



EB-2007-0918

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, 2008;

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 INTERIM ORDER

Union Gas Limited ("Union") filed an application (the "Application") dated November 27, 2007, 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. The Application was made pursuant to Union's approved Quarterly Rate Adjustment Mechanism ("QRAM"). Union's Application has been given Board File No. EB-2007-0918.

Although this application deals with Union's proposed QRAM rate changes effective January 1, 2008, Union also proposes to implement concurrently rate changes to reflect the impacts of the following:

- EB-2007-0598 Decision and Rate Order dated November 12, 2007 which dealt with Union's 2006 Deferral Disposition and Earnings Sharing amounts, and
- Union's Interim Rate Order stemming from the EB-2007-0606 proceeding issued on December 13, 2007.

On November 29, 2007, the Board issued a Notice of Written Hearing and Procedural Order No. 1 (the "Notice") to all participants in the EB-2007-0606 proceeding. The Notice set December 6, 2007 as the deadline for submissions on the Union's QRAM Application and December 10, 2007 as the deadline for Union's reply submissions.

The Board received one submission from the Industrial Gas Users Association ("IGUA") on December 6, 2007. IGUA had no objections to the relief sought by Union in its application.

The Board has considered the evidence and finds that it is appropriate to adjust Union's rates effective January 1, 2008 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, 2008. The Board also finds that it is appropriate to adjust Union's reference prices to reflect the projected changes in gas costs.

The Board finds it appropriate to implement the rate impacts of the EB-2007-0598, the EB-2007-0606 Draft Rate Order for 2008 interim rates, as well as the proposed QRAM rate changes outlined above, effective January 1, 2008. This rate order is made interim to allow the Board the ability to make retrospective adjustments to Union's rates relating to the EB-2007-0606 proceeding at the conclusion of that proceeding.

Costs

A decision regarding cost awards will be issued at a later date. The eligible parties shall submit their cost claims by December 31, 2007. A copy of the cost claim must be filed with the Board and one copy is to be served on Union. The cost claims must be done in accordance with the Board's Practice Direction on Cost Awards.

Union will have until January 15, 2008 to object to any aspect of the costs claimed. A copy of the objection must be filed with the Board and one copy must be served on the party against whose claim the objection is being made.

The party whose cost claim was objected to, will have until January 22, 2008 to make a reply submission as to why their cost claim should be allowed. Again, a copy of the submission must be filed with the Board and one copy is to be served on Union.

THE BOARD ORDERS THAT:

1. The rates approved for Union as part of the Interim Rate Order stemming from the EB-2006-0606 proceeding shall be superseded by the rates provided in Union's EB-2007-0918 filing, and as outlined in this Order.
2. The Alberta Border Reference Price used to set Union's rates and other charges be established at \$6.834/GJ (25.6753 ¢/m³). The resulting rate changes set out in Appendix "A" and the rate schedules set out in Appendix "B" shall be effective January 1, 2008. 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).
3. The rates pursuant to all contracts for interruptible service under Rates 16, 25, M5A, M7, and T1 be adjusted effective January 1, 2008, 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".
4. 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 \$8.183/GJ (30.7435 ¢/m³) effective January 1, 2008. The Ontario Landed Reference Price shall also be used for the Spot Gas Variance Account (Deferral Account No. 179-107).
5. The South Portfolio Cost Differential be established at \$0.237/GJ (0.8904 ¢/m³) effective January 1, 2008;

6. The inventory revaluation credit resulting from changes in the reference price as of January 1, 2008 be recorded in the Inventory Revaluation Account (Deferral Account No. 179-109); and
7. 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 13, 2007

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX A

TO DECISION AND ORDER

RATE CHANGES

BOARD FILE NO. EB-2007-0918

DATED December 13, 2007

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-2007-0606	Rate Change	EB-2007-0918
		Approved January 1, 2008 Rate (a)		Approved January 1, 2008 Rate (c)
1	Monthly Charge - All Zones	\$16.00		\$16.00
	Monthly Delivery Charge - All Zones			
2	First 100 m ³	9.3995		9.3995
3	Next 200 m ³	8.7906		8.7906
4	Next 200 m ³	8.3582		8.3582
5	Next 500 m ³	7.9611		7.9611
6	Over 1,000 m ³	7.6333		7.6333
7	Delivery - Price Adjustment (All Volumes)	(0.3277) (1)		(0.3277) (2)
	Gas Transportation Service			
8	Fort Frances	2.9782		2.9782
9	Western Zone	3.0023		3.0023
10	Northern Zone	3.6142		3.6142
11	Eastern Zone	4.1400		4.1400
12	Transportation - Price Adjustment (All Zones)	(0.6158) (3)	0.1429	(0.4729) (4)
	Storage Service			
13	Fort Frances	1.9099		1.9099
14	Western Zone	1.9075		1.9075
15	Northern Zone	2.2951		2.2951
16	Eastern Zone	2.6079		2.6079
17	Storage - Price Adjustment (All Zones)	(0.0170) (5)	0.0029	(0.0141) (6)
	Commodity Cost of Gas and Fuel			
18	Fort Frances	28.5823	(2.2559)	26.3264
19	Western Zone	28.8494	(2.2795)	26.5699
20	Northern Zone	29.2137	(2.3098)	26.9039
21	Eastern Zone	29.5223	(2.3315)	27.1908
22	Commodity and Fuel - Price Adjustment (All Zones)	(6.2521) (7)	3.1255	(3.1266) (8)

Notes:

- (1) Includes a temporary credit of (0.3277) cents/m³ for the period January 1 to March 31, 2008.
- (2) Includes a temporary credit of (0.3277) cents/m³ for the period January 1 to March 31, 2008.
- (3) Includes Prospective Recovery of (0.0796), 0.0580, 0.0411, (0.0131) and a temp credit of (0.6222) cents/m³ for the period Jan 1-Mar 31, 2008.
- (4) Includes Prospective Recovery of 0.0580, 0.0411, (0.0131), 0.0633 and a temp credit of (0.6222) cents/m³ for the period Jan 1-Mar 31, 2008.
- (5) Includes Prospective Recovery of (0.0029) and (0.0141) cents/m³.
- (6) Includes Prospective Recovery of (0.0141) cents/m³.
- (7) Includes Prospective Recovery of (2.7354), (1.0007), (0.8211) and (1.6949) cents/m³.
- (8) Includes Prospective Recovery of (1.0007), (0.8211), (1.6949) and 0.3901 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-2007-0606	Rate Change	EB-2007-0918
		Approved January 1, 2008 Rate (a)		Approved January 1, 2008 Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
2	First 1,000 m ³	7.4586		7.4586
3	Next 9,000 m ³	5.9360		5.9360
4	Next 20,000 m ³	5.0678		5.0678
5	Next 70,000 m ³	4.5118		4.5118
6	Over 100,000 m ³	2.4062		2.4062
7	Delivery - Price Adjustment (All Volumes)	0.0563 (1)		0.0563 (2)
	Gas Transportation Service			
8	Fort Frances	2.7311		2.7311
9	Western Zone	2.7552		2.7552
10	Northern Zone	3.3670		3.3670
11	Eastern Zone	3.8927		3.8927
12	Transportation - Price Adjustment (All Zones)	(0.6437) (3)	0.1412	(0.5025) (4)
	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)	(0.0193) (5)	0.0043	(0.0150) (6)
	Commodity Cost of Gas and Fuel			
18	Fort Frances	28.5823	(2.2559)	26.3264
19	Western Zone	28.8494	(2.2795)	26.5699
20	Northern Zone	29.2137	(2.3098)	26.9039
21	Eastern Zone	29.5223	(2.3315)	27.1908
22	Commodity and Fuel - Price Adjustment (All Zones)	(6.2521) (7)	3.1255	(3.1266) (8)

Notes:

- (1) Includes a temporary charge of 0.0563 cents/m³ for the period January 1 to March 31, 2008.
- (2) Includes a temporary charge of 0.0563 cents/m³ for the period January 1 to March 31, 2008.
- (3) Includes Prospective Recovery of (0.0779), 0.0604, 0.0449, (0.0131) and a temp credit of (0.6580) cents/m³ for the period Jan 1-Mar 31, 2008.
- (4) Includes Prospective Recovery of 0.0604, 0.0449, (0.0131), 0.0633 and a temp credit of (0.6580) cents/m³ for the period Jan 1-Mar 31, 2008.
- (5) Includes Prospective Recovery of (0.0043) and (0.0150) cents/m³.
- (6) Includes Prospective Recovery of (0.0150) cents/m³.
- (7) Includes Prospective Recovery of (2.7354), (1.0007), (0.8211) and (1.6949) cents/m³.
- (8) Includes Prospective Recovery of (1.0007), (0.8211), (1.6949) and 0.3901 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-2007-0606	Rate Change	EB-2007-0918
		Approved January 1, 2008		Approved January 1, 2008
		Rate	(b)	Rate
		(a)		(c)
1	Monthly Charge	\$780.00		\$780.00
	Delivery Demand Charge			
2	First 70,000 m ³	20.4784		20.4784
3	All over 70,000 m ³	12.0424		12.0424
	Delivery Commodity Charge			
4	First 852,000 m ³	0.3091		0.3091
5	All over 852,000 m ³	0.2289		0.2289
	Monthly Gas Supply Demand Charge			
6	Fort Frances	25.3849		25.3849
7	Western Zone	25.8560		25.8560
8	Northern Zone	42.7901		42.7901
9	Eastern Zone	56.9450		56.9450
10	Gas Supply Demand - Price Adjustment (All Zones)	0.3573 (1)	(0.3066)	0.0507 (2)
	Commodity Transportation 1			
11	Fort Frances	2.1971		2.1971
12	Western Zone	2.2058		2.2058
13	Northern Zone	2.6055		2.6055
14	Eastern Zone	2.9409		2.9409
15	Transportation 1 - Price Adjustment (All Zones)	(0.0909) (3)	0.1551	0.0642 (4)
	Commodity Transportation 2			
16	Fort Frances	0.1334		0.1334
17	Western Zone	0.1310		0.1310
18	Northern Zone	0.2059		0.2059
19	Eastern Zone	0.2733		0.2733
	Commodity Cost of Gas and Fuel			
20	Fort Frances	28.8230	(2.2751)	26.5479
21	Western Zone	29.0924	(2.2989)	26.7935
22	Northern Zone	29.4598	(2.3295)	27.1303
23	Eastern Zone	29.7710	(2.3513)	27.4197
24	Commodity and Fuel - Price Adjustment (All Zones)	(6.2521) (5)	3.1255	(3.1266) (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	(0.268) (7)	0.119	(0.149) (8)

Notes:

- (1) Includes Prospective Recovery of 0.3066 and 0.0507 cents/m³.
- (2) Includes Prospective Recovery of 0.0507 cents/m³.
- (3) Includes Prospective Recovery of (0.0918), 0.0343, (0.0203) and (0.0131) cents/m³.
- (4) Includes Prospective Recovery of 0.0343, (0.0203), (0.0131) and 0.0633 cents/m³.
- (5) Includes Prospective Recovery of (2.7354), (1.0007), (0.8211) and (1.6949) cents/m³.
- (6) Includes Prospective Recovery of (1.0007), (0.8211), (1.6949) and 0.3901 cents/m³.
- (7) Includes Prospective Recovery of (0.119) and (0.149) \$/GJ.
- (8) Includes Prospective Recovery of (0.149) \$/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-2007-0606 Approved January 1, 2008 Rate (a)	Rate Change (b)	EB-2007-0918 Approved January 1, 2008 Rate (c)
1	Monthly Charge	\$780.00		\$780.00
2	Delivery Demand Charge All Zones	12.0047		12.0047
3	Delivery Commodity Charge All Zones	0.2181		0.2181
4	Monthly Gas Supply Demand Charge Fort Frances	40.6945		40.6945
5	Western Zone	41.2381		41.2381
6	Northern Zone	60.9906		60.9906
7	Eastern Zone	77.5013		77.5013
	Commodity Transportation 1			
8	Fort Frances	3.8838		3.8838
9	Western Zone	3.8903		3.8903
10	Northern Zone	4.1901		4.1901
11	Eastern Zone	4.4417		4.4417
	Commodity Transportation 2			
12	Fort Frances	0.1334		0.1334
13	Western Zone	0.1310		0.1310
14	Northern Zone	0.2059		0.2059
15	Eastern Zone	0.2733		0.2733
	Commodity Cost of Gas and Fuel			
16	Fort Frances	28.8230	(2.2751)	26.5479
17	Western Zone	29.0924	(2.2989)	26.7935
18	Northern Zone	29.4598	(2.3295)	27.1303
19	Eastern Zone	29.7710	(2.3513)	27.4197
20	Commodity and Fuel - Price Adjustment (All Zones)	(6.2521) (1)	3.1255	(3.1266) (2)
	Bundled Storage Service (\$/GJ)			
21	Monthly Demand Charge	11.289		11.289
22	Commodity Charge	0.240		0.240
23	Storage Demand - Price Adjustment	(0.268) (3)	0.119	(0.149) (4)

Notes:

- (1) Includes Prospective Recovery of (2.7354), (1.0007), (0.8211) and (1.6949) cents/m³.
(2) Includes Prospective Recovery of (1.0007), (0.8211), (1.6949) and 0.3901 cents/m³.
(3) Includes Prospective Recovery of (0.119) and (0.149) \$/GJ.
(4) Includes Prospective Recovery of (0.149) \$/GJ.

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

Line No.	Particulars (cents/m ³)	EB-2007-0606 Approved January 1, 2008 Rate (a)	Rate Change (b)	EB-2007-0918 Approved January 1, 2008 Rate (c)
	<u>Rate 25 - Large Volume Interruptible Service</u>			
1	Monthly Charge	\$190.00		\$190.00
	 Delivery Charge - All Zones *			
2	Maximum	4.6408		4.6408
	 Gas Supply Charges - All Zones			
3	Minimum	14.3135		14.3135
4	Maximum	140.5622		140.5622
	<u>Rate 77 - Wholesale Transportation Service</u>			
5	Monthly Charge	\$145.00		\$145.00
6	Delivery Demand Charge - All Zones	28.4857		28.4857

* see Appendix C

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

Line No.	Particulars (cents/m ³)	EB-2007-0606	Rate Change	EB-2007-0918
		Approved January 1, 2008 Rate (a)		Approved January 1, 2008 Rate (c)
	<u>Utility Sales</u>			
1	Commodity and Fuel	29.5223	(2.3315)	27.1908
2	Commodity and Fuel - Price Adjustment	(4.5404) (1)	0.1234	(4.4170) (2)
3	Transportation	3.3287	(0.3494)	2.9793
4	Total Gas Supply Commodity Charge	<u>28.3106</u>	<u>(2.5575)</u>	<u>25.7531</u>
	<u>M4 Firm Commercial/Industrial</u>			
5	Minimum annual gas supply commodity charge	4.9515	(0.4567)	4.4948
	<u>M5A Interruptible Commercial/Industrial</u>			
6	Minimum annual gas supply commodity charge	4.9515	(0.4567)	4.4948
	<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	29.027		29.027
8	Firm backstop gas	3.902	(0.238)	3.664
	Commodity charges:			
9	Gas supply	7.846	(0.620)	7.226
10	Backstop gas	10.698	(0.713)	9.985
11	Reasonable Efforts Backstop Gas	10.494	(0.714)	9.780
12	Supplemental Inventory	Note (3)		Note (3)
13	Supplemental Gas Sales Service (cents/m ³)	42.6016	(2.8055)	39.7961
14	Failure to Deliver	3.126		3.126
15	Discretionary Gas Supply Service (DGSS)	Note (4)		Note (4)

Notes:

- (1) Incls. Prospective Recovery of (1.2473), (1.2208), (0.7674), (1.3533) and a temp charge of 0.0484 cents/m³ for the period Jan 1-Mar 31, 2008.
(2) Incls. Prospective Recovery of (1.2208), (0.7674), (1.3533), (1.1239) and a temp charge of 0.0484 cents/m³ for the period Jan 1-Mar 31, 2008.
(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-2007-0606 Approved January 1, 2008 Rate (a)	Rate Change (b)	EB-2007-0918 Approved January 1, 2008 Rate (c)
	<u>M1 Small Volume General Service Rate</u>			
1	Monthly Charge	\$16.00		\$16.00
2	First 100 m ³	5.5704		5.5704
3	Next 150 m ³	5.2862		5.2862
4	All over 250 m ³	4.6134		4.6134
5	Delivery - Price Adjustment (All Volumes)	(0.1753) (1)	0.0017	(0.1736) (2)
6	Storage Service	1.0047		1.0047
	<u>M2 Large Volume General Service Rate</u>			
7	Monthly Charge	\$70.00		\$70.00
8	First 1 000 m ³	3.7061		3.7061
9	Next 6 000 m ³	3.6352		3.6352
10	Next 13 000 m ³	3.4235		3.4235
11	All over 20 000 m ³	3.1697		3.1697
12	Delivery - Price Adjustment (All Volumes)	(0.1753) (3)	0.0017	(0.1736) (4)
13	Storage Service	0.7390		0.7390
	<u>M4 Firm comm/ind contract rate</u>			
	Monthly demand charge:			
14	First 8 450 m ³	45.9138		45.9138
15	Next 19 700 m ³	19.9204		19.9204
16	All over 28 150 m ³	16.5428		16.5428
	Monthly delivery commodity charge:			
17	First block	0.9709		0.9709
18	All remaining use	0.5318		0.5318
19	Delivery - Price Adjustment (All Volumes)	(0.0713) (5)	(0.0034)	(0.0747) (6)
20	Minimum annual delivery commodity charge	1.2882		1.2882

Notes:

- (1) Incl. Prospective Recovery of (0.0031), (0.0027), (0.0416), (0.0004) and a temp credit of (0.1275) cents/m³ for the period Jan 1-Mar 31, 2008.
(2) Incl. Prospective Recovery of (0.0027), (0.0416), (0.0004), (0.0014) and a temp credit of (0.1275) cents/m³ for the period Jan 1-Mar 31, 2008.
(3) Incl. Prospective Recovery of (0.0031), (0.0027), (0.0416), (0.0004) and a temp credit of (0.1275) cents/m³ for the period Jan 1-Mar 31, 2008.
(4) Incl. Prospective Recovery of (0.0027), (0.0416), (0.0004), (0.0014) and a temp credit of (0.1275) cents/m³ for the period Jan 1-Mar 31, 2008.
(5) Includes Prospective Recovery of 0.0020, 0.0006, (0.0735) and (0.0004) cents/m³.
(6) Includes Prospective Recovery of 0.0006, (0.0735), (0.0004) and (0.0014) cents/m³.

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

Line No.	Particulars (cents/m ³)	EB-2007-0606 Approved January 1, 2008 Rate (a)	Rate Change (b)	EB-2007-0918 Approved January 1, 2008 Rate (c)
	<u>M5A interruptible comm/ind contract</u>			
	<u>Firm contracts</u> *			
1	Monthly demand charge	27.7382		27.7382
2	Monthly delivery commodity charge	1.8051		1.8051
3	Delivery - Price Adjustment (All Volumes)	(0.0409) (1)	(0.0057)	(0.0466) (2)
	<u>Interruptible contracts</u> *			
4	Monthly Charge	\$500.00		\$500.00
	Daily delivery commodity charge:			
5	4 800 m ³ to 17 000 m ³	1.9098		1.9098
6	17 000 m ³ to 30 000 m ³	1.7799		1.7799
7	30 000 m ³ to 50 000 m ³	1.7116		1.7116
8	50 000 m ³ to 70 000 m ³	1.6637		1.6637
9	70 000 m ³ to 100 000 m ³	1.6294		1.6294
10	100 000 m ³ to 140 870 m ³	1.5957		1.5957
11	Delivery - Price Adjustment (All Volumes)	(0.0409) (1)	(0.0057)	(0.0466) (2)
12	Annual minimum delivery commodity charge	2.2350	(0.0079)	2.2271
	<u>M7 Special large volume contract</u>			
	<u>Firm</u>			
13	Monthly demand charge	25.6493		25.6493
14	Monthly delivery commodity charge	0.3596		0.3596
15	Delivery - Price Adjustment	0.0162 (3)	(0.0445)	(0.0283) (4)
	<u>Interruptible</u> *			
16	Monthly delivery commodity charge: Maximum	2.7689	-	2.7689
17	Delivery - Price Adjustment	0.0162 (3)	(0.0445)	(0.0283) (4)
	<u>Seasonal</u> *			
18	Monthly delivery commodity charge: Maximum	2.5248		2.5248
19	Delivery - Price Adjustment	0.0162 (3)	(0.0445)	(0.0283) (4)
	<u>M9 Large wholesale service</u>			
20	Monthly demand charge	17.1521		17.1521
21	Monthly delivery commodity charge	0.5377		0.5377
22	Delivery - Price Adjustment	(0.0648) (5)	0.0052	(0.0596) (6)
	<u>M10 Small wholesale service</u>			
23	Monthly delivery commodity charge	2.7065		2.7065

Notes:

- (1) Includes Prospective Recovery of 0.0043, 0.0045, (0.0493) and (0.0004) cents/m³.
- (2) Includes Prospective Recovery of 0.0045, (0.0493), (0.0004) and (0.0014) cents/m³.
- (3) Includes Prospective Recovery of 0.0431, 0.0218, (0.0483) and (0.0004) cents/m³.
- (4) Includes Prospective Recovery of 0.0218, (0.0483), (0.0004) and (0.0014) cents/m³.
- (5) Includes Prospective Recovery of (0.0066), (0.0150), (0.0428) and (0.0004) cents/m³.
- (6) Includes Prospective Recovery of (0.0150), (0.0428), (0.0004) and (0.0014) 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-2007-0606 Approved January 1, 2008 Rate (a)	Rate Change (b)	EB-2007-0918 Approved January 1, 2008 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	19.0756		19.0756
12	Monthly demand charge all over 140,870 m ³	13.0348		13.0348
	Commodity charges:			
13	Firm- Union provides compressor fuel first 2,360,653 m ³	0.3619		0.3619
14	Union provides compressor fuel all over 2,360,653 m ³	0.2790		0.2790
15	Customer provides compressor fuel first 2,360,653 m ³	0.1650		0.1650
16	Customer provides compressor fuel all over 2,360,653 m ³	0.0821		0.0821
	Interruptible: *			
17	Maximum - Union provides compressor fuel	2.7689		2.7689
18	Maximum - customer provides compressor fuel	2.5720		2.5720
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)	0.9891		0.9891
25	Customer provides compressor fuel	0.7921		0.7921
26	<u>Monthly Charge</u>	\$1,800		\$1,800

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

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

Line No.	Particulars	EB-2007-0606 Approved January 1, 2008 Rate (a)	Rate Change (b)	EB-2007-0918 Approved January 1, 2008 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	9.0742		9.0742
Commodity charges				
12	Firm- Union supplies compressor fuel	0.3246		0.3246
13	Customer provides compressor fuel	0.0670		0.0670
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)	0.6229		0.6229
20	Customer provides compressor fuel (cents/m ³)	0.3653		0.3653
<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-2007-0606 Approved January 1, 2008 Rate (a)	Rate Change (b)	EB-2007-0918 Approved January 1, 2008 Rate (c)
<u>U2 Unbundled Service</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 Service</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	21.9833		21.9833
17	Monthly delivery commodity charge	1.8051		1.8051
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	1.5544		1.5544
21	17 000 m ³ to 30 000 m ³	1.4245		1.4245
22	30 000 m ³ to 50 000 m ³	1.3562		1.3562
23	50 000 m ³ to 70 000 m ³	1.3083		1.3083
24	70 000 m ³ to 100 000 m ³	1.2740		1.2740
25	100 000 m ³ to 140 870 m ³	1.2403		1.2403
<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-2007-0606 Approved January 1, 2008 Rate (a)	Rate Change (b)	EB-2007-0918 Approved January 1, 2008 Rate (c)
	<u>U7 Unbundled Service</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	19.0756		19.0756
8	Monthly demand charge all over 140,870 m ³	13.0348		13.0348
	Commodity charges			
9	Firm Customer provides compressor fuel first 2,360,653 m ³	0.1650		0.1650
10	Firm Customer provides compressor fuel all over 2,360,653 m ³	0.0821		0.0821
	Interruptible:			
11	Maximum customer provides compressor fuel	2.5720		2.5720
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)	0.7921		0.7921
	<u>Other Services & Charges</u>			
16	Monthly Charge	\$1,800		\$1,800
	<u>U9 Unbundled Service</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
17	Firm space	0.021		0.021
18	Incremental firm injection right	0.955		0.955
19	Incremental firm withdrawal right	0.955		0.955
	Commodity charges:			
20	Injection customer provides compressor fuel	0.015		0.015
21	Withdrawal customer provides compressor fuel	0.015		0.015
22	Storage fuel ratio - Customer provides fuel	0.600%		0.600%
	<u>Delivery (cents / m³)</u>			
23	Monthly demand charge	9.0742		9.0742
	Commodity charges			
24	Firm customer provides compressor fuel	0.0670		0.0670
25	Transportation fuel ratio - Customer provides fuel	0.725%		0.725%
	<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
28	Transportation commodity charge (cents/m ³)	0.3653		0.3653
	<u>Other Services & Charges</u>			
	Monthly Charge			
29	City of Kitchener	\$17,155		\$17,155
30	NRG	\$2,631		\$2,631
31	Six Nations	\$877		\$877

APPENDIX B

TO DECISION AND ORDER

RATE CHANGES

BOARD FILE NO. EB-2007-0918

DATED December 13, 2007



RATE 01A – SMALL VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

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

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

MONTHLY RATES AND CHARGES

Zone	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
Rate Schedule No.	201	101	301	601
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$16.00	\$16.00	\$16.00	\$16.00
<u>DELIVERY CHARGE</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 100 m ³ per month @	9.3995	9.3995	9.3995	9.3995
Next 200 m ³ per month @	8.7906	8.7906	8.7906	8.7906
Next 200 m ³ per month @	8.3582	8.3582	8.3582	8.3582
Next 500 m ³ per month @	7.9611	7.9611	7.9611	7.9611
Over 1,000 m ³ per month @	7.6333	7.6333	7.6333	7.6333
Delivery- Price Adjustment (All Volumes)	(0.3277)	(0.3277)	(0.3277)	(0.3277)



ADDITIONAL CHARGES FOR SALES SERVICE

GAS SUPPLY CHARGES

Gas Supply Charge (if applicable)

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

MONTHLY BILL

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

MINIMUM MONTHLY BILL

The Minimum Monthly Bill shall be the Monthly Charge.

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

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

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2008
O.E.B. ORDER # EB-2007-0918

Chatham, Ontario

Supersedes EB-2007-0606 Rate Schedule effective January 1, 2008.



RATE 10 – LARGE VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

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

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

(c) **Bundled Transportation Service**

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

MONTHLY RATES AND CHARGES

Zone Rate Schedule No.	<u>Fort Frances</u> 210	<u>Western</u> 110	<u>Northern</u> 310	<u>Eastern</u> 610
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>	\$70.00	\$70.00	\$70.00	\$70.00
<u>DELIVERY CHARGE</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>	<u>¢ per m³</u>
First 1,000 m ³ per month @	7.4586	7.4586	7.4586	7.4586
Next 9,000 m ³ per month @	5.9360	5.9360	5.9360	5.9360
Next 20,000 m ³ per month @	5.0678	5.0678	5.0678	5.0678
Next 70,000 m ³ per month @	4.5118	4.5118	4.5118	4.5118
Over 100,000 m ³ per month @	2.4062	2.4062	2.4062	2.4062
Delivery-Price Adjustment (All Volumes)	0.0563	0.0563	0.0563	0.0563



ADDITIONAL CHARGES FOR SALES SERVICE

GAS SUPPLY CHARGES

Gas Supply Charge (if applicable)

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

MONTHLY BILL

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

MINIMUM MONTHLY BILL

The minimum monthly bill shall be the Monthly Charge.

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

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

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2008
O.E.B. ORDER # EB-2007-0918

Chatham, Ontario

Supersedes EB-2007-0606 Rate Schedule effective January 1, 2008.



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	20.4784
Monthly Demand Charge for all units over 70,000 m ³ of Contracted Daily Demand	12.0424
Commodity Charge for first 852,000 m ³ of gas volumes delivered	0.3091
Commodity Charge for all units over 852,000 m ³ of gas volumes delivered	0.2289

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	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
Rate Schedule No.	220	120	320	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	1.6556	1.6556	1.6556	1.6556

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) \$(0.149)

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, 2008
O.E.B. ORDER # EB-2007-0918

Chatham, Ontario

Supersedes EB-2007-0606 Rate Schedule effective January 1, 2008.



RATE 25 – LARGE VOLUME INTERRUPTIBLE SERVICE

ELIGIBILITY

Any customer in Union's Fort Frances, Western, Northern or Eastern Zones who is an end-user or who is authorized to serve an end-user of gas through one or more Company-owned meters at one location, and whose total maximum daily interruptible requirement is 3,000 m³ or more or the interruptible portion of a maximum daily requirement for combined firm and interruptible service is 14,000 m³ or more and whose operations, in the judgement of Union, can readily accept interruption and restoration of gas service.

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Sales Service**

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

(b) **Transportation Service**

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

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

MONTHLY RATES AND CHARGES

APPLICABLE TO ALL SERVICES – ALL ZONES (1)

MONTHLY CHARGE \$190.00

DELIVERY CHARGES cents per m³

A Delivery Price for all volumes delivered to the customer to be negotiated between Union and the customer and the average price during the period in which these rates remain in effect shall not exceed: 4.6408

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

As per applicable rate provided in
Schedule "A".

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

HEAT CONTENT ADJUSTMENT

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

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

ADDITIONAL CHARGES FOR TRANSPORTATION – ALL ZONES

MONTHLY TRANSPORTATION ACCOUNT CHARGE: For customers that currently have installed or will require installing telemetering equipment.

\$220.00

THE BILL

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

MINIMUM BILL

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

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, Union will combine the individual bills on a single invoice or statement for administrative convenience. However, Union will not combine the volumes or demands of several end-use locations so that eligibility to a different rate class will result. Further, Union will not combine the monthly billing data of individual end-users to generate a single bill which is less than the sum of the monthly bills of the individual end-users involved at each location.
3. Customers must enter into a Service Agreement with Union prior to the commencement of service.
4. For the purposes of qualifying for a rate class, the total volumes of gas consumed or expected to be consumed on the customer's contiguous property will be used, irrespective of the number of meters installed.
5. The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

Effective

January 1, 2008
O.E.B. ORDER # EB-2007-0918

Chatham, Ontario

Supersedes EB-2007-0606 Rate Schedule effective January 1, 2008.



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

ELIGIBILITY

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

SERVICE AVAILABLE

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

GAS SUPPLY CHARGE

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

SHORT TERM STORAGE / BALANCING SERVICE

Short Term Storage / Balancing Service is:

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

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

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

A commodity charge to be negotiated between Union and the customer not to exceed \$6.000/GJ.

THE BILL

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

SERVICE AGREEMENT

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



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TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2008
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Chatham, Ontario

Supersedes EB-2007-0606 Rate Schedule effective January 1, 2008.



RATE 77 – WHOLESALE TRANSPORTATION SERVICE

ELIGIBILITY

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

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Transportation Service**

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

MONTHLY RATES AND CHARGES – ALL ZONES

<u>MONTHLY CHARGE</u> (\$ per month)	\$145.00
<u>MONTHLY DELIVERY DEMAND CHARGE</u> (cents per m ³)	28.4857

THE BILL

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

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

Effective January 1, 2008
O.E.B. ORDER # EB-2007-0918 Chatham, Ontario

Supersedes EB-2007-0606 Rate Schedule effective January 1, 2008.



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:	12.0047
COMMODITY CHARGE for each unit of gas volumes delivered (cents per m ³)	0.2181

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 Rate Schedule No.	<u>Fort Frances</u> 2100	<u>Western</u> 1100	<u>Northern</u> 3100	<u>Eastern</u> 6100
<u>MONTHLY CHARGE</u>	\$780.00	\$780.00	\$780.00	\$780.00
<u>DELIVERY CHARGES</u>				
Commodity Charge for each unit of gas volumes delivered	<u>cents per m³</u> 0.7819	<u>cents per m³</u> 0.7819	<u>cents per m³</u> 0.7819	<u>cents per m³</u> 0.7819

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) \$ (0.149)

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.

Effective

January 1, 2008
O.E.B. ORDER # EB-2007-0918

Chatham, Ontario

Supersedes EB-2007-0606 Rate Schedule effective January 1, 2008.



RATE S1 – GENERAL FIRM SERVICE STORAGE RATES

ELIGIBILITY

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

SERVICES AVAILABLE

The following services are available under this rate schedule:

(a) **Transportation Service**

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

(b) **Storage Service**

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

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

MONTHLY RATES AND CHARGES

UNBUNDLED STORAGE SERVICE CHARGES

Storage Space Charge	
Applied to Contracted Maximum Storage Space (\$ per GJ per Month)	\$0.032
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.

Zone	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<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

MONTHLY BILL

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

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%.

TERMS AND CONDITIONS OF SERVICE

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

Effective

January 1, 2008
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Chatham, Ontario

Supersedes EB-2007-0606 Rate Schedule effective January 1, 2008.



uniongas

Effective
2008-01-01
Schedule "A"
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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, Rate 100 and Rate 25.

(C) Rates

Utility Sales

	<u>Fort Frances</u>	<u>Western</u>	<u>Northern</u>	<u>Eastern</u>
<u>Rate 01A (cents / m³)</u>				
Storage	1.9099	1.9075	2.2951	2.6079
Storage - Price Adjustment (1)	(0.0141)	(0.0141)	(0.0141)	(0.0141)
Commodity and Fuel	26.3264	26.5699	26.9039	27.1908
Commodity and Fuel - Price Adjustment (1)	(3.1266)	(3.1266)	(3.1266)	(3.1266)
Transportation	2.9782	3.0023	3.6142	4.1400
Transportation - Price Adjustment (1)	(0.4729)	(0.4729)	(0.4729)	(0.4729)
Total Gas Supply Charge	<u>27.6009</u>	<u>27.8661</u>	<u>29.1996</u>	<u>30.3251</u>

Rate 10 (cents / m³)

Storage	1.2255	1.2231	1.6107	1.9235
Storage - Price Adjustment (1)	(0.0150)	(0.0150)	(0.0150)	(0.0150)
Commodity and Fuel	26.3264	26.5699	26.9039	27.1908
Commodity and Fuel - Price Adjustment (1)	(3.1266)	(3.1266)	(3.1266)	(3.1266)
Transportation	2.7311	2.7552	3.3670	3.8927
Transportation - Price Adjustment (1)	(0.5025)	(0.5025)	(0.5025)	(0.5025)
Total Gas Supply Charge	<u>26.6389</u>	<u>26.9041</u>	<u>28.2375</u>	<u>29.3629</u>

Notes:

(1) As 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>				
Commodity and Fuel	26.5479	26.7935	27.1303	27.4197
Commodity and Fuel - Price Adjustment (1)	(3.1266)	(3.1266)	(3.1266)	(3.1266)
Commodity Transportation - Charge 1	2.1971	2.2058	2.6055	2.9409
Transportation 1 - Price Adjustment (1)	0.0642	0.0642	0.0642	0.0642
Commodity Transportation - Charge 2	0.1334	0.1310	0.2059	0.2733
Monthly Gas Supply Demand	25.3849	25.8560	42.7901	56.9450
Gas Supply Demand - Price Adjustment (1)	0.0507	0.0507	0.0507	0.0507
Commissioning and Decommissioning Rate	3.5082	3.5457	4.9939	6.2064
<u>Rate 100 (cents / m³)</u>				
Commodity and Fuel	26.5479	26.7935	27.1303	27.4197
Commodity and Fuel - Price Adjustment (1)	(3.1266)	(3.1266)	(3.1266)	(3.1266)
Commodity Transportation - Charge 1	3.8838	3.8903	4.1901	4.4417
Commodity Transportation - Charge 2	0.1334	0.1310	0.2059	0.2733
Monthly Gas Supply Demand	40.6945	41.2381	60.9906	77.5013
Commissioning and Decommissioning Rate	3.6520	3.6789	4.7779	5.6997
<u>Rate 25 (cents / m³)</u>				
Gas Supply Charge:				
Interruptible Service				
Minimum	14.3135	14.3135	14.3135	14.3135
Maximum	140.5622	140.5622	140.5622	140.5622

Notes:

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

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Chatham, Ontario

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SMALL VOLUME GENERAL SERVICE RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To general service customers whose total consumption is equal to or less than 50, 000 m³ per year.

(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	100 m ³	5.5704¢ per m ³
	Next	150 m ³	5.2862¢ per m ³
	All Over	250 m ³	4.6134¢ per m ³
	Delivery – Price Adjustment (All Volumes)		(0.1736)¢ per m ³
c)	Storage Charge (if applicable)		1.0047¢ per m ³

Applicable to all bundled customers (sales and bundled transportation service).

d) Gas Supply Charge (if applicable)

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

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

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

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

(E) Delayed Payment

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



(F) Direct Purchase

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

(G) Overrun Charge

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. The customer may pay 6.5751¢ 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

Effective

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Chatham, Ontario

Supersedes EB-2007-0606 Rate Schedule effective January 1, 2008.



LARGE VOLUME GENERAL SERVICE RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To general service customers whose total consumption is greater than 50, 000 m³ per year.

(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		\$ 70.00
b)	Delivery Charge		
	First	1 000 m ³	3.7061¢ per m ³
	Next	6 000 m ³	3.6352¢ per m ³
	Next	13 000 m ³	3.4235¢ per m ³
	All Over	20 000 m ³	3.1697¢ per m ³
	Delivery – Price Adjustment (All Volumes)		(0.1736)¢ per m ³
c)	Storage Charge (if applicable)		0.7390¢ per m ³

Applicable to all bundled customers (sales and bundled transportation service).

d) Gas Supply Charge (if applicable)

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

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

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

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

(E) Delayed Payment

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



(F) Direct Purchase

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

(G) Overrun Charge

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. The customer may pay 6.5751¢ 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

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Chatham, Ontario

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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	45.9138¢ per m ³
Next	19 700 m ³ of daily contracted demand	19.9204¢ per m ³
All Over	28 150 m ³ of daily contracted demand	16.5428¢ per m ³

(ii) A Monthly Delivery Commodity Charge		
First 422 250 m ³ delivered per month		0.9709¢ per m ³
Next volume equal to 15 days use of daily contracted demand		0.9709¢ per m ³
For remainder of volumes delivered in the month		0.5318¢ per m ³

 Delivery- Price Adjustment (All Volumes) (0.0747)¢ 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 2.4804¢ 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 6.5751¢ 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 1.2882¢ 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

Daily Contracted Demand Level (CD)	Price per m ³
4 800 m ³ ≤ CD < 17 000 m ³	1.9098¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³	1.7799¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³	1.7116¢ per m ³
50 000 m ³ ≤ CD < 70 000 m ³	1.6637¢ per m ³
70 000 m ³ ≤ CD < 100 000 m ³	1.6294¢ per m ³
100 000 m ³ ≤ CD ≤ 140 870 m ³	1.5957¢ per m ³

Delivery- Price Adjustment (All Volumes) (0.0466)¢ per m³

(ii) Days Use of Interruptible Contract Demand

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

For 75 days use of contracted demand	0.0530¢ per m ³
For each additional days use of contracted demand up to a maximum of 275 days, an additional discount of	0.00212¢ 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 2.2271¢ 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 6.5751¢ 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 27.7382¢ 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 27.7382¢ per m³ of daily contracted demand and a delivery commodity price adjustment of (0.0466)¢ 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.

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Chatham, Ontario

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**SPECIAL LARGE VOLUME
INDUSTRIAL AND COMMERCIAL CONTRACT RATE**

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a Customer

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

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 25.6493¢ 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 0.3596¢ per m³ for each m³, and a Delivery- Price Adjustment of (0.0283)¢ 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 2.7689¢ 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 2.5248¢ 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 M1 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 2.4611¢ 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.

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Chatham, Ontario

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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 17.1521¢ per m³ of established daily demand determined in accordance with the service contract, such demand charge to be computed on a calendar month basis and a prorata charge to be made for the fraction of a calendar month which will occur if the day of first regular delivery does not fall on the first day of a month,
- (ii) A Delivery Commodity Charge of 0.5377¢ per m³, a Delivery- Price Adjustment of (0.0596)¢ 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 1.1016¢ 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.



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(G) Bundled Direct Purchase Delivery

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

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

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SMALL WHOLESALE SERVICE RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

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

(C) Rates

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

1. A Delivery Commodity Charge of 2.7065¢ per m³ for gas delivered
2. Gas Supply Charge (if applicable)

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

(D) Delayed Payment

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

(E) Direct Purchase

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

(F) Overrun Charge

In the event that a direct purchase customer fails to deliver its contracted volumes to Union, and Union has the capability to continue to supply the customer, Union will do so. This gas shall be paid for at the rate of 6.5751¢ per m³ for the delivery and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³ for all gas supply volumes purchased.

(G) Bundled Direct Purchase Delivery

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

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

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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	\$3.664	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$9.985
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$ 9.780
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		\$3.126
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.



STORAGE AND TRANSPORTATION RATES
FOR CONTRACT CARRIAGE CUSTOMERS

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer

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

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

(C) Rates

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

STORAGE SERVICE:

	<u>Demand Charge Rate/GJ/mo</u>	<u>Commodity Charge Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.010			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.980			
Customer provides deliverability Inventory (4)	\$1.050			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.050			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.050			



	<u>Demand Charge Rate/GJ/mo</u>	<u>Commodity Charge Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.064	0.600%	\$0.007
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.064	0.600%	\$0.007
g) Short Term Storage / Balancing Service Maximum		\$6.000		

Notes:

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

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

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



TRANSPORTATION CHARGES:

	Demand Charge Rate/m ³ /mo	Commodity Charge Rate/m ³	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio (5) (6)	Commodity Charge Rate/m ³
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand First 140,870 m ³ per month All over 140,870 m ³ per month	19.0756¢ 13.0348¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption First 2,360,653 m ³ per month All over 2,360,653 m ³ per month		0.3619¢ 0.2790¢	0.554% 0.554%	0.1650¢ 0.0821¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum		2.7689¢	0.554%	2.5720¢

Notes:

1. All demand charges are paid monthly during the term of the contract for not less than one year unless Union, at its sole discretion, accepts a term of less than one year. Demand charges apply whether Union or the customer provides the fuel.
2. Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day and who are directly connected to i) the Dawn-Trafalgar transmission system in close proximity to Parkway or ii) a third party pipeline, have the option to pay for service using a Billing Contract Demand. The Billing Contract Demand shall be determined by Union such that the annual revenues over the term of the contract will recover the invested capital, return on capital and operating and maintenance costs associated with the dedicated service in accordance with Union's system expansion policy. The firm transportation demand charge will be applied to the Billing Contract Demand. For customers choosing the Billing Contract Demand option, the authorized transportation overrun rate will apply to all volumes in excess of the Billing Contract Demand but less than the daily firm demand requirement.
3. In negotiating the rate to be charged for the transportation of gas under Interruptible Transportation, the matters that are to be considered include:
 - a) The amount of the interruptible transportation for which customer is willing to contract,
 - b) The anticipated load factor for the interruptible transportation quantities,
 - c) Interruptible or curtailment provisions, and
 - d) Competition.
4. In each contract year, the customer shall pay for a Minimum Interruptible Transportation Activity level as specified in the Contract. Overrun activity will not contribute to the minimum activity level.
5. Transportation fuel ratios do not apply to customers served from dedicated facilities directly connected to third party transmission systems with custody transfer metering at the interconnect.
6. Firm transportation fuel ratio does not apply to new customers or existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day that contract for M12 Dawn to Parkway transportation service equivalent to 100% of their daily firm demand requirement. If a customer with a daily firm demand requirement in



excess of 1,200,000 m³/day contracts for M12 Dawn to Parkway transportation service at less than 100% of their firm daily demand requirement, the firm transportation fuel ratio will be applicable to daily volumes not transported under the M12 transportation contract.

7. Either Union or a customer, or potential customer, may apply to the Ontario Energy Board to fix rates and other charges different from the rates and other charges specified herein if the changed rates and other charges are considered by either party to be necessary, desirable and in the public interest.

SUPPLEMENTAL CHARGES:

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

Notes:

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

OVERRUN SERVICE:

1. Annual Storage Space

Authorized

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

Unauthorized

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space, and which has not been authorized by Union or provided for under a short term supplemental storage service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate will be \$6.000 per GJ applied to the greatest excess for each occurrence.

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



2. Injection, Withdrawals and Transportation

Authorized

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

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

	Union Providing <u>Fuel</u>	For Customers Providing Their Own Compressor Fuel <u>Firm or Interruptible Service</u>	
	Firm or Interruptible <u>Service</u>	Fuel <u>Ratio</u>	Commodity <u>Charge</u>
Storage Injections	\$0.169/GJ	1.03%	\$0.072/GJ
Storage Withdrawals	\$0.169/GJ	1.03%	\$0.072/GJ
Transportation	0.9891 ¢/m ³	0.554%	0.7921 ¢/m ³

Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 6.5751¢ per m³ or \$1.750 per GJ, as appropriate.

3. Storage / Balancing Service

Authorized

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

	Firm Service <u>Rate/GJ</u>
Space	\$6.000
Injection / Withdrawal Maximum	\$6.000



OTHER SERVICES & CHARGES:

1. Monthly Charge

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

Monthly Charge	\$1 800
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2. Diversion of Gas

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

3. Delivery Obligations

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day who are delivering gas to Union under direct purchase arrangements may be entitled to non-obligated deliveries. The delivery options available to customers are detailed at www.uniongas.com/aboutus/regulatory/rates/deliveryobligations.asp.

Unless otherwise authorized by Union, all other 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.

4. Nominations

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day who have non obligated deliveries may contract to use Union's 5 additional nomination windows (13 in total) for the purposes of delivering gas to Union. These windows are in addition to the standard NAESB and TCPL STS nomination windows. Customers taking the additional nomination window service will pay an additional monthly demand charge of \$0.692/GJ/day/month multiplied by the non-obligated daily contract quantity.

5. Additional Service Information

Additional information on Union's T1 service offering can be found at www.uniongas.com/aboutus/regulatory/rates/T1info.asp. The additional information consists of, but is not limited to, the following:

- i. Storage space and deliverability entitlement;
- ii. The determination of gas supply receipt points and delivery obligations;
- iii. The nomination schedule;
- iv. The management of multiple redelivery points by a common fuel manager; and
- v. The availability of supplemental transactional services including title transfers.



uniongas

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(D) Delayed Payment

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

Effective

January 1, 2008
O.E.B. ORDER # EB-2007-0918

Chatham, Ontario

Supersedes EB-2007-0606 Rate Schedule effective January 1, 2008.



STORAGE AND TRANSPORTATION RATES
FOR CONTRACT CARRIAGE CUSTOMERS

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a Distributor:

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

(C) Rates

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

STORAGE SERVICE

	<u>Demand Charge Rate/GJ/mo</u>	<u>Commodity Charge Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.010			
b) Annual Firm Injection/Withdrawal Right Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.980			
Customer provides deliverability Inventory (4)	\$1.050			
c) Incremental Firm Injection Right Applied to the contracted Maximum Incremental Firm Injection Right	\$1.050			
d) Annual Interruptible Withdrawal Right Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.050			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.064	0.600%	\$0.007
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.064	0.600%	\$0.007
g) Short Term Storage / Balancing Service Maximum		\$6.000		

Notes:

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

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

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



TRANSPORTATION CHARGES

	Demand Charge Rate/m ³ /mo	Commodity Charge Rate/m ³	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio	Commodity Charge Rate/m ³
a) Annual Firm Transportation Demand (1) Applied to the Firm Daily Contract Demand	9.0742¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the Customer's Point(s) of Redelivery		0.3246¢	0.725%	0.0670¢

Notes:

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

SUPPLEMENTAL CHARGES

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

Notes:

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

OVERRUN SERVICE

1. Annual Storage Space

Authorized

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

Unauthorized

If in any month, the customer has gas in storage in excess of the contracted Maximum Storage Space, and which has not been authorized by Union or provided for under a short term supplemental storage service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun rate will be \$6.000 per GJ applied to the greatest excess for each occurrence.

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



2. Injection, Withdrawals and Transportation

Authorized

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

	Union Providing <u>Fuel</u>	For Customers Providing Their Own Compressor Fuel <u>Firm or Interruptible Service</u>	
	Firm or Interruptible <u>Service</u>	Fuel <u>Ratio</u>	Commodity <u>Charge</u>
Storage Injections	\$0.169/GJ	1.03%	\$0.072/GJ
Storage Withdrawals	\$0.169/GJ	1.03%	\$0.072/GJ
Transportation	0.6229¢/m ³	0.725%	0.3653¢/m ³

Unauthorized

For all quantities on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 36.0¢ per m³ or \$9.582 per GJ, as appropriate.

3. Short Term Storage Services

Authorized

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

	Firm Service <u>Rate/GJ</u>
Space	\$6.000
Injection Maximum	\$6.000



OTHER SERVICES & CHARGES

1. Monthly Charge

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

	<u>Monthly Charge</u>
City of Kitchener	\$ 17,155
NRG	\$ 2,631
Six Nations	\$ 877

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

2. Diversion of Gas

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

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

(D) Delayed Payment

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



STORAGE RATES FOR
UNBUNDLED CUSTOMERS

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

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

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

(C) Rates

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

STORAGE SERVICE

	<u>Demand Charge Rate/GJ/mo</u>	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
i) Standard Storage Service (SSS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.021		
b) Injection Commodity		0.600%	\$0.015
c) Withdrawal Commodity		0.600%	\$0.015
ii) Standard Peaking Service (SPS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.106		
b) Injection Commodity		0.600%	\$0.015
c) Withdrawal Commodity		1.03%	\$0.015



	<u>Demand Charge Rate/GJ/mo</u>	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
iii) Supplemental Service			
a) Incremental Firm Injection Right: (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$0.955		
b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$0.955		
c) Short Term Storage / Balancing Service - Maximum			\$6.000

Notes:

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

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

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



OVERRUN SERVICE

1. Injection and Withdrawal

Authorized

	Fuel Ratio	Commodity Charge Rate/GJ
Injection	1.03%	\$0.046
Withdrawal	1.03%	\$0.046

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

Unauthorized

If 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.

OTHER SERVICES & CHARGES

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

(D) Delayed Payment

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



**STORAGE AND DELIVERY RATES
FOR UNBUNDLED CUSTOMERS**

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To an interruptible industrial and commercial customer:

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

(C) Rates

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

STORAGE SERVICE

	<u>Demand Charge Rate/GJ/mo</u>	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
i) Standard Storage Service (SSS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.021		
b) Injection Commodity		0.600%	\$0.015
c) Withdrawal Commodity		0.600%	\$0.015
ii) Supplemental Service			
a) Incremental Firm Injection Right (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$0.955		
b) Incremental Firm Withdrawal Right (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$0.955		
c) Short Term Storage / Balancing Service - Maximum			\$6.000



Notes:

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

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

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

DELIVERY SERVICE

1. Interruptible Service

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

(i) Monthly Delivery Commodity Charge

<u>Daily Contracted Demand Level (CD)</u>	<u>Price per m³</u> (¢/m ³)
4 800 m ³ ≤ CD < 17 000 m ³	1.5544
17 000 m ³ ≤ CD < 30 000 m ³	1.4245
30 000 m ³ ≤ CD < 50 000 m ³	1.3562
50 000 m ³ ≤ CD < 70 000 m ³	1.3083
70 000 m ³ ≤ CD < 100 000 m ³	1.2740
100 000 m ³ ≤ CD ≤ 140 870 m ³	1.2403

(ii) Days Use of Interruptible Contract Demand

The price determined under Paragraph 1(i) of "Delivery Service" 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	0.053¢ per m ³ minimum
For each additional days use of contracted demand up to a maximum of 275 days, an additional discount of	0.00212¢ per m ³ minimum

(iii) Monthly Charge \$500 per month



- 2. In each contract year, the customer shall take delivery from the Company or in any event pay for if available and not accepted by the customer, a minimum volume of gas or delivery services as specified in the contract between the parties and which will not be less than 700 000 m³ per annum. Overrun volumes will not contribute to the minimum volume. In the event that the customer shall not take such minimum volume, the customer shall pay an amount equal to the deficiency from the minimum volume times a Delivery charge of 1.5544¢ per m³.

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

3. Non-Interruptible Service

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

- a) The monthly demand charge for firm daily deliveries will be 21.9833¢ per m³.
- b) The commodity charge for firm service shall be the rate for firm service at the Company's firm rates net of a monthly demand charge of 21.9833¢ per m³ of daily contracted demand.
- c) The interruptible commodity charge will be established under Clause 1 of "Delivery Service" of this schedule.

OVERRUN SERVICE

1. Injection and Withdrawal

Authorized

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	1.03%	\$0.046
Withdrawal	1.03%	\$0.046

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

Unauthorized

If 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.



2. Delivery

Authorized

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

Unauthorized

Unauthorized Delivery Overrun Service taken in a month shall be paid for at the rate of 6.5751¢ per m³.

OTHER SERVICES & CHARGES

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

2. Nomination Variances

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

(D) Delayed Payment

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

Effective

January 1, 2008
O.E.B. ORDER # EB-2007-0918

Chatham, Ontario

Supersedes EB-2007-0606 Rate Schedule effective January 1, 2008.



STORAGE AND DELIVERY RATES
FOR UNBUNDLED CUSTOMERS

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a customer:

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

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

(C) Rates

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

STORAGE SERVICE

	Demand Charge <u>Rate/GJ/mo</u>	Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
i) Standard Storage Service (SSS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.021		
b) Injection Commodity		0.600%	\$0.015
c) Withdrawal Commodity		0.600%	\$0.015
ii) Supplemental Service			
a) Incremental Firm Injection Right (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$0.955		
b) Incremental Firm Withdrawal Right (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$0.955		
c) Short Term Storage / Balancing Service - Maximum			\$6.000



Notes:

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

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

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

DELIVERY SERVICE

	Demand Charge <u>Rate/m³/mo</u>	Fuel Ratio (5) (6)	Commodity Charge <u>Rate/ m³</u>
a) Annual Firm Delivery Demand			
Applied to the Firm Daily Contracted Demand			
First 140,870 m ³ per month	19.0756¢		
All over 140,870 m ³ per month	13.0348¢		
b) Firm Delivery Commodity			
Paid on all firm volumes redelivered to the customer's Point(s) of Consumption			
First 2,360,653 m ³ per month		0.554%	0.1650¢
All over 2,360,653 m ³ per month		0.554%	0.0821¢
c) Interruptible Delivery Commodity			
Paid on all interruptible volumes redelivered to the customer's Point of Consumption – Maximum		0.554%	2.5720¢



Notes:

1. All demand charges are paid monthly during the term of the Contract, which shall not be less than one year unless Union, at its sole discretion, accepts a term of less than one year.
2. Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day and who are directly connected to i) the Dawn-Trafalgar transmission system in close proximity to Parkway or ii) a third party pipeline, have the option to pay for service using a Billing Contract Demand. The Billing Contract Demand shall be determined by Union such that the annual revenues over the term of the contract will recover the invested capital, return on capital and operating and maintenance costs associated with the dedicated service in accordance with Union's system expansion policy. The firm transportation demand charge will be applied to the Billing Contract Demand. For customers choosing the Billing Contract Demand option, the authorized transportation overrun rate will apply to all volumes in excess of the Billing Contract Demand but less than the daily firm demand requirement.
3. In negotiating the rate to be charged for the delivery of gas under interruptible Delivery, the matters that are to be considered include:
 - a) The amount of the Interruptible Delivery for which customer is willing to contract,
 - b) The anticipated load factor for the Interruptible Delivery volumes,
 - c) Interruptible or curtailment provisions, and
 - d) Competition.
4. In each contract year, the customer shall pay for a Minimum Interruptible Delivery Activity level as specified in the Contract. Overrun activity will not contribute to the minimum activity level.
5. Transportation fuel ratios do not apply to customers served from dedicated facilities directly connected to third party transmission systems with custody transfer metering at the interconnect.
6. Firm transportation fuel ratio does not apply to new customers or existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day that contract for M12 Dawn to Parkway transportation service equivalent to 100% of their daily firm demand requirement. If a customer with a daily firm demand requirement in excess of 1,200,000 m³/day contracts for M12 Dawn to Parkway transportation service at less than 100% of their firm daily demand requirement, the firm transportation fuel ratio will be applicable to daily volumes not transported under the M12 transportation contract.



OVERRUN SERVICE

1. Injection and Withdrawal

Authorized

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	1.03%	\$0.046
Withdrawal	1.03%	\$0.046

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

Unauthorized

If 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.

2. Delivery

Authorized

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

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/ m³</u>
Delivery	0.554%	0.7921¢

Unauthorized

For all volumes on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged a rate of 6.5751¢ per m³.



OTHER SERVICES & CHARGES

1. Monthly Charge

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

Monthly Charge	\$1 800 per month
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2. Delivery Obligations

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day who are delivering gas to Union under direct purchase arrangements may be entitled to non-obligated deliveries. The delivery options available to customers are detailed at www.uniongas.com/aboutus/regulatory/rates/deliveryobligations.asp.

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

3. Nominations

Effective January 1, 2007, new customers and existing customers with incremental daily firm demand requirements in excess of 1,200,000 m³/day who have non obligated deliveries may contract to use Union's 5 additional nomination windows (13 in total) for U7 storage services, U7 delivery services and U7 gas supply receipts. These windows are in addition to the standard NAESB and TCPL STS nomination windows. Customers taking the additional nomination window service will pay an additional monthly demand charge of \$0.692/GJ/day/month multiplied by the non-obligated daily contract quantity.

4. Nomination Variances

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



5. Additional Service Information

Additional information on Union's U7 service offering can be found at www.uniongas.com/aboutus/regulatory/rates/U7info.asp. The additional information consists of, but is not limited to, the following:

- i. Storage space and deliverability entitlement;
- ii. The determination of gas supply receipt points and delivery obligations;
- iii. The nomination schedule;
- iv. The management of multiple redelivery points by a common fuel manager; and
- v. The availability of supplemental transactional services including title transfers.

(D) Delayed Payment

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

Effective

January 1, 2008
O.E.B. ORDER # EB-2007-0918

Chatham, Ontario

Supersedes EB-2007-0606 Rate Schedule effective January 1, 2008.



STORAGE AND DELIVERY RATES
FOR UNBUNDLED CUSTOMERS

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a Distributor

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

(C) Rates

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

STORAGE SERVICE

	<u>Demand Charge</u> <u>Rate/GJ/mo</u>	<u>Fuel</u> <u>Ratio</u>	<u>Commodity Charge</u> <u>Rate/GJ</u>
i) Standard Storage Service (SSS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.021		
b) Injection Commodity		0.600%	\$0.015
c) Withdrawal Commodity		0.600%	\$0.015
ii) Supplemental Service			
a) Incremental Firm Injection Right (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$0.955		
b) Incremental Firm Withdrawal Right (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$0.955		
c) Short Term Storage / Balancing Service - Maximum			\$6.000



Notes:

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

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

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

DELIVERY SERVICE

	<u>Demand Charge</u> <u>Rate/ m³/mo</u>	<u>Fuel</u> <u>Ratio</u>	<u>Commodity Charge</u> <u>Rate/ m³</u>
a) Annual Firm Delivery Demand (1) Applied to the Firm Daily Contracted Demand	9.0742¢		
b) Firm Delivery Commodity Paid on all firm volumes redelivered to the customer's Point(s) of Consumption		0.725%	0.0670¢

Notes:

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



OVERRUN SERVICE

1. Injection and Withdrawal

Authorized

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	1.03%	\$0.046
Withdrawal	1.03%	\$0.046

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

Unauthorized

If 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.

2. Delivery

Authorized

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

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/ m³</u>
Delivery	0.725%	0.3653¢

Unauthorized

For all volumes on any Day in excess of 103% of the customer's contractual rights, for which authorization has not been received, the customer will be charged 36.0¢ per m³ or \$9.582 per GJ, as appropriate.

OTHER SERVICES & CHARGES

1. Monthly Charge

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

	<u>Monthly Charge</u>
City of Kitchener	\$17 155
NRG	\$ 2 631
Six Nations	\$ 877

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



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

3. **Nomination Variances**

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

(D) **Delayed Payment**

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



Effective
2008-01-01
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	27.1908 (1)
Commodity and Fuel - Price Adjustment	(4.4170)
Transportation	2.9793
Total Gas Supply Commodity Charge	25.7531

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	4.4948
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Storage and Transportation Supplemental Services - Rate T1 & T3

\$/GJ

<u>Monthly demand charges:</u>	
Firm gas supply service	29.027
Firm backstop gas	3.664
<u>Commodity charges:</u>	
Gas supply	7.226
Backstop gas	9.985
Reasonable Efforts Backstop Gas	9.780
Supplemental Inventory	Note (2)
Supplemental Gas Sales Service (cents / m ³)	39.7961
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	3.126
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, 2008
O.E.B. Order # EB-2007-0918

Chatham, Ontario

Supersedes EB-2007-0606 Rate Schedule effective January 1, 2008.

APPENDIX C

TO DECISION AND ORDER

RATE CHANGES

BOARD FILE NO. EB-2007-0918

DATED December 13, 2007

UNION GAS LIMITED
 Infranchise Customers
 Summary of Average Rate and Price Adjustment Changes for Rates 25, M5A, M7 and T1
Effective January 1, 2008

Line No.	Particulars (cents / m ³)	Monthly Charge Increase / (Decrease) (a)	Monthly Demand Charge Increase / (Decrease) (b)	Delivery Commodity Charge Increase / (Decrease) (c)	Delivery - Price Adjustment Increase / (Decrease) (d)
	Rate 25				
1	Fort Frances				
2	Western Zone				
3	Northern Zone				
4	Eastern Zone				
	M5A				
5	Firm				(0.0057)
6	Interruptible				(0.0057)
	M7				
7	Interruptible				(0.0445)
8	Seasonal				(0.0445)
	T1-Interruptible				
9	Transportation - Union supplied fuel				
10	Transportation - Customer supplied fuel				

APPENDIX D

TO DECISION AND ORDER

RATE CHANGES

BOARD FILE NO. EB-2007-0918

DATED December 13, 2007

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2008

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, 2008. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

Approved 2008 delivery rates reflect a rate class average increase of 1.9% over the previously approved 2007 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 increased by \$0.119/GJ reflecting the change in forecast costs to provide bundled storage service effective January 1, 2008. You will see the new rate opposite the “**Storage Demand – Price Adjustment**” line on your bill.

One-Time Adjustment

The Ontario Energy Board has also approved one-time adjustments to your **Rate 20** bill. These adjustments consist of:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

The following one-time adjustments will be applied to your January bill:

- **a charge of 0.0011** cents per cubic meter applied to volumes consumed by all sales and bundled-T customers only for the period January 1, 2006 to December 31, 2006
- **a charge of 0.1432** cents per cubic meter applied to volumes consumed by T-service customers only for the period January 1, 2006 to December 31, 2006
- **a credit of 0.7194** cents per cubic meter applied to the transportation contracted demand for sales and bundled-T customers only for the period of January 1, 2006 to December 31, 2006
- **a credit of \$1.147** per GJ applied to bundled (T-service) storage contracted demand for T-service customers having bundled storage entitlement for the period of January 1, 2006 to December 31, 2006

Individual customer impacts will vary.

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, 2008.

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 an increase 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.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2008

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, 2008. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

Approved 2008 delivery rates reflect a rate class average increase of 1.6% over the previously approved 2007 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 increased by \$0.119/GJ reflecting the change in forecast costs to provide bundled storage service effective January 1, 2008. You will see the new rate opposite the “**Storage Demand – Price Adjustment**” line on your bill.

One-Time Adjustment

The Ontario Energy Board has also approved one-time adjustments to your **Rate 100** bill. These adjustments consist of:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

The following one-time adjustments will be applied to your January bill:

- **a charge of 0.0824** cents per cubic meter applied to volumes consumed by T-service customers only for the period January 1, 2006 to December 31, 2006
- **a credit of \$1.147** per GJ applied to bundled (T-service) storage contracted demand for T-service customers having bundled storage entitlement for the period of January 1, 2006 to December 31, 2006

Individual customer impacts will vary.

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, 2008.

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 an increase 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.

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2008

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, 2008. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

Approved 2008 delivery rates reflect a rate class average increase of 1.7% over the previously approved 2007 rates for M4 customers. Individual customer rate impacts will vary.

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.

One-Time Adjustment

The Ontario Energy Board has also approved a one-time charge to your Rate M4 bill. This charge consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time charge of 0.1076 cents per cubic meter applied to volumes consumed in the period of January 1, 2006 to December 31, 2006. Individual customer impacts will vary based on volumes consumed.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in a decrease in the transportation rate by $0.3494\text{¢}/\text{m}^3$ to $2.9793\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $2.3315\text{¢}/\text{m}^3$ to $27.1908\text{¢}/\text{m}^3$. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months.

In addition, there is an increase of $0.1718\text{¢}/\text{m}^3$ 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 2008

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, 2008. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

Approved 2008 delivery rates reflect a rate class average increase of 0.5% over the previously approved 2007 rates for M5A customers. Individual customer rate impacts will vary.

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 $0.0057\text{¢}/\text{m}^3$. You will see this change on the “**Delivery-Price Adjustment**” line on your bill.

One-Time Adjustment

The Ontario Energy Board has also approved a one-time charge to your Rate M5A bill. This charge consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time charge of 0.4189 cents per cubic meter applied to volumes consumed in the period of January 1, 2006 to December 31, 2006. Individual customer impacts will vary based on volumes consumed.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in a decrease in the transportation rate by $0.3494\text{¢}/\text{m}^3$ to $2.9793\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $2.3315\text{¢}/\text{m}^3$ to $27.1908\text{¢}/\text{m}^3$. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months.

In addition, there is an increase of $0.1718\text{¢}/\text{m}^3$ 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)
[Rate schedule attached]

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2008

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, 2008. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

Approved 2008 delivery rates reflect a rate class average increase of 1.4% over the previously approved 2007 rates for M7 customers. Individual customer rate impacts will vary.

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 $0.0445\text{¢}/\text{m}^3$. You will see this change on the “**Delivery-Price Adjustment**” line on your bill.

One-Time Adjustment

The Ontario Energy Board has also approved a one-time charge to your Rate M7 bill. This charge consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time charge of 0.0093 cents per cubic meter applied to volumes consumed in the period of January 1, 2006 to December 31, 2006. Individual customer impacts will vary based on volumes consumed.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in a decrease in the transportation rate by $0.3494\text{¢}/\text{m}^3$ to $2.9793\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $2.3315\text{¢}/\text{m}^3$ to $27.1908\text{¢}/\text{m}^3$. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months.

In addition, there is an increase of $0.1718\text{¢}/\text{m}^3$ 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)
[Rate schedule attached]

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2008

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, 2008. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

Approved 2008 delivery rates reflect a rate class average increase of 0.3% over the previously approved 2007 rates for M9 customers. Individual customer rate impacts will vary.

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 $0.0052\text{¢}/\text{m}^3$. You will see this change on the “**Delivery-Price Adjustment**” line on your bill.

One-Time Adjustment

The Ontario Energy Board has also approved a one-time credit to your **Rate M9** bill. This credit consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time credit of 0.2055 cents per cubic meter applied to volumes consumed in the period of January 1, 2006 to December 31, 2006. Individual customer impacts will vary based on volumes consumed.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in a decrease in the transportation rate by $0.3494\text{¢}/\text{m}^3$ to $2.9793\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $2.3315\text{¢}/\text{m}^3$ to $27.1908\text{¢}/\text{m}^3$. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months.

In addition, there is an increase of $0.1718\text{¢}/\text{m}^3$ 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 2008

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, 2008. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix.

Delivery

Approved 2008 delivery rates reflect a rate class average increase of 0.3% over the previously approved 2007 rates for M10 customers. Individual customer rate impacts will vary.

One-Time Adjustment

The Ontario Energy Board has also approved a one-time credit to your **Rate M10** bill. This credit consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time credit of 3.2865 cents per cubic meter applied to volumes consumed in the period of January 1, 2006 to December 31, 2006. Individual customer impacts will vary based on volumes consumed.

Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in a decrease in the transportation rate by $0.3494\text{¢}/\text{m}^3$ to $2.9793\text{¢}/\text{m}^3$.

Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by $2.3315\text{¢}/\text{m}^3$ to $27.1908\text{¢}/\text{m}^3$. This change reflects the decrease in Union Gas's forecast cost to purchase natural gas for the next 12 months.

In addition, there is an increase of $0.1718\text{¢}/\text{m}^3$ 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 2008

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, 2008. Your new rates are shown on the accompanying rate schedule. Changes to supplemental service rates reflect changes in gas supply costs effective January 1, 2008.

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 2008

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, 2008. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix. Changes to supplemental service rates reflect changes in gas supply costs effective January 1, 2008.

Delivery

Approved 2008 rates reflect a rate class average increase of 0.6% over the previously approved 2007 rates for T1 customers. Individual customer rate impacts will vary.

One-Time Adjustment

The Ontario Energy Board has also approved a one-time credit to your **Rate T1** bill. This credit consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time credit of 0.0835 cents per cubic meter applied to volumes consumed in the period of January 1, 2006 to December 31, 2006. Individual customer impacts will vary based on volumes consumed.

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 2008

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, 2008. Your new rates are shown on the accompanying rate schedule. Changes in the rate levels are detailed in the attached appendix. Changes to supplemental service rates reflect changes in gas supply costs effective January 1, 2008.

Delivery

Approved 2008 rates reflect a rate class average increase of 0.4% over the previously approved 2007 rates for T3 customers.

One-Time Adjustment

The Ontario Energy Board has also approved a one-time credit to your **Rate T3** bill. This credit consists of two adjustments:

- differences between targeted and actual earnings in 2006, and
- differences between approved forecast and actual revenues and costs in 2006

These adjustments result in a combined one-time credit of 0.3664 cents per cubic meter applied to volumes consumed in the period of January 1, 2006 to December 31, 2006. Individual customer impacts will vary based on volumes consumed.

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]

Important Information About Your Rates

Fort Frances Zone - Rate 201

January 2008



uniongas

A Spectra Energy Company

The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$30.48 per year based on an annual volume of 2,600 m³. The enclosed bill uses the new rates.

Gas Commodity

The gas commodity rate decreased by 2.2559 cents/m³ based on the decrease in Union Gas' forecast cost to purchase natural gas during the next 12 months. For most customers the decrease will amount to \$58.65 annually depending on how much gas is used. You will see the new rate in the "Gas Used" line on your bill.

In addition, an increase in the gas price adjustment of 3.1255 cents/m³ reflects the difference between the projected cost of gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate during the next 12 months. For most customers the increase will be about \$81.26 per year depending on the amount of gas used. The new rate appears on the "Gas Price Adjustment" line on your bill.

The gas rate is adjusted this way so that you are billed at a rate that more closely reflects the market price of gas and avoids large out-of-period adjustments.

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

Transportation

The transportation rate increased by 0.0004 cents/m³. You will see the new rate reflected on the "Transportation to Union Gas" line on your bill.

The change in the transportation price adjustment is 0.4793 cents/m³. For most customers the change will amount to an increase of \$3.73 per year depending on the amount of natural gas used. You will see the new rate on the "Transportation Price Adjustment" line in your bill.

Storage

The change in the storage price adjustment is 0.0029 cents/m³. For most customers the change will amount to an increase of \$0.08 per year depending on the amount of gas used. You will see the new rate reflected on the "Storage Price Adjustment" line in your bill.

Delivery

The delivery rate that varies with consumption increased. For most customers the increase will amount to about \$4.06 in 2008 depending on the amount of gas used. You will see the new rate on the "Delivery to You" line on your bill.

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

Fort Frances Zone - Rate 201

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	28.5823	(2.2559)		26.3264	(\$58.65)	
Gas Price Adjustment	(6.2521)	3.1255		(3.1266)	\$81.26	
Transportation to Union Gas	2.9778	0.0004		2.9782	-	
Transportation Price Adjustment	0.0064	(0.4793)	(1)	(0.4729)	\$3.73	(1)
Storage	1.9099	-		1.9099	-	
Storage Price Adjustment	(0.0170)	0.0029		(0.0141)	\$0.08	
Delivery						
First 100 m ³	9.2380	0.1615		9.3995		
Next 200 m ³	8.6369	0.1537		8.7906		
Next 200 m ³	8.2100	0.1482		8.3582	\$4.06	
Next 500 m ³	7.8180	0.1431		7.9611		
All over 1,000 m ³	7.4944	0.1389		7.6333		
Delivery Price Adjustment (all volumes)	-	(0.3277)	(2)	(0.3277)	-	(2)
Monthly Charge	\$16.00	-		\$16.00	-	
Total Annualized Increase or (Decrease)					\$30.48	

(1) The Transportation Price Adjustment decrease of 0.4793 cents/m³ consists of an increase of 0.1429 cents/m³ in the new rate and a temporary credit of 0.6222 cents/m³. The annual bill increase of \$3.73, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$7.57.

(2) The Delivery Price Adjustment decrease of 0.3277 cents/m³ consists of a temporary credit of 0.3277 cents/m³. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$3.99.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

Fort Frances Zone - Rate 201 Direct Purchase

January 2008



uniongas

A Spectra Energy Company

The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$7.87 per year based on an annual volume of 2,600 m³. The enclosed bill uses the new rates.

Transportation

The transportation rate increased by 0.0004 cents/m³. You will see the new rate reflected on the “**Transportation to Union Gas**” line on your bill.

The change in the transportation price adjustment is 0.4793 cents/m³. For most customers the change will amount to an increase of \$3.73 per year depending on the amount of gas used. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage

The change in the storage price adjustment is 0.0029 cents/m³. For most customers the change will amount to an increase of \$0.08 per year depending on the amount of gas used. You will see the new rate reflected on the “**Storage Price Adjustment**” line in your bill.

Delivery

The delivery rate that varies with consumption increased. For most customers the increase will amount to about \$4.06 in 2008 depending on the amount of gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

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

Fort Frances Zone - Rate 201 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 **	2.9778	0.0004	2.9782	-	
Transportation Price Adjustment	0.0064	(0.4793)	(1) (0.4729)	\$3.73	(1)
Storage	1.9099	-	1.9099	-	
Storage Price Adjustment	(0.0170)	0.0029	(0.0141)	\$0.08	
Delivery					
First 100 m ³	9.2380	0.1615	9.3995		
Next 200 m ³	8.6369	0.1537	8.7906		
Next 200 m ³	8.2100	0.1482	8.3582	\$4.06	
Next 500 m ³	7.8180	0.1431	7.9611		
All over 1,000 m ³	7.4944	0.1389	7.6333		
Delivery Price Adjustment (all volumes)	-	(0.3277)	(2) (0.3277)	-	(2)
Monthly Charge	\$16.00	-	\$16.00	-	
Total Annualized Increase or (Decrease)				\$7.87	

(1) The Transportation Price Adjustment decrease of 0.4793 cents/m³ consists of an increase of 0.1429 cents/m³ in the new rate and a temporary credit of 0.6222 cents/m³. The annual bill increase of \$3.73, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$7.57.

(2) The Delivery Price Adjustment decrease of 0.3277 cents/m³ consists of a temporary credit of 0.3277 cents/m³. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$3.99.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas' changes to transportation rates.

Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

Northwestern Zone - Rate 101

January 2008



uniongas

A Spectra Energy Company

The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$29.88 per year based on an annual volume of 2,600 m³. The enclosed bill uses the new rates.

Gas Commodity

The gas commodity rate decreased by 2.2795 cents/m³ based on the decrease in Union Gas' forecast cost to purchase natural gas during the next 12 months. For most customers the decrease will amount to \$59.27 annually depending on how much gas is used. You will see the new rate in the "Gas Used" line on your bill.

In addition, an increase in the gas price adjustment of 3.1255 cents/m³ reflects the difference between the projected cost of gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate during the next 12 months. For most customers the increase will be about \$81.26 per year depending on the amount of gas used. The new rate appears on the "Gas Price Adjustment" line on your bill.

The gas rate is adjusted this way so that you are billed at a rate that more closely reflects the market price of gas and avoids large out-of-period adjustments.

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

Transportation

The transportation rate increased by 0.0005 cents/m³. For most customers the increase will amount to \$0.02 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 change in the transportation price adjustment is 0.4793 cents/m³. For most customers the change will amount to an increase of \$3.73 per year depending on the amount of gas used. You will see the new rate on the "Transportation Price Adjustment" line in your bill.

Storage

The change in the storage price adjustment is 0.0029 cents/m³. For most customers the change will amount to an increase of \$0.08 per year depending on the amount of gas used. You will see the new rate reflected on the "Storage Price Adjustment" line in your bill.

Delivery

The delivery rate that varies with consumption increased. For most customers the increase will amount to about \$4.06 in 2008 depending on the amount of gas used. You will see the new rate on the "Delivery to You" line on your bill.

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

Northwestern Zone - Rate 101

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	28.8494	(2.2795)		26.5699	(\$59.27)	
Gas Price Adjustment	(6.2521)	3.1255		(3.1266)	\$81.26	
Transportation to Union Gas	3.0018	0.0005		3.0023	\$0.02	
Transportation Price Adjustment	0.0064	(0.4793)	(1)	(0.4729)	\$3.73	(1)
Storage	1.9075	-		1.9075	-	
Storage Price Adjustment	(0.0170)	0.0029		(0.0141)	\$0.08	
Delivery						
First	100 m ³	9.2380	0.1615	9.3995		
Next	200 m ³	8.6369	0.1537	8.7906		
Next	200 m ³	8.2100	0.1482	8.3582	\$4.06	
Next	500 m ³	7.8180	0.1431	7.9611		
All over	1,000 m ³	7.4944	0.1389	7.6333		
Delivery Price Adjustment (all volumes)	-	(0.3277)	(2)	(0.3277)	-	(2)
Monthly Charge	\$16.00	-		\$16.00	-	
Total Annualized Increase or (Decrease)					\$29.88	

(1) The Transportation Price Adjustment decrease of 0.4793 cents/m³ consists of an increase of 0.1429 cents/m³ in the new rate and a temporary credit of 0.6222 cents/m³. The annual bill increase of \$3.73, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$7.57.

(2) The Delivery Price Adjustment decrease of 0.3277 cents/m³ consists of a temporary credit of 0.3277 cents/m³. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$3.99.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

Northwestern Zone - Rate 101 Direct Purchase

January 2008



uniongas

A Spectra Energy Company

The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$7.89 per year based on an annual volume of 2,600 m³. The enclosed bill uses the new rates.

Transportation

The transportation rate increased by 0.0005 cents/m³. For most customers the increase will amount to \$0.02 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 change in the transportation price adjustment is 0.4793 cents/m³. For most customers the change will amount to an increase of \$3.73 per year depending on the amount of gas used. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage

The change in the storage price adjustment is 0.0029 cents/m³. For most customers the change will amount to an increase of \$0.08 per year depending on the amount of gas used. You will see the new rate reflected on the “**Storage Price Adjustment**” line in your bill.

Delivery

The delivery rate that varies with consumption increased. For most customers the increase will amount to about \$4.06 in 2008 depending on the amount of gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

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

Northwestern Zone - Rate 101 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 **	3.0018	0.0005	3.0023	\$0.02	
Transportation Price Adjustment	0.0064	(0.4793)	(0.4729)	\$3.73	(1)
Storage	1.9075	-	1.9075	-	
Storage Price Adjustment	(0.0170)	0.0029	(0.0141)	\$0.08	
Delivery					
First 100 m ³	9.2380	0.1615	9.3995		
Next 200 m ³	8.6369	0.1537	8.7906		
Next 200 m ³	8.2100	0.1482	8.3582	\$4.06	
Next 500 m ³	7.8180	0.1431	7.9611		
All over 1,000 m ³	7.4944	0.1389	7.6333		
Delivery Price Adjustment (all volumes)	-	(0.3277)	(0.3277)	-	(2)
Monthly Charge	\$16.00	-	\$16.00	-	
Total Annualized Increase or (Decrease)				\$7.89	

(1) The Transportation Price Adjustment decrease of 0.4793 cents/m³ consists of an increase of 0.1429 cents/m³ in the new rate and a temporary credit of 0.6222 cents/m³. The annual bill increase of \$3.73, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$7.57.

(2) The Delivery Price Adjustment decrease of 0.3277 cents/m³ consists of a temporary credit of 0.3277 cents/m³. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$3.99.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas' changes to transportation rates.

Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

Northern Zone - Rate 301

January 2008



uniongas

A Spectra Energy Company

The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$29.12 per year based on an annual volume of 2,600 m³. The enclosed bill uses the new rates.

Gas Commodity

The gas commodity rate decreased by 2.3098 cents/m³ based on the decrease in Union Gas' forecast cost to purchase natural gas during the next 12 months. For most customers the decrease will amount to \$60.03 annually depending on how much gas is used. You will see the new rate in the "Gas Used" line on your bill.

In addition, an increase in the gas price adjustment of 3.1255 cents/m³ reflects the difference between the projected cost of gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate during the next 12 months. For most customers the increase will be about \$81.27 per year depending on the amount of gas used. The new rate appears on the "Gas Price Adjustment" line on your bill.

The gas rate is adjusted this way so that you are billed at a rate that more closely reflects the market price of gas and avoids large out-of-period adjustments.

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

Transportation

The transportation rate increased by 0.0005 cents/m³. For most customers the increase will amount to \$0.02 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 change in the transportation price adjustment is 0.4793 cents/m³. For most customers the change will amount to an increase of \$3.72 per year depending on the amount of gas used. You will see the new rate on the "Transportation Price Adjustment" line in your bill.

Storage

The change in the storage price adjustment is 0.0029 cents/m³. For most customers the change will amount to an increase of \$0.09 per year depending on the amount of gas used. You will see the new rate reflected on the "Storage Price Adjustment" line in your bill.

Delivery

The delivery rate that varies with consumption increased. For most customers the increase will amount to about \$4.05 in 2008 depending on the amount of gas used. You will see the new rate on the "Delivery to You" line on your bill.

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

Northern Zone - Rate 301

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	29.2137	(2.3098)	26.9039	(\$60.03)	
Gas Price Adjustment	(6.2521)	3.1255	(3.1266)	\$81.27	
Transportation to Union Gas	3.6137	0.0005	3.6142	\$0.02	
Transportation Price Adjustment	0.0064	(0.4793)	(0.4729)	\$3.72	(1)
Storage	2.2951	-	2.2951	-	
Storage Price Adjustment	(0.0170)	0.0029	(0.0141)	\$0.09	
Delivery					
First 100 m ³	9.2380	0.1615	9.3995		
Next 200 m ³	8.6369	0.1537	8.7906		
Next 200 m ³	8.2100	0.1482	8.3582	\$4.05	
Next 500 m ³	7.8180	0.1431	7.9611		
All over 1,000 m ³	7.4944	0.1389	7.6333		
Delivery Price Adjustment (all volumes)	-	(0.3277)	(0.3277)	-	(2)
Monthly Charge	\$16.00	-	\$16.00	-	
Total Annualized Increase or (Decrease)				\$29.12	

(1) The Transportation Price Adjustment decrease of 0.4793 cents/m³ consists of an increase of 0.1429 cents/m³ in the new rate and a temporary credit of 0.6222 cents/m³. The annual bill increase of \$3.72, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$7.57.

(2) The Delivery Price Adjustment decrease of 0.3277 cents/m³ consists of a temporary credit of 0.3277 cents/m³. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$3.99.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

Northern Zone - Rate 301 Direct Purchase

January 2008



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A Spectra Energy Company

The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$7.88 per year based on an annual volume of 2,600 m³. The enclosed bill uses the new rates.

Transportation

The transportation rate increased by 0.0005 cents/m³. For most customers the increase will amount to \$0.02 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 change in the transportation price adjustment is 0.4793 cents/m³. For most customers the change will amount to an increase of \$3.72 per year depending on the amount of gas used. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage

The change in the storage price adjustment is 0.0029 cents/m³. For most customers, the change in the storage price adjustment will amount to an increase of \$0.09 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 rate that varies with consumption increased. For most customers the increase will amount to about \$4.05 in 2008 depending on the amount of gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

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

Northern Zone - Rate 301 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 **	3.6137	0.0005	3.6142	\$0.02	
Transportation Price Adjustment	0.0064	(0.4793)	(0.4729)	\$3.72	(1)
Storage	2.2951	-	2.2951	-	
Storage Price Adjustment	(0.0170)	0.0029	(0.0141)	\$0.09	
Delivery					
First 100 m ³	9.2380	0.1615	9.3995		
Next 200 m ³	8.6369	0.1537	8.7906		
Next 200 m ³	8.2100	0.1482	8.3582	\$4.05	
Next 500 m ³	7.8180	0.1431	7.9611		
All over 1,000 m ³	7.4944	0.1389	7.6333		
Delivery Price Adjustment (all volumes)	-	(0.3277)	(0.3277)	-	(2)
Monthly Charge	\$16.00	-	\$16.00	-	
Total Annualized Increase or (Decrease)				\$7.88	

(1) The Transportation Price Adjustment decrease of 0.4793 cents/m³ consists of an increase of 0.1429 cents/m³ in the new rate and a temporary credit of 0.6222 cents/m³. The annual bill increase of \$3.72, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$7.57.

(2) The Delivery Price Adjustment decrease of 0.3277 cents/m³ consists of a temporary credit of 0.3277 cents/m³. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$3.99.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas' changes to transportation rates.

Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

Eastern Zone - Rate 601

January 2008



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A Spectra Energy Company

The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$28.51 per year based on an annual volume of 2,600 m³. The enclosed bill uses the new rates.

Gas Commodity

The gas commodity rate decreased by 2.3315 cents/m³ based on the decrease in Union Gas' forecast cost to purchase natural gas during the next 12 months. For most customers the decrease will amount to \$60.61 annually depending on how much gas is used. You will see the new rate in the "Gas Used" line on your bill.

In addition, an increase in the gas price adjustment of 3.1255 cents/m³ reflects the difference between the projected cost of gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate during the next 12 months. For most customers the increase will be about \$81.29 per year depending on the amount of gas used. The new rate appears on the "Gas Price Adjustment" line on your bill.

The gas rate is adjusted this way so that you are billed at a rate that more closely reflects the market price of gas and avoids large out-of-period adjustments.

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

Transportation

The transportation rate increased by 0.0007 cents/m³. For most customers the increase will amount to \$0.02 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 change in the transportation price adjustment is 0.4793 cents/m³. For most customers the change will amount to an increase of \$3.71 per year depending on the amount of gas used. You will see the new rate on the "Transportation Price Adjustment" line in your bill.

Storage

The change in the storage price adjustment is 0.0029 cents/m³. For most customers the change will amount to an increase of \$0.05 per year depending on the amount of gas used. You will see the new rate reflected on the "Storage Price Adjustment" line in your bill.

Delivery

The delivery rate that varies with consumption increased. For most customers the increase will amount to about \$4.05 in 2008 depending on the amount of gas used. You will see the new rate on the "Delivery to You" line on your bill.

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

Eastern Zone - Rate 601

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	29.5223	(2.3315)	27.1908	(\$60.61)	
Gas Price Adjustment	(6.2521)	3.1255	(3.1266)	\$81.29	
Transportation to Union Gas	4.1393	0.0007	4.1400	\$0.02	
Transportation Price Adjustment	0.0064	(0.4793)	(0.4729)	\$3.71	(1)
Storage	2.6079	-	2.6079	-	
Storage Price Adjustment	(0.0170)	0.0029	(0.0141)	\$0.05	
Delivery					
First 100 m ³	9.2380	0.1615	9.3995		
Next 200 m ³	8.6369	0.1537	8.7906		
Next 200 m ³	8.2100	0.1482	8.3582	\$4.05	
Next 500 m ³	7.8180	0.1431	7.9611		
All over 1,000 m ³	7.4944	0.1389	7.6333		
Delivery Price Adjustment (all volumes)	-	(0.3277)	(0.3277)	-	(2)
Monthly Charge	\$16.00	-	\$16.00	-	
Total Annualized Increase or (Decrease)				\$28.51	

(1) The Transportation Price Adjustment decrease of 0.4793 cents/m³ consists of an increase of 0.1429 cents/m³ in the new rate and a temporary credit of 0.6222 cents/m³. The annual bill increase of \$3.71, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$7.57.

(2) The Delivery Price Adjustment decrease of 0.3277 cents/m³ consists of a temporary credit of 0.3277 cents/m³. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$3.99.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

Eastern Zone - Rate 601 Direct Purchase

January 2008



uniongas

A Spectra Energy Company

The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$7.83 per year based on an annual volume of 2,600 m³. The enclosed bill uses the new rates.

Transportation

The transportation rate increased by 0.0007 cents/m³. For most customers the increase will amount to \$0.02 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 change in the transportation price adjustment is 0.4793 cents/m³. For most customers the change will amount to an increase of \$3.71 per year depending on the amount of gas used. You will see the new rate on the “**Transportation Price Adjustment**” line in your bill.

Storage

The change in the storage price adjustment is 0.0029 cents/m³. For most customers the change will amount to an increase of \$0.05 per year depending on the amount of gas used. You will see the new rate reflected on the “**Storage Price Adjustment**” line in your bill.

Delivery

The delivery rate that varies with consumption increased. For most customers the increase will amount to about \$4.05 in 2008 depending on the amount of gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

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

Eastern Zone - Rate 601
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 **	4.1393	0.0007	4.1400	\$0.02	
Transportation Price Adjustment	0.0064	(0.4793)	(0.4729)	\$3.71	(1)
Storage	2.6079	-	2.6079	-	
Storage Price Adjustment	(0.0170)	0.0029	(0.0141)	\$0.05	
Delivery					
First 100 m ³	9.2380	0.1615	9.3995		
Next 200 m ³	8.6369	0.1537	8.7906		
Next 200 m ³	8.2100	0.1482	8.3582	\$4.05	
Next 500 m ³	7.8180	0.1431	7.9611		
All over 1,000 m ³	7.4944	0.1389	7.6333		
Delivery Price Adjustment (all volumes)	-	(0.3277)	(0.3277)	-	(2)
Monthly Charge	\$16.00	-	\$16.00	-	
Total Annualized Increase or (Decrease)				\$7.83	

(1) The Transportation Price Adjustment decrease of 0.4793 cents/m³ consists of an increase of 0.1429 cents/m³ in the new rate and a temporary credit of 0.6222 cents/m³. The annual bill increase of \$3.71, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$7.57.

(2) The Delivery Price Adjustment decrease of 0.3277 cents/m³ consists of a temporary credit of 0.3277 cents/m³. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$3.99.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas' changes to transportation rates.

Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

Fort Frances Zone - Rate 210

January 2008



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A Spectra Energy Company

The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$1,021.07 per year based on an annual volume of 93,000 m³. The enclosed bill uses the new rates.

Gas Commodity

The gas commodity rate decreased by 2.2559 cents/m³ based on the decrease in Union Gas' forecast cost to purchase natural gas during the next 12 months. For most customers the decrease will amount to \$2,097.99 per year depending on how much gas is used. You will see the new rate in the "Gas Used" line on your bill.

In addition, the increase in the gas price adjustment is 3.1255 cents/m³. This change reflects the difference between the projected cost of gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate during the next 12 months. For most customers the increase will be about \$2,906.73 per year depending on the amount of gas used. The new rate appears on the "Gas Price Adjustment" line on your bill.

The gas rate is adjusted this way so that you are billed at a rate that more closely reflects the market price of gas and avoids large out-of-period adjustments.

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

Transportation

There is a decrease in the transportation price adjustment of 0.5168 cents/m³. For most customers the annual increase in the new rate, excluding the temporary credit, will be approximately \$131.31 depending on your gas use. Look for the new rate in the "Transportation Price Adjustment" line on your bill.

Storage

The increase in the storage price adjustment is 0.0043 cents/m³. For most customers the increase is about \$3.97 per year depending on the amount of gas used. Your bill shows the new rate on the "Storage Price Adjustment" line on your bill.

Delivery

The delivery charge that varies with consumption changed. For most customers the increase will amount to about \$77.05 in 2008 depending on the amount of gas used. You will see the new rate on the "Delivery to You" line on your bill.

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

Fort Frances Zone - Rate 210

Sales

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill	
	Previous Rate (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)		
Gas Commodity Rate	28.5823	(2.2559)	26.3264	(\$2,097.99)	
Gas Price Adjustment	(6.2521)	3.1255	(3.1266)	\$2,906.73	
Transportation to Union Gas	2.7311	-	2.7311	-	
Transportation Price Adjustment	0.0143	(0.5168)	(1)	\$131.31	(1)
Storage	1.2255	-	1.2255	-	
Storage Price Adjustment	(0.0193)	0.0043	(0.0150)	\$3.97	
Delivery to You					
First 1,000 m ³	7.3562	0.1024	7.4586		
Next 9,000 m ³	5.8543	0.0817	5.9360		
Next 20,000 m ³	4.9979	0.0699	5.0678	\$77.05	
Next 70,000 m ³	4.4495	0.0623	4.5118		
All over 100,000 m ³	2.3725	0.0337	2.4062		
Delivery Price Adjustment (all volumes)	-	0.0563	(2)	-	(2)
Monthly Charge	\$70.00	-	\$70.00	-	
Total Annualized Increase or (Decrease)				\$1,021.07	

(1) The Transportation Price Adjustment decrease of 0.5168 cents/m³ consists of an increase of 0.1412 cents/m³ in the new rate and a temporary credit of 0.6580 cents/m³. The annual bill increase of \$131.31, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$247.53.

(2) The Delivery Price Adjustment increase of 0.0563 cents/m³ consists of a temporary charge of 0.0563 cents/m³. The temporary charge, for the period January 1 to March 31, 2008, will amount to an increase of \$21.18.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

Fort Frances Zone - Rate 210 Direct Purchase

January 2008



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A Spectra Energy Company

The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$212.33 per year based on an annual volume of 93,000 m³. The enclosed bill uses the new rates.

Transportation

There is a decrease in the transportation price adjustment of 0.5168 cents/m³. For most customers the annual increase in the new rate, excluding the temporary credit, will be approximately \$131.31 depending on your gas use. Look for the new rate in the “**Transportation Price Adjustment**” line on your bill.

Storage

The increase in the storage price adjustment is 0.0043 cents/m³. For most customers the increase is about \$3.97 per year depending on the amount of gas used. Your bill shows the new rate on the “**Storage Price Adjustment**” line on your bill.

Delivery

The delivery charge that varies with consumption changed. For most customers the increase will amount to about \$77.05 in 2008 depending on the amount of gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

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

Fort Frances Zone - Rate 210
Direct Purchase

Rate Description	Per Cubic Metre				Annual Increase/(Decrease) in the Bill	
	Previous Rate (cents/m ³)	Change (cents/m ³)		New Rate (cents/m ³)		
Transportation to Union Gas **	2.7311	-		2.7311	-	
Transportation Price Adjustment	0.0143	(0.5168)	(1)	(0.5025)	\$131.31	(1)
Storage	1.2255	-		1.2255	-	
Storage Price Adjustment	(0.0193)	0.0043		(0.0150)	\$3.97	
Delivery to You						
First 1,000 m ³	7.3562	0.1024		7.4586		
Next 9,000 m ³	5.8543	0.0817		5.9360		
Next 20,000 m ³	4.9979	0.0699		5.0678	\$77.05	
Next 70,000 m ³	4.4495	0.0623		4.5118		
All over 100,000 m ³	2.3725	0.0337		2.4062		
Delivery Price Adjustment (all volumes)	-	0.0563	(2)	0.0563	-	(2)
Monthly Charge	\$70.00	-		\$70.00	-	
Total Annualized Increase or (Decrease)					\$212.33	

(1) The Transportation Price Adjustment decrease of 0.5168 cents/m³ consists of an increase of 0.1412 cents/m³ in the new rate and a temporary credit of 0.6580 cents/m³. The annual bill increase of \$131.31, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$247.53.

(2) The Delivery Price Adjustment increase of 0.0563 cents/m³ consists of a temporary charge of 0.0563 cents/m³. The temporary charge, for the period January 1 to March 31, 2008, will amount to an increase of \$21.18.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas' changes to transportation rates.

Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

Northwestern Zone - Rate 110

January 2008



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A Spectra Energy Company

The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$999.12 per year based on an annual volume of 93,000 m³. The enclosed bill uses the new rates.

Gas Commodity

The gas commodity rate decreased by 2.2795 cents/m³ based on the decrease in Union Gas' forecast cost to purchase natural gas during the next 12 months. For most customers the decrease will amount to \$2,119.94 per year depending on how much gas is used. You will see the new rate in the "**Gas Used**" line on your bill.

In addition, the increase in the gas price adjustment is 3.1255 cents/m³. This change reflects the difference between the projected cost of gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate during the next 12 months. For most customers the increase will be about \$2,906.73 per year depending on the amount of gas used. The new rate appears on the "**Gas Price Adjustment**" line on your bill.

The gas rate is adjusted this way so that you are billed at a rate that more closely reflects the market price of gas and avoids large out-of-period adjustments.

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

Transportation

There is a decrease in the transportation price adjustment of 0.5168 cents/m³. For most customers the annual increase in the new rate, excluding the temporary credit, will be approximately \$131.31 depending on your gas use. Look for the new rate in the "**Transportation Price Adjustment**" line on your bill.

Storage

The increase in the storage price adjustment is 0.0043 cents/m³. For most customers the increase is about \$3.97 per year depending on the amount of gas used. Your bill shows the new rate on the "**Storage Price Adjustment**" line on your bill.

Delivery

The delivery charge that varies with consumption changed. For most customers the increase will amount to about \$77.05 in 2008 depending on the amount of gas used. You will see the new rate on the "**Delivery to You**" line on your bill.

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

Northwestern Zone - Rate 110

Sales

Rate Description	Per Cubic Metre				Annual Increase/(Decrease) in the Bill	
	Previous Rate (cents/m ³)	Change (cents/m ³)		New Rate (cents/m ³)		
Gas Commodity Rate	28.8494	(2.2795)		26.5699	(\$2,119.94)	
Gas Price Adjustment	(6.2521)	3.1255		(3.1266)	\$2,906.73	
Transportation to Union Gas	2.7552	-		2.7552	-	
Transportation Price Adjustment	0.0143	(0.5168)	(1)	(0.5025)	\$131.31	(1)
Storage	1.2231	-		1.2231	-	
Storage Price Adjustment	(0.0193)	0.0043		(0.0150)	\$3.97	
Delivery to You						
First	1,000 m ³	7.3562	0.1024	7.4586		
Next	9,000 m ³	5.8543	0.0817	5.9360		
Next	20,000 m ³	4.9979	0.0699	5.0678	\$77.05	
Next	70,000 m ³	4.4495	0.0623	4.5118		
All over	100,000 m ³	2.3725	0.0337	2.4062		
Delivery Price Adjustment (all volumes)	-	0.0563	(2)	0.0583	-	(2)
Monthly Charge	\$70.00	-		\$70.00	-	
Total Annualized Increase or (Decrease)					\$999.12	

(1) The Transportation Price Adjustment decrease of 0.5168 cents/m³ consists of an increase of 0.1412 cents/m³ in the new rate and a temporary credit of 0.6580 cents/m³. The annual bill increase of \$131.31, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$247.53.

(2) The Delivery Price Adjustment increase of 0.0563 cents/m³ consists of a temporary charge of 0.0563 cents/m³. The temporary charge, for the period January 1 to March 31, 2008, will amount to an increase of \$21.18.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

Northwestern Zone - Rate 110 Direct Purchase

January 2008



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A Spectra Energy Company

The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$212.33 per year based on an annual volume of 93,000 m³. The enclosed bill uses the new rates.

Transportation

There is a decrease in the transportation price adjustment of 0.5168 cents/m³. For most customers the annual increase in the new rate, excluding the temporary credit, will be approximately \$131.31 depending on your gas use. Look for the new rate in the “**Transportation Price Adjustment**” line on your bill.

Storage

The increase in the storage price adjustment is 0.0043 cents/m³. For most customers the increase is about \$3.97 per year depending on the amount of gas used. Your bill shows the new rate on the “**Storage Price Adjustment**” line on your bill.

Delivery

The delivery charge that varies with consumption changed. For most customers the increase will amount to about \$77.05 in 2008 depending on the amount of gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

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

Northwestern Zone - Rate 110 Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill	
	Previous Rate (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)		
Transportation to Union Gas **	2.7552	-	2.7552	-	
Transportation Price Adjustment	0.0143	(0.5168)	(1) (0.5025)	\$131.31	(1)
Storage	1.2231	-	1.2231	-	
Storage Price Adjustment	(0.0193)	0.0043	(0.0150)	\$3.97	
Delivery to You					
First 1,000 m ³	7.3562	0.1024	7.4586		
Next 9,000 m ³	5.8543	0.0817	5.9360		
Next 20,000 m ³	4.9979	0.0699	5.0678	\$77.05	
Next 70,000 m ³	4.4495	0.0623	4.5118		
All over 100,000 m ³	2.3725	0.0337	2.4062		
Delivery Price Adjustment (all volumes)	-	0.0563	(2) 0.0563	-	(2)
Monthly Charge	\$70.00	-	\$70.00	-	
Total Annualized Increase or (Decrease)				\$212.33	

(1) The Transportation Price Adjustment decrease of 0.5168 cents/m³ consists of an increase of 0.1412 cents/m³ in the new rate and a temporary credit of 0.6580 cents/m³. The annual bill increase of \$131.31, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$247.53.

(2) The Delivery Price Adjustment increase of 0.0563 cents/m³ consists of a temporary charge of 0.0563 cents/m³. The temporary charge, for the period January 1 to March 31, 2008, will amount to an increase of \$21.18.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas' changes to transportation rates.

Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

Northern Zone - Rate 310

January 2008



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A Spectra Energy Company

The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$970.94 per year based on an annual volume of 93,000 m³. The enclosed bill uses the new rates.

Gas Commodity

The gas commodity rate decreased by 2.3098 cents/m³ based on the decrease in Union Gas' forecast cost to purchase natural gas during the next 12 months. For most customers the decrease will amount to \$2,148.09 per year depending on how much gas is used. You will see the new rate in the "**Gas Used**" line on your bill.

In addition, the increase in the gas price adjustment is 3.1255 cents/m³. This change reflects the difference between the projected cost of gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate during the next 12 months. For most customers the increase will be about \$2,906.71 per year depending on the amount of gas used. The new rate appears on the "**Gas Price Adjustment**" line on your bill.

The gas rate is adjusted this way so that you are billed at a rate that more closely reflects the market price of gas and avoids large out-of-period adjustments.

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

Transportation

There is a decrease in the transportation price adjustment of 0.5168 cents/m³. For most customers the annual increase in the new rate, excluding the temporary credit, will be approximately \$131.32 depending on your gas use. Look for the new rate in the "**Transportation Price Adjustment**" line on your bill.

Storage

The increase in the storage price adjustment is 0.0043 cents/m³. For most customers the increase is about \$4.01 per year depending on the amount of gas used. Your bill shows the new rate on the "**Storage Price Adjustment**" line on your bill.

Delivery

The delivery charge that varies with consumption changed. For most customers the increase will amount to about \$76.99 in 2008 depending on the amount of gas used. You will see the new rate on the "**Delivery to You**" line on your bill.

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

Northern Zone - Rate 310

Sales

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill	
	Previous Rate (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)		
Gas Commodity Rate	29.2137	(2.3098)	26.9039	(\$2,148.09)	
Gas Price Adjustment	(6.2521)	3.1255	(3.1266)	\$2,906.71	
Transportation to Union Gas	3.3670	-	3.3670	-	
Transportation Price Adjustment	0.0143	(0.5168)	(0.5025)	\$131.32	(1)
Storage	1.6107	-	1.6107	-	
Storage Price Adjustment	(0.0193)	0.0043	(0.0150)	\$4.01	
Delivery to You					
First 1,000 m ³	7.3562	0.1024	7.4586		
Next 9,000 m ³	5.8543	0.0817	5.9360		
Next 20,000 m ³	4.9979	0.0699	5.0678	\$76.99	
Next 70,000 m ³	4.4495	0.0623	4.5118		
All over 100,000 m ³	2.3725	0.0337	2.4062		
Delivery Price Adjustment (all volumes)	-	0.0563	0.0563	-	(2)
Monthly Charge	\$70.00	-	\$70.00	-	
Total Annualized Increase or (Decrease)				\$970.94	

(1) The Transportation Price Adjustment decrease of 0.5168 cents/m³ consists of an increase of 0.1412 cents/m³ in the new rate and a temporary credit of 0.6580 cents/m³. The annual bill increase of \$131.32, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$247.53.

(2) The Delivery Price Adjustment increase of 0.0563 cents/m³ consists of a temporary charge of 0.0563 cents/m³. The temporary charge, for the period January 1 to March 31, 2008, will amount to an increase of \$21.18.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

Northern Zone - Rate 310 Direct Purchase

January 2008



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The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$212.32 per year based on an annual volume of 93,000 m³. The enclosed bill uses the new rates.

Transportation

There is a decrease in the transportation price adjustment of 0.5168 cents/m³. For most customers the annual increase in the new rate, excluding the temporary credit, will be approximately \$131.32 depending on your gas use. Look for the new rate in the “**Transportation Price Adjustment**” line on your bill.

Storage

The increase in the storage price adjustment is 0.0043 cents/m³. For most customers the increase is about \$4.01 per year depending on the amount of gas used. Your bill shows the new rate on the “**Storage Price Adjustment**” line on your bill.

Delivery

The delivery charge that varies with consumption changed. For most customers the increase will amount to about \$76.99 in 2008 depending on the amount of gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

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

Northern Zone - Rate 310
Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill	
	Previous Rate (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)		
Transportation to Union Gas **	3.3670	-	3.3670	-	
Transportation Price Adjustment	0.0143	(0.5168)	(0.5025)	\$131.32	(1)
Storage	1.6107	-	1.6107	-	
Storage Price Adjustment	(0.0193)	0.0043	(0.0150)	\$4.01	
Delivery to You					
First 1,000 m ³	7.3562	0.1024	7.4586		
Next 9,000 m ³	5.8543	0.0817	5.9360		
Next 20,000 m ³	4.9979	0.0699	5.0678	\$76.99	
Next 70,000 m ³	4.4495	0.0623	4.5118		
All over 100,000 m ³	2.3725	0.0337	2.4062		
Delivery Price Adjustment (all volumes)	-	0.0563	0.0563	-	(2)
Monthly Charge	\$70.00	-	\$70.00	-	
Total Annualized Increase or (Decrease)				\$212.32	

(1) The Transportation Price Adjustment decrease of 0.5168 cents/m³ consists of an increase of 0.1412 cents/m³ in the new rate and a temporary credit of 0.6580 cents/m³. The annual bill increase of \$131.32, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$247.53.

(2) The Delivery Price Adjustment increase of 0.0563 cents/m³ consists of a temporary charge of 0.0563 cents/m³. The temporary charge, for the period January 1 to March 31, 2008, will amount to an increase of \$21.18.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas' changes to transportation rates.

Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

Eastern Zone - Rate 610

January 2008



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A Spectra Energy Company

The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$950.96 per year based on an annual volume of 93,000 m³. The enclosed bill uses the new rates.

Gas Commodity

The gas commodity rate decreased by 2.3315 cents/m³ based on the decrease in Union Gas' forecast cost to purchase natural gas during the next 12 months. For most customers the decrease will amount to \$2,168.28 per year depending on how much gas is used. You will see the new rate in the **"Gas Used"** line on your bill.

In addition, the increase in the gas price adjustment is 3.1255 cents/m³. This change reflects the difference between the projected cost of gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate during the next 12 months. For most customers the increase will be about \$2,906.73 per year depending on the amount of gas used. The new rate appears on the **"Gas Price Adjustment"** line on your bill.

The gas rate is adjusted this way so that you are billed at a rate that more closely reflects the market price of gas and avoids large out-of-period adjustments.

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

Transportation

There is a decrease in the transportation price adjustment of 0.5168 cents/m³. For most customers the annual increase in the new rate, excluding the temporary credit, will be approximately \$131.31 depending on your gas use. Look for the new rate in the **"Transportation Price Adjustment"** line on your bill.

Storage

The increase in the storage price adjustment is 0.0043 cents/m³. For most customers the increase is about \$3.99 per year depending on the amount of gas used. Your bill shows the new rate on the **"Storage Price Adjustment"** line on your bill.

Delivery

The delivery charge that varies with consumption changed. For most customers the increase will amount to about \$77.21 in 2008 depending on the amount of gas used. You will see the new rate on the **"Delivery to You"** line on your bill.

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

Eastern Zone - Rate 610

Sales

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill	
	Previous Rate (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)		
Gas Commodity Rate	29.5223	(2.3315)	27.1908	(\$2,168.28)	
Gas Price Adjustment	(6.2521)	3.1255	(3.1266)	\$2,906.73	
Transportation to Union Gas	3.8927	-	3.8927	-	
Transportation Price Adjustment	0.0143	(0.5168)	(1)	(0.5025)	\$131.31 (1)
Storage	1.9235	-	1.9235	-	
Storage Price Adjustment	(0.0193)	0.0043	(0.0150)	\$3.99	
Delivery to You					
First 1,000 m ³	7.3562	0.1024	7.4586		
Next 9,000 m ³	5.8543	0.0817	5.9360		
Next 20,000 m ³	4.9979	0.0699	5.0678	\$77.21	
Next 70,000 m ³	4.4495	0.0623	4.5118		
All over 100,000 m ³	2.3725	0.0337	2.4062		
Delivery Price Adjustment (all volumes)	-	0.0563	(2)	0.0563	- (2)
Monthly Charge	\$70.00	-	\$70.00	-	
Total Annualized Increase or (Decrease)				\$950.96	

(1) The Transportation Price Adjustment decrease of 0.5168 cents/m³ consists of an increase of 0.1412 cents/m³ in the new rate and a temporary credit of 0.6580 cents/m³. The annual bill increase of \$131.31, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$247.53.

(2) The Delivery Price Adjustment increase of 0.0563 cents/m³ consists of a temporary charge of 0.0563 cents/m³. The temporary charge, for the period January 1 to March 31, 2008, will amount to an increase of \$21.18.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

Eastern Zone - Rate 610 Direct Purchase

January 2008



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The Ontario Energy Board approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$212.51 per year based on an annual volume of 93,000 m³. The enclosed bill uses the new rates.

Transportation

There is a decrease in the transportation price adjustment of 0.5168 cents/m³. For most customers the annual increase in the new rate, excluding the temporary credit, will be approximately \$131.31 depending on your gas use. Look for the new rate in the “**Transportation Price Adjustment**” line on your bill.

Storage

The increase in the storage price adjustment is 0.0043 cents/m³. For most customers the increase is about \$3.99 per year depending on the amount of gas used. Your bill shows the new rate on the “**Storage Price Adjustment**” line on your bill.

Delivery

The delivery charge that varies with consumption changed. For most customers the increase will amount to about \$77.21 in 2008 depending on the amount of gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

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

Eastern Zone - Rate 610
Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill	
	Previous Rate (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)		
Transportation to Union Gas **	3.8927	-	3.8927	-	
Transportation Price Adjustment	0.0143	(0.5168)	(0.5025)	\$131.31	(1)
Storage	1.9235	-	1.9235	-	
Storage Price Adjustment	(0.0193)	0.0043	(0.0150)	\$3.99	
Delivery to You					
First 1,000 m ³	7.3562	0.1024	7.4586		
Next 9,000 m ³	5.8543	0.0817	5.9360		
Next 20,000 m ³	4.9979	0.0699	5.0678	\$77.21	
Next 70,000 m ³	4.4495	0.0623	4.5118		
All over 100,000 m ³	2.3725	0.0337	2.4062		
Delivery Price Adjustment (all volumes)	-	0.0563	0.0563	-	(2)
Monthly Charge	\$70.00	-	\$70.00	-	
Total Annualized Increase or (Decrease)				\$212.51	

(1) The Transportation Price Adjustment decrease of 0.5168 cents/m³ consists of an increase of 0.1412 cents/m³ in the new rate and a temporary credit of 0.6580 cents/m³. The annual bill increase of \$131.31, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$247.53.

(2) The Delivery Price Adjustment increase of 0.0563 cents/m³ consists of a temporary charge of 0.0563 cents/m³. The temporary charge, for the period January 1 to March 31, 2008, will amount to an increase of \$21.18.

** Depending on the terms of your retail energy marketer contract, you may or may not be affected by Union Gas' changes to transportation rates.

Please contact your retail energy marketer directly at the phone number that appears on your bill if you have questions.

Please visit uniongas.com or call the Union Gas Customer Contact Centre with questions.

Important Information About Your Rates

January 2008



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Residential Sales – Rate M1
(Southwestern Ontario)

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Rate M1 - Residential Sales

Rate Description	Previous Rate (cents/m ³)	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
		Change (cents/m ³)		New Rate (cents/m ³)	
Gas Commodity Rate	29.5223	(2.3315)		27.1908	(\$60.65)
Gas Price Adjustment	(4.5888)	0.1718	(1)	(4.4170)	\$3.20
Transportation to Union Gas	3.3287	(0.3494)		2.9793	(\$9.07)
Storage	0.9309	0.0738		1.0047	\$1.92
Delivery	1,400 m ³	5.1701	-	n/a	
Next	4,600 m ³	4.1427	-	n/a	
Next	124,000 m ³	3.0859	-	n/a	
Next	270,000 m ³	2.4743	-	n/a	
All over	400,000 m ³	2.2978	-	n/a	\$1.48
First	100 m ³	n/a	-	5.5704	
Next	150 m ³	n/a	-	5.2862	
All over	250 m ³	n/a	-	4.6134	
Delivery Price Adjustment (all volumes)	(0.0478)	(0.1258)	(2)	(0.1736)	\$0.05
Monthly Charge	\$16.00	-		\$16.00	-
Total Annualized Increase or (Decrease)					(\$63.07)

Please visit uniongas.com or call the Union Gas Customer Contact Centre telephone number with questions.

(1) The Commodity and Fuel Price Adjustment increases of 0.1718 cents/m³ consists of an increase of 0.1234 cents/m³ in the new rate and a temporary change of 0.0484 cents/m³. The annual bill increase of \$3,320, which appears in the table above, excludes the impact of the temporary change. The temporary change for the period January 1 to March 31, 2008, will amount to an increase of \$0.84.

(2) The Delivery Price Adjustment decrease of 0.1258 cents/m³ consists of an increase of 0.0017 cents/m³ in the new rate and a temporary credit of 0.1275 cents/m³. The annual bill increase of \$0.05, which appears in the table above, excludes the impact of the temporary credit. The temporary credit for the period January 1 to March 31, 2008, will amount to a decrease of \$1.66.

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total decrease will amount to \$63.07 per year based on an annual volume of 2,600 m³. The enclosed bill uses the new rates.

The OEB also approved Union Gas' proposal to split the former M2 rate class into two new classes, M1 and M2, effective January 1, 2008. This change recognizes that there are two distinct groups of customers within the former M2 rate class that vary in the amount of natural gas they use and the cost of serving them. Your new rate class is now M1 Residential Sales. Union Gas will not earn additional revenue as a result of the rate class split.

Gas Commodity

The gas commodity rate decreased by 2.3315 cents/m³ based on the decrease in Union Gas' forecast cost to purchase natural gas during the next 12 months. For most customers the decrease will amount to \$60.65 annually depending on how much gas is used. You will see the new rate in the "**Gas Used**" line on your bill.

In addition, an increase in the gas price adjustment of 0.1718 cents/m³ reflects the difference between the projected cost of gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate during the next 12 months. For most customers the increase will be about \$3.20 per year depending on the amount of gas used. The new rate appears in the "**Gas Price Adjustment**" line on your bill.

The gas rate is adjusted this way so that you are billed at a rate that more closely reflects the

market price of gas and avoids large out-of-period adjustments.

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

Transportation

The transportation rate decreased by 0.3494 cents/m³. For most customers the annual decrease will be approximately \$9.07 depending on your gas use. Look for the new rate on the "**Transportation to Union Gas**" line on your bill.

Storage

The storage rate increased by 0.0738 cents/m³. For most customers the change will amount to an increase of \$1.92 per year depending on the amount of gas used. You will see the new rate reflected on the "**Storage**" line in your bill.

Delivery

The delivery rate that varies with consumption increased. For most customers the increase will amount to about \$1.48 in 2008 depending on the amount of gas used. You will see the new rate on the "**Delivery to You**" line on your bill.

There is a minor change in the delivery price adjustment rate. For most customers the annual increase will be \$0.05. The new rate appears in the "**Delivery Price Adjustment**" line on your bill.

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

Important Information About Your Rates

January 2008



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Residential Direct Purchase – Rate M1
(Southwestern Ontario)



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Rate M1 - Residential Direct Purchase

Rate Description	Previous Rate (cents/m ³)	Per Cubic Metre			Annual Increase/(Decrease) in the Bill
		Change (cents/m ³)		New Rate (cents/m ³)	
Storage	0.9309	0.0738		1.0047	\$1.92
Delivery					
First	1,400 m ³	5.1701	-	n/a	
Next	4,600 m ³	4.1427	-	n/a	
Next	124,000 m ³	3.0859	-	n/a	
Next	270,000 m ³	2.4743	-	n/a	
All over	400,000 m ³	2.2978	-	n/a	\$1.48
First	100 m ³	n/a		5.5704	
Next	150 m ³	n/a		5.2862	
All over	250 m ³	n/a		4.6134	
Monthly Price Adjustment (all volumes)	(0.0478)	(0.1258)		(0.1736)	\$0.05
Monthly Charge	\$16.00	-		\$16.00	-
Total Annualized Increase or (Decrease)					\$3.45

(1) The Delivery Price Adjustment decrease of 0.1258 cents/m³ consists of an increase of 0.0017 cents/m³ in the new rate and a temporary credit of 0.1275 cents/m³. The annual bill increase of \$0.05, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$1.69.

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$3.45 per year based on an annual volume of 2,600 m³. The enclosed bill uses the new rates.

The OEB also approved Union Gas' proposal to split the former M2 rate class into two new classes, M1 and M2, effective January 1, 2008. This change recognizes that there are two distinct groups of customers within the former M2 rate class that vary in the amount of natural gas they use and the cost of serving them. Your new rate class is now M1 Residential Direct Purchase. Union Gas will not earn additional revenue as a result of the rate class split.

Storage

The storage rate increased by 0.0738 cents/m³. For most customers

the change will amount to an increase of \$1.92 per year depending on the amount of gas used. You will see the new rate reflected on the “**Storage**” line in your bill.

Delivery

The delivery rate that varies with consumption increased. For most customers the increase will amount to about \$1.48 in 2008 depending on the amount of gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

There is a minor change in the delivery price adjustment rate. For most customers the annual increase will be \$0.05. The new rate appears in the “**Delivery Price Adjustment**” line on your bill.

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

Important Information About Your Rates

January 2008



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A Spectra Energy Company

Commercial/Industrial Sales – Rate M2
(Southwestern Ontario)

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Rate M2 - Commercial/Industrial Sales

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Rate Description	Previous Rate (cents/m ³)	Per Cubic Metre Change (cents/m ³)	New Rate (cents/m ³)	Annual Increase/(Decrease) in the Bill
Gas Commodity Rate	29.5223	(2.3315)	27.1908	(\$1,701.99)
Gas Price Adjustment	(4.5888)	0.1718	(4.4170)	\$80.08
Transportation to Union Gas	3.3287	(0.3494)	2.9793	(\$255.06)
Storage	0.9309	(0.1919)	0.7390	(\$140.09)
Delivery	1,400 m ³	5.1701	n/a	
Next	4,600 m ³	4.1427	n/a	
Next	124,000 m ³	3.0859	n/a	
Next	270,000 m ³	2.4743	n/a	
All over	400,000 m ³	2.2978	n/a	(\$331.67)
First	1,000 m ³	n/a	3.7061	
Next	6,000 m ³	n/a	3.6352	
Next	13,000 m ³	n/a	3.4235	
All over	20,000 m ³	n/a	3.1697	
Delivery Price Adjustment (all volumes)	(0.0478)	(0.1258)	(0.1736)	\$1.26
Monthly Price Change	\$16.00	\$4.00	\$70.00	\$648.00
Total Annualized Increase or (Decrease)				(\$1,689.47)

Please visit uniongas.com or call the Union Gas Customer Contact Centre telephone number with questions.

(1) The Commodity and Fuel Price Adjustment increases of 0.1218 cents/m³ consists of an increase of 0.1234 cents/m³ in the new rate and a temporary change of 0.0484 cents/m³. The annual bill increase of \$90.08, which appears in the table above, excludes the impact of the temporary change. The temporary change, for the period January 1 to March 31, 2008, will amount to an increase of \$17.56.

(2) The Delivery Price Adjustment decrease of 0.1258 cents/m³ consists of an increase of 0.0017 cents/m³ in the new rate and a temporary credit of 0.1275 cents/m³. The annual bill increase of \$1.26, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$46.26.

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total decrease will amount to \$1,689.47 per year based on an annual volume of 73,000 m³. The enclosed bill uses the new rates.

Gas Commodity

The gas commodity rate has decreased by 2.3315 cents/m³ based on the decrease in Union Gas' forecast cost to purchase gas during the next 12 months. For most customers the decrease will amount to \$1,701.99 annually depending on how much gas is used. You will see the new rate in the "**Gas Used**" line on your bill.

In addition, an increase in the gas price adjustment of 0.1718 cents/m³ reflects the difference between the projected cost of gas that Union Gas expects to pay and the amount that Union Gas expects to recover through the current gas commodity rate during the next 12 months. For most customers the increase will be about \$90.08 per year depending on the amount of gas used. The new rate appears in the "**Gas Price Adjustment**" line on your bill.

The gas rate is adjusted this way so that you are billed at a rate that more closely reflects the market price of gas and avoids large out-of-period adjustments.

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

Transportation

The transportation rate decreased by 0.3494 cents/m³. For most customers the annual decrease will be approximately \$255.06 depending on your gas use.

Look for the new rate on the "**Transportation to Union Gas**" line on your bill.

Storage

The storage rate decreased by 0.1919 cents/m³. For most customers the change will amount to a decrease of \$140.09 per year depending on the amount of gas used. You will see the new rate reflected on the "**Storage**" line in your bill.

Delivery

The delivery rate that varies with consumption decreased. For most customers the decrease will amount to about \$331.67 in 2008 depending on the amount of gas used. You will see the new rate on the "**Delivery to You**" line on your bill.

There is a minor change in the delivery price adjustment rate. For most customers the annual increase will be \$1.26. The new rate appears in the "**Delivery Price Adjustment**" line on your bill.

In addition, there is a \$54.00 change in the monthly charge to \$70.00 for commercial/industrial customers. For all customers the annual increase will be \$648.00. The monthly charge is a set charge which partially recovers some of the fixed costs (e.g. meter reading, billing, emergency response etc.) associated with maintaining a safe and reliable natural gas distribution system 24 hours a day; 365 days a year. The OEB approved Union Gas' proposal to increase the monthly charge to better match the fixed costs associated with serving large volume customers. Union Gas will not earn additional revenue as a result of the delivery rate changes.

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

Important Information About Your Rates

January 2008



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A Spectra Energy Company

Commercial/Industrial Direct Purchase
– Rate M2
(Southwestern Ontario)



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Rate M2 - Commercial/Industrial Direct Purchase

Rate Description	Per Cubic Metre			Annual Increase/(Decrease) in the Bill (\$140.09)
	Previous Rate (cents/m ³)	Change (cents/m ³)	New Rate (cents/m ³)	
Storage	0.9309	(0.1919)	0.7390	
Delivery				
First	1,400 m ³ 5.1701	-	n/a	
Next	4,600 m ³ 4.1427	-	n/a	
Next	124,000 m ³ 3.0859	-	n/a	
Next	270,000 m ³ 2.4743	-	n/a	
All over	400,000 m ³ 2.2978	-	n/a	
First	1,000 m ³ n/a	-	3.7061	(\$331.67)
Next	6,000 m ³ n/a	-	3.6352	
Next	13,000 m ³ n/a	-	3.4235	
All over	20,000 m ³ n/a	-	3.1697	
Delivery Price Adjustment (all volumes)	(0.0478)	(0.1258)	(0.1736)	\$1.26
Monthly Change	\$16.00	54.00	\$70.00	\$648.00
Total Annualized Increase or (Decrease)				\$177.50

(1) The Delivery Price Adjustment decrease of 0.1258 cents/m³ consists of an increase of 0.0017 cents/m³ in the new rate and a temporary credit of 0.1275 cents/m³. The annual bill increase of \$1.26, which appears in the table above, excludes the impact of the temporary credit. The temporary credit, for the period January 1 to March 31, 2008, will amount to a decrease of \$46.26.

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2008. For most customers the total increase will amount to \$177.50 per year based on an annual volume of 73,000 m³. The enclosed bill uses the new rates.

Storage

The change in the storage rate is 0.1919 cents/m³. For most customers the change will amount to a decrease of \$140.09 per year depending on the amount of natural gas used. You will see the new rate reflected on the “**Storage**” line in your bill.

Delivery

The delivery rate that varies with consumption decreased. For most customers the decrease will amount to about \$331.67 in 2008 depending on the amount of gas used. You will see the new rate on the “**Delivery to You**” line on your bill.

There is a minor change in the delivery price adjustment rate.

For most customers, the annual increase will be \$1.26. The new rate appears in the “**Delivery Price Adjustment**” line on your bill.

In addition, there is a \$54.00 change in the monthly charge to \$70.00 for commercial/industrial customers. For all customers the annual increase will be \$648.00. The monthly charge is a set charge which partially recovers some of the fixed costs (e.g. meter reading, billing, emergency response etc.) associated with maintaining a safe and reliable natural gas distribution system 24 hours a day; 365 days a year. The OEB approved Union Gas’ proposal to increase the monthly charge to better match the fixed costs associated with serving large volume customers. Union Gas will not earn additional revenue as a result of the delivery rate changes.

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