



EB-2006-0502

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 January 1, 2007;

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 November 27, 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 January 1, 2007. 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 both the RP-2003-0063 and EB-2005-0520 proceeding. Union’s application was assigned Board file number EB-2006-0502.

On November 30, 2006, the Board issued a Notice of Written Hearing and Procedural Order No. 1 setting December 6, 2006 as the deadline for submissions on the Application and December 8, 2006 as the deadline for Union’s reply submissions. The

Board received one submission from IGUA indicating that it had no opposition to the proposed changes to gas supply and transportation rates.

The Board has considered the evidence and finds that it is appropriate to adjust Union's rates effective January 1, 2007 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 December 31, 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 \$7.926/GJ (29.8255 ¢/m³). The resulting rate changes set out in Appendix "A" and the rate schedules set out in Appendix "B" shall be effective January 1, 2007. 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 January 1, 2007, 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 \$9.329/GJ (35.1050 ¢/m³) effective January 1, 2007. 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 \$0.043/GJ (0.1618 ¢/m³) effective January 1, 2007;
5. The inventory revaluation debit resulting from changes in the reference price as of January 1, 2007 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, December 19, 2006

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary

APPENDIX "A" TO
DECISION AND ORDER
BOARD FILE No. EB-2006-0502
DATED DECEMBER 19, 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-2005-0520	Rate Change	EB-2006-0502
		Approved January 1, 2007 Rate (a)		Approved January 1, 2007 Rate (c)
1	Monthly Charge - All Zones	\$16.00		\$16.00
	Monthly Delivery Charge - Western, Northern, Eastern			
2	First 100 m3	9.2380		9.2380
3	Next 200 m3	8.6369		8.6369
4	Next 200 m3	8.2100		8.2100
5	Next 500 m3	7.8180		7.8180
6	Over 1,000 m3	7.4944		7.4944
7	Delivery - Price Adjustment (All Volumes)			
	Monthly Delivery Charge - Fort Frances			
8	First 100 m3	9.2380		9.2380
9	Next 200 m3	8.6369		8.6369
10	Next 200 m3	8.2100		8.2100
11	Next 500 m3	7.8180		7.8180
12	Over 1,000 m3	7.4944		7.4944
13	Delivery - Price Adjustment (All Volumes)			
	Gas Transportation Service			
14	Fort Frances	2.7755		2.7755
15	Western Zone	2.7721		2.7721
16	Northern Zone	3.3353		3.3353
17	Eastern Zone	3.7899		3.7899
18	Transportation - Price Adjustment (All Zones)	(0.2438) (1)	(0.0115)	(0.2553) (2)
	Storage Service			
19	Fort Frances	1.9099		1.9099
20	Western Zone	1.9075		1.9075
21	Northern Zone	2.2951		2.2951
22	Eastern Zone	2.6079		2.6079
23	Storage - Price Adjustment (All Zones)	(0.0953) (3)	0.0970	0.0017 (4)
	Commodity Cost of Gas and Fuel			
24	Fort Frances	34.1581	(3.5277)	30.6304
25	Western Zone	34.6137	(3.6127)	31.0010
26	Northern Zone	35.2242	(3.7256)	31.4986
27	Eastern Zone	35.7196	(3.8149)	31.9047
28	Commodity and Fuel - Price Adjustment (All Zones)	(4.1428) (5)	(5.6731)	(9.8159) (6)

Notes:

- (1) Includes Prospective Recovery of (0.0681), (0.0692), (0.1187), and 0.0122 cents/m³.
(2) Includes Prospective Recovery of (0.0692), (0.1187), 0.0122 and (0.0796) cents/m³.
(3) Includes Prospective Recovery of (0.0999), 0.0039, 0.0028 and (0.0021) cents/m³.
(4) Includes Prospective Recovery of 0.0039, 0.0028, (0.0021) and (0.0029) cents/m³.
(5) Includes Prospective Recovery of 2.9377, (0.9291), (3.1202) and (3.0312) cents/m³.
(6) Includes Prospective Recovery of (0.9291), (3.1202), (3.0312) and (2.7354) 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-2005-0520	Rate Change	EB-2006-0502
		Approved January 1, 2007 Rate (a)		Approved January 1, 2007 Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
2	First 1,000 m3	7.3562		7.3562
3	Next 9,000 m3	5.8543		5.8543
4	Next 20,000 m3	4.9979		4.9979
5	Next 70,000 m3	4.4495		4.4495
6	Over 100,000 m3	2.3725		2.3725
7	Delivery - Price Adjustment (All Volumes)			
	Gas Transportation Service			
8	Fort Frances	2.5443		2.5443
9	Western Zone	2.5408		2.5408
10	Northern Zone	3.1040		3.1040
11	Eastern Zone	3.5586		3.5586
12	Transportation - Price Adjustment (All Zones)	(0.2299) (1)	(0.0108)	(0.2407) (2)
	Storage Service			
13	Fort Frances	1.2255		1.2255
14	Western Zone	1.2231		1.2231
15	Northern Zone	1.6107		1.6107
16	Eastern Zone	1.9235		1.9235
17	Storage - Price Adjustment (All Zones)	(0.0824) (3)	0.0653	(0.0171) (4)
	Commodity Cost of Gas and Fuel			
18	Fort Frances	34.1581	(3.5277)	30.6304
19	Western Zone	34.6137	(3.6127)	31.0010
20	Northern Zone	35.2242	(3.7256)	31.4986
21	Eastern Zone	35.7196	(3.8149)	31.9047
22	Commodity and Fuel - Price Adjustment (All Zones)	(4.1428) (5)	(5.6731)	(9.8159) (6)

Notes:

- (1) Includes Prospective Recovery of (0.0671), (0.0679), (0.1078), and 0.0129 cents/m³.
(2) Includes Prospective Recovery of (0.0679), (0.1078), 0.0129 and (0.0779) cents/m³.
(3) Includes Prospective Recovery of (0.0696), (0.0046), (0.0030) and (0.0052) cents/m³.
(4) Includes Prospective Recovery of (0.0046), (0.0030), (0.0052) and (0.0043) cents/m³.
(5) Includes Prospective Recovery of 2.9377, (0.9291), (3.1202) and (3.0312) cents/m³.
(6) Includes Prospective Recovery of (0.9291), (3.1202), (3.0312) and (2.7354) cents/m³.

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-2005-0520 Approved January 1, 2007 Rate (a)	Rate Change (b)	EB-2006-0502 Approved January 1, 2007 Rate (c)
1	Monthly Charge	\$780.00		\$780.00
	Delivery Demand Charge			
2	First 70,000 m ³	20.3317		20.3317
3	All over 70,000 m ³	11.9561		11.9561
	Delivery Commodity Charge			
4	First 852,000 m ³	0.2877		0.2877
5	All over 852,000 m ³	0.2131		0.2131
	Monthly Gas Supply Demand Charge			
6	Fort Frances	23.7952		23.7952
7	Western Zone	23.7962		23.7962
8	Northern Zone	39.9232		39.9232
9	Eastern Zone	52.8902		52.8902
10	Gas Supply Demand - Price Adjustment (All Zones)	0.1672 (1)	0.7387	0.9059 (2)
	Commodity Transportation 1			
11	Fort Frances	2.0635		2.0635
12	Western Zone	2.0635		2.0635
13	Northern Zone	2.4435		2.4435
14	Eastern Zone	2.7435		2.7435
15	Transportation 1 - Price Adjustment (All Zones)	(0.3196) (3)	(0.0181)	(0.3377) (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	34.3919	(3.5520)	30.8399
21	Western Zone	34.8507	(3.6376)	31.2131
22	Northern Zone	35.4654	(3.7513)	31.7141
23	Eastern Zone	35.9643	(3.8413)	32.1230
24	Commodity and Fuel - Price Adjustment (All Zones)	(4.1428) (5)	(5.6731)	(9.8159) (6)
	Bundled Storage Service (\$/GJ)			
25	Monthly Demand Charge	11.289		11.289
26	Commodity Charge	0.240		0.240
27	Storage Demand - Price Adjustment	(0.642) (7)	0.331	(0.311) (8)

Notes:

- (1) Includes Prospective Recovery of (0.4321), 0.2291, 0.2276 and 0.1426 cents/m³.
- (2) Includes Prospective Recovery of 0.2291, 0.2276, 0.1426 and 0.3066 cents/m³.
- (3) Includes Prospective Recovery of (0.0737), (0.0819), (0.1693) and 0.0053 cents/m³.
- (4) Includes Prospective Recovery of (0.0819), (0.1693), 0.0053 and (0.0918) cents/m³.
- (5) Includes Prospective Recovery of 2.9377, (0.9291), (3.1202) and (3.0312) cents/m³.
- (6) Includes Prospective Recovery of (0.9291), (3.1202), (3.0312) and (2.7354) cents/m³.
- (7) Includes Prospective Recovery of (0.450), (0.071), (0.051) and (0.070) \$/GJ.
- (8) Includes Prospective Recovery of (0.071), (0.051), (0.070) and (0.119) \$/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-2005-0520 Approved January 1, 2007 Rate (a)	Rate Change (b)	EB-2006-0502 Approved January 1, 2007 Rate (c)
1	Monthly Charge	\$780.00		\$780.00
2	Delivery Demand Charge All Zones	11.9268		11.9268
3	Delivery Commodity Charge All Zones	0.2102		0.2102
4	Monthly Gas Supply Demand Charge Fort Frances	37.8415		37.8415
5	Western Zone	37.8425		37.8425
6	Northern Zone	56.6575		56.6575
7	Eastern Zone	71.7855		71.7855
8	Commodity Transportation 1 Fort Frances	3.6299		3.6299
9	Western Zone	3.6299		3.6299
10	Northern Zone	3.9099		3.9099
11	Eastern Zone	4.1399		4.1399
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	34.3919	(3.5520)	30.8399
17	Western Zone	34.8507	(3.6376)	31.2131
18	Northern Zone	35.4654	(3.7513)	31.7141
19	Eastern Zone	35.9643	(3.8413)	32.1230
20	Commodity and Fuel - Price Adjustment (All Zones)	(4.1428) (1)	(5.6731)	(9.8159) (2)
21	Bundled Storage Service (\$/GJ) Monthly Demand Charge	11.289		11.289
22	Commodity Charge	0.240		0.240
23	Storage Demand - Price Adjustment	(0.642) (3)	0.331	(0.311) (4)

Notes:

- (1) Includes Prospective Recovery of 2.9377, (0.9291), (3.1202) and (3.0312) cents/m³.
(2) Includes Prospective Recovery of (0.9291), (3.1202), (3.0312) and (2.7354) cents/m³.
(3) Includes Prospective Recovery of (0.450), (0.071), (0.051) and (0.070) \$/GJ.
(4) Includes Prospective Recovery of (0.071), (0.051), (0.070) and (0.119) \$/GJ.

UNION GAS LIMITED
Northern & Eastern Operations Area
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2005-0520 Approved January 1, 2007 Rate (a)	Rate Change (b)	EB-2006-0502 Approved January 1, 2007 Rate (c)
	<u>Rate 25 - Large Volume Interruptible Service</u>			
1	Monthly Charge	\$190.00		\$190.00
	Delivery Charge - All Zones *			
2	Maximum	4.5768		4.5768
	Gas Supply Charges			
	Fort Frances			
3	Minimum	14.3135		14.3135
4	Maximum	140.5622		140.5622
	Western Zone			
5	Minimum	14.3135		14.3135
6	Maximum	140.5622		140.5622
	Northern Zone			
7	Minimum	14.3135		14.3135
8	Maximum	140.5622		140.5622
	Eastern Zone			
9	Minimum	14.3135		14.3135
10	Maximum	140.5622		140.5622
	<u>Rate 77 - Wholesale Transportation Service</u>			
11	Monthly Charge	\$145.00		\$145.00
	Delivery Demand Charge			
12	Fort Frances	28.2927		28.2927
13	Western Zone	28.2927		28.2927
14	Northern Zone	28.2927		28.2927
15	Eastern Zone	28.2927		28.2927

* see Appendix C

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

Line No.	Particulars (cents/m ³)	EB-2005-0520 Approved January 1, 2007 Rate (a)	Rate Change (b)	EB-2006-0502 Approved January 1, 2007 Rate (c)
	<u>Utility Sales</u>			
1	Commodity and Fuel	35.7196	(3.8149)	31.9047
2	Commodity and Fuel - Price Adjustment	(4.1310) (1)	(2.9427)	(7.0737) (2)
3	Transportation	3.2362	0.1204	3.3566
4	Total Gas Supply Commodity Charge	<u>34.8248</u>	<u>(6.6372)</u>	<u>28.1876</u>
	<u>M4 Firm Commercial/Industrial</u>			
5	Minimum annual gas supply commodity charge	5.7022	(0.2664)	5.4358
	<u>M5A Interruptible Commercial/Industrial</u>			
6	Annual minimum gas supply commodity charge	5.7022	(0.2664)	5.4358
	<u>Storage and Transportation Supplemental Services - Rate T1 & T3</u>	<u>\$/GJ</u>		<u>\$/GJ</u>
	Monthly demand charges: (\$/GJ)			
7	Firm gas supply service	26.488		26.488
8	Firm backstop gas	4.439	(0.328)	4.111
	Commodity charges:			
9	Gas supply	9.473	(1.014)	8.459
10	Backstop gas	12.306	(0.982)	11.324
11	Reasonable Efforts Backstop Gas	11.974	(0.982)	10.992
12	Supplemental Inventory	Note (3)		Note (3)
13	Supplemental Gas Sales Service (cents/m ³)	48.9945	(3.8663)	45.1282
14	Failure to Deliver	2.995		2.995
15	Discretionary Gas Supply Service (DGSS)	Note (4)		Note (4)

Notes:

- (1) Includes Prospective Recovery unit rate of 1.6954, (1.2079), (2.0812) and (2.5373) cents/m³.
- (2) Includes Prospective Recovery unit rate of (1.2079), (2.0812), (2.5373) and (1.2473) 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-2005-0520 Approved January 1, 2007 Rate (a)	Rate Change (b)	EB-2006-0502 Approved January 1, 2007 Rate (c)
	<u>M2 General Service Rate</u>			
1	Monthly Charge	\$16.00		\$16.00
	Monthly delivery commodity charge:			
2	First 1 400 m ³	5.1701		5.1701
3	Next 4 600 m ³	4.1427		4.1427
4	Next 124 000 m ³	3.0859		3.0859
5	Next 270 000 m ³	2.4743		2.4743
6	All over 400 000 m ³	2.2978		2.2978
7	Delivery - Price Adjustment (All Volumes)	(0.0918) (1)	(0.0016)	(0.0934) (2)
8	Storage Service	0.9309		0.9309
	<u>M4 Firm comm/ind contract rate</u>			
	Monthly demand charge:			
9	First 8 450 m ³	45.6744		45.6744
10	Next 19 700 m ³	19.8165		19.8165
11	All over 28 150 m ³	16.4565		16.4565
	Monthly delivery commodity charge:			
12	First block	0.9291		0.9291
13	All remaining use	0.5089		0.5089
14	Delivery - Price Adjustment (All Volumes)	(0.1326) (3)	0.0028	(0.1298) (4)
15	Minimum annual delivery commodity charge	1.2464		1.2464
	<u>M5A interruptible comm/ind contract</u>			
	<u>Firm contracts *</u>			
16	Monthly demand charge	27.5785		27.5785
17	Monthly delivery commodity charge	1.7957		1.7957
18	Delivery - Price Adjustment (All Volumes)	(0.0715) (5)	0.0043	(0.0672) (6)
	<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	1.9019		1.9019
21	17 000 m ³ to 30 000 m ³	1.7720		1.7720
22	30 000 m ³ to 50 000 m ³	1.7037		1.7037
23	50 000 m ³ to 70 000 m ³	1.6558		1.6558
24	70 000 m ³ to 100 000 m ³	1.6215		1.6215
25	100 000 m ³ to 140 870 m ³	1.5878		1.5878
26	Delivery - Price Adjustment (All Volumes)	(0.0715) (5)	0.0043	(0.0672) (6)
27	Annual minimum delivery commodity charge	2.2192		2.2192

Notes:

- (1) Includes Prospective Recovery of (0.0015), (0.0020), (0.0855) and (0.0028) cents/m³.
- (2) Includes Prospective Recovery of (0.0020), (0.0855), (0.0028) and (0.0031) cents/m³.
- (3) Includes Prospective Recovery of (0.0008), (0.0010), (0.1300) and (0.0008) cents/m³.
- (4) Includes Prospective Recovery of (0.0010), (0.1300), (0.0008) and 0.0020 cents/m³.
- (5) Includes Prospective Recovery of (0.0024), (0.0700) and 0.0009 cents/m³ associated with load balancing costs.
- (6) Includes Prospective Recovery of (0.0024), (0.0700), 0.0009 and 0.0043 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-2005-0520	Rate Change	EB-2006-0502
		Approved January 1, 2007		Approved January 1, 2007
		Rate		Rate
		(a)	(b)	(c)
	<u>M7 Special large volume contract</u>			
	<u>Firm</u>			
1	Monthly demand charge	25.5426		25.5426
2	Monthly delivery commodity charge	0.3344		0.3344
3	Delivery - Price Adjustment	(0.1026) (1)	0.0433	(0.0593) (2)
	<u>Interruptible *</u>			
4	Monthly delivery commodity charge: Maximum	2.7337	-	2.7337
5	Delivery - Price Adjustment	(0.1026) (1)	0.0433	(0.0593) (2)
	<u>Seasonal *</u>			
6	Monthly delivery commodity charge: Maximum	2.4896		2.4896
7	Delivery - Price Adjustment	(0.1026) (1)	0.0433	(0.0593) (2)
	<u>M9 Large wholesale service</u>			
8	Monthly demand charge	17.0902		17.0902
9	Monthly delivery commodity charge	0.5367		0.5367
10	Delivery - Price Adjustment	(0.1219) (3)	(0.0034)	(0.1253) (4)
	<u>M10 Small wholesale service</u>			
11	Monthly delivery commodity charge	2.6978		2.6978

Notes:

- (1) Includes Prospective Recovery of (0.0002), (0.0043), (0.1107) and 0.0126 cents/m³.
- (2) Includes Prospective Recovery of (0.0043), (0.1107), 0.0126 and 0.0431 cents/m³.
- (3) Includes Prospective Recovery of (0.0032), (0.0045), (0.1123) and (0.0019) cents/m³.
- (4) Includes Prospective Recovery of (0.0045), (0.1123), (0.0019) and (0.0066) 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-2005-0520 Approved January 1, 2007 Rate (a)	Rate Change (b)	EB-2006-0502 Approved January 1, 2007 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 Injection/Withdrawal Right				
2	Union provides deliverability inventory	1.980		1.980
3	Customer provides deliverability inventory	1.050		1.050
4	Firm incremental injection	1.050		1.050
5	Interruptible withdrawal	1.050		1.050
Commodity charges:				
6	Withdrawal	0.064		0.064
7	Customer provides compressor fuel	0.007		0.007
8	Injection	0.064		0.064
9	Customer provides compressor fuel	0.007		0.007
10	Storage fuel ratio - customer provides fuel	0.600%		0.600%
<u>Transportation (cents / m³)</u>				
11	Monthly demand charge first 140,870 m ³	18.9471		18.9471
12	Monthly demand charge all over 140,870 m ³	12.9470		12.9470
Commodity charges:				
13	Firm- Union provides compressor fuel first 2,360,653 m ³	0.3573		0.3573
14	Union provides compressor fuel all over 2,360,653 m ³	0.2767		0.2767
15	Customer provides compressor fuel first 2,360,653 m ³	0.1604		0.1604
16	Customer provides compressor fuel all over 2,360,653 m ³	0.0798		0.0798
Interruptible: *				
17	Maximum - Union provides compressor fuel	2.7337		2.7337
18	Maximum - customer provides compressor fuel	2.5368		2.5368
19	Transportation fuel ratio - customer provides fuel	0.554%		0.554%
<u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges				
20	Injection May 1 to Oct 31	0.169		0.169
21	Customer provides compressor fuel	0.072		0.072
22	Withdrawals Nov 1 to Apr 30	0.169		0.169
23	Customer provides compressor fuel	0.072		0.072
24	Transportation commodity charge (cents / m ³)	0.9803		0.9803
25	Customer provides compressor fuel	0.7833		0.7833
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-2005-0520 Approved January 1, 2007 Rate (a)	Rate Change (b)	EB-2006-0502 Approved January 1, 2007 Rate (c)
<u>T3 Storage and Transportation</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
1	Firm space	0.010		0.010
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.980		1.980
3	Customer provides deliverability inventory	1.050		1.050
4	Firm incremental injection	1.050		1.050
5	Interruptible withdrawal	1.050		1.050
Commodity charges:				
6	Withdrawal	0.064		0.064
7	Customer provides compressor fuel	0.007		0.007
8	Injection	0.064		0.064
9	Customer provides compressor fuel	0.007		0.007
10	Storage fuel ratio- Cust. provides fuel	0.600%		0.600%
 <u>Transportation (cents / m³)</u>				
11	Monthly demand charge	9.0121		9.0121
Commodity charges				
12	Firm- Union supplies compressor fuel	0.3242		0.3242
13	Customer provides compressor fuel	0.0666		0.0666
14	Transportation fuel ratio- Cust. provides fuel	0.725%		0.725%
 <u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges:				
15	Injection	0.169		0.169
16	Customer provides compressor fuel	0.072		0.072
17	Withdrawals	0.169		0.169
18	Customer provides compressor fuel	0.072		0.072
19	Transportation commodity charge (cents / m ³)	0.6205		0.6205
20	Customer provides compressor fuel (cents / m ³)	0.3629		0.3629
 <u>Monthly Charge</u>				
21	City of Kitchener	\$17,155		\$17,155
22	Natural Resource Gas	\$2,631		\$2,631
23	Six Nations	\$877		\$877

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

Line No.	Particulars	EB-2005-0520 Approved January 1, 2007 Rate (a)	Rate Change (b)	EB-2006-0502 Approved January 1, 2007 Rate (c)
<u>U2 Unbundled Customers</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
	Standard Storage Service (SSS)			
1	Combined Firm Space & Deliverability	0.021		0.021
	Standard Peaking Service (SPS)			
2	Combined Firm Space & Deliverability	0.106		0.106
3	Incremental firm injection right	0.955		0.955
4	Incremental firm withdrawal right	0.955		0.955
Commodity charges:				
5	Injection customer provides compressor fuel	0.015		0.015
6	Withdrawal customer provides compressor fuel	0.015		0.015
7	Storage fuel ratio - Customer provides fuel	0.600%		0.600%
<u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges:				
8	Injection customer provides compressor fuel	0.046		0.046
9	Withdrawal customer provides compressor fuel	0.046		0.046
<u>U5 Unbundled Customers</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
10	Combined Firm Space & Deliverability	0.021		0.021
11	Incremental firm injection right	0.955		0.955
12	Incremental firm withdrawal right	0.955		0.955
Commodity charges:				
13	Injection customer provides compressor fuel	0.015		0.015
14	Withdrawal customer provides compressor fuel	0.015		0.015
15	Storage fuel ratio - Customer provides fuel	0.600%		0.600%
<u>Delivery (cents / m³)</u>				
<u>Firm contracts</u>				
16	Monthly demand charge	21.8236		21.8236
17	Monthly delivery commodity charge	1.7957		1.7957
18	Transportation fuel ratio - Customer provides fuel	0.554%		0.554%
<u>Interruptible contracts</u>				
19	Monthly Charge	\$500.00		\$500.00
Monthly delivery commodity charge:				
20	4 800 m ³ to 17 000 m ³	1.5464		1.5464
21	17 000 m ³ to 30 000 m ³	1.4165		1.4165
22	30 000 m ³ to 50 000 m ³	1.3482		1.3482
23	50 000 m ³ to 70 000 m ³	1.3003		1.3003
24	70 000 m ³ to 100 000 m ³	1.2660		1.2660
25	100 000 m ³ to 140 870 m ³	1.2323		1.2323
<u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges:				
26	Injection customer provides compressor fuel	0.046		0.046
27	Withdrawal customer provides compressor fuel	0.046		0.046

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

Line No.	Particulars	EB-2005-0520 Approved January 1, 2007 Rate (a)	Rate Change (b)	EB-2006-0502 Approved January 1, 2007 Rate (c)
<u>U7 Unbundled Customers</u>				
<u>Storage (\$ / GJ)</u>				
Monthly demand charges:				
1	Combined Firm Space & Deliverability	0.021		0.021
2	Incremental firm injection right	0.955		0.955
3	Incremental firm withdrawal right	0.955		0.955
Commodity charges:				
4	Injection customer provides compressor fuel	0.015		0.015
5	Withdrawal customer provides compressor fuel	0.015		0.015
6	Storage fuel ratio - Customer provides fuel	0.600%		0.600%
<u>Delivery (cents / m³)</u>				
7	Monthly demand charge first 140,870 m ³	18.9471		18.9471
8	Monthly demand charge all over 140,870 m ³	12.9470		12.9470
Commodity charges				
9	Firm Customer provides compressor fuel first 2,360,653 m ³	0.1604		0.1604
10	Firm Customer provides compressor fuel all over 2,360,653 m ³	0.0798		0.0798
Interruptible:				
11	Maximum customer provides compressor fuel	2.5368		2.5368
12	Transportation fuel ratio - Customer provides fuel	0.554%		0.554%
<u>Authorized overrun services</u>				
<u>Storage (\$ / GJ)</u>				
Commodity charges:				
13	Injection customer provides compressor fuel	0.046		0.046
14	Withdrawal customer provides compressor fuel	0.046		0.046
15	Transportation commodity charge(cents / m ³)	0.7833		0.7833
<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-2005-0520 Approved January 1, 2007 Rate (a)	Rate Change (b)	EB-2006-0502 Approved January 1, 2007 Rate (c)
	<u>U9 Unbundled Customers</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.021		0.021
2	Incremental firm injection right	0.955		0.955
3	Incremental firm withdrawal right	0.955		0.955
	Commodity charges:			
4	Injection customer provides compressor fuel	0.015		0.015
5	Withdrawal customer provides compressor fuel	0.015		0.015
6	Storage fuel ratio - Customer provides fuel	0.600%		0.600%
	<u>Delivery (cents / m³)</u>			
7	Monthly demand charge	9.0121		9.0121
	Commodity charges			
8	Firm customer provides compressor fuel	0.0666		0.0666
9	Transportation fuel ratio - Customer provides fuel	0.725%		0.725%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
10	Injection customer provides compressor fuel	0.046		0.046
11	Withdrawal customer provides compressor fuel	0.046		0.046
12	Transportation commodity charge (cents / m ³)	0.3629		0.3629
	<u>Other Services & Charges</u>			
	Monthly Charge			
13	City of Kitchener	\$17,155		\$17,155
14	NRG	\$2,631		\$2,631
15	Six Nations	\$877		\$877

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2005-0520 Approved January 1, 2007 Rate (a)	Rate Change (b)	EB-2006-0502 Approved January 1, 2007 Rate (c)
<u>M12 Storage & Transportation Service</u>				
<u>Storage service</u>				
Monthly demand charges:				
1	Space- Union providing deliverability inventory	n/a		n/a
2	Space- Shipper providing deliverability inventory	0.010		0.010
3	Firm deliverability	1.050		1.050
Interruptible deliverability				
4	Maximum	n/a		n/a
Commodity charges:				
5	Injection / Withdrawal - Union supplied fuel (includes UFG)	n/a		n/a
6	Injection / Withdrawal - Shipper supplied fuel (includes UFG)	0.006		0.006
7	Dehydration commodity	0.003		0.003
<u>Firm transportation</u>				
Monthly demand charges:				
8	Without compression - Kirkwall	n/a		n/a
9	Without compression - Oakville/Parkway	n/a		n/a
10	With compression - Kirkwall	2.036		2.036
11	With compression - Oakville/Parkway	2.392		2.392
12	Dawn Compression	n/a		n/a
13	Dehydration	0.036		0.036
Commodity charges:				
14	Easterly without compression	n/a		n/a
15	Easterly with compression	Note (1)		Note (1)
16	Westerly with compression	Note (1)		Note (1)
<u>Limited Firm/Interruptible</u>				
Monthly demand charges:				
17	Maximum	5.741		5.741
18	Commodity charges : Others with compression	Note (1)		Note (1)
<u>Firm Transportation from Dawn to Kirkwall / Parkway without LCU Protection</u>				
Monthly demand charges:				
19	Dawn to Kirkwall/Parkway Without LCU Protection Maximum	n/a		n/a
20	Commodity charges : Others with compression	n/a		n/a
<u>Authorized Overrun</u>				
Storage commodity charges:				
21	Injection / Withdrawal - Union supplied fuel (includes UFG)	n/a		n/a
22	Injection / Withdrawal - Shipper supplied fuel (includes UFG)	0.041		0.041
23	Dehydration - Tecumseh	0.004		0.004
24	Dehydration - Others	n/a		n/a
25	Dawn Compression commodity charge	n/a		n/a

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-2005-0520 Approved January 1, 2007 Rate (a)	Rate Change (b)	EB-2006-0502 Approved January 1, 2007 Rate (c)
<u>M12 Storage & Transportation Service (cont'd)</u>				
<u>Authorized Overrun</u>				
Transportation commodity charges:				
Easterly without compression				
1	Dawn to Kirkwall - Union supplied fuel	n/a		n/a
2	Dawn to Oakville - Union supplied fuel	n/a		n/a
3	Dawn to Kirkwall - Shipper supplied fuel	n/a		n/a
4	Dawn to Oakville - Shipper supplied fuel	n/a		n/a
Easterly with compression :				
5	Dawn to Kirkwall - Union supplied fuel	Note (1)		Note (1)
6	Dawn to Oakville - Union supplied fuel	Note (1)		Note (1)
7	Dawn to Kirkwall - Shipper supplied fuel	0.067 (1)		0.067 (1)
8	Dawn to Oakville - Shipper supplied fuel	0.079 (1)		0.079 (1)
9	Westerly - Union supplied fuel	Note (1)		Note (1)
10	Westerly - Shipper supplied fuel	0.079 (1)		0.079 (1)
<u>Unauthorized Overrun</u>				
Overrun of Maximum Storage Balance				
11	August 1 to December 15	60.000		60.000
12	December 16 to July 31	6.000		6.000
Drafted Storage Balance				
13	February 1 to April 30	60.000		60.000
14	May 1 to January 31	6.000		6.000
<u>M13 Transportation of Locally Produced Gas</u>				
15	Monthly fixed charge per customer station	\$662		\$662
16	Transmission commodity charge to Dawn	0.025		0.025
17	Commodity charge - Union supplies fuel	0.031		0.031
18	Commodity charge - Shipper supplies fuel	Note (2)		Note (2)
19	Authorized Overrun - Union supplies fuel	0.090		0.090
20	Authorized Overrun - Shipper supplies fuel	0.059 (2)		0.059 (2)
<u>M16 Storage Transportation Service</u>				
21	Monthly fixed charge per customer station	\$750		\$750
Monthly demand charges:				
22	East of Dawn	0.744		0.744
23	West of Dawn	1.014		1.014
24	Transmission commodity charge to Dawn	0.025		0.025
Transportation Fuel Charges to Dawn:				
25	East of Dawn - Union supplied fuel	0.031		0.031
26	West of Dawn - Union supplied fuel	0.031		0.031
27	East of Dawn - Shipper supplied fuel	Note (2)		Note (2)
28	West of Dawn - Shipper supplied fuel	Note (2)		Note (2)
Transportation Fuel Charges to Pools:				
29	East of Dawn - Union supplied fuel	0.040		0.040
30	West of Dawn - Union supplied fuel	0.047		0.047
31	East of Dawn - Shipper supplied fuel	Note (2)		Note (2)
32	West of Dawn - Shipper 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-2005-0520 Approved January 1, 2007 Rate (a)	Rate Change (b)	EB-2006-0502 Approved January 1, 2007 Rate (c)
<u>M16 Storage Transportation Service (cont'd)</u>				
<u>Authorized Overrun</u>				
Transportation Fuel Charges to Dawn:				
1	East of Dawn - Union supplied fuel	0.081		0.081
2	West of Dawn - Union supplied fuel	0.090		0.090
3	East of Dawn - Shipper supplied fuel	0.050 (2)		0.050 (2)
4	West of Dawn - Shipper supplied fuel	0.059 (2)		0.059 (2)
Transportation Fuel Charges to Pools:				
5	East of Dawn - Union supplied fuel	0.065		0.065
6	West of Dawn - Union supplied fuel	0.080		0.080
7	East of Dawn - Shipper supplied fuel	0.024 (2)		0.024 (2)
8	West of Dawn - Shipper supplied fuel	0.033 (2)		0.033 (2)
 <u>C1 Storage & Cross Franchise Transportation Service</u>				
<u>Storage service</u>				
Commodity charges:				
Long Term (2 years or more) / Short-Term (less than 2 years)				
Combined Storage Space and Interruptible Deliverability				
9	Maximum	n/a		n/a
Firm Deliverability				
10	Maximum	n/a		n/a
Commodity charges:				
11	Injection / Withdrawal - Union supplied fuel (includes UFG)	n/a		n/a
12	Injection / Withdrawal - Shipper supplied fuel (includes UFG)	n/a		n/a
13	Dehydration commodity	n/a		n/a
 <u>Transportation service</u>				
Monthly demand charges:				
14	St. Clair / Bluewater & Dawn	1.014		1.014
15	Ojibway & Dawn	1.014		1.014
16	Parkway to Dawn	0.554		0.554
17	Parkway to Kirkwall	0.554		0.554
18	Dawn to Kirkwall with Dawn compression	2.036		2.036
19	Dawn to Parkway with Dawn compression	2.392		2.392
Short-term:				
20	Maximum	75.000		75.000
Dawn to Kirkwall/Parkway Without LCU Protection				
21	Maximum	n/a		n/a
 Commodity charges:				
22	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.041		0.041
23	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.033		0.033
24	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.054		0.054
25	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.047		0.047
26	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.031		0.031
27	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.033		0.033
28	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.107		0.107
29	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.049		0.049
30	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.107		0.107
31	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.049		0.049
32	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (2)		Note (2)
33	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (2)		Note (2)
34	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (2)		Note (2)
35	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (2)		Note (2)
36	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (2)		Note (2)
37	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (2)		Note (2)
38	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (2)		Note (2)
39	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (2)		Note (2)
40	Dawn to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (2)		Note (2)
41	Dawn to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	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-2005-0520 Approved January 1, 2007 Rate (a)	Rate Change (b)	EB-2006-0502 Approved January 1, 2007 Rate (c)
<u>C1 Storage & Cross Franchise Transportation Service</u>				
<u>Transportation service cont'd</u>				
	Interruptible commodity charges:			
1	Maximum	75.000		75.000
2	Dawn(Tecumseh), Dawn(Facilities or TCPL) and Dawn (Vector)		Note (2)	Note (2)
<u>Authorized Overrun</u>				
Storage commodity charges:				
Injection / Withdrawal:				
3	Maximum	n/a		n/a
4	Injection / Withdrawal - Union supplied fuel (includes UFG)	n/a		n/a
5	Injection / Withdrawal - Customer supplied fuel (includes UFG)	n/a		n/a
6	Dehydration commodity	n/a		n/a
Firm transportation commodity charges:				
7	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.074		0.074
8	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.067		0.067
9	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.087		0.087
10	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.080		0.080
11	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.049		0.049
12	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.052		0.052
13	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.174		0.174
14	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.116		0.116
15	Dawn to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.186		0.186
16	Dawn to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.128		0.128
17	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.033 (2)		0.033 (2)
18	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.033 (2)		0.033 (2)
19	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.033 (2)		0.033 (2)
20	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.033 (2)		0.033 (2)
21	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.018 (2)		0.018 (2)
22	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.018 (2)		0.018 (2)
23	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.067 (2)		0.067 (2)
24	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.067 (2)		0.067 (2)
25	Dawn to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.079 (2)		0.079 (2)
26	Dawn to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	0.079 (2)		0.079 (2)
	Short Term Firm transportation commodity charges:			
27	Maximum	75.000		75.000
<u>Unauthorized Overrun</u>				
Overrun of Maximum Storage Balance				
28	August 1 to December 15	n/a		n/a
29	December 16 to July 31	n/a		n/a
Drafted Storage Balance				
30	February 1 to April 30	n/a		n/a
31	May 1 to January 31	n/a		n/a

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-2006-0502
DATED DECEMBER 19, 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	20.3317
Monthly Demand Charge for all units over 70,000 m ³ of Contracted Daily Demand	11.9561
Commodity Charge for first 852,000 m ³ of gas volumes delivered	0.2877
Commodity Charge for all units over 852,000 m ³ of gas volumes delivered	0.2131

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

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 transition 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> 220	<u>Western</u> 120	<u>Northern</u> 320	<u>Eastern</u> 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	1.6246	1.6246	1.6246	1.6246

GAS SUPPLY CHARGES

The gas supply charge is comprised of charges for transportation and for commodity and fuel.
The applicable rates are 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) \$11.289

Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$ per GJ per Month) (\$0.311)

Commodity Charge for each unit of gas withdrawn from storage (\$ per GJ) \$0.240

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$ per GJ) \$0.611

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) \$0.032

Fuel Ratio:

Applied to all gas injected and withdrawn from storage (%) 0.600%

Commodity Charge:

Applied to all gas injected and withdrawn from storage (\$ per GJ) \$0.015

UNBUNDLED STORAGE SERVICE AUTHORIZED OVERRUN CHARGES:

Fuel Ratio:

Applied to all gas injected and withdrawn from storage (%) 1.03%

Commodity Charge:

Applied to all gas injected and withdrawn from storage (\$ per GJ) \$0.072

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 in any month, 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 \$60.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$6.000 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> 220	<u>Western</u> 120	<u>Northern</u> 320	<u>Eastern</u> 620
<u>Delivery service to Storage Facilities (1)</u>				
Demand Charge (\$/GJ/month)	N/A	\$29.227	\$12.025	\$1.202
Commodity (\$/GJ)	N/A	\$0.032	\$0.024	\$0.019
<u>Redelivery Service from Storage Facilities</u>				
Demand Charge (\$/GJ/month)	\$2.255	\$2.255	\$2.255	\$5.916
Commodity (\$/GJ)	N/A	\$0.095	\$0.095	\$0.099

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.



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%.

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 than the identified rates.

Effective

January 1, 2007
O.E.B. ORDER # EB-2006-0502

Chatham, Ontario

Supersedes EB-2005-0520 Rate Schedule effective January 1, 2007.



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)

<u>MONTHLY CHARGE</u>	\$780.00
<u>DELIVERY CHARGES</u> (cents per Month per m ³ of Daily Contract Demand) Monthly Demand Charge for each unit of Contracted Daily Demand:	11.9268
COMMODITY CHARGE for each unit of gas volumes delivered (cents per m ³)	0.2102

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

Gas Supply Charges

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 0.3.

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	Fort Frances	Western	Northern	Eastern
Rate Schedule No.	2100	1100	3100	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> 0.7704	<u>cents per m³</u> 0.7704	<u>cents per m³</u> 0.7704	<u>cents per m³</u> 0.7704

GAS SUPPLY CHARGES

The gas supply charge is comprised of charges for transportation and for commodity and fuel. The applicable rates are 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) \$11.289

Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$ per GJ per Month) (\$0.311)

Commodity Charge for each unit of gas withdrawn from storage (\$ per GJ) \$0.240

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$ per GJ) \$0.611

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) \$0.032

Fuel Ratio:
Applied to all gas injected and withdrawn from storage (%) 0.600%

Commodity Charge:
Applied to all gas injected and withdrawn from storage (\$ per GJ) \$0.015

UNBUNDLED STORAGE SERVICE AUTHORIZED OVERRUN CHARGES

Fuel Ratio:
Applied to all gas injected and withdrawn from storage (%) 1.03%

Commodity Charge:
Applied to all gas injected and withdrawn from storage (\$ per GJ) \$0.072

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 in any month, 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 \$60.00 per GJ. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$6.000 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> 2100	<u>Western</u> 1100	<u>Northern</u> 3100	<u>Eastern</u> 6100
<u>Delivery service to Storage Facilities (1)</u>				
Demand Charge (\$/GJ/month)	N/A	\$29.227	\$12.025	\$1.202
Commodity (\$/GJ)	N/A	\$0.032	\$0.024	\$0.019
<u>Redelivery Service from Storage Facilities</u>				
Demand Charge (\$/GJ/month)	\$2.255	\$2.255	\$2.255	\$5.916
Commodity (\$/GJ)	N/A	\$0.095	\$0.095	\$0.099

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.



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%.

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 than the identified rates.



uniongas

Effective
2007-01-01
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 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 January 1, 2007 (EB-2006-0502)				
Storage	1.9099	1.9075	2.2951	2.6079
Storage - Price Adjustment (1)	0.0017	0.0017	0.0017	0.0017
Commodity and Fuel	30.6304	31.0010	31.4986	31.9047
Commodity and Fuel - Price Adjustment (1)	(9.8159)	(9.8159)	(9.8159)	(9.8159)
Transportation	2.7755	2.7721	3.3353	3.7899
Transportation - Price Adjustment (1)	(0.2553)	(0.2553)	(0.2553)	(0.2553)
Total Gas Supply Charge	<u>25.2464</u>	<u>25.6111</u>	<u>27.0595</u>	<u>28.2330</u>

Rate 10 (cents / m³)

Effective January 1, 2007 (EB-2006-0502)				
Storage	1.2255	1.2231	1.6107	1.9235
Storage - Price Adjustment (1)	(0.0171)	(0.0171)	(0.0171)	(0.0171)
Commodity and Fuel	30.6304	31.0010	31.4986	31.9047
Commodity and Fuel - Price Adjustment (1)	(9.8159)	(9.8159)	(9.8159)	(9.8159)
Transportation	2.5443	2.5408	3.1040	3.5586
Transportation - Price Adjustment (1)	(0.2407)	(0.2407)	(0.2407)	(0.2407)
Total Gas Supply Charge	<u>24.3265</u>	<u>24.6913</u>	<u>26.1396</u>	<u>27.3132</u>

Notes:

(1) As laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.3173 cents/m³.



Union Gas Limited
Northern and Eastern Operations Area
Gas Supply Charges

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 20 (cents / m³)</u>				
Effective January 1, 2007 (EB-2006-0502)				
Commodity and Fuel	30.8399	31.2131	31.7141	32.1230
Commodity and Fuel - Price Adjustment (1)	(9.8159)	(9.8159)	(9.8159)	(9.8159)
Commodity Transportation - Charge 1	2.0635	2.0635	2.4435	2.7435
Transportation 1 - Price Adjustment (1)	(0.3377)	(0.3377)	(0.3377)	(0.3377)
Commodity Transportation - Charge 2	0.1263	0.1205	0.1883	0.2447
Monthly Gas Supply Demand	23.7952	23.7962	39.9232	52.8902
Gas Supply Demand - Price Adjustment (1)	0.9059	0.9059	0.9059	0.9059

Rate 100 (cents / m³)

Effective January 1, 2007 (EB-2006-0502)				
Commodity and Fuel	30.8399	31.2131	31.7141	32.1230
Commodity and Fuel - Price Adjustment (1)	(9.8159)	(9.8159)	(9.8159)	(9.8159)
Commodity Transportation - Charge 1	3.6299	3.6299	3.9099	4.1399
Commodity Transportation - Charge 2	0.1263	0.1205	0.1883	0.2447
Monthly Gas Supply Demand	37.8415	37.8425	56.6575	71.7855

Rate 25 (cents/ m³)

Effective January 1, 2007 (EB-2006-0502)				
Gas Supply Charge:	Interruptible Service			
	Minimum	14.3135	14.3135	14.3135
	Maximum	140.5622	140.5622	140.5622

Notes:

(1) As laid out in Appendix A. The Commodity and Fuel line includes gas supply administration charge of 0.3173 cents/m³.

Effective: January 1, 2007
O.E.B. Order # EB-2006-0502

Chatham, Ontario

Supersedes EB-2005-0520 Rate Schedule effective January 1, 2007.



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 than the identified rates.

a) Monthly Charge \$ 16.00

b) Delivery Charge

First	1 400 m ³	5.1701¢ per m ³
Next	4 600 m ³	4.1427¢ per m ³
Next	124 000 m ³	3.0859¢ per m ³
Next	270 000 m ³	2.4743¢ per m ³
All Over	400 000 m ³	2.2978¢ per m ³

Delivery – Price Adjustment (All Volumes) (0.0934)¢ per m³

c) Storage Charge (if applicable) 0.9309¢ per m³

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 6.1010¢ per m³ for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³.

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

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

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



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 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	45.6744¢ per m ³
Next	19 700 m ³ of daily contracted demand	19.8165¢ per m ³
All Over	28 150 m ³ of daily contracted demand	16.4565¢ per m ³

(ii) A Monthly Delivery Commodity Charge		
First 422 250 m ³ delivered per month		0.9291¢ per m ³
Next volume equal to 15 days use of daily contracted demand		0.9291¢ per m ³
For remainder of volumes delivered in the month		0.5089¢ per m ³

 Delivery- Price Adjustment (All Volumes) (0.1298)¢ 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 2.4307¢ 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 6.1010¢ 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 1.2464¢ 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 for all volumes. 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 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	1.9019¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³	1.7720¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³	1.7037¢ per m ³
50 000 m ³ ≤ CD < 70 000 m ³	1.6558¢ per m ³
70 000 m ³ ≤ CD < 100 000 m ³	1.6215¢ per m ³
100 000 m ³ ≤ CD ≤ 140 870 m ³	1.5878¢ per m ³
 Delivery- Price Adjustment (All Volumes)	 (0.0672)¢ per m ³

(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	.0530¢ 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 2.2192¢ 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 6.1010¢ 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 27.5785¢ 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 27.5785¢ per m³ of daily contracted demand and a delivery commodity price adjustment of (0.0672)¢ per m³.
- 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.



**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.

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

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 25.5426¢ 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 0.3344¢ per m³ for each m³, and a Delivery- Price Adjustment of (0.0593)¢ 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 2.7337¢ 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 2.4896¢ 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 2.3960¢ 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.

Effective January 1, 2007
O.E.B. ORDER # EB-2006-0502

Chatham, Ontario

Supersedes EB-2005-0520 Rate Schedule effective January 1, 2007.



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 than the identified rates.

1. (i) A Monthly Demand Charge of 17.0902¢ 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 .5367¢ per m³, a Delivery- Price Adjustment of (0.1253)¢ per m³ for gas delivered and,
- (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 1.0986¢ 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
2007-01-01
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

January 1, 2007
O.E.B. ORDER # EB-2006-0502

Chatham, Ontario

Supersedes EB-2005-0520 Rate Schedule effective January 1, 2007.



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) Firm Backstop Gas Applied to the contracted Firm Backstop Gas Supply Service	\$4.111	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$11.324
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$10.992
d) Banked Gas Purchase T-service		Note (1)
e) Failure to Deliver Applied to all quantities not delivered to Union in the event the customer's supply fails		\$2.995
f) Short Term Storage / Balancing Service (2) Maximum		\$6.000
g) 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.



uniongas

Effective
2007-01-01
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, 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	31.9047 (1)
Commodity and Fuel - Price Adjustment	(7.0737)
Transportation	3.3566
Total Gas Supply Commodity Charge	28.1876

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract 5.4358

Storage and Transportation Supplemental Services - Rate T1 & T3

\$/GJ

Monthly demand charges:	
Firm gas supply service	26.488
Firm backstop gas	4.111
Commodity charges:	
Gas supply	8.459
Backstop gas	11.324
Reasonable Efforts Backstop Gas	10.992
Supplemental Inventory	Note (2)
Supplemental Gas Sales Service (cents / m ³)	45.1282
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.995
Discretionary Gas Supply Service (DGSS)	Note (3)

Notes:

- (1) The Commodity and Fuel line includes gas supply administration charge of 0.3173 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: January 1, 2007
O.E.B. Order # EB-2006-0502

Chatham, Ontario

Supersedes EB-2005-0520 Rate Schedule effective January 1, 2007.

APPENDIX "C" TO
DECISION AND ORDER
BOARD FILE No. EB-2006-0502
DATED DECEMBER 19, 2006

UNION GAS LIMITED
 Infranchise Customers
 Summary of Average Rate Changes for Rates 25, M5A, M7 and T1
Effective January 1, 2007

Line No.	Particulars	Monthly Charge Increase (Decrease) (a)	Delivery Commodity Charge Increase (Decrease) (b)
	Rate 25 (cents/m ³)		
1	Fort Frances		
2	Western Zone		
3	Northern Zone		
4	Eastern Zone		
	M5A (cents / m ³)		
5	Firm		0.0043
6	Interruptible		0.0043
	M7 (cents / m ³)		
7	Interruptible		0.0433
8	Seasonal		0.0433
	T1-Interruptible (cents / m ³)		
9	Transportation-Union provides fuel		
10	Transportation-provides own fuel		

APPENDIX "D" TO
DECISION AND ORDER
BOARD FILE No. EB-2006-0502
DATED DECEMBER 19, 2006

Important Information About Your Rates
January 2007
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most residential customers, the total decrease will amount to \$226.73 in 2007, based on an annual volume of 2,600 m³. The enclosed bill uses the new approved rates.

Gas Commodity

The gas commodity rate has decreased by 3.5877 cents/m³ to 31.0010 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 \$93.25 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 decrease in the gas price adjustment is 5.6731 cents/m³. This change reflects the difference between the projected cost of natural gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate over the next 12 months. For most residential customers, the decrease in the gas price adjustment will amount to \$147.50 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 adjustment.

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

Transportation

The transportation rate has increased by 0.0535 cents/m³ to 2.7721 cents/m³. For most residential customers, the increase in the transportation rate will amount to \$1.39 per year depending on the amount of gas used. You will see the new rate reflected on the "**Transportation to Union Gas**" line on your bill.

The increase in the transportation price adjustment of 1.1616 cents/m³ is due to the expiry of the temporary credit of 1.1731 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0115 cents/m³ in the new rate. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.29 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.0981 cents/m³ to 1.9075 cents/m³. For most residential customers the decrease in the storage rate will amount to \$2.55 in 2007, depending on the amount of natural gas used. You will see the new rate on the "**Storage**" line on your bill.

The increase in the storage price adjustment is 0.0970 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$2.51 per year depending on the amount of natural gas used. You will see the new rate reflected on the "**Storage Price Adjustment**" line in your bill.

Delivery

Delivery charges on the “**Delivery to You**” and “**Monthly Charge**” lines on your bill have changed to more accurately reflect the costs to provide these services. The result is a net increase in your delivery charges of \$12.96 depending on the amount of gas used.

The “**Delivery to You**” charge that varies with consumption has changed. For most residential customers the decrease in the delivery rate will amount to \$11.04 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

To better align charges with the costs of maintaining a safe and reliable natural gas distribution system, the monthly charge has increased from \$14.00 to \$16.00 a month. The increase will amount to \$24.00 in 2007. You will see this new rate on the “**Monthly Charge**” line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.1234 cents/m³ which appears on the “**Delivery Price Adjustment**” line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Gas Commodity Rate	34.5887	(3.5877)	31.0010	(\$93.25)
Gas Price Adjustment	(4.1428)	(5.6731)	(9.8159)	(\$147.50)
Transportation to Union Gas	2.7186	0.0535	2.7721	\$1.39
Transportation Price Adjustment	(1.4169)	1.1616 ⁽¹⁾	(0.2553)	(\$0.29) ⁽¹⁾
Storage	2.0056	(0.0981)	1.9075	(\$2.55)
Storage Price Adjustment	(0.0953)	0.0970	0.0017	\$2.51
Delivery				
First 100 m ³	9.6853	(0.4473)	9.2380	(\$11.04)
Next 200 m ³	9.0482	(0.4113)	8.6369	
Next 200 m ³	8.6141	(0.4041)	8.2100	
Next 500 m ³	8.2407	(0.4227)	7.8180	
All over 1,000 m ³	7.9931	(0.4987)	7.4944	
Delivery Price Adjustment (all volumes)	(0.1234)	0.1234 ⁽²⁾	-	\$0.00 ⁽²⁾
Monthly Charge	\$14.00	\$2.00	\$16.00	\$24.00
Total Annualized Increase or (Decrease)				(\$226.73)

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.1731 cents/m³. The annual bill decrease of \$0.29 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.1234 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

Questions?

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

Important Information About Your Rates
January 2007
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most residential customers, the total increase will amount to \$14.02 in 2007, based on an annual volume of 2,600 m³. The enclosed bill uses the new approved rates.

Transportation

The transportation rate has increased by 0.0535 cents/m³ to 2.7721 cents/m³. For most residential customers, the increase in the transportation rate will amount to \$1.39 per year depending on the amount of gas used. You will see the new rate reflected on the “**Transportation to Union Gas**” line on your bill.

The increase in the transportation price adjustment of 1.1616 cents/m³ is due to the expiry of the temporary credit of 1.1731 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0115 cents/m³ in the new rate. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.29 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.0981cents/m³ to 1.9075 cents/m³. For most residential customers the decrease in the storage rate will amount to \$2.55 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Storage**” line on your bill.

The increase in the storage price adjustment is 0.0970 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$2.51 per year depending on the amount of natural gas used. You will see the new rate reflected on the “**Storage Price Adjustment**” line in your bill.

Delivery

Delivery charges on the “**Delivery to You**” and “**Monthly Charge**” lines on your bill have changed to more accurately reflect the costs to provide these services. The result is a net increase in your delivery charges of \$12.96 depending on the amount of gas used.

The “**Delivery to You**” charge that varies with consumption has changed. For most residential customers the decrease in the delivery rate will amount to \$11.04 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

To better align charges with the costs of maintaining a safe and reliable natural gas distribution system, the monthly charge has increased from \$14.00 to \$16.00 a month. The increase will amount to \$24.00 in 2007. You will see this new rate on the “**Monthly Charge**” line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.1234 cents/m³ which appears on the “**Delivery Price Adjustment**” line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Transportation to Union Gas **	2.7186	0.0535	2.7721	\$1.39
Transportation Price Adjustment	(1.4169)	1.1616 ⁽¹⁾	(0.2553)	(\$0.29) ⁽¹⁾
Storage	2.0056	(0.0981)	1.9075	(\$2.55)
Storage Price Adjustment	(0.0953)	0.0970	0.0017	\$2.51
Delivery				(\$11.04)
First 100 m ³	9.6853	(0.4473)	9.2380	
Next 200 m ³	9.0482	(0.4113)	8.6369	
Next 200 m ³	8.6141	(0.4041)	8.2100	
Next 500 m ³	8.2407	(0.4227)	7.8180	
All over 1,000 m ³	7.9931	(0.4987)	7.4944	
Delivery Price Adjustment (all volumes)	(0.1234)	0.1234 ⁽²⁾	-	\$0.00 ⁽²⁾
Monthly Charge	\$14.00	\$2.00	\$16.00	\$24.00
Total Annualized Increase or (Decrease)				\$14.02

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.1731 cents/m³. The annual bill decrease of \$0.29 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.1234 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

** 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 Contact Centre phone number listed on your bill, or visit our website at uniongas.com.

Important Information About Your Rates
January 2007
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most residential customers, the total decrease will amount to \$222.54 in 2007, based on an annual volume of 2,600 m³. The enclosed bill uses the new approved rates.

Gas Commodity

The gas commodity rate has decreased by 3.5027 cents/m³ to 30.6304 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 \$91.07 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 a decrease of 5.6731 cents/m³. This change reflects the difference between the projected cost of natural gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate over the next 12 months. For most residential customers, the decrease in the gas price adjustment will amount to \$147.50 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 adjustment.

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

Transportation

The transportation rate has increased by 0.0532 cents/m³ to 2.7755 cents/m³. For most residential customers, the increase in the transportation rate will amount to \$1.36 per year depending on the amount of gas used. You will see the new rate reflected on the "**Transportation to Union Gas**" line on your bill.

The increase in the transportation price adjustment of 1.1616 cents/m³ is due to the expiry of the temporary credit of 1.1731 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0115 cents/m³ in the new rate. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.29 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.0205 cents/m³ to 1.9099 cents/m³. For most residential customers the decrease in the storage rate will amount to \$0.51 in 2007, depending on the amount of natural gas used. You will see the new rate on the "**Storage**" line on your bill.

The increase in the storage price adjustment is 0.0970 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$2.51 per year depending on the amount of natural gas used. You will see the new rate reflected on the "**Storage Price Adjustment**" line in your bill.

Delivery

Delivery charges on the “**Delivery to You**” and “**Monthly Charge**” lines on your bill have changed to more accurately reflect the costs to provide these services. The result is a net increase in your delivery charges of \$12.96 depending on the amount of gas used.

The “**Delivery to You**” charge that varies with consumption has changed. For most residential customers the decrease in the delivery rate will amount to \$11.04 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

To better align charges with the costs of maintaining a safe and reliable natural gas distribution system, the monthly charge has increased from \$14.00 to \$16.00 a month. The increase will amount to \$24.00 in 2007. You will see this new rate on the “**Monthly Charge**” line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.1234 cents/m³ which appears on the “**Delivery Price Adjustment**” line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Gas Commodity Rate	34.1331	(3.5027)	30.6304	(\$91.07)
Gas Price Adjustment	(4.1428)	(5.6731)	(9.8159)	(\$147.50)
Transportation to Union Gas	2.7223	0.0532	2.7755	\$1.36
Transportation Price Adjustment	(1.4169)	1.1616 ⁽¹⁾	(0.2553)	(\$0.29) ⁽¹⁾
Storage	1.9304	(0.0205)	1.9099	(\$0.51)
Storage Price Adjustment	(0.0953)	0.0970	0.0017	\$2.51
Delivery				
First 100 m ³	9.6853	(0.4473)	9.2380	(\$11.04)
Next 200 m ³	9.0482	(0.4113)	8.6369	
Next 200 m ³	8.6141	(0.4041)	8.2100	
Next 500 m ³	8.2407	(0.4227)	7.8180	
All over 1,000 m ³	5.0373	2.4571	7.4944	
Delivery Price Adjustment (all volumes)	(0.1234)	0.1234 ⁽²⁾		\$0.00 ⁽²⁾
Monthly Charge	\$14.00	\$2.00	\$16.00	\$24.00
Total Annualized Increase or (Decrease)				(\$222.54)

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.1731 cents/m³. The annual bill decrease of \$0.29 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.1234 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

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

Important Information About Your Rates
January 2007
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most residential customers, the total increase will amount to \$16.03 in 2007, based on an annual volume of 2,600 m³. The enclosed bill uses the new approved rates.

Transportation

The transportation rate has increased by 0.0532 cents/m³ to 2.7755 cents/m³. For most residential customers, the increase in the transportation rate will amount to \$1.36 per year depending on the amount of gas used. You will see the new rate reflected on the “**Transportation to Union Gas**” line on your bill.

The increase in the transportation price adjustment of 1.1616 cents/m³ is due to the expiry of the temporary credit of 1.1731 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0115 cents/m³ in the new rate. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.29 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.0205 cents/m³ to 1.9099 cents/m³. For most residential customers the decrease in the storage rate will amount to \$0.51 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Storage**” line on your bill.

The increase in the storage price adjustment is 0.0970 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$2.51 per year depending on the amount of natural gas used. You will see the new rate reflected on the “**Storage Price Adjustment**” line in your bill.

Delivery

Delivery charges on the “**Delivery to You**” and “**Monthly Charge**” lines on your bill have changed to more accurately reflect the costs to provide these services. The result is a net increase in your delivery charges of \$12.96 depending on the amount of gas used.

The “**Delivery to You**” charge that varies with consumption has changed. For most residential customers the decrease in the delivery rate will amount to \$11.04 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

To better align charges with the costs of maintaining a safe and reliable natural gas distribution system, the monthly charge has increased from \$14.00 to \$16.00 a month. The increase will amount to \$24.00 in 2007. You will see this new rate on the “**Monthly Charge**” line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.1234 cents/m³ which appears on the “**Delivery Price Adjustment**” line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Transportation to Union Gas **	2.7223	0.0532	2.7755	\$1.36
Transportation Price Adjustment	(1.4169)	1.1616 ⁽¹⁾	(0.2553)	(\$0.29) ⁽¹⁾
Storage	1.9304	(0.0205)	1.9099	(\$0.51)
Storage Price Adjustment	(0.0953)	0.0970	0.0017	\$2.51
Delivery				(\$11.04)
First 100 m ³	9.6853	(0.4473)	9.2380	
Next 200 m ³	9.0482	(0.4113)	8.6369	
Next 200 m ³	8.6141	(0.4041)	8.2100	
Next 500 m ³	8.2407	(0.4227)	7.8180	
All over 1,000 m ³	5.0373	2.4571	7.4944	
Delivery Price Adjustment (all volumes)	(0.1234)	0.1234 ⁽²⁾	-	\$0.00 ⁽²⁾
Monthly Charge	\$14.00	\$2.00	\$16.00	\$24.00
Total Annualized Increase or (Decrease)				\$16.03

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.1731 cents/m³. The annual bill decrease of \$0.29 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.1234 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

** 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 Contact Centre phone number listed on your bill, or visit our website at uniongas.com.

Important Information About Your Rates
January 2007
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most residential customers, the total decrease will amount to \$232.33 in 2007, based on an annual volume of 2,600 m³. The enclosed bill uses the new approved rates.

Gas Commodity

The gas commodity rate has decreased by 3.7006 cents/m³ to 31.4986 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 \$96.20 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 a decrease of 5.6731 cents/m³. This change reflects the difference between the projected cost of natural gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate over the next 12 months. For most residential customers, the decrease in the gas price adjustment will amount to \$147.53 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 adjustment.

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

Transportation

The transportation rate has increased by 0.0173 cents/m³ to 3.3353 cents/m³. For most residential customers, the increase in the transportation rate will amount to \$0.44 per year depending on the amount of gas used. You will see the new rate reflected on the "**Transportation to Union Gas**" line on your bill.

The increase in the transportation price adjustment of 1.1616 cents/m³ is due to the expiry of the temporary credit of 1.1731 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0115 cents/m³ in the new rate. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.30 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.1626 cents/m³ to 2.2951 cents/m³. For most residential customers the decrease in the storage rate will amount to \$4.22 in 2007, depending on the amount of natural gas used. You will see the new rate on the "**Storage**" line on your bill.

The increase in the storage price adjustment is 0.0970 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$2.53 per year depending on the amount of natural gas used. You will see the new rate reflected on the "**Storage Price Adjustment**" line in your bill.

Delivery

Delivery charges on the “**Delivery to You**” and “**Monthly Charge**” lines on your bill have changed to more accurately reflect the costs to provide these services. The result is a net increase in your delivery charges of \$12.95 depending on the amount of gas used.

The “**Delivery to You**” charge that varies with consumption has changed. For most residential customers the decrease in the delivery rate will amount to \$11.05 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

To better align charges with the costs of maintaining a safe and reliable natural gas distribution system, the monthly charge has increased from \$14.00 to \$16.00 a month. The increase will amount to \$24.00 in 2007. You will see this new rate on the “**Monthly Charge**” line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.1234 cents/m³ which appears on the “**Delivery Price Adjustment**” line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Gas Commodity Rate	35.1992	(3.7006)	31.4986	(\$96.20)
Gas Price Adjustment	(4.1428)	(5.6731)	(9.8159)	(\$147.53)
Transportation to Union Gas	3.3180	0.0173	3.3353	\$0.44
Transportation Price Adjustment	(1.4169)	1.1616 ⁽¹⁾	(0.2553)	(\$0.30) ⁽¹⁾
Storage	2.4577	(0.1626)	2.2951	(\$4.22)
Storage Price Adjustment	(0.0953)	0.0970	0.0017	\$2.53
Delivery				
First 100 m ³	9.6853	(0.4473)	9.2380	(\$11.05)
Next 200 m ³	9.0482	(0.4113)	8.6369	
Next 200 m ³	8.6141	(0.4041)	8.2100	
Next 500 m ³	8.2407	(0.4227)	7.8180	
All over 1,000 m ³	7.9931	(0.4987)	7.4944	
Delivery Price Adjustment (all volumes)	(0.1234)	0.1234 ⁽²⁾	-	\$0.00 ⁽²⁾
Monthly Charge	\$14.00	\$2.00	\$16.00	\$24.00
Total Annualized Increase or (Decrease)				(\$232.33)

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.1731 cents/m³. The annual bill decrease of \$0.30 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.1234 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

Questions?

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

Important Information About Your Rates
January 2007
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most residential customers, the total increase will amount to \$11.40 in 2007, based on an annual volume of 2,600 m³. The enclosed bill uses the new approved rates.

Transportation

The transportation rate has increased by 0.0173 cents/m³ to 3.3353 cents/m³. For most residential customers, the increase in the transportation rate will amount to \$0.44 per year depending on the amount of gas used. You will see the new rate reflected on the “**Transportation to Union Gas**” line on your bill.

The increase in the transportation price adjustment of 1.1616 cents/m³ is due to the expiry of the temporary credit of 1.1731 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0115 cents/m³ in the new rate. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.30 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.1626 cents/m³ to 2.2951 cents/m³. For most residential customers the decrease in the storage rate will amount to \$4.22 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Storage**” line on your bill.

The increase in the storage price adjustment is 0.0970 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$2.53 per year depending on the amount of natural gas used. You will see the new rate reflected on the “**Storage Price Adjustment**” line in your bill.

Delivery

Delivery charges on the “**Delivery to You**” and “**Monthly Charge**” lines on your bill have changed to more accurately reflect the costs to provide these services. The result is a net increase in your delivery charges of \$12.95 depending on the amount of gas used.

The “**Delivery to You**” charge that varies with consumption has changed. For most residential customers the decrease in the delivery rate will amount to \$11.05 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

To better align charges with the costs of maintaining a safe and reliable natural gas distribution system, the monthly charge has increased from \$14.00 to \$16.00 a month. The increase will amount to \$24.00 in 2007. You will see this new rate on the “**Monthly Charge**” line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.1234 cents/m³ which appears on the “**Delivery Price Adjustment**” line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Transportation to Union Gas **	3.3180	0.0173	3.3353	\$0.44
Transportation Price Adjustment	(1.4169)	1.1616 ⁽¹⁾	(0.2553)	(\$0.30) ⁽¹⁾
Storage	2.4577	(0.1626)	2.2951	(\$4.22)
Storage Price Adjustment	(0.0953)	0.0970	0.0017	\$2.53
Delivery				
First 100 m ³	9.6853	(0.4473)	9.2380	(\$11.05)
Next 200 m ³	9.0482	(0.4113)	8.6369	
Next 200 m ³	8.6141	(0.4041)	8.2100	
Next 500 m ³	8.2407	(0.4227)	7.8180	
All over 1,000 m ³	7.9931	(0.4987)	7.4944	
Delivery Price Adjustment (all volumes)	(0.1234)	0.1234 ⁽²⁾	-	\$0.00 ⁽²⁾
Monthly Charge	\$14.00	\$ 2.00	\$16.00	\$24.00
Total Annualized Increase or (Decrease)				\$11.40

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.1731 cents/m³. The annual bill decrease of \$0.30 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.1234 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

** 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 Contact Centre phone number listed on your bill, or visit our website at uniongas.com.

Important Information About Your Rates
January 2007
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most residential customers, the total decrease will amount to \$237.29 in 2007, based on an annual volume of 2,600 m³. The enclosed bill uses the new approved rates.

Gas Commodity

The gas commodity rate has decreased by 3.7899 cents/m³ to 31.9047 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 \$98.54 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 a decrease of 5.6731 cents/m³. This change reflects the difference between the projected cost of natural gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate over the next 12 months. For most residential customers, the decrease in the gas price adjustment will amount to \$147.50 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 adjustment.

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

Transportation

The transportation rate has decreased by 0.0120 cents/m³ to 3.7899 cents/m³. For most residential customers, the decrease in the transportation rate will amount to \$0.28 per year depending on the amount of gas used. You will see the new rate reflected on the "**Transportation to Union Gas**" line on your bill.

The increase in the transportation price adjustment of 1.1616 cents/m³ is due to the expiry of the temporary credit of 1.1731 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0115 cents/m³ in the new rate. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.31 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.2366 cents/m³ to 2.6079 cents/m³. For most residential customers the decrease in the storage rate will amount to \$6.15 in 2007, depending on the amount of natural gas used. You will see the new rate on the "**Storage**" line on your bill.

The increase in the storage price adjustment is 0.0970 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$2.51 per year depending on the amount of natural gas used. You will see the new rate reflected on the "**Storage Price Adjustment**" line in your bill.

Delivery

Delivery charges on the “**Delivery to You**” and “**Monthly Charge**” lines on your bill have changed to more accurately reflect the costs to provide these services. The result is a net increase in your delivery charges of \$12.98 depending on the amount of gas used.

The “**Delivery to You**” charge that varies with consumption has changed. For most residential customers the decrease in the delivery rate will amount to \$11.02 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

To better align charges with the costs of maintaining a safe and reliable natural gas distribution system, the monthly charge has increased from \$14.00 to \$16.00 a month. The increase will amount to \$24.00 in 2007. You will see this new rate on the “**Monthly Charge**” line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.1234 cents/m³ which appears on the “**Delivery Price Adjustment**” line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Gas Commodity Rate	35.6946	(3.7899)	31.9047	(\$98.54)
Gas Price Adjustment	(4.1428)	(5.6731)	(9.8159)	(\$147.50)
Transportation to Union Gas	3.8019	(0.0120)	3.7899	(\$0.28)
Transportation Price Adjustment	(1.4169)	1.1616 ⁽¹⁾	(0.2553)	(\$0.31) ⁽¹⁾
Storage	2.8445	(0.2366)	2.6079	(\$6.15)
Storage Price Adjustment	(0.0953)	0.0970	0.0017	\$2.51
Delivery				
First 100 m ³	9.6853	(0.4473)	9.2380	(\$11.02)
Next 200 m ³	9.0482	(0.4113)	8.6369	
Next 200 m ³	8.6141	(0.4041)	8.2100	
Next 500 m ³	8.2407	(0.4227)	7.8180	
All over 1,000 m ³	7.9931	(0.4987)	7.4944	
Delivery Price Adjustment (all volumes)	(0.1234)	0.1234 ⁽²⁾	-	\$0.00 ⁽²⁾
Monthly Charge	\$14.00	\$2.00	\$16.00	\$24.00
Total Annualized Increase or (Decrease)				(\$237.29)

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.1731 cents/m³. The annual bill decrease of \$0.31 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.1234 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

Questions?

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

Important Information About Your Rates
January 2007
Rate 01

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most residential customers, the total increase will amount to \$8.75 in 2007, based on an annual volume of 2,600 m³. The enclosed bill uses the new approved rates.

Transportation

The transportation rate has decreased by 0.0120 cents/m³ to 3.7899 cents/m³. For most residential customers, the decrease in the transportation rate will amount to \$0.28 per year depending on the amount of gas used. You will see the new rate reflected on the “**Transportation to Union Gas**” line on your bill.

The increase in the transportation price adjustment of 1.1616 cents/m³ is due to the expiry of the temporary credit of 1.1731 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0115 cents/m³ in the new rate. For most residential customers, the decrease in the transportation price adjustment will amount to \$0.31 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.2366 cents/m³ to 2.6079 cents/m³. For most residential customers the decrease in the storage rate will amount to \$6.15 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Storage**” line on your bill.

The increase in the storage price adjustment is 0.0970 cents/m³. For most residential customers, the increase in the storage price adjustment will amount to \$2.51 per year depending on the amount of natural gas used. You will see the new rate reflected on the “**Storage Price Adjustment**” line in your bill.

Delivery

Delivery charges on the “**Delivery to You**” and “**Monthly Charge**” lines on your bill have changed to more accurately reflect the costs to provide these services. The result is a net increase in your delivery charges of \$12.98 depending on the amount of gas used.

The “**Delivery to You**” charge that varies with consumption has changed. For most residential customers the decrease in the delivery rate will amount to about \$11.02 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

To better align charges with the costs of maintaining a safe and reliable natural gas distribution system, the monthly charge has increased from \$14.00 to \$16.00 a month. The increase will amount to \$24.00 in 2007. You will see this new rate on the “**Monthly Charge**” line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.1234 cents/m³ which appears on the “**Delivery Price Adjustment**” line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Transportation to Union Gas **	3.8019	(0.0120)	3.7899	(\$0.28)
Transportation Price Adjustment	(1.4169)	1.1616 ⁽¹⁾	(0.2553)	(\$0.31)⁽¹⁾
Storage	2.8445	(0.2366)	2.6079	(\$6.15)
Storage Price Adjustment	(0.0953)	0.0970	0.0017	\$2.51
Delivery				(\$11.02)
First 100 m ³	9.6853	(0.4473)	9.2380	
Next 200 m ³	9.0482	(0.4113)	8.6369	
Next 200 m ³	8.6141	(0.4041)	8.2100	
Next 500 m ³	8.2407	(0.4227)	7.8180	
All over 1,000 m ³	7.9931	(0.4987)	7.4944	
Delivery Price Adjustment (all volumes)	(0.1234)	0.1234 ⁽²⁾	-	\$0.00⁽²⁾
Monthly Charge	\$14.00	\$2.00	\$16.00	\$24.00
Total Annualized Increase or (Decrease)				\$8.75

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.1731 cents/m³. The annual bill decrease of \$0.31 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.1234 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

** 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 Contact Centre phone number listed on your bill, or visit our website at uniongas.com.

Important Information About Your Rates
January 2007
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most commercial/industrial customers, the total decrease will amount to \$8,271.73 in 2007, based on an annual volume of 93,000 m³. The enclosed bill uses the new approved rates.

Gas Commodity

The gas commodity rate has decreased by 3.5877 cents/m³ to 31.0010 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 \$3,336.56 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 a decrease of 5.6731 cents/m³. This change reflects the difference between the projected cost of natural gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate over the next 12 months. For most commercial/industrial customers, the decrease in the gas price adjustment will amount to \$5,276.03 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 adjustment.

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

Transportation

The transportation rate has decreased by 0.0008 cents/m³ to 2.5408 cents/m³. For most commercial/industrial customers, the decrease in the transportation rate will amount to \$0.76 per year depending on the amount of gas used. You will see the new rate reflected on the "**Transportation to Union Gas**" line on your bill.

The increase in the transportation price adjustment of 1.0730 cents/m³ is due to the expiry of the temporary credit of 1.0838 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0108 cents/m³ in the new rate. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$10.06 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.0385 cents/m³ to 1.2231 cents/m³. For most commercial/industrial customers the decrease in the storage rate will amount to \$35.81 in 2007, depending on the amount of natural gas used. You will see the new rate on the "**Storage**" line on your bill.

The increase in the storage price adjustment is 0.0653 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$60.73 per year depending on the amount of natural gas used. You will see the new rate reflected on the "**Storage Price Adjustment**" line in your bill.

Delivery

The delivery charge that varies with consumption has changed. For most commercial/industrial customers the increase in the delivery rate will amount to \$326.76 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.0872 cents/m³ which appears on the “**Delivery Price Adjustment**” line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Gas Commodity Rate	34.5887	(3.5877)	31.0010	(\$3,336.56)
Gas Price Adjustment	(4.1428)	(5.6731)	(9.8159)	(\$5,276.03)
Transportation to Union Gas	2.5416	(0.0008)	2.5408	(\$0.76)
Transportation Price Adjustment	(1.3137)	1.0730 ⁽¹⁾	(0.2407)	(\$10.06) ⁽¹⁾
Storage	1.2616	(0.0385)	1.2231	(\$35.81)
Storage Price Adjustment	(0.0824)	0.0653	(0.0171)	\$60.73
Delivery to You				
First 1,000 m ³	6.9493	0.4069	7.3562	\$326.76
Next 9,000 m ³	5.5060	0.3483	5.8543	
Next 20,000 m ³	4.6850	0.3129	4.9979	
Next 70,000 m ³	4.1341	0.3154	4.4495	
All over 100,000 m ³	2.1262	0.2463	2.3725	
Delivery Price Adjustment (all volumes)	(0.0872)	0.0872 ⁽²⁾	-	\$0.00 ⁽²⁾
Monthly Charge	\$70.00	-	\$70.00	\$0.00
Total Annualized Increase or (Decrease)				(\$8,271.73)

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.0838 cents/m³. The annual bill decrease of \$10.06 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.0872 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

Questions?

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

Important Information About Your Rates
January 2007
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most commercial/industrial customers, the total increase will amount to \$340.86 in 2007, based on an annual volume of 93,000 m³. The enclosed bill uses the new approved rates.

Transportation

The transportation rate has decreased by 0.0008 cents/m³ to 2.5408 cents/m³. For most commercial/industrial customers, the decrease in the transportation rate will amount to \$0.76 per year depending on the amount of gas used. You will see the new rate reflected on the **“Transportation to Union Gas”** line on your bill.

The increase in the transportation price adjustment of 1.0730 cents/m³ is due to the expiry of the temporary credit of 1.0838 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0108 cents/m³ in the new rate. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$10.06 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the **“Transportation Price Adjustment”** line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.0385 cents/m³ to 1.2231 cents/m³. For most commercial/industrial customers the decrease in the storage rate will amount to \$35.81 in 2007, depending on the amount of natural gas used. You will see the new rate on the **“Storage”** line on your bill.

The increase in the storage price adjustment is 0.0653 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$60.73 per year depending on the amount of natural gas used. You will see the new rate reflected on the **“Storage Price Adjustment”** line in your bill.

Delivery

The delivery charge that varies with consumption has changed. For most commercial/industrial customers the increase in the delivery rate will amount to \$326.76 in 2007, depending on the amount of natural gas used. You will see the new rate on the **“Delivery to You”** line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.0872 cents/m³ which appears on the **“Delivery Price Adjustment”** line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Transportation to Union Gas **	2.5416	(0.0008)	2.5408	(\$0.76)
Transportation Price Adjustment	(1.3137)	1.0730 ⁽¹⁾	(0.2407)	(\$10.06) ⁽¹⁾
Storage	1.2616	(0.0385)	1.2231	(\$35.81)
Storage Price Adjustment	(0.0824)	0.0653	(0.0171)	\$60.73
Delivery to You				\$326.76
First 1,000 m ³	6.9493	0.4069	7.3562	
Next 9,000 m ³	5.5060	0.3483	5.8543	
Next 20,000 m ³	4.6850	0.3129	4.9979	
Next 70,000 m ³	4.1341	0.3154	4.4495	
All over 100,000 m ³	2.1262	0.2463	2.3725	
Delivery Price Adjustment (all volumes)	(0.0872)	0.0872 ⁽²⁾	-	\$0.00 ⁽²⁾
Monthly Charge	\$70.00	-	\$70.00	\$0.00
Total Annualized Increase or (Decrease)				\$340.86

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.0838 cents/m³. The annual bill decrease of \$10.06 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.0872 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

** 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 Contact Centre phone number listed on your bill, or visit our website at uniongas.com.

Important Information About Your Rates
January 2007
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most commercial/industrial customers, the total decrease will amount to \$8,120.65 in 2007, based on an annual volume of 93,000 m³. The enclosed bill uses the new approved rates.

Gas Commodity

The gas commodity rate has decreased by 3.5027 cents/m³ to 30.6304 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 \$3,257.46 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 a decrease of 5.6731 cents/m³. This change reflects the difference between the projected cost of natural gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate over the next 12 months. For most commercial/industrial customers, the decrease in the gas price adjustment will amount to \$5,276.03 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 adjustment.

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

Transportation

The transportation rate has decreased by 0.0010 cents/m³ to 2.5443 cents/m³. For most commercial/industrial customers, the decrease in the transportation rate will amount to \$0.93 per year depending on the amount of gas used. You will see the new rate reflected on the "**Transportation to Union Gas**" line on your bill.

The increase in the transportation price adjustment of 1.0730 cents/m³ is due to the expiry of the temporary credit of 1.0838 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0108 cents/m³ in the new rate. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$10.06 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in an increase in the storage rate of 0.0391 cents/m³ to 1.2255 cents/m³. For most commercial/industrial customers the increase in the storage rate will amount to \$36.37 in 2007, depending on the amount of natural gas used. You will see the new rate on the "**Storage**" line on your bill.

The increase in the storage price adjustment is 0.0653 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$60.73 per year depending on the amount of natural gas used. You will see the new rate reflected on the "**Storage Price Adjustment**" line in your bill.

Delivery

The delivery charge that varies with consumption has changed. For most commercial/industrial customers the increase in the delivery rate will amount to \$326.76 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.0872 cents/m³ which appears on the “**Delivery Price Adjustment**” line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Gas Commodity Rate	34.1331	(3.5027)	30.6304	(\$3,257.46)
Gas Price Adjustment	(4.1428)	(5.6731)	(9.8159)	(\$5,276.03)
Transportation to Union Gas	2.5453	(0.0010)	2.5443	(\$0.93)
Transportation Price Adjustment	(1.3137)	1.0730 ⁽¹⁾	(0.2407)	(\$10.06) ⁽¹⁾
Storage	1.1864	0.0391	1.2255	\$36.37
Storage Price Adjustment	(0.0824)	0.0653	(0.0171)	\$60.73
Delivery to You				
First 1,000 m ³	6.9493	0.4069	7.3562	\$326.76
Next 9,000 m ³	5.5060	0.3483	5.8543	
Next 20,000 m ³	4.6850	0.3129	4.9979	
Next 70,000 m ³	4.1341	0.3154	4.4495	
All over 100,000 m ³	2.1262	0.2463	2.3725	
Delivery Price Adjustment (all volumes)	(0.0872)	0.0872 ⁽²⁾	-	\$0.00 ⁽²⁾
Monthly Charge	\$70.00	-	\$70.00	\$0.00
Total Annualized Increase or (Decrease)				(\$8,120.65)

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.0838 cents/m³. The annual bill decrease of \$10.06 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.0872 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

Questions?

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

Important Information About Your Rates
January 2007
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most commercial/industrial customers, the total increase will amount to \$412.87 in 2007, based on an annual volume of 93,000 m³. The enclosed bill uses the new approved rates.

Transportation

The transportation rate has decreased by 0.0010 cents/m³ to 2.5443 cents/m³. For most commercial/industrial customers, the decrease in the transportation rate will amount to \$0.93 per year depending on the amount of gas used. You will see the new rate reflected on the “**Transportation to Union Gas**” line on your bill.

The increase in the transportation price adjustment of 1.0730 cents/m³ is due to the expiry of the temporary credit of 1.0838 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0108 cents/m³ in the new rate. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$10.06 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in an increase in the storage rate of 0.0391 cents/m³ to 1.2255 cents/m³. For most commercial/industrial customers the increase in the storage rate will amount to \$36.37 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Storage**” line on your bill.

The increase in the storage price adjustment is 0.0653 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$60.73 per year depending on the amount of natural gas used. You will see the new rate reflected on the “**Storage Price Adjustment**” line in your bill.

Delivery

The delivery charge that varies with consumption has changed. For most commercial/industrial customers the increase in the delivery rate will amount to \$326.76 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.0872 cents/m³ which appears on the “**Delivery Price Adjustment**” line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Transportation to Union Gas **	2.5453	(0.0010)	2.5443	(\$0.93)
Transportation Price Adjustment	(1.3137)	1.0730 ⁽¹⁾	(0.2407)	(\$10.06) ⁽¹⁾
Storage	1.1864	0.0391	1.2255	\$36.37
Storage Price Adjustment	(0.0824)	0.0653	(0.0171)	\$60.73
Delivery to You				\$326.76
First 1,000 m ³	6.9493	0.4069	7.3562	
Next 9,000 m ³	5.5060	0.3483	5.8543	
Next 20,000 m ³	4.6850	0.3129	4.9979	
Next 70,000 m ³	4.1341	0.3154	4.4495	
All over 100,000 m ³	2.1262	0.2463	2.3725	
Delivery Price Adjustment (all volumes)	(0.0872)	0.0872 ⁽²⁾	-	\$0.00 ⁽²⁾
Monthly Charge	\$70.00	-	\$70.00	\$0.00
Total Annualized Increase or (Decrease)				\$412.87

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.0838 cents/m³. The annual bill decrease of \$10.06 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.0872 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

** 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 Contact Centre phone number listed on your bill, or visit our website at uniongas.com.

Important Information About Your Rates
January 2007
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most commercial/industrial customers, the total decrease will amount to \$8,470.52 in 2007, based on an annual volume of 93,000 m³. The enclosed bill uses the new approved rates.

Gas Commodity

The gas commodity rate has decreased by 3.7006 cents/m³ to 31.4986 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 \$3,441.56 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 a decrease of 5.6731 cents/m³. This change reflects the difference between the projected cost of natural gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate over the next 12 months. For most commercial/industrial customers, the decrease in the gas price adjustment will amount to \$5,275.97 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 adjustment.

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

Transportation

The transportation rate has decreased by 0.0370 cents/m³ to 3.1040 cents/m³. For most commercial/industrial customers, the decrease in the transportation rate will amount to \$34.41 per year depending on the amount of gas used. You will see the new rate reflected on the "**Transportation to Union Gas**" line on your bill.

The increase in the transportation price adjustment of 1.0730 cents/m³ is due to the expiry of the temporary credit of 1.0838 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0108 cents/m³ in the new rate. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$10.05 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.1030 cents/m³ to 1.6107 cents/m³. For most commercial/industrial customers the decrease in the storage rate will amount to \$95.78 in 2007, depending on the amount of natural gas used. You will see the new rate on the "**Storage**" line on your bill.

The increase in the storage price adjustment is 0.0653 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$60.74 per year depending on the amount of natural gas used. You will see the new rate reflected on the "**Storage Price Adjustment**" line in your bill.

Delivery

The delivery charge that varies with consumption has changed. For most commercial/industrial customers the increase in the delivery rate will amount to \$326.51 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.0872 cents/m³ which appears on the “**Delivery Price Adjustment**” line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Gas Commodity Rate	35.1992	(3.7006)	31.4986	(\$3,441.56)
Gas Price Adjustment	(4.1428)	(5.6731)	(9.8159)	(\$5,275.97)
Transportation to Union Gas	3.1410	(0.0370)	3.1040	(\$34.41)
Transportation Price Adjustment	(1.3137)	1.0730 ⁽¹⁾	(0.2407)	(\$10.05) ⁽¹⁾
Storage	1.7137	(0.1030)	1.6107	(\$95.78)
Storage Price Adjustment	(0.0824)	0.0653	(0.0171)	\$60.74
Delivery to You				
First 1,000 m ³	6.9493	0.4069	7.3562	\$326.51
Next 9,000 m ³	5.5060	0.3483	5.8543	
Next 20,000 m ³	4.6850	0.3129	4.9979	
Next 70,000 m ³	4.1341	0.3154	4.4495	
All over 100,000 m ³	2.1262	0.2463	2.3725	
Delivery Price Adjustment (all volumes)	(0.0872)	0.0872 ⁽²⁾	-	\$0.00 ⁽²⁾
Monthly Charge	\$70.00	-	\$70.00	\$0.00
Total Annualized Increase or (Decrease)				(\$8,470.52)

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.0838 cents/m³. The annual bill decrease of \$10.05 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.0872 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

Questions?

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

Important Information About Your Rates
January 2007
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most commercial/industrial customers, the total increase will amount to \$247.01 in 2007, based on an annual volume of 93,000 m³. The enclosed bill uses the new approved rates.

Transportation

The transportation rate has decreased by 0.0370 cents/m³ to 3.1040 cents/m³. For most commercial/industrial customers, the decrease in the transportation rate will amount to \$34.41 per year depending on the amount of gas used. You will see the new rate reflected on the “**Transportation to Union Gas**” line on your bill.

The increase in the transportation price adjustment of 1.0730 cents/m³ is due to the expiry of the temporary credit of 1.0838 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0108 cents/m³ in the new rate. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$10.05 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.1030 cents/m³ to 1.6107 cents/m³. For most commercial/industrial customers the decrease in the storage rate will amount to \$95.78 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Storage**” line on your bill.

The increase in the storage price adjustment is 0.0653 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$60.74 per year depending on the amount of natural gas used. You will see the new rate reflected on the “**Storage Price Adjustment**” line in your bill.

Delivery

The delivery charge that varies with consumption has changed. For most commercial/industrial customers the increase in the delivery rate will amount to \$326.51 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.0872 cents/m³ which appears on the “**Delivery Price Adjustment**” line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Transportation to Union Gas **	3.1410	(0.0370)	3.1040	(\$34.41)
Transportation Price Adjustment	(1.3137)	1.0730 ⁽¹⁾	(0.2407)	(\$10.05) ⁽¹⁾
Storage	1.7137	(0.1030)	1.6107	(\$95.78)
Storage Price Adjustment	(0.0824)	0.0653	(0.0171)	\$60.74
Delivery to You				
First 1,000 m ³	6.9493	0.4069	7.3562	\$326.51
Next 9,000 m ³	5.5060	0.3483	5.8543	
Next 20,000 m ³	4.6850	0.3129	4.9979	
Next 70,000 m ³	4.1341	0.3154	4.4495	
All over 100,000 m ³	2.1262	0.2463	2.3725	
Delivery Price Adjustment (all volumes)	(0.0872)	0.0872 ⁽²⁾	-	\$0.00 ⁽²⁾
Monthly Charge	\$70.00	-	\$70.00	\$0.00
Total Annualized Increase or (Decrease)				\$247.01

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.0838 cents/m³. The annual bill decrease of \$10.05 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.0872 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

** 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 Contact Centre phone number listed on your bill, or visit our website at uniongas.com.

Important Information About Your Rates
January 2007
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most commercial/industrial customers, the total decrease will amount to \$8,648.94 in 2007, based on an annual volume of 93,000 m³. The enclosed bill uses the new approved rates.

Gas Commodity

The gas commodity rate has decreased by 3.7899 cents/m³ to 31.9047 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 \$3,524.58 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 a decrease of 5.6731 cents/m³. This change reflects the difference between the projected cost of natural gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate over the next 12 months. For most commercial/industrial customers, the decrease in the gas price adjustment will amount to \$5,275.98 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 adjustment.

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

Transportation

The transportation rate has decreased by 0.0663 cents/m³ to 3.5586 cents/m³. For most commercial/industrial customers, the decrease in the transportation rate will amount to \$61.65 per year depending on the amount of gas used. You will see the new rate reflected on the "**Transportation to Union Gas**" line on your bill.

The increase in the transportation price adjustment of 1.0730 cents/m³ is due to the expiry of the temporary credit of 1.0838 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0108 cents/m³ in the new rate. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$10.05 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the "**Transportation Price Adjustment**" line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.1770 cents/m³ to 1.9235 cents/m³. For most commercial/industrial customers the decrease in the storage rate will amount to \$164.61 in 2007, depending on the amount of natural gas used. You will see the new rate on the "**Storage**" line on your bill.

The increase in the storage price adjustment is 0.0653 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$60.73 per year depending on the amount of natural gas used. You will see the new rate reflected on the "**Storage Price Adjustment**" line in your bill.

Delivery

The delivery charge that varies with consumption has changed. For most commercial/industrial customers the increase in the delivery rate will amount to \$327.16 in 2007, depending on the amount of natural gas used. You will see the new rate on the **“Delivery to You”** line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.0872 cents/m³ which appears on the **“Delivery Price Adjustment”** line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Gas Commodity Rate	35.6946	(3.7899)	31.9047	(\$3,524.58)
Gas Price Adjustment	(4.1428)	(5.6731)	(9.8159)	(\$5,275.98)
Transportation to Union Gas	3.6249	(0.0663)	3.5586	(\$61.65)
Transportation Price Adjustment	(1.3137)	1.0730 ⁽¹⁾	(0.2407)	(\$10.05) ⁽¹⁾
Storage	2.1005	(0.1770)	1.9235	(\$164.61)
Storage Price Adjustment	(0.0824)	0.0653	(0.0171)	\$60.73
Delivery to You				
First 1,000 m ³	6.9493	0.4069	7.3562	\$327.16
Next 9,000 m ³	5.5060	0.3483	5.8543	
Next 20,000 m ³	4.6850	0.3129	4.9979	
Next 70,000 m ³	4.1341	0.3154	4.4495	
All over 100,000 m ³	2.1262	0.2463	2.3725	
Delivery Price Adjustment (all volumes)	(0.0872)	0.0872 ⁽²⁾	-	\$0.00 ⁽²⁾
Monthly Charge	\$70.00	-	\$70.00	\$0.00
Total Annualized Increase or (Decrease)				(\$8,648.94)

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.0838 cents/m³. The annual bill decrease of \$10.05 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.0872 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

Questions?

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

Important Information About Your Rates
January 2007
Rate 10

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most commercial/industrial customers, the total increase will amount to \$151.59 in 2007, based on an annual volume of 93,000 m³. The enclosed bill uses the new approved rates.

Transportation

The transportation rate has decreased by 0.0663 cents/m³ to 3.5586 cents/m³. For most commercial/industrial customers, the decrease in the transportation rate will amount to \$61.65 per year depending on the amount of gas used. You will see the new rate reflected on the “**Transportation to Union Gas**” line on your bill.

The increase in the transportation price adjustment of 1.0730 cents/m³ is due to the expiry of the temporary credit of 1.0838 cents/m³ for the period of October 1, 2006 to December 31, 2006 and a decrease of 0.0108 cents/m³ in the new rate. For most commercial/industrial customers, the decrease in the transportation price adjustment will amount to \$10.05 per year depending on the amount of natural gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.1770 cents/m³ to 1.9235 cents/m³. For most commercial/industrial customers the decrease in the storage rate will amount to \$164.61 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Storage**” line on your bill.

The increase in the storage price adjustment is 0.0653 cents/m³. For most commercial/industrial customers, the increase in the storage price adjustment will amount to \$60.73 per year depending on the amount of natural gas used. You will see the new rate reflected on the “**Storage Price Adjustment**” line in your bill.

Delivery

The delivery charge that varies with consumption has changed. For most commercial/industrial customers the increase in the delivery rate will amount to \$327.16 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

In addition, new rates reflect the expiry of the temporary credit of 0.0872 cents/m³ which appears on the “**Delivery Price Adjustment**” line on your bill for the period up to December 31, 2006. The annual bill impact which appears in the table below excludes the expiry of the temporary credit.

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 (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Transportation to Union Gas **	3.6249	(0.0663)	3.5586	(\$61.65)
Transportation Price Adjustment	(1.3137)	1.0730 ⁽¹⁾	(0.2407)	(\$10.05) ⁽¹⁾
Storage	2.1005	(0.1770)	1.9235	(\$164.61)
Storage Price Adjustment	(0.0824)	0.0653	(0.0171)	\$60.73
Delivery to You				
First 1,000 m ³	6.9493	0.4069	7.3562	\$327.16
Next 9,000 m ³	5.5060	0.3483	5.8543	
Next 20,000 m ³	4.6850	0.3129	4.9979	
Next 70,000 m ³	4.1341	0.3154	4.4495	
All over 100,000 m ³	2.1262	0.2463	2.3725	
Delivery Price Adjustment (all volumes)	(0.0872)	0.0872 ⁽²⁾	-	\$0.00 ⁽²⁾
Monthly Charge	\$70.00	-	\$70.00	\$0.00
Total Annualized Increase or (Decrease)				\$151.59

(1) The Transportation Price Adjustment change includes the expiry of the temporary credit of 1.0838 cents/m³. The annual bill decrease of \$10.05 which appears in the table above excludes the impact of the expiration of the temporary credit.

(2) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.0872 cents/m³. The annual bill impact which appears in the table above excludes the impact of the expiration of the temporary credit.

** 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 Contact Centre phone number listed on your bill, or visit our website at uniongas.com.

Important Information About Your Rates
January 2007
Rate M2

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most residential customers, the total decrease will amount to \$160.19 in 2007, based on an annual volume of 2,600 m³. The enclosed bill uses the new approved rates.

Gas Commodity

The gas commodity rate has decreased by 3.7457 cents/m³ to 31.9047 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 \$97.35 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 a decrease of 2.9427 cents/m³. This change reflects the difference between the projected cost of natural gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate over the next 12 months. For most residential customers, the decrease in the gas price adjustment will amount to \$76.51 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 adjustment.

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

Transportation

The transportation rate has increased by 0.1204 cents/m³ to 3.3566 cents/m³. For most residential customers, the increase in the transportation rate will amount to \$3.11 per year depending on the amount of gas used. You will see the new rate reflected on the "**Transportation to Union Gas**" line on your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.0235 cents/m³ to 0.9309 cents/m³. For most residential customers the decrease in the storage rate will amount to \$0.62 in 2007, depending on the amount of natural gas used. You will see the new rate on the "**Storage**" line on your bill.

Delivery

Delivery charges on the "**Delivery to You**" and "**Monthly Charge**" lines on your bill have changed to more accurately reflect the costs to provide these services. The result is a net increase in your delivery charges of \$11.22 depending on the amount of gas used.

The "**Delivery to You**" charge that varies with consumption has decreased by 0.4913 cents/m³ to 5.1701 cents/m³. For most residential customers the decrease in the delivery rate will amount to \$12.78 in 2007, depending on the amount of natural gas used. You will see the new rate on the "**Delivery to You**" line on your bill.

To better align charges with the costs of maintaining a safe and reliable natural gas distribution system, the monthly charge has increased from \$14.00 to \$16.00 a month. The increase will amount to \$24.00 in 2007. You will see this new rate on the "**Monthly Charge**" line on your bill.

In addition, new rates reflect an increase due to the expiry of the temporary credit of 0.1515 cents/m³ for the period October 1, 2006 to December 31, 2006 and a decrease of 0.0016 cents/m³ in the new rate. For most residential customers the decrease in the new rate will amount to \$0.04 per year depending on the amount of gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the **“Delivery Price Adjustment”** line on your bill.

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

Rate M2 - Residential
Sales

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Gas Commodity Rate	35.6504	(3.7457)	31.9047	(\$97.35)
Gas Price Adjustment	(4.1310)	(2.9427)	(7.0737)	(\$76.51)
Transportation to Union Gas	3.2362	0.1204	3.3566	\$3.11
Storage	0.9544	(0.0235)	0.9309	(\$0.62)
Delivery				(\$12.78)
First 1,400 m ³	5.6614	(0.4913)	5.1701	
Next 4,600 m ³	4.0465	0.0962	4.1427	
Next 124,000 m ³	2.8544	0.2315	3.0859	
Next 270,000 m ³	2.1188	0.3555	2.4743	
All over 400,000 m ³	1.9749	0.3229	2.2978	
Delivery Price Adjustment (all volumes)	(0.2433)	0.1499 ⁽¹⁾	(0.0934)	(\$0.04)
Monthly Charge	\$14.00	2.00	\$16.00	\$24.00
Total Annualized Increase or (Decrease)				(\$160.19)

(1) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.1515 cents/m³. The annual bill decrease of \$0.04 which appears in the table above excludes the impact of the expiry of the temporary credit.

Questions?

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

Important Information About Your Rates
January 2007
Rate M2

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most residential customers, the total increase will amount to \$13.67 in 2007, based on an annual volume of 2,600 m³. The enclosed bill uses the new approved rates.

Transportation

The transportation rate has increased by 0.1204 cents/m³ to 3.3566 cents/m³. For most residential customers, the increase in the transportation rate will amount to \$3.11 per year depending on the amount of gas used. You will see the new rate reflected on the “**Transportation to Union Gas**” line on your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.0235 cents/m³ to 0.9309 cents/m³. For most residential customers the decrease in the storage rate will amount to \$0.62 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Storage**” line on your bill.

Delivery

Delivery charges on the “**Delivery to You**” and “**Monthly Charge**” lines on your bill have changed to more accurately reflect the costs to provide these services. The result is a net increase in your delivery charges of \$11.22 depending on the amount of gas used.

The “**Delivery to You**” charge that varies with consumption has decreased by 0.4913 cents/m³ to 5.1701 cents/m³. For most residential customers the decrease in the delivery rate will amount to \$12.78 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

To better align charges with the costs of maintaining a safe and reliable natural gas distribution system, the monthly charge has increased from \$14.00 to \$16.00 a month. The increase will amount to \$24.00 in 2007. You will see this new rate on the “**Monthly Charge**” line on your bill.

In addition, new rates reflect an increase due to the expiry of the temporary credit of 0.1515 cents/m³ for the period October 1, 2006 to December 31, 2006 and a decrease of 0.0016 cents/m³ in the new rate. For most residential customers the decrease in the new rate will amount to \$0.04 per year depending on the amount of gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the “**Delivery Price Adjustment**” line on your bill.

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

Rate M2 – Residential
Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Transportation to Union Gas **	3.2362	0.1204	3.3566	\$3.11
Storage	0.9544	(0.0235)	0.9309	(\$0.62)
Delivery				(\$12.78)
First 1,400 m ³	5.6614	(0.4913)	5.1701	
Next 4,600 m ³	4.0465	0.0962	4.1427	
Next 124,000 m ³	2.8544	0.2315	3.0859	
Next 270,000 m ³	2.1188	0.3555	2.4743	
All over 400,000 m ³	1.9749	0.3229	2.2978	
Delivery Price Adjustment (all volumes)	(0.2433)	0.1499 ⁽¹⁾	(0.0934)	(\$0.04)
Monthly Charge	\$14.00	2.00	\$16.00	\$24.00
Total Annualized Increase or (Decrease)				\$13.67

(1) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.1515 cents/m³. The annual bill decrease of \$0.04 which appears in the table above excludes the impact of the expiry of the temporary credit.

** 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 Contact Centre phone number listed on your bill, or visit our website at uniongas.com.

Important Information About Your Rates
January 2007
Rate M2

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most commercial/industrial customers, the total decrease will amount to \$1,149.33 in 2007, based on an annual volume of 17,000 m³. The enclosed bill uses the new approved rates.

Gas Commodity

The gas commodity rate has decreased by 3.7457 cents/m³ to 31.9047 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 \$636.77 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 a decrease of 2.9427 cents/m³. This change reflects the difference between the projected cost of natural gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate over the next 12 months. For most commercial/industrial customers, the decrease in the gas price adjustment will amount to \$500.26 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 adjustment.

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

Transportation

The transportation rate has increased by 0.1204 cents/m³ to 3.3566 cents/m³. For most commercial/industrial customers, the increase in the transportation rate will amount to \$20.47 per year depending on the amount of gas used. You will see the new rate reflected on the "**Transportation to Union Gas**" line on your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.0235 cents/m³ to 0.9309 cents/m³. For most commercial/industrial customers the decrease in the storage rate will amount to \$3.98 in 2007, depending on the amount of natural gas used. You will see the new rate on the "**Storage**" line on your bill.

Delivery

Delivery charges on the "**Delivery to You**" and "**Monthly Charge**" lines on your bill have changed to more accurately reflect the costs to provide these services. The result is a net decrease in your delivery charges of \$28.51 depending on the amount of gas used.

The "**Delivery to You**" charge that varies with consumption has changed. For most commercial/industrial customers, the change in the delivery rate will amount to a decrease of \$52.51 in 2007, depending on the amount of natural gas used. You will see the new rate on the "**Delivery to You**" line on your bill.

To better align charges with the costs of maintaining a safe and reliable natural gas distribution system, the monthly charge has increased from \$14.00 to \$16.00 a month. The increase will amount to \$24.00 in 2007. You will see this new rate on the "**Monthly Charge**" line on your bill.

In addition, new rates reflect an increase due to the expiry of the temporary credit of 0.1515 cents/m³ for the period October 1, 2006 to December 31, 2006 and a decrease of 0.0016 cents/m³ in the new rate. For most commercial/industrial customers the decrease in the new rate will amount to \$0.28 per year depending on the amount of gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the “**Delivery Price Adjustment**” line on your bill.

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

Rate M2 – Commercial/Industrial Sales

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Gas Commodity Rate	35.6504	(3.7457)	31.9047	(\$636.77)
Gas Price Adjustment	(4.1310)	(2.9427)	(7.0737)	(\$500.26)
Transportation to Union Gas	3.2362	0.1204	3.3566	\$20.47
Storage	0.9544	(0.0235)	0.9309	(\$3.98)
Delivery				(\$52.51)
First 1,400 m ³	5.6614	(0.4913)	5.1701	
Next 4,600 m ³	4.0465	0.0962	4.1427	
Next 124,000 m ³	2.8544	0.2315	3.0859	
Next 270,000 m ³	2.1188	0.3555	2.4743	
All over 400,000 m ³	1.9749	0.3229	2.2978	
Delivery Price Adjustment (all volumes)	(0.2433)	0.1499 ⁽¹⁾	(0.0934)	(\$0.28)
Monthly Charge	\$14.00	2.00	\$16.00	\$24.00
Total Annualized Increase or (Decrease)				(\$1,149.33)

(1) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.1515 cents/m³. The annual bill decrease of \$0.28 which appears in the table above excludes the impact of the expiry of the temporary credit.

Questions?

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

Important Information About Your Rates
January 2007
Rate M2

The Ontario Energy Board has approved changes to the rates Union Gas charges its customers effective January 1, 2007. For most commercial/industrial customers, the total decrease will amount to \$12.30 in 2007, based on an annual volume of 17,000 m³. The enclosed bill uses the new approved rates.

Transportation

The transportation rate has increased by 0.1204 cents/m³ to 3.3566 cents/m³. For most commercial/industrial customers, the increase in the transportation rate will amount to \$20.47 per year depending on the amount of gas used. You will see the new rate reflected on the “**Transportation to Union Gas**” line on your bill.

Storage

The costs associated with the storage of natural gas have changed, resulting in a decrease in the storage rate of 0.0235 cents/m³ to 0.9309 cents/m³. For most commercial/industrial customers the decrease in the storage rate will amount to \$3.98 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Storage**” line on your bill.

Delivery

Delivery charges on the “**Delivery to You**” and “**Monthly Charge**” lines on your bill have changed to more accurately reflect the costs to provide these services. The result is a net decrease in your delivery charges of \$28.51 depending on the amount of gas used.

The “**Delivery to You**” charge that varies with consumption has changed. For most commercial/industrial customers the change in the delivery rate will amount to a decrease of \$52.51 in 2007, depending on the amount of natural gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

To better align charges with the costs of maintaining a safe and reliable natural gas distribution system, the monthly charge has increased from \$14.00 to \$16.00 a month. The increase will amount to \$24.00 in 2007. You will see this new rate on the “**Monthly Charge**” line on your bill.

In addition, new rates reflect an increase due to the expiry of the temporary credit of 0.1515 cents/m³ for the period October 1, 2006 to December 31, 2006 and a decrease of 0.0016 cents/m³ in the new rate. For most commercial/industrial customers the decrease in the new rate will amount to \$0.28 per year depending on the amount of gas used. This decrease excludes the impact of the expiry of the temporary credit. You will see the new rate on the “**Delivery Price Adjustment**” line on your bill.

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

Rate M2 – Commercial/Industrial
Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
	Previous Rate (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Transportation to Union Gas **	3.2362	0.1204	3.3566	\$20.47
Storage	0.9544	(0.0235)	0.9309	(\$3.98)
Delivery				(\$52.51)
First 1,400 m ³	5.6614	(0.4913)	5.1701	
Next 4,600 m ³	4.0465	0.0962	4.1427	
Next 124,000 m ³	2.8544	0.2315	3.0859	
Next 270,000 m ³	2.1188	0.3555	2.4743	
All over 400,000 m ³	1.9749	0.3229	2.2978	
Delivery Price Adjustment (all volumes)	(0.2433)	0.1499 ⁽¹⁾	(0.0934)	(\$0.28)
Monthly Charge	\$14.00	2.00	\$16.00	\$24.00
Total Annualized Increase or (Decrease)				(\$12.30)

(1) The Delivery Price Adjustment change includes the expiry of the temporary credit of 0.1515 cents/m³. The annual bill decrease of \$0.28 which appears in the table above excludes the impact of the expiry of the temporary credit.

** 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 Contact Centre phone number listed on your bill, or visit our website at uniongas.com.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2007

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 January 1, 2007. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

Approved 2007 delivery rates reflect a rate class average increase of 6.1% over the previously approved 2006 rates for Rate 20 customers. Individual customer rate impacts will vary.

Bundled T Storage Service

The storage demand charge, **which applies to bundled storage service only**, has a decrease of \$0.531/GJ to \$11.289/GJ. The storage commodity charge has an increase of \$0.004/GJ to \$0.240/GJ. These rates reflect the change in annual costs to provide bundled storage service effective January 1, 2007.

In addition, you will see an increase of \$0.331/GJ on the “**Storage Demand – Price Adjustment**” line in your bill. This quarterly price adjustment reflects the differences between approved forecast and actual revenues and costs to provide this service.

Transportation

Changes in the gas transportation rate, **if applicable to your service**, reflect the changes in the forecast costs to provide transportation service effective January 1, 2007.

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. In addition, there is a further decrease due to 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. The changes by zone are detailed on the attached appendix.

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.

We appreciate and thank you for your business. If you have any questions about the rate change, 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

January 2007

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 January 1, 2007. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

Approved 2007 delivery rates reflect a rate class average increase of 6.1% over the previously approved 2006 rates for Rate 100 customers. Individual customer rate impacts will vary.

Bundled T Storage Service

The storage demand charge, **which applies to bundled storage service only**, has a decrease of \$0.531/GJ to \$11.289/GJ. The storage commodity charge has an increase of \$0.004/GJ to \$0.240/GJ. These rates reflect the change in annual costs to provide bundled storage service effective January 1, 2007.

In addition, you will see an increase of \$0.331/GJ on the **“Storage Demand – Price Adjustment”** line in your bill. This quarterly price adjustment reflects the differences between approved forecast and actual revenues and costs to provide this service.

Transportation

Changes in the gas transportation rate, **if applicable to your service**, reflect the changes in the forecast costs to provide transportation service effective January 1, 2007.

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. In addition, there is a further decrease due to 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. The changes by zone are detailed on the attached appendix.

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.

We appreciate and thank you for your business. If you have any questions about the rate change, 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

January 2007

The Ontario Energy Board (OEB) has approved changes to the rates Union Gas charges its customers. New rates for **Rate M4** will be applied to bills starting January 1, 2007. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

Approved 2007 delivery rates reflect a rate class average increase of 4.3% over the previously approved 2006 rates for M4 customers. Individual customer rate impacts will vary.

In a previous decision, the OEB directed Union to provide for the proportionate phasing out of the Delivery Commitment Credit (DCC) program over a period of five years until January 1, 2007. Approved 2007 delivery rates reflect the termination of the DCC program. The associated payment for obligated deliveries has also ended.

A review of the gas costs to ensure reliable natural gas service to your business during the year results in an increase in the delivery commodity rate by $0.0028\text{¢}/\text{m}^3$. You will see this change on the "**Delivery-Price Adjustment**" line on your bill.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in an increase in the transportation rate by $0.1204\text{¢}/\text{m}^3$ to $3.3566\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $3.8149\text{¢}/\text{m}^3$ to $31.9047\text{¢}/\text{m}^3$. 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 $2.9427\text{¢}/\text{m}^3$ 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 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.

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.

We appreciate and thank you for your business. If you have any questions about the rate change, 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

January 2007

The Ontario Energy Board (OEB) has approved changes to the rates Union Gas charges its customers. New rates for **Rate M5A** will be applied to bills starting January 1, 2007. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendices.

Delivery

Approved 2007 delivery rates reflect a rate class average increase of 2.4% over the previously approved 2006 rates for M5A customers. Individual customer rate impacts will vary.

In a previous decision, the OEB directed Union to provide for the proportionate phasing out of the Delivery Commitment Credit (DCC) program over a period of five years until January 1, 2007. Approved 2007 delivery rates reflect the termination of the DCC program. The associated payment for obligated deliveries has also ended.

A review of the gas costs to ensure reliable natural gas service to your business during the year results in an increase in the delivery commodity rate by $0.0043\text{¢}/\text{m}^3$. You will see this change on the “**Delivery-Price Adjustment**” line on your bill.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in an increase in the transportation rate by $0.1204\text{¢}/\text{m}^3$ to $3.3566\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $3.8149\text{¢}/\text{m}^3$ to $31.9047\text{¢}/\text{m}^3$. 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 $2.9427\text{¢}/\text{m}^3$ 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 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.

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.

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

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

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2007

The Ontario Energy Board (OEB) has approved changes to the rates Union Gas charges its customers. New rates for **Rate M7** will be applied to bills starting January 1, 2007. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendices.

Delivery

Approved 2007 delivery rates reflect a rate class average increase of 5.2% over the previously approved 2006 rates for M7 customers. Individual customer rate impacts will vary.

In a previous decision, the OEB directed Union to provide for the proportionate phasing out of the Delivery Commitment Credit (DCC) program over a period of five years until January 1, 2007. Approved 2007 delivery rates reflect the termination of the DCC program. The associated payment for obligated deliveries has also ended.

A review of the gas costs to ensure reliable natural gas service to your business during the year results in an increase in the delivery commodity rate by $0.0433\text{¢}/\text{m}^3$. You will see this change on the “**Delivery-Price Adjustment**” line on your bill.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in an increase in the transportation rate by $0.1204\text{¢}/\text{m}^3$ to $3.3566\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $3.8149\text{¢}/\text{m}^3$ to $31.9047\text{¢}/\text{m}^3$. 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 $2.9427\text{¢}/\text{m}^3$ 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 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.

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.

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

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

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2007

The Ontario Energy Board (OEB) has approved changes to the rates Union Gas charges its customers. New rates for **Rate M9** will be applied to bills starting January 1, 2007. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

Approved 2007 delivery rates reflect a rate class average decrease of 0.3% over the previously approved 2006 rates for M9 customers. Individual customer rate impacts will vary.

In a previous decision, the OEB directed Union to provide for the proportionate phasing out of the Delivery Commitment Credit (DCC) program over a period of five years until January 1, 2007. Approved 2007 delivery rates reflect the termination of the DCC program. The associated payment for obligated deliveries has also ended.

A review of the gas costs to ensure reliable natural gas service to your business during the year results in a decrease in the delivery commodity rate by $0.0034\text{¢}/\text{m}^3$. You will see this change on the “**Delivery-Price Adjustment**” line on your bill.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in an increase in the transportation rate by $0.1204\text{¢}/\text{m}^3$ to $3.3566\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $3.8149\text{¢}/\text{m}^3$ to $31.9047\text{¢}/\text{m}^3$. 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 $2.9427\text{¢}/\text{m}^3$ 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 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.

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.

We appreciate and thank you for your business. If you have any questions about the rate change, 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

January 2007

The Ontario Energy Board (OEB) has approved changes to the rates Union Gas charges its customers. New rates for **Rate M10** will be applied to bills starting January 1, 2007. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

Approved 2007 delivery rates reflect a rate class average decrease of 1.2% over the previously approved 2006 rates for M10 customers. Individual customer rate impacts will vary.

In a previous decision, the OEB directed Union to provide for the proportionate phasing out of the Delivery Commitment Credit (DCC) program over a period of five years until January 1, 2007. Approved 2007 delivery rates reflect the termination of the DCC program. The associated payment for obligated deliveries has also ended.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in an increase in the transportation rate by $0.1204\text{¢}/\text{m}^3$ to $3.3566\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $3.8149\text{¢}/\text{m}^3$ to $31.9047\text{¢}/\text{m}^3$. 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 $2.9427\text{¢}/\text{m}^3$ 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 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.

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.

We appreciate and thank you for your business. If you have any questions about the rate change, 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

January 2007

The Ontario Energy Board (OEB) has approved changes to the rates Union Gas charges its customers. New rates for **Rate R1** will be applied to bills starting January 1, 2007. Your new rates are shown on the accompanying rate schedule.

In a previous decision, the OEB directed Union to provide for the proportionate phasing out of the Delivery Commitment Credit (DCC) program over a period of five years until January 1, 2007. The payment for obligated deliveries has ended.

Changes to supplemental service rates reflect changes in gas supply costs effective January 1, 2007.

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

Rate R1

[Rate schedule attached]

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2007

The Ontario Energy Board (OEB) has approved changes to the rates Union Gas charges its customers. New rates for **Rate T1** will be applied to bills starting January 1, 2007. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Approved 2007 rates reflect a rate class average increase of 4.0% over the previously approved 2006 rates for T1 customers. Individual customer rate impacts will vary.

In a previous decision, the OEB directed Union to provide for the proportionate phasing out of the Delivery Commitment Credit (DCC) program over a period of five years until January 1, 2007. Approved 2007 delivery rates reflect the termination of the DCC program. The associated payment for obligated deliveries has also ended.

Changes to supplemental service rates reflect changes in gas supply costs effective January 1, 2007.

We appreciate and thank you for your business. If you have any questions about the rate change, 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

January 2007

The Ontario Energy Board (OEB) has approved changes to the rates Union Gas charges its customers. New rates for **Rate T3** will be applied to bills starting January 1, 2007. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Approved 2007 rates reflect a rate class average increase of 1.8% over the previously approved 2006 rates for T3 customers.

In a previous decision, the OEB directed Union to provide for the proportionate phasing out of the Delivery Commitment Credit (DCC) program over a period of five years until January 1, 2007. Approved 2007 delivery rates reflect the termination of the DCC program. The associated payment for obligated deliveries has also ended.

Changes to supplemental service rates reflect changes in gas supply costs effective January 1, 2007.

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

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