Service ("DGSS")		Note (3)



Notes:

- (1) The charge for banked gas purchases shall be the higher of the daily spot cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.
- (2) Short Term Storage / Balancing Service is:
 - i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
 - ii) short-term firm deliverability, OR
 - iii) a component of an operational balancing service offered.

In negotiating the rate to be charged for short term storage services, the matters that are to be considered include:

- i) The minimum amount of storage service to which a customer is willing to commit,
 - ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
 - iii) Utilization of facilities, and
 - iv) Competition
- (3) Discretionary Gas Supply Service price reflects the "back-to-back" price plus gas supply administration charge.

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Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



STORAGE AND TRANSPORTATION RATES
FOR CONTRACT CARRIAGE CUSTOMERS

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a Customer

- a) whose combined firm and interruptible service minimum annual transportation of natural gas is 5 000 000 m³ or greater; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for use at facilities located within Union's gas franchise area; and
- c) who has meters with electronic recording at each Point of Consumption; and
- d) who has site specific energy measuring equipment installed at each Point of Consumption that will be used in determining energy balances; and
- e) for whom Union has determined transportation and/or storage capacity is available.

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

(C) Rates

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

STORAGE SERVICE:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space: Applied to contracted Maximum Annual Storage Space	\$0.010			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.966			
Customer provides deliverability Inventory (4)	\$1.023			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.023			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.023			



	<u>Demand Charge Rate/GJ/mo</u>	<u>Commodity Charge Rate/GJ</u>	<u>Fuel Ratio</u>	<u>For Customers Providing Their Own Compressor Fuel Commodity Charge Rate/GJ</u>
e) Withdrawal Commodity: Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.056	0.631%	\$0.004
f) Injection Commodity: Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.056	0.631%	\$0.004
g) Short Term Storage / Balancing Service Maximum		\$3.000		

Notes:

1. Demand charges for Annual Services are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.
2. Annual Firm Injection Rights are equal to 100% of their respective Annual Firm Withdrawal Rights. Injection Rights in excess of the Annual Firm Injection Rights will be charged at the Incremental Firm Injection Right.
3. Storage Space and Withdrawal Rights are not assignable to any other party without the prior written consent of Union. Storage and withdrawal rights are for the exclusive purpose of meeting the requirements of the specific locations included in each contract.
4. Deliverability Inventory being defined as 20% of annual storage space.
5. Short Term Storage / Balancing Service is:
 - i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
 - ii) short-term firm deliverability, OR
 - iii) a component of an operational balancing service offered.

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

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



TRANSPORTATION CHARGES:

	Demand Charge <u>Rate/m³/mo</u>	Commodity Charge <u>Rate/m³</u>	For Customers Providing <u>Their Own Compressor Fuel</u>	
			Fuel Ratio	Commodity Charge <u>Rate/m³</u>
a) Annual Firm Transportation Demand: Applied to the Firm Daily Contract Demand				
First 140,870 m ³ per month	16.9379			
All over 140,870 m ³ per month	12.2359			
b) Firm Transportation Commodity: Paid on all firm quantities redelivered to the Customer's Point(s) of Consumption				
First 2,360,653 m ³ per month		0.3151	0.584%	0.1336
All over 2,360,653 m ³ per month		0.2598	0.584%	0.0783
c) Interruptible Transportation Commodity: Paid on all interruptible quantities redelivered to the Customer's Point(s) of Consumption				
Maximum		2.6095¢	0.584%	2.5542¢

Notes:

1. All demand charges are paid monthly during the term of the contract for not less than one year unless Union, at its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.
2. In negotiating the rate to be charged for the transportation of gas under Interruptible Transportation, the matters that are to be considered include:
 - a) The amount of the interruptible transportation for which Customer is willing to contract,
 - b) The anticipated load factor for the interruptible transportation quantities,
 - c) Interruptible or curtailment provisions, and
 - d) Competition.
3. In each contract year, the Customer shall pay for a Minimum Interruptible Transportation Activity level as specified in the Contract. Overrun activity will not contribute to the minimum activity level.
4. Either Union or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.

SUPPLEMENTAL CHARGES:

Rates for supplemental services are provided in Schedule "A".

Notes:

1. All demand charges are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year.



OVERRUN SERVICE:

1. Annual Storage Space:

Authorized:

Authorized Overrun is provided as Storage/Balancing Service. It is payable on all quantities on any Day in excess of the Customer's contracted Maximum Storage Space. Overrun will be authorized by Union at its sole discretion. Storage Space Overrun equal to the Customer's firm deliveries from TCPL: less the customer's Firm Daily Contract Demand, all multiplied by the Days of Interruption called during the period of November 1 to March 31, will be automatically authorized until the following July 1.

Unauthorized:

If at any time, the Customer has gas in storage in excess of the contracted Maximum Storage Space, and which has not been authorized by Union or provided for under a short term supplemental storage service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate will be \$1.757 per GJ applied to the greatest excess for each occurrence.

If on any Day the gas storage balance for the account of the Customer is less than zero, the Unauthorized Overrun charge will apply for each GJ of gas below a zero inventory level and this amount of gas shall be deemed not to have been withdrawn from storage. The gas shall be deemed to have been sold to Customer at the highest spot price at Dawn in the month of occurrence and the month following occurrence as identified in the Canadian Gas Price Reporter. If Customer has contracted to provide its own deliverability inventory, the zero inventory level shall be deemed to mean twenty percent (20%) of the Annual Firm Storage Space.

2. Injection, Withdrawals and Transportation:

Authorized:

The following Overrun rates are applied to any quantities transported, injected or withdrawn in excess of 103% of the Contract parameters. Overrun will be authorized by Union at its sole discretion.

Automatic authorization of Injection Overrun will be given during all Days a Customer has been interrupted.

	Union Providing <u>Fuel</u>	For Customers Providing Their Own Compressor Fuel <u>Firm or Interruptible Service</u>	
	Firm or Interruptible <u>Service</u>	Fuel <u>Ratio</u>	Commodity <u>Charge</u>
Storage Injections:	\$0.155/GJ	1.05%	\$0.069/GJ
Storage Withdrawals:	\$0.155/GJ	1.05%	\$0.069/GJ
Transportation	0.8719 ¢/m ³	0.584%	0.6905 ¢/m ³

Unauthorized:

For all quantities on any Day in excess of 103% of the Customer's contractual rights, for which authorization has not been received, the Customer will be charged 6.6158¢ per m³ or \$1.757 per GJ, as appropriate.



3. Storage / Balancing Service

Authorized:

The following Overrun rates are applied to any quantities stored in excess of the Contract parameters. Overrun will be authorized by Union Gas at its sole discretion.

	<u>Firm Service Rate/GJ</u>
Space	\$0.937
Injection / Withdrawal Maximum	\$3.000

OTHER SERVICES & CHARGES:

1. Monthly Charge

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

Monthly Charge	\$1 800
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2. Diversion of Gas

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

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

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

Effective July 1, 2006
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Chatham, Ontario

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**STORAGE AND TRANSPORTATION RATES
FOR CONTRACT CARRIAGE CUSTOMERS**

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a Distributor:

- a) whose minimum annual transportation of natural gas is 700 000 m³ or greater; and
- b) who enters into a Carriage Service Contract with Union for the transportation or the storage and transportation of Gas for distribution to its customers; and
- c) who has meters with electronic recording at each Point of Redelivery; and
- d) for whom Union has determined transportation and/or storage capacity is available.

(C) Rates

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

STORAGE SERVICE:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space: Applied to contracted Maximum Annual Storage Space	\$0.010			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.966			
Customer provides deliverability Inventory (4)	\$1.023			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.023			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.023			



	Demand Charge Rate/GJ/mo	Commodity Charge Rate/GJ	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio	Commodity Charge Rate/GJ
e) Withdrawal Commodity: Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.056	0.631%	\$0.004
f) Injection Commodity: Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.056	0.631%	\$0.004
g) Short Term Storage / Balancing Service Maximum		\$3.000		

Notes:

1. Demand charges for Annual Services are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.
2. Annual Firm Injection Rights are equal to 100% of their respective Annual Firm Withdrawal Rights. Injection Rights in excess of the Annual Firm Injection Rights will be charged at the Incremental Firm Injection Right.
3. Storage Space and Withdrawal Rights are not assignable to any other party without the prior written consent of Union.
4. Deliverability Inventory being defined as 20% of annual storage space.
5. Short Term Storage / Balancing Service is:
 - i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
 - ii) short-term firm deliverability, OR
 - iii) a component of an operational balancing service offered.

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

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



TRANSPORTATION CHARGES:

	Demand Charge <u>Rate/m³/mo</u>	Commodity Charge <u>Rate/m³</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/m³</u>
a) Annual Firm Transportation Demand: (1) Applied to the Firm Daily Contract Demand	13.0145¢			
b) Firm Transportation Commodity: Paid on all firm quantities redelivered to the Customer's Point(s) of Redelivery		0.2547¢	0.584%	0.0733¢

Notes:

- (1) All demand charges are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.

SUPPLEMENTAL CHARGES:

Rates for supplemental services are provided in Schedule "A".

Notes:

- 1. All demand charges are paid monthly during the term of the contract for not less than one year unless Union, in its sole discretion, accepts a term of less than one year.

OVERRUN SERVICE:

1. Annual Storage Space:

Authorized:

Authorized Overrun is provided as Storage/Balancing Service. It is payable on all quantities on any Day in excess of the Customer's contracted Maximum Storage Space. Overrun will be authorized by Union at its sole discretion.

Unauthorized:

If at any time, the Customer has gas in storage in excess of the contracted Maximum Storage Space, and which has not been authorized by Union or provided for under a short term supplemental storage service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate will be \$1.757 per GJ applied to the greatest excess for each occurrence.

If on any Day, the gas storage balance for the account of the Customer is less than zero, the Unauthorized Overrun charge will apply for each GJ of gas below a zero inventory level and this amount of gas shall be deemed not to have been withdrawn from storage. The gas shall be deemed to have been sold to the Customer at the highest spot price at Dawn in the month of occurrence and the month following occurrence as identified in the Canadian Gas Price Reporter. If the Customer has contracted to provide its own deliverability inventory, the zero inventory level shall be deemed to mean twenty percent (20%) of the Annual Firm Storage Space.



2. Injection, Withdrawals and Transportation:

Authorized:

The following Overrun rates are applied to any quantities transported, injected or withdrawn in excess of 103% of the Contract parameters. Overrun will be authorized by Union at its sole discretion.

	<u>Union Providing Fuel</u>	<u>For Customers Providing Their Own Compressor Fuel Firm or Interruptible Service</u>	
	<u>Firm or Interruptible Service</u>	<u>Fuel Ratio</u>	<u>Commodity Charge</u>
Storage Injections:	\$0.155/GJ	1.05%	\$0.069/GJ
Storage Withdrawals	\$0.155/GJ	1.05%	\$0.069/GJ
Transportation	0.6826¢/m ³	0.584%	0.5012 ¢/m ³

Unauthorized:

For all quantities on any Day in excess of 103% of the Customer's contractual rights, for which authorization has not been received, Customer will be charged 36.0¢ per m³ or \$9.539 per GJ, as appropriate.

3. Short Term Storage Services

Authorized:

The following Overrun rates are applied to any quantities stored in excess of the Contract parameters. Overrun will be authorized by Union Gas at its sole discretion.

	<u>Firm Service Rate/GJ</u>
Space	\$0.937
Injection Maximum	\$3.000



OTHER SERVICES & CHARGES:

1. Monthly Charge

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

	<u>Monthly Charge</u>
City of Kitchener	\$ 15,083
NRG	\$ 1,417
Six Nations	\$ 250

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

2. Diversion of Gas

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

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

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

Effective

July 1, 2006
O.E.B. ORDER # EB-2006-0106

Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



STORAGE RATES FOR
UNBUNDLED CUSTOMERS

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

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

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

(C) Rates

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

STORAGE SERVICE:

	<u>Demand Charge Rate/GJ/mo</u>	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
i) Standard Storage Service (SSS):			
a) Combined Storage Space & Deliverability: Applied to contracted Maximum Storage Space	\$0.022		
b) Injection Commodity:		0.631%	\$0.013
c) Withdrawal Commodity:		0.631%	\$0.013
ii) Standard Peaking Service (SPS):			
a) Combined Storage Space & Deliverability: Applied to contracted Maximum Storage Space	\$0.103		
b) Injection Commodity:		0.631%	\$0.013
c) Withdrawal Commodity:		1.05%	\$0.013



	<u>Demand Charge Rate/GJ/mo</u>	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
iii) Supplemental Service:			
a) Incremental Firm Injection Right: (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$0.929		
b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$0.929		
c) Short Term Storage / Balancing Service - Maximum			\$3.000

Notes:

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

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

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



OVERRUN SERVICE:

1. Injection and Withdrawal:

Authorized:

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	1.05%	\$0.044
Withdrawal	1.05%	\$0.044

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

Unauthorized:

If at any time, the Customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be \$50.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$1.757 per GJ.

OTHER SERVICES & CHARGES:

1. Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must commit to provide a call at Parkway, throughout the winter period, for a specified number of days. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

Effective

July 1, 2006
O.E.B. ORDER # EB-2006-0106

Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



**STORAGE AND DELIVERY RATES
FOR UNBUNDLED CUSTOMERS**

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To an interruptible industrial and commercial customer:

- a) whose daily contracted demand is between 4 800 m³ and 140 870 m³ inclusive;
- b) who enters into an Unbundled Service Contract with Union for the delivery or the storage and delivery of Gas for use at facilities located within Union's gas franchise area;
- c) who has meters with electronic recording at each Point of Consumption;
- d) who nominates injections and withdrawals from storage, deliveries on upstream pipeline systems daily or Ontario Producers authorized to sell to third parties; and
- e) for whom Union has determined delivery and/or storage capacity is available.

(C) Rates

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

STORAGE SERVICE:

	<u>Demand Charge Rate/GJ/mo</u>	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
i) Standard Storage Service (SSS):			
a) Combined Storage Space & Deliverability: Applied to contracted Maximum Storage Space	\$0.022		
b) Injection Commodity:		0.631%	\$0.013
c) Withdrawal Commodity:		0.631%	\$0.013
ii) Supplemental Service:			
a) Incremental Firm Injection Right: (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$0.929		
b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$0.929		
c) Short Term Storage / Balancing Service - Maximum			\$3.000



Notes:

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

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

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

5. Union's ability to offer incremental injection and withdrawal rights is subject to annual asset availability.

DELIVERY SERVICE:

1. Interruptible Service

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

(i) Monthly Delivery Commodity Charge

<u>Daily Contracted Demand Level (CD)</u>	<u>Price per m³</u> (¢/m ³)
4 800 m ³ ≤ CD < 17 000 m ³	1.4724
17 000 m ³ ≤ CD < 30 000 m ³	1.3425
30 000 m ³ ≤ CD < 50 000 m ³	1.2742
50 000 m ³ ≤ CD < 70 000 m ³	1.2263
70 000 m ³ ≤ CD < 100 000 m ³	1.1920
100 000 m ³ ≤ CD ≤ 140 870 m ³	1.1583

(ii) Days Use of Interruptible Contract Demand

The price determined under Paragraph 1(a) of "Rates" will be reduced by the amount based on the number of Days Use of Contracted Demand as scheduled below:

For 75 days use of contracted demand	.053¢ per m ³ minimum
For each additional days use of contracted demand up to a maximum of 275 days, an additional discount of	.00212¢ per m ³ minimum

- (iii) Monthly Charge \$500 per month



- 2. In each contract year, the customer shall take delivery from the Company or in any event pay for if available and not accepted by the customer, a minimum volume of gas or delivery services as specified in the contract between the parties and which will not be less than 700 000 m³ per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery charge of 1.4745¢ per m³.

In the event that the contract period exceeds one year, the annual minimum volume will be prorated for any part year.

3. Non-Interruptible Service

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

- a) The monthly demand charge for firm daily deliveries will be 21.4790¢ per m³.
- b) The commodity charge for firm service shall be the rate for firm service at the Company's firm rates net of a monthly demand charge of 21.4790¢ per m³ of daily contracted demand.
- c) The interruptible commodity charge will be established under Clause 1 of this schedule.

OVERRUN SERVICE:

1. Injection and Withdrawal:

Authorized:

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	1.05%	\$0.044
Withdrawal	1.05%	\$0.044

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

Unauthorized:

If at any time, the Customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be \$50.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$1.757 per GJ.



2. Delivery:

Authorized:

Overrun Delivery Service is available without penalty provided that it is authorized by the Company in advance. The Company will not unreasonably withhold authorization.

Unauthorized:

Unauthorized Delivery Overrun Service taken in a month shall be paid for at the rate of 6.6158¢ per m³.

OTHER SERVICES & CHARGES:

1. Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must commit to provide a call at Parkway, throughout the winter period, for a specified number of days. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

2. Nomination Variances

The rate for unauthorized parking or drafting which results from nomination variances shall be equal to 50% of the "Daily Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff. During the period September 1 to November 30, and February 1 to April 30, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 4% of the nominated amount and 150 GJ's. For the remainder of the year, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 8% of the nominated amount and 302 GJ's.

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

Effective

July 1, 2006
O.E.B. ORDER # EB-2006-0106

Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



**STORAGE AND DELIVERY RATES
FOR UNBUNDLED CUSTOMERS**

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a Customer:

- a) whose combined firm and interruptible service minimum annual delivery of natural gas is 5 000 000 m³ or greater;
- b) who enters into an Unbundled Service Contract with Union for the delivery or the storage and delivery of Gas for use at facilities located within Union's gas franchise area;
- c) who has meters with electronic recording at each Point of Consumption;
- d) who nominates injections and withdrawals from storage, deliveries on upstream pipeline systems daily, or Ontario Producers authorized to sell to third parties;
- e) for whom Union has determined delivery and/or storage capacity is available; and
- f) who has site specific energy measuring equipment installed at each Point of Consumption that will be used in determining energy balances.

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

(C) Rates

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

STORAGE SERVICE:

	<u>Demand Charge Rate/GJ/mo</u>	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
i) Standard Storage Service (SSS):			
a) Combined Storage Space & Deliverability: Applied to contracted Maximum Storage Space	\$0.022		
b) Injection Commodity:		0.631%	\$0.013
c) Withdrawal Commodity:		0.631%	\$0.013
ii) Supplemental Service:			
a) Incremental Firm Injection Right: (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$0.929		
b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$0.929		
c) Short Term Storage / Balancing Service - Maximum			\$3.000



Notes:

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

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

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

DELIVERY SERVICE:

	<u>Demand Charge Rate/m³/mo</u>	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/ m³</u>
a) Annual Firm Delivery Demand:			
Applied to the Firm Daily Contracted Demand			
First 140,870 m ³ per month	16.9379¢		
All over 140,870 m ³ per month	12.2359¢		
b) Firm Delivery Commodity:			
Paid on all firm volumes redelivered to the Customer's Point(s) of Consumption			
First 2,360,653 m ³ per month		0.584%	0.1336
All over 2,360,653 m ³ per month		0.584%	0.0783
c) Interruptible Delivery Commodity:			
Paid on all interruptible volumes redelivered to the Customer's Point of Consumption – Maximum		0.584%	2.5542¢



Notes:

1. All demand charges are paid monthly during the term of the Contract, which shall not be less than one year unless Union, at its sole discretion, accepts a term of less than one year.
2. In negotiating the rate to be charged for the delivery of gas under interruptible Delivery, the matters that are to be considered include:
 - a) The amount of the Interruptible Delivery for which Customer is willing to contract,
 - b) The anticipated load factor for the Interruptible Delivery volumes,
 - c) Interruptible or curtailment provisions, and
 - d) Competition.
3. In each contract year, Customer shall pay for a Minimum Interruptible Delivery Activity level as specified in the Contract. Overrun activity will not contribute to the minimum activity level.

OVERRUN SERVICE:

1. Injection and Withdrawal:

Authorized:

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	1.05%	\$0.044
Withdrawal	1.05%	\$0.044

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

Unauthorized:

If at any time, the Customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be \$50.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$1.757 per GJ.



2. Delivery:

Authorized:

The following Authorized Overrun rates are applied to any volumes transported in excess of 103% of the Contract parameters. Overrun will be authorized by Union at its sole discretion.

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/ m³</u>
Delivery	.584%	.6905¢

Unauthorized:

For all volumes on any Day in excess of 103% of the Customer's contractual rights, for which authorization has not been received, the Customer will be charged a rate of 6.6158¢ per m³.

OTHER SERVICES & CHARGES:

1. Monthly Charge

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

Monthly Charge	\$1 800 per month
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- 2. Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must commit to provide a call at Parkway, throughout the winter period, for a specified number of days. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

3. Nomination Variances

The rate for unauthorized parking or drafting which results from nomination variances shall be equal to 50% of the "Daily Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff. During the period September 1 to November 30, and February 1 to April 30, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 4% of the nominated amount and 150 GJ's. For the remainder of the year, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 8% of the nominated amount and 302 GJ's.

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

Effective July 1, 2006
O.E.B. ORDER # EB-2006-0106

Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



**STORAGE AND DELIVERY RATES
FOR UNBUNDLED CUSTOMERS**

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a Distributor

- a) whose minimum annual delivery of natural gas is 700 000 m³ or greater;
- b) who enters into an Unbundled Service Contract with Union for the delivery or the storage and delivery of Gas for use at facilities located within Union's gas franchise area;
- c) who has meters with electronic recording at each Point of Consumption;
- d) who nominates injections and withdrawals from storage, deliveries on upstream pipeline systems daily or Ontario Producers authorized to sell to third parties; and
- e) for whom Union has determined delivery and/or storage capacity is available.

(C) Rates

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

STORAGE SERVICE:

	<u>Demand Charge Rate/GJ/mo</u>	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
i) Standard Storage Service (SSS):			
a) Combined Storage Space & Deliverability: Applied to contracted Maximum Storage Space	\$0.022		
b) Injection Commodity:		0.631%	\$0.013
c) Withdrawal Commodity:		0.631%	\$0.013
ii) Supplemental Service:			
a) Incremental Firm Injection Right: (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$0.929		
b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$0.929		
c) Short Term Storage / Balancing Service - Maximum			\$3.000



Notes:

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

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

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

5. Union's ability to offer incremental injection and withdrawal rights is subject to annual asset availability.

DELIVERY SERVICE:

	<u>Demand Charge Rate/ m³/mo</u>	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/ m³</u>
a) Annual Firm Delivery Demand: (1) Applied to the Firm Daily Contracted Demand	13.0145¢		
b) Firm Delivery Commodity: Paid on all firm volumes redelivered to the Customer's Point(s) of Consumption		0.584%	0.0733¢

Notes:

1. All demand charges are paid monthly during the term of the Contract, which shall not be less than one year unless Union, at its sole discretion, accepts a term of less than one year.



OVERRUN SERVICE:

1. Injection and Withdrawal:

Authorized:

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	1.05%	\$0.044
Withdrawal	1.05%	\$0.044

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

Unauthorized:

If at any time, the Customer has gas in storage in excess of the contracted Maximum Storage Space or the gas storage balance for the account of the customer is less than zero or the customer has injected or withdrawn volumes from storage which exceeds their contractual rights, and which has not been authorized by Union or provided for under a short term storage/balancing service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate during the November 1 to April 15 period will be \$50.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$1.757 per GJ.

2. Delivery:

Authorized:

The following Authorized Overrun rates are applied to any volumes transported in excess of 103% of the Contract parameters. Overrun will be authorized by Union at its sole discretion.

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/ m³</u>
Delivery	0.584%	0.5012¢

Unauthorized:

For all volumes on any Day in excess of 103% of the Customer's contractual rights, for which authorization has not been received, the Customer will be charged 36.0¢ per m³ or \$9.539 per GJ, as appropriate.

OTHER SERVICES & CHARGES:

1. Monthly Charge

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

	<u>Monthly Charge</u>
City of Kitchener	\$15 083
NRG	\$ 1 417
Six Nations	\$ 250

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



2. Unless otherwise authorized by Union, customers who are delivering gas to Union under direct purchase arrangements must commit to provide a call at Parkway, throughout the winter period, for a specified number of days. Customers initiating direct purchase arrangements, who previously received Gas Supply service, must also accept, unless otherwise authorized by Union, an assignment from Union of transportation capacity on upstream pipeline systems.

3. **Nomination Variances**

The rate for unauthorized parking or drafting which results from nomination variances shall be equal to 50% of the "Daily Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff. During the period September 1 to November 30, and February 1 to April 30, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 4% of the nominated amount and 150 GJ's. For the remainder of the year, no Daily Balancing Fee is payable on the portion of the nomination variance which is less than the greater of 8% of the nominated amount and 302 GJ's.

(D) Delayed Payment

When payment of the monthly bill has not been made in full 16 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

Effective

July 1, 2006
O.E.B. ORDER # EB-2006-0106

Chatham, Ontario

Supersedes EB-2006-0030 Rate Schedule effective April 1, 2006.



Effective
2006-07-01
Schedule "A"

Gas Supply Charges

(A) **Availability:**

Available to customers in Union's Southern Delivery Zone.

(B) **Applicability:**

To all sales customers served under rates M2, M4, M5A, M6A, M7, M9, M10 and storage and transportation customers taking supplemental services under rates T1 and T3.

(C) **Rates:**

cents / m³

Utility Sales

Commodity and Fuel	36.0677 (1)
Commodity and Fuel - Price Adjustment	(3.6268)
Transportation	3.0007
Total Gas Supply Commodity Charge	35.4416

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract 5.3566

Monthly Minimum Gas Supply Commodity Charge/day

M6A Seasonal Contract \$88.05

Storage and Transportation Supplemental Services - Rate T1 & T3

\$/GJ

Monthly demand charges:	
Firm gas supply service	26.474
Firm backstop gas	5.190
Commodity charges:	
Gas supply	9.579
Backstop gas	12.162
Reasonable Efforts Backstop Gas	12.134
Supplemental Inventory	Note (2)
Supplemental Gas Sales Service (cents / m ³)	48.8149
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	3.131
Delivery Commitment Credit (DCC) for all obligated deliveries	(0.023)
Discretionary Gas Supply Service (DGSS)	Note (3)

Notes:

- (1) The Commodity and Fuel line includes gas supply administration charge of 0.2481 cents/ m³.
- (2) The charge for banked gas purchases shall be the higher of the daily spot gas cost at Dawn in the month of or the month following the month in which gas is sold under this rate and shall not be less than Union's approved weighted average cost of gas.
- (3) Reflects the "back to back" price plus gas supply administration charge.

Effective: July 1, 2006
O.E.B. Order # EB-2006-0106

Chatham, Ontario

Supersedes EB-2006-0033 Rate Schedule effective April 1, 2006.

APPENDIX "C" TO
DECISION AND ORDER
BOARD FILE No. EB-2006-0106
DATED JUNE 15, 2006

UNION GAS LIMITED
 Infranchise Customers
 Summary of Average Interruptible Rate Changes
Effective July 1, 2006

Line No.	Particulars	Monthly Charge	Delivery Commodity Charge	Gas Supply Commodity Increase	Gas Supply Seasonal Transportation Increase/ (Decrease)		Gas Supply Transportation Increase
		(Decrease)	(Decrease)	(Decrease)	Summer	Winter	(Decrease)
		(a)	(b)	(c)	(d)	(e)	(f)
	Rate 16 (cents/m ³)						
1	Fort Frances			(0.8183)			
2	Western Zone			(0.8171)			
3	Northern Zone			(0.8154)			
4	Eastern Zone			(0.8105)			
	Rate 25 (cents/m ³)						
5	Fort Frances						
6	Western Zone						
7	Northern Zone						
8	Eastern Zone						
	M5A (cents / m ³)						
9	Firm		(0.0725)	(0.8105)			(0.5497)
10	Interruptible		(0.0549)	(0.8105)			(0.5497)
	M7 (cents / m ³)						
11	Interruptible		(0.1112)	(0.8105)			(0.5497)
12	Seasonal		(0.1112)	(0.8105)			(0.5497)
	T1-Interruptible (cents / m ³)						
13	Transportation-Union provides fuel						
14	Transportation-provides own fuel						

APPENDIX "D" TO
DECISION AND ORDER
BOARD FILE No. EB-2006-0106
DATED JUNE 15, 2006

Important Information About Your Rates
July 2006
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most residential customers, the total decrease will amount to \$99.70 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Gas Commodity Costs

The gas commodity rate has decreased by 0.8171 cents/m³ to 35.0292 cents/m³. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months. For most residential customers, the decrease in the gas commodity rate will amount to \$21.22 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Used**" line in your bill.

In addition, the change in the gas price adjustment is 3.0585 cents/m³. This change reflects a decrease related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. For most residential customers, the decrease in the gas price adjustment will amount to \$79.53 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Price Adjustment**" line in your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

Transportation Costs

The change in the transportation price adjustment is 0.0160 cents/m³. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.42 per year depending on the amount of natural gas used. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0561 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$1.47 per year depending on the amount of natural gas used. You will see the new rate on the "**Storage Price Adjustment**" line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Northwestern Zone - Rate 101
Sales

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Gas Commodity Rate (cents/m ³)	35.8463¢	(0.8171¢)	35.0292¢	(\$21.22)
Gas Price Adjustment (cents/m ³)	(0.7124¢)	(3.0585¢)	(3.7709¢)	(\$79.53)
Transportation to Union Gas (cents/m ³)	2.7186¢	--	2.7186¢	--
Transportation Price Adjustment (cents/m ³)	(0.3806¢)	(0.0160¢)	(0.3966¢)	(\$0.42)
Storage (cents/m ³)	2.0056¢	--	2.0056¢	--
Storage Price Adjustment (cents/m ³)	(0.2167¢)	0.0561¢	(0.1606¢)	\$1.47
Delivery to You (cents/m ³)				
First 100 m ³	9.6853¢	--	9.6853¢	
Next 200 m ³	9.0482¢	--	9.0482¢	
Next 200 m ³	8.6141¢	--	8.6141¢	--
Next 500 m ³	8.2407¢	--	8.2407¢	
All over 1,000 m ³	7.9931¢	--	7.9931¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$14.00	--	\$14.00	--
Total Annualized Increase or (Decrease)				(\$99.70)

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Northwestern - Sales]

Important Information About Your Rates
July 2006
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most residential customers, the total increase will amount to \$1.05 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Transportation Costs

The change in the transportation price adjustment is 0.0160 cents/m³. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.42 per year depending on the amount of natural gas used. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0561 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$1.47 per year depending on the amount of natural gas used. You will see the new rate on the “**Storage Price Adjustment**” line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Northwestern Zone - Rate 101
Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Transportation to Union Gas (cents/m ³)**	2.7186¢	--	2.7186¢	--
Transportation Price Adjustment (cents/m ³)	(0.3806¢)	(0.0160¢)	(0.3966¢)	(\$0.42)
Storage (cents/m ³)	2.0056¢	--	2.0056¢	--
Storage Price Adjustment (cents/m ³)	(0.2167¢)	0.0561¢	(0.1606¢)	\$1.47
Delivery to You (cents/m ³)				
First 100 m ³	9.6853¢	--	9.6853¢	
Next 200 m ³	9.0482¢	--	9.0482¢	
Next 200 m ³	8.6141¢	--	8.6141¢	--
Next 500 m ³	8.2407¢	--	8.2407¢	
All over 1,000 m ³	7.9931¢	--	7.9931¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$14.00	--	\$14.00	--
Total Annualized Increase or (Decrease)				\$1.05

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas's changes to transportation rates. Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Northwestern – Direct Purchase]

Important Information About Your Rates
July 2006
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most residential customers, the total decrease will amount to \$99.78 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Gas Commodity Costs

The gas commodity rate has decreased by 0.8183 cents/m³ to 34.5825 cents/m³. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months. For most residential customers, the decrease in the gas commodity rate will amount to \$21.30 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Used**" line in your bill.

In addition, the change in the gas price adjustment is 3.0585 cents/m³. This change reflects a decrease related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. For most residential customers, the decrease in the gas price adjustment will amount to \$79.53 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Price Adjustment**" line in your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

Transportation Costs

The change in the transportation price adjustment is 0.0160 cents/m³. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.42 per year depending on the amount of natural gas used. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0561 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$1.47 per year depending on the amount of natural gas used. You will see the new rate on the "**Storage Price Adjustment**" line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Fort Frances Zone - Rate 201
Sales

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Gas Commodity Rate (cents/m ³)	35.4008¢	(0.8183¢)	34.5825¢	(\$21.30)
Gas Price Adjustment (cents/m ³)	(0.7124¢)	(3.0585¢)	(3.7709¢)	(\$79.53)
Transportation to Union Gas (cents/m ³)	2.7223¢	--	2.7223¢	--
Transportation Price Adjustment (cents/m ³)	(0.3806¢)	(0.0160¢)	(0.3966¢)	(\$0.42)
Storage (cents/m ³)	1.9304¢	--	1.9304¢	--
Storage Price Adjustment (cents/m ³)	(0.2167¢)	0.0561¢	(0.1606¢)	\$1.47
Delivery to You (cents/m ³)				
First 100 m ³	9.6853¢	--	9.6853¢	
Next 200 m ³	9.0482¢	--	9.0482¢	
Next 200 m ³	8.6141¢	--	8.6141¢	--
Next 500 m ³	8.2407¢	--	8.2407¢	
All over 1,000 m ³	5.0373¢	--	5.0373¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$14.00	--	\$14.00	--
Total Annualized Increase or (Decrease)				(\$99.78)

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Fort Frances - Sales]

Important Information About Your Rates
July 2006
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most residential customers, the total increase will amount to \$1.05 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Transportation Costs

The change in the transportation price adjustment is 0.0160 cents/m³. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.42 per year depending on the amount of natural gas used. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0561 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$1.47 per year depending on the amount of natural gas used. You will see the new rate on the “**Storage Price Adjustment**” line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Fort Frances Zone - Rate 201
Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Transportation to Union Gas (cents/m ³)**	2.7223¢	--	2.7223¢	--
Transportation Price Adjustment (cents/m ³)	(0.3806¢)	(0.0160¢)	(0.3966¢)	(\$0.42)
Storage (cents/m ³)	1.9304¢	--	1.9304¢	--
Storage Price Adjustment (cents/m ³)	(0.2167¢)	0.0561¢	(0.1606¢)	\$1.47
Delivery to You (cents/m ³)				
First 100 m ³	9.6853¢	--	9.6853¢	
Next 200 m ³	9.0482¢	--	9.0482¢	--
Next 200 m ³	8.6141¢	--	8.6141¢	
Next 500 m ³	8.2407¢	--	8.2407¢	
All over 1,000 m ³	5.0373¢	--	5.0373¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$14.00	--	\$14.00	--
Total Annualized Increase or (Decrease)				\$1.05

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas's changes to transportation rates. Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Fort Frances – Direct Purchase]

Important Information About Your Rates
July 2006
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most residential customers, the total decrease will amount to \$99.73 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Gas Commodity Costs

The gas commodity rate has decreased by 0.8154 cents/m³ to 35.6284 cents/m³. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months. For most residential customers, the decrease in the gas commodity rate will amount to \$21.21 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Used**" line in your bill.

In addition, the change in the gas price adjustment is 3.0585 cents/m³. This change reflects a decrease related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. For most residential customers, the decrease in the gas price adjustment will amount to \$79.54 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Price Adjustment**" line in your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

Transportation Costs

The change in the transportation price adjustment is 0.0160 cents/m³. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.42 per year depending on the amount of natural gas used. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0561 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$1.44 per year depending on the amount of natural gas used. You will see the new rate on the "**Storage Price Adjustment**" line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Northern Zone - Rate 301
Sales

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Gas Commodity Rate (cents/m ³)	36.4438¢	(0.8154¢)	35.6284¢	(\$21.21)
Gas Price Adjustment (cents/m ³)	(0.7124¢)	(3.0585¢)	(3.7709¢)	(\$79.54)
Transportation to Union Gas (cents/m ³)	3.3180¢	--	3.3180¢	--
Transportation Price Adjustment (cents/m ³)	(0.3806¢)	(0.0160¢)	(0.3966¢)	(\$0.42)
Storage (cents/m ³)	2.4577¢	--	2.4577¢	--
Storage Price Adjustment (cents/m ³)	(0.2167¢)	0.0561¢	(0.1606¢)	\$1.44
Delivery to You (cents/m ³)				
First 100 m ³	9.6853¢	--	9.6853¢	
Next 200 m ³	9.0482¢	--	9.0482¢	--
Next 200 m ³	8.6141¢	--	8.6141¢	
Next 500 m ³	8.2407¢	--	8.2407¢	
All over 1,000 m ³	7.9931¢	--	7.9931¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$14.00	--	\$14.00	--
Total Annualized Increase or (Decrease)				(\$99.73)

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Northern - Sales]

Important Information About Your Rates
July 2006
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most residential customers, the total increase will amount to \$1.02 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Transportation Costs

The change in the transportation price adjustment is 0.0160 cents/m³. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.42 per year depending on the amount of natural gas used. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0561 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$1.44 per year depending on the amount of natural gas used. You will see the new rate on the “**Storage Price Adjustment**” line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Northern Zone - Rate 301
Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Transportation to Union Gas (cents/m ³)**	3.3180¢	--	3.3180¢	--
Transportation Price Adjustment (cents/m ³)	(0.3806¢)	(0.0160¢)	(0.3966¢)	(\$0.42)
Storage (cents/m ³)	2.4577¢	--	2.4577¢	--
Storage Price Adjustment (cents/m ³)	(0.2167¢)	0.0561¢	(0.1606¢)	\$1.44
Delivery to You (cents/m ³)				
First 100 m ³	9.6853¢	--	9.6853¢	
Next 200 m ³	9.0482¢	--	9.0482¢	
Next 200 m ³	8.6141¢	--	8.6141¢	--
Next 500 m ³	8.2407¢	--	8.2407¢	
All over 1,000 m ³	7.9931¢	--	7.9931¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$14.00	--	\$14.00	--
Total Annualized Increase or (Decrease)				\$1.02

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas's changes to transportation rates. Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Northern – Direct Purchase]

Important Information About Your Rates
July 2006
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most residential customers, the total decrease will amount to \$99.59 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Gas Commodity Costs

The gas commodity rate has decreased by 0.8105 cents/m³ to 36.1119 cents/m³. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months. For most residential customers, the decrease in the gas commodity rate will amount to \$21.09 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Used**" line in your bill.

In addition, the change in the gas price adjustment is 3.0585 cents/m³. This change reflects a decrease related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. For most residential customers, the decrease in the gas price adjustment will amount to \$79.53 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Price Adjustment**" line in your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

Transportation Costs

The change in the transportation price adjustment is 0.0160 cents/m³. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.41 per year depending on the amount of natural gas used. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0561 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$1.44 per year depending on the amount of natural gas used. You will see the new rate on the "**Storage Price Adjustment**" line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Eastern Zone - Rate 601
Sales

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Gas Commodity Rate (cents/m ³)	36.9224¢	(0.8105¢)	36.1119¢	(\$21.09)
Gas Price Adjustment (cents/m ³)	(0.7124¢)	(3.0585¢)	(3.7709¢)	(\$79.53)
Transportation to Union Gas (cents/m ³)	3.8019¢	--	3.8019¢	--
Transportation Price Adjustment (cents/m ³)	(0.3806¢)	(0.0160¢)	(0.3966¢)	(\$0.41)
Storage (cents/m ³)	2.8445¢	--	2.8445¢	--
Storage Price Adjustment (cents/m ³)	(0.2167¢)	0.0561¢	(0.1606¢)	\$1.44
Delivery to You (cents/m ³)				
First 100 m ³	9.6853¢	--	9.6853¢	
Next 200 m ³	9.0482¢	--	9.0482¢	
Next 200 m ³	8.6141¢	--	8.6141¢	--
Next 500 m ³	8.2407¢	--	8.2407¢	
All over 1,000 m ³	7.9931¢	--	7.9931¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$14.00	--	\$14.00	--
Total Annualized Increase or (Decrease)				(\$99.59)

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Eastern - Sales]

Important Information About Your Rates
July 2006
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most residential customers, the total increase will amount to \$1.03 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Transportation Costs

The change in the transportation price adjustment is 0.0160 cents/m³. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.41 per year depending on the amount of natural gas used. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0561 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$1.44 per year depending on the amount of natural gas used. You will see the new rate on the “**Storage Price Adjustment**” line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Eastern Zone - Rate 601
Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Transportation to Union Gas (cents/m ³)**	3.8019¢	--	3.8019¢	--
Transportation Price Adjustment (cents/m ³)	(0.3806¢)	(0.0160¢)	(0.3966¢)	(\$0.41)
Storage (cents/m ³)	2.8445¢	--	2.8445¢	--
Storage Price Adjustment (cents/m ³)	(0.2167¢)	0.0561¢	(0.1606¢)	\$1.44
Delivery to You (cents/m ³)				
First 100 m ³	9.6853¢	--	9.6853¢	--
Next 200 m ³	9.0482¢	--	9.0482¢	
Next 200 m ³	8.6141¢	--	8.6141¢	
Next 500 m ³	8.2407¢	--	8.2407¢	
All over 1,000 m ³	7.9931¢	--	7.9931¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$14.00	--	\$14.00	--
Total Annualized Increase or (Decrease)				\$1.03

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas's changes to transportation rates. Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Eastern – Direct Purchase]

Important Information About Your Rates
July 2006
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most commercial/industrial customers, the total decrease will amount to \$3,575.62 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Gas Commodity Costs

The gas commodity rate has decreased by 0.8171 cents/m³ to 35.0292 cents/m³. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months. For most commercial/industrial customers, the decrease in the gas commodity rate will amount to \$759.86 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Used**" line in your bill.

In addition, the change in the gas price adjustment is 3.0585 cents/m³. This change reflects a decrease related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. For most commercial/industrial customers, the decrease in the gas price adjustment will amount to \$2,844.38 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Price Adjustment**" line in your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

Transportation Costs

The change in the transportation price adjustment is 0.0106 cents/m³. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$9.87 per year depending on the amount of natural gas used. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0414 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$38.49 per year depending on the amount of natural gas used. You will see the new rate on the "**Storage Price Adjustment**" line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Northwestern Zone – Rate 110
Sales

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Gas Commodity Rate (cents/m ³)	35.8463¢	(0.8171¢)	35.0292¢	(\$759.86)
Gas Price Adjustment (cents/m ³)	(0.7124¢)	(3.0585¢)	(3.7709¢)	(\$2,844.38)
Transportation to Union Gas (cents/m ³)	2.5416¢	--	2.5416¢	--
Transportation Price Adjustment (cents/m ³)	(0.3718¢)	(0.0106¢)	(0.3824¢)	(\$9.87)
Storage (cents/m ³)	1.2616¢	--	1.2616¢	--
Storage Price Adjustment (cents/m ³)	(0.1753¢)	0.0414¢	(0.1339¢)	\$38.49
Delivery to You (cents/m ³)				
First 1,000 m ³	6.9493¢	--	6.9493¢	
Next 9,000 m ³	5.5060¢	--	5.5060¢	--
Next 20,000 m ³	4.6850¢	--	4.6850¢	
Next 70,000 m ³	4.1341¢	--	4.1341¢	
All over 100,000 m ³	2.1262¢	--	2.1262¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$70.00	--	\$70.00	--
Total Annualized Increase or (Decrease)				(\$3,575.62)

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Northwestern - Sales]

Important Information About Your Rates
July 2006
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most commercial/industrial customers, the total increase will amount to \$28.62 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Transportation Costs

The change in the transportation price adjustment is 0.0106 cents/m³. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$9.87 per year depending on the amount of natural gas used. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0414 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$38.49 per year depending on the amount of natural gas used. You will see the new rate on the “**Storage Price Adjustment**” line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Northwestern Zone – Rate 110
Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Transportation to Union Gas (cents/m ³)**	2.5416¢	--	2.5416¢	--
Transportation Price Adjustment (cents/m ³)	(0.3718¢)	(0.0106¢)	(0.3824¢)	(\$9.87)
Storage (cents/m ³)	1.2616¢	--	1.2616¢	--
Storage Price Adjustment (cents/m ³)	(0.1753¢)	0.0414¢	(0.1339¢)	\$38.49
Delivery to You (cents/m ³)				
First 1,000 m ³	6.9493¢	--	6.9493¢	--
Next 9,000 m ³	5.5060¢	--	5.5060¢	
Next 20,000 m ³	4.6850¢	--	4.6850¢	
Next 70,000 m ³	4.1341¢	--	4.1341¢	
All over 100,000 m ³	2.1262¢	--	2.1262¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$70.00	--	\$70.00	--
Total Annualized Increase or (Decrease)				\$28.62

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas's changes to transportation rates. Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Northwestern – Direct Purchase]

Important Information About Your Rates
July 2006
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most commercial/industrial customers, the total decrease will amount to \$3,576.78 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Gas Commodity Costs

The gas commodity rate has decreased by 0.8183 cents/m³ to 34.5825 cents/m³. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months. For most commercial/industrial customers, the decrease in the gas commodity rate will amount to \$761.02 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Used**" line in your bill.

In addition, the change in the gas price adjustment is 3.0585 cents/m³. This change reflects a decrease related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. For most commercial/industrial customers, the decrease in the gas price adjustment will amount to \$2,844.38 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Price Adjustment**" line in your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

Transportation Costs

The change in the transportation price adjustment is 0.0106 cents/m³. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$9.87 per year depending on the amount of natural gas used. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0414 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$38.49 per year depending on the amount of natural gas used. You will see the new rate on the "**Storage Price Adjustment**" line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Fort Frances Zone – Rate 210
Sales

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Gas Commodity Rate (cents/m ³)	35.4008¢	(0.8183¢)	34.5825¢	(\$761.02)
Gas Price Adjustment (cents/m ³)	(0.7124¢)	(3.0585¢)	(3.7709¢)	(\$2,844.38)
Transportation to Union Gas (cents/m ³)	2.5453¢	--	2.5453¢	--
Transportation Price Adjustment (cents/m ³)	(0.3718¢)	(0.0106¢)	(0.3824¢)	(\$9.87)
Storage (cents/m ³)	1.1864¢	--	1.1864¢	--
Storage Price Adjustment (cents/m ³)	(0.1753¢)	0.0414¢	(0.1339¢)	\$38.49
Delivery to You (cents/m ³)				
First 1,000 m ³	6.9493¢	--	6.9493¢	--
Next 9,000 m ³	5.5060¢	--	5.5060¢	
Next 20,000 m ³	4.6850¢	--	4.6850¢	
Next 70,000 m ³	4.1341¢	--	4.1341¢	
All over 100,000 m ³	2.1262¢	--	2.1262¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$70.00	--	\$70.00	--
Total Annualized Increase or (Decrease)				(\$3,576.78)

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Fort Frances - Sales]

Important Information About Your Rates
July 2006
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most commercial/industrial customers, the total increase will amount to \$28.62 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Transportation Costs

The change in the transportation price adjustment is 0.0106 cents/m³. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$9.87 per year depending on the amount of natural gas used. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0414 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$38.49 per year depending on the amount of natural gas used. You will see the new rate on the “**Storage Price Adjustment**” line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Fort Frances Zone – Rate 210
Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Transportation to Union Gas (cents/m ³)**	2.5453¢	--	2.5453¢	--
Transportation Price Adjustment (cents/m ³)	(0.3718¢)	(0.0106¢)	(0.3824¢)	(\$9.87)
Storage (cents/m ³)	1.1864¢	--	1.1864¢	--
Storage Price Adjustment (cents/m ³)	(0.1753¢)	0.0414¢	(0.1339¢)	\$38.49
Delivery to You (cents/m ³)				
First 1,000 m ³	6.9493¢	--	6.9493¢	--
Next 9,000 m ³	5.5060¢	--	5.5060¢	
Next 20,000 m ³	4.6850¢	--	4.6850¢	
Next 70,000 m ³	4.1341¢	--	4.1341¢	
All over 100,000 m ³	2.1262¢	--	2.1262¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$70.00	--	\$70.00	--
Total Annualized Increase or (Decrease)				\$28.62

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas's changes to transportation rates. Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Fort Frances – Direct Purchase]

Important Information About Your Rates
July 2006
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most commercial/industrial customers, the total decrease will amount to \$3,574.09 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Gas Commodity Costs

The gas commodity rate has decreased by 0.8154 cents/m³ to 35.6284 cents/m³. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months. For most commercial/industrial customers, the decrease in the gas commodity rate will amount to \$758.34 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Used**" line in your bill.

In addition, the change in the gas price adjustment is 3.0585 cents/m³. This change reflects a decrease related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. For most commercial/industrial customers, the decrease in the gas price adjustment will amount to \$2,844.42 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Price Adjustment**" line in your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

Transportation Costs

The change in the transportation price adjustment is 0.0106 cents/m³. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$9.84 per year depending on the amount of natural gas used. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0414 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$38.51 per year depending on the amount of natural gas used. You will see the new rate on the "**Storage Price Adjustment**" line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Northern Zone – Rate 310
Sales

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Gas Commodity Rate (cents/m ³)	36.4438¢	(0.8154¢)	35.6284¢	(\$758.34)
Gas Price Adjustment (cents/m ³)	(0.7124¢)	(3.0585¢)	(3.7709¢)	(\$2,844.42)
Transportation to Union Gas (cents/m ³)	3.1410¢	--	3.1410¢	--
Transportation Price Adjustment (cents/m ³)	(0.3718¢)	(0.0106¢)	(0.3824¢)	(\$9.84)
Storage (cents/m ³)	1.7137¢	--	1.7137¢	--
Storage Price Adjustment (cents/m ³)	(0.1753¢)	0.0414¢	(0.1339¢)	\$38.51
Delivery to You (cents/m ³)				
First 1,000 m ³	6.9493¢	--	6.9493¢	
Next 9,000 m ³	5.5060¢	--	5.5060¢	--
Next 20,000 m ³	4.6850¢	--	4.6850¢	
Next 70,000 m ³	4.1341¢	--	4.1341¢	
All over 100,000 m ³	2.1262¢	--	2.1262¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$70.00	--	\$70.00	--
Total Annualized Increase or (Decrease)				(\$3,574.09)

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Northern - Sales]

Important Information About Your Rates
July 2006
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most commercial/industrial customers, the total increase will amount to \$28.67 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Transportation Costs

The change in the transportation price adjustment is 0.0106 cents/m³. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$9.84 per year depending on the amount of natural gas used. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0414 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$38.51 per year depending on the amount of natural gas used. You will see the new rate on the “**Storage Price Adjustment**” line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Northern Zone – Rate 310

Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Transportation to Union Gas (cents/m ³)**	3.1410¢	--	3.1410¢	--
Transportation Price Adjustment (cents/m ³)	(0.3718¢)	(0.0106¢)	(0.3824¢)	(\$9.84)
Storage (cents/m ³)	1.7137¢	--	1.7137¢	--
Storage Price Adjustment (cents/m ³)	(0.1753¢)	0.0414¢	(0.1339¢)	\$38.51
Delivery to You (cents/m ³)				
First 1,000 m ³	6.9493¢	--	6.9493¢	
Next 9,000 m ³	5.5060¢	--	5.5060¢	
Next 20,000 m ³	4.6850¢	--	4.6850¢	--
Next 70,000 m ³	4.1341¢	--	4.1341¢	
All over 100,000 m ³	2.1262¢	--	2.1262¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$70.00	--	\$70.00	--
Total Annualized Increase or (Decrease)				\$28.67

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas's changes to transportation rates. Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Northern – Direct Purchase]

Important Information About Your Rates
July 2006
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most commercial/industrial customers, the total decrease will amount to \$3,569.49 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Gas Commodity Costs

The gas commodity rate has decreased by 0.8105 cents/m³ to 36.1119 cents/m³. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months. For most commercial/industrial customers, the decrease in the gas commodity rate will amount to \$753.76 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Used**" line in your bill.

In addition, the change in the gas price adjustment is 3.0585 cents/m³. This change reflects a decrease related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. For most commercial/industrial customers, the decrease in the gas price adjustment will amount to \$2,844.39 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Price Adjustment**" line in your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

Transportation Costs

The change in the transportation price adjustment is 0.0106 cents/m³. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$9.84 per year depending on the amount of natural gas used. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0414 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$38.50 per year depending on the amount of natural gas used. You will see the new rate on the "**Storage Price Adjustment**" line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Eastern Zone – Rate 610
Sales

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Gas Commodity Rate (cents/m ³)	36.9224¢	(0.8105¢)	36.1119¢	(\$753.76)
Gas Price Adjustment (cents/m ³)	(0.7124¢)	(3.0585¢)	(3.7709¢)	(\$2,844.39)
Transportation to Union Gas (cents/m ³)	3.6249¢	--	3.6249¢	--
Transportation Price Adjustment (cents/m ³)	(0.3718¢)	(0.0106¢)	(0.3824¢)	(\$9.84)
Storage (cents/m ³)	2.1005¢	--	2.1005¢	--
Storage Price Adjustment (cents/m ³)	(0.1753¢)	0.0414¢	(0.1339¢)	\$38.50
Delivery to You (cents/m ³)				
First 1,000 m ³	6.9493¢	--	6.9493¢	
Next 9,000 m ³	5.5060¢	--	5.5060¢	--
Next 20,000 m ³	4.6850¢	--	4.6850¢	
Next 70,000 m ³	4.1341¢	--	4.1341¢	
All over 100,000 m ³	2.1262¢	--	2.1262¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$70.00	--	\$70.00	--
Total Annualized Increase or (Decrease)				(\$3,569.49)

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Eastern - Sales]

Important Information About Your Rates
July 2006
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most commercial/industrial customers, the total increase will amount to \$28.66 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Transportation Costs

The change in the transportation price adjustment is 0.0106 cents/m³. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$9.84 per year depending on the amount of natural gas used. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage Costs

The change in the storage price adjustment is 0.0414 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$38.50 per year depending on the amount of natural gas used. You will see the new rate on the “**Storage Price Adjustment**” line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Eastern Zone – Rate 610

Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Transportation to Union Gas (cents/m ³)**	3.6249¢	--	3.6249¢	--
Transportation Price Adjustment (cents/m ³)	(0.3718¢)	(0.0106¢)	(0.3824¢)	(\$9.84)
Storage (cents/m ³)	2.1005¢	--	2.1005¢	--
Storage Price Adjustment (cents/m ³)	(0.1753¢)	0.0414¢	(0.1339¢)	\$38.50
Delivery to You (cents/m ³)				
First 1,000 m ³	6.9493¢	--	6.9493¢	--
Next 9,000 m ³	5.5060¢	--	5.5060¢	
Next 20,000 m ³	4.6850¢	--	4.6850¢	
Next 70,000 m ³	4.1341¢	--	4.1341¢	
All over 100,000 m ³	2.1262¢	--	2.1262¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	--	--	--	--
Monthly Charge	\$70.00	--	\$70.00	--
Total Annualized Increase or (Decrease)				\$28.66

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas's changes to transportation rates. Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[Eastern – Direct Purchase]

Important Information About Your Rates
July 2006
M2 Residential

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most residential customers, the total decrease will amount to \$82.56 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Gas Commodity Costs

The gas commodity rate has decreased by 0.8105 cents/m³ to 36.0677 cents/m³. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months. For most residential customers, the decrease in the gas commodity rate will amount to \$21.07 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Used**" line in your bill.

In addition, the change in the gas price adjustment is 1.7572 cents/m³. This change reflects a decrease related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. For most residential customers, the decrease in the gas price adjustment will amount to \$45.68 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Price Adjustment**" line in your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

Transportation Costs

The transportation rate has decreased by 0.5497 cents/m³ to 3.0007 cents/m³. For most residential customers, the decrease in the transportation rate will amount to \$14.29 per year depending on the amount of natural gas used. You will see the new rate on the "**Transportation to Union Gas**" line of your bill.

Delivery Costs

The change in the delivery price adjustment is 0.0587 cents/m³. For most residential customers, the decrease in the delivery price adjustment will amount to \$1.52 per year depending on the amount of natural gas used. You will see the new rate on the "**Delivery Price Adjustment**" line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Residential
Rate M2 – Sales

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Gas Commodity Rate (cents/m ³)	36.8782¢	(0.8105¢)	36.0677¢	(\$21.07)
Gas Price Adjustment (cents/m ³)	(1.8696¢)	(1.7572¢)	(3.6268¢)	(\$45.68)
Transportation to Union Gas (cents/m ³)	3.5504¢	(0.5497¢)	3.0007¢	(\$14.29)
Storage (cents/m ³)	0.9544¢	--	0.9544¢	--
Delivery to You (cents/m ³)				
First 1,400 m ³	5.6614¢	--	5.6614¢	
Next 4,600 m ³	4.0465¢	--	4.0465¢	
Next 124,000 m ³	2.8544¢	--	2.8544¢	--
Next 270,000 m ³	2.1188¢	--	2.1188¢	
All over 400,000 m ³	1.9749¢	--	1.9749¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	(0.0327¢)	(0.0587¢)	(0.0914¢)	(\$1.52)
Monthly Charge	\$14.00	--	\$14.00	--
Total Annualized Increase or (Decrease)				(\$82.56)

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[M2 Residential - Sales]

Important Information About Your Rates
July 2006
Rate M2 Residential

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most residential customers, the total decrease will amount to \$15.81 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Transportation Costs

The transportation rate has decreased by 0.5497 cents/m³ to 3.0007 cents/m³. For most residential customers, the decrease in the transportation rate will amount to \$14.29 per year depending on the amount of natural gas used. You will see the new rate on the “**Transportation to Union Gas**” line of your bill.

Delivery Costs

The change in the delivery price adjustment is 0.0587 cents/m³. For most residential customers, the decrease in the delivery price adjustment will amount to \$1.52 per year depending on the amount of natural gas used. You will see the new rate on the “**Delivery Price Adjustment**” line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Residential
Rate M2 – Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Transportation to Union Gas (cents/m ³)**	3.5504¢	(0.5497¢)	3.0007¢	(\$14.29)
Storage (cents/m ³)	0.9544¢	--	0.9544¢	--
Delivery to You (cents/m ³)				
First 1,400 m ³	5.6614¢	--	5.6614¢	
Next 4,600 m ³	4.0465¢	--	4.0465¢	
Next 124,000 m ³	2.8544¢	--	2.8544¢	--
Next 270,000 m ³	2.1188¢	--	2.1188¢	
All over 400,000 m ³	1.9749¢	--	1.9749¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	(0.0327¢)	(0.0587¢)	(0.0914¢)	(\$1.52)
Monthly Charge	\$14.00	--	\$14.00	--
Total Annualized Increase or (Decrease)				(\$15.81)

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas's changes to transportation rates. Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[M2 Residential – Direct Purchase]

Important Information About Your Rates
July 2006
Rate M2 Commercial/Industrial

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most commercial/industrial customers, the total decrease will amount to \$539.92 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Gas Commodity Costs

The gas commodity rate has decreased by 0.8105 cents/m³ to 36.0677 cents/m³. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months. For most commercial/industrial customers, the decrease in the gas commodity rate will amount to \$137.78 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Used**" line in your bill.

In addition, the change in the gas price adjustment is 1.7572 cents/m³. This change reflects a decrease related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. For most commercial/industrial customers, the decrease in the gas price adjustment will amount to \$298.72 per year depending on the amount of natural gas used. You will see the new rate on the "**Gas Price Adjustment**" line in your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

Transportation Costs

The transportation rate has decreased by 0.5497 cents/m³ to 3.0007 cents/m³. For most commercial/industrial customers, the decrease in the transportation rate will amount to \$93.45 per year depending on the amount of natural gas used. You will see the new rate on the "**Transportation to Union Gas**" line of your bill.

Delivery Costs

The change in the delivery price adjustment is 0.0587 cents/m³. For most commercial/industrial customers, the decrease in the delivery price adjustment will amount to \$9.97 per year depending on the amount of natural gas used. You will see the new rate on the "**Delivery Price Adjustment**" line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Commercial/Industrial
Rate M2 – Sales

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Gas Commodity Rate (cents/m ³)	36.8782¢	(0.8105¢)	36.0677¢	(\$137.78)
Gas Price Adjustment (cents/m ³)	(1.8696¢)	(1.7572¢)	(3.6268¢)	(\$298.72)
Transportation to Union Gas (cents/m ³)	3.5504¢	(0.5497¢)	3.0007¢	(\$93.45)
Storage (cents/m ³)	0.9544¢	--	0.9544¢	--
Delivery to You (cents/m ³)				
First 1,400 m ³	5.6614¢	--	5.6614¢	
Next 4,600 m ³	4.0465¢	--	4.0465¢	
Next 124,000 m ³	2.8544¢	--	2.8544¢	--
Next 270,000 m ³	2.1188¢	--	2.1188¢	
All over 400,000 m ³	1.9749¢	--	1.9749¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	(0.0327¢)	(0.0587¢)	(0.0914¢)	(\$9.97)
Monthly Charge	\$14.00	--	\$14.00	--
Total Annualized Increase or (Decrease)				(\$539.92)

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[M2 Commercial/Industrial – Sales]

Important Information About Your Rates
July 2006
Rate M2 Commercial/Industrial

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective, July 1, 2006. For most commercial/industrial customers, the total decrease will amount to \$103.42 per year depending on the amount of gas used. The enclosed bill uses the new approved rates.

Transportation Costs

The transportation rate has decreased by 0.5497 cents/m³ to 3.0007 cents/m³. For most commercial/industrial customers, the decrease in the transportation rate will amount to \$93.45 per year depending on the amount of natural gas used. You will see the new rate on the “**Transportation to Union Gas**” line of your bill.

Delivery Costs

The change in the delivery price adjustment is 0.0587 cents/m³. For most commercial/industrial customers, the decrease in the delivery price adjustment will amount to \$9.97 per year depending on the amount of natural gas used. You will see the new rate on the “**Delivery Price Adjustment**” line in your bill.

The table below shows the approved rates and estimated effects on your bill.

Commercial/Industrial
Rate M2 – Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate*	Change	New Rate	
Transportation to Union Gas (cents/m ³)**	3.5504¢	(0.5497¢)	3.0007¢	(\$93.45)
Storage (cents/m ³)	0.9544¢	--	0.9544¢	--
Delivery to You (cents/m ³)				
First 1,400 m ³	5.6614¢	--	5.6614¢	--
Next 4,600 m ³	4.0465¢	--	4.0465¢	
Next 124,000 m ³	2.8544¢	--	2.8544¢	
Next 270,000 m ³	2.1188¢	--	2.1188¢	
All over 400,000 m ³	1.9749¢	--	1.9749¢	
Delivery Price Adjustment (all volumes) (cents/m ³)	(0.0327¢)	(0.0587¢)	(0.0914¢)	(\$9.97)
Monthly Charge	\$14.00	--	\$14.00	--
Total Annualized Increase or (Decrease)				(\$103.42)

* Prior to July 1, 2006, your bill will combine each rate and the associated price adjustment (if applicable) on a single line.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas's changes to transportation rates. Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Questions?

If you have any questions about these rate changes, please call the Union Gas Customer Care phone number listed on your bill, or visit our website at uniongas.com.

[M2 Commercial/Industrial – Direct Purchase]

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

July 2006

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers. New rates for **Rate 16** will be applied to bills starting July 1, 2006. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Gas Supply Charges

New rates, **if applicable to your service**, reflect a decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months and the difference between the projected costs that Union Gas expects to pay and the amounts that Union Gas expects to recover through rates over the next 12 months. Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments. The changes by zone are detailed on the attached appendix.

We appreciate and thank you for your business. If you have any questions about the rate change or adjustment, please call your account representative. Our staff will be pleased to answer your questions.

Rate 16 + Appendix A (Rate 16)
[rate schedule attached]

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

July 2006

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers. New rates for **Rate 20** will be applied to bills starting July 1, 2006. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Bundled T Storage Service

The storage demand charge, **which applies to bundled storage service only**, has an increase of \$0.5020/GJ reflecting the change in forecast costs to provide bundled storage service effective July 1, 2006. You will see the new rate opposite the “**Daily Demand – Price Adjustment**” line on your bill.

Transportation

Changes in the gas transportation rate, **if applicable to your service**, reflect the changes in the forecast costs to provide transportation service effective July 1, 2006.

Gas Supply

New rates, **if applicable to your service**, reflect a decrease in Union Gas’s forecast cost to purchase natural gas for the next 12 months and the difference between the projected costs that Union Gas expects to pay and the amounts that Union Gas expects to recover through rates over the next 12 months. Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments. The changes by zone are detailed on the attached appendix.

We appreciate and thank you for your business. If you have any questions about the rate change or adjustment, please call your account representative. Our staff will be pleased to answer your questions.

Rate 20 + Appendix A (Rate 20)
[rate schedule attached]

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

July 2006

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers. New rates for **Rate 100** will be applied to bills starting July 1, 2006. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Bundled T Storage Service

The storage demand charge, **which applies to bundled storage service only**, has an increase of \$0.5020/GJ reflecting the change in forecast costs to provide bundled storage service effective July 1, 2006. You will see the new rate opposite the “**Daily Demand – Price Adjustment**” line on your bill.

Transportation

Changes in the gas transportation rate, **if applicable to your service**, reflect the changes in the forecast costs to provide transportation service effective July 1, 2006.

Gas Supply

New rates, **if applicable to your service**, reflect a decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months and the difference between the projected costs that Union Gas expects to pay and the amounts that Union Gas expects to recover through rates over the next 12 months. Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments. The changes by zone are detailed on the attached appendix.

We appreciate and thank you for your business. If you have any questions about the rate change or adjustment, please call your account representative. Our staff will be pleased to answer your questions.

Rate 100 + Appendix A (Rate 100)
[rate schedule attached]

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

July 2006

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers. New rates for **Rate M4** will be applied to bills starting July 1, 2006. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

The delivery commodity rates have decreased by $0.1041\text{¢}/\text{m}^3$ to ensure reliable natural gas service to your business. You will see this change on the “**Delivery Charge - Price Adjustment**” line on your bill.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in a decrease in the “**Gas Supply – Transportation**” rate by $0.5497\text{¢}/\text{m}^3$ to $3.0007\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $0.8105\text{¢}/\text{m}^3$ to $36.0677\text{¢}/\text{m}^3$. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months.

In addition, there is a decrease of $1.7572\text{¢}/\text{m}^3$ related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. You will see the new rate on the “**Gas Supply – Commodity - Price Adjustment**” line on your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

We appreciate and thank you for your business. If you have any questions about the rate change or adjustment, please call your account representative. Our staff will be pleased to answer your questions.

Rate M4 + Appendix A (Rate M4) + [rate schedule attached]

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

July 2006

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers. New rates for **Rate M5A** will be applied to bills starting July 1, 2006. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

The interruptible delivery commodity rates have decreased by $0.0549\text{¢}/\text{m}^3$ to ensure reliable natural gas service to your business. You will see this change on the “**Delivery Charge – Interruptible - Price Adjustment**” line on your bill.

The firm delivery commodity rates have decreased by $0.0725\text{¢}/\text{m}^3$ to ensure reliable natural gas service to your business. You will see this change on the “**Delivery Charge – Firm - Price Adjustment**” line on your bill.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in a decrease in the “**Gas Supply – Transportation**” rate by $0.5497\text{¢}/\text{m}^3$ to $3.0007\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $0.8105\text{¢}/\text{m}^3$ to $36.0677\text{¢}/\text{m}^3$. This change reflects the decrease in Union Gas’s forecast cost to purchase natural gas for the next 12 months.

In addition, there is a decrease of $1.7572\text{¢}/\text{m}^3$ related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. You will see the new rate on the “**Gas Supply Commodity - Price Adjustment**” line on your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

We appreciate and thank you for your business. If you have any questions about the rate change or adjustment, please call your account representative. Our staff will be pleased to answer your questions.

Rate M5A + Appendix A (Rate M5A) + [rate schedule attached]

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

July 2006

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers. New rates for **Rate M6A** will be applied to bills starting July 1, 2006. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in a decrease in the “**Gas Supply – Transportation**” rate by $0.5497\text{¢}/\text{m}^3$ to $3.0007\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $0.8105\text{¢}/\text{m}^3$ to $36.0677\text{¢}/\text{m}^3$. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months.

In addition, there is a decrease of $1.7572\text{¢}/\text{m}^3$ related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. You will see the new rate on the “**Gas Supply Commodity - Price Adjustment**” line on your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

We appreciate and thank you for your business. If you have any questions about the rate change or adjustment, please call your account representative. Our staff will be pleased to answer your questions.

Rate M6A + Appendix A (Rate M6A) + [rate schedule attached]

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

July 2006

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers. New rates for **Rate M7** will be applied to bills starting July 1, 2006. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

The delivery commodity rates have decreased by $0.1112\text{¢}/\text{m}^3$ to ensure reliable natural gas service to your business. You will see this change on the “**Delivery Commodity - Price Adjustment**” line on your bill.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in a decrease in the “**Gas Supply - Transportation rate**” by $0.5497\text{¢}/\text{m}^3$ to $3.0007\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $0.8105\text{¢}/\text{m}^3$ to $36.0677\text{¢}/\text{m}^3$. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months.

In addition, there is a decrease of $1.7572\text{¢}/\text{m}^3$ related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. You will see the new rate on the “**Gas Supply Commodity - Price Adjustment**” line on your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

We appreciate and thank you for your business. If you have any questions about the rate change or adjustment, please call your account representative. Our staff will be pleased to answer your questions.

Rate M7 + Appendix A (Rate M7) + [rate schedule attached]

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

July 2006

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers. New rates for **Rate M9** will be applied to bills starting July 1, 2006. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

The delivery commodity rates have decreased by $0.0810\text{¢}/\text{m}^3$ to ensure reliable natural gas service to your business. You will see this change on the “**Delivery Commodity - Price Adjustment**” line on your bill.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in a decrease in the “**Gas Supply – Transportation**” rate by $0.5497\text{¢}/\text{m}^3$ to $3.0007\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $0.8105\text{¢}/\text{m}^3$ to $36.0677\text{¢}/\text{m}^3$. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months.

In addition, there is a decrease of $1.7572\text{¢}/\text{m}^3$ related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. You will see the new rate on the “**Gas Supply Commodity – Price Adjustment**” line on your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

We appreciate and thank you for your business. If you have any questions about the rate change or adjustment, please call your account representative. Our staff will be pleased to answer your questions.

Rate M9 + Appendix A (Rate M9) + [rate schedule attached]

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

July 2006

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers. New rates for **Rate M10** will be applied to bills starting July 1, 2006. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in a decrease in the “**Gas Supply Charge – Transportation**” rate by $0.5497\text{¢}/\text{m}^3$ to $3.0007\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $0.8105\text{¢}/\text{m}^3$ to $36.0677\text{¢}/\text{m}^3$. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months.

In addition, there is a decrease of $1.7572\text{¢}/\text{m}^3$ related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. You will see the new rate on the “**Gas Supply Charge – Commodity and Fuel - Price Adjustment**” line on your bill.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments.

We appreciate and thank you for your business. If you have any questions about the rate change or adjustment, please call your account representative. Our staff will be pleased to answer your questions.

Rate M10 + Appendix A (Rate M10) + [rate schedule attached]

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

July 2006

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers. New rates for **Rate T1** will be applied to bills starting July 1, 2006. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Changes to supplemental service rates reflect changes in gas supply costs effective July 1, 2006.

We appreciate and thank you for your business. If you have any questions about the rate change or adjustment, please call your account representative. Our staff will be pleased to answer your questions.

Rate T1 + Appendix A (Rate T1) + [rate schedule attached]

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

July 2006

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers. New rates for **Rate T3** will be applied to bills starting July 1, 2006. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Changes to supplemental service rates reflect changes in gas supply costs effective July 1, 2006.

We appreciate and thank you for your business. If you have any questions about the rate change or adjustment, please call your account representative. Our staff will be pleased to answer your questions.

Rate T3 + Appendix A (Rate T3)
[rate schedule attached]

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

July 2006

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers. New rates for **Rate R1** will be applied to bills starting July 1, 2006. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Approved rates also reflect changes in gas supply costs effective July 1, 2006.

We appreciate and thank you for your business. If you have any questions about the rate change or adjustment, please call your account representative. Our staff will be pleased to answer your questions.

Rate R1 + Appendix A(Rate R1)
[rate schedule attached]