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For Immediate Release

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OEB issues Quarterly Rate Adjustment for Union Gas Limited

Toronto – The Ontario Energy Board has approved changes to the rates Union Gas Limited (Union) charges its customers effective July 1, 2005 as part of its Quarterly Rate Adjustment Mechanism (QRAM). There will also be temporary credits for delivery and transportation rates from July 1, 2005 to December 31, 2005 reflected in the rate changes. The credits relate to 2004 deferral accounts and 2003 earning sharings. Spread over the five months, the credits are equivalent to a total of about \$5 for Southern rate zone customers (residential) and about \$20 for all other Union residential customers.

Eastern, Western, Northern and Fort Frances Rate Zones

An average residential system gas customer, using 2,600 cubic metres (m³) of natural gas per year living in Union's Fort Frances, Northwestern, Northern and Eastern rate zones will see an increase between about \$95 and \$97 annually on their bill.

Consumers in these rates zones who purchase their natural gas commodity from a natural gas marketer (direct purchase customers) will see an increase to their bill of about \$11 annually on their bill reflecting only the changes in the costs for transportation, delivery and storage.

Fort Frances Rate Zone

Rate Description	System Gas Customers		Direct Purchase Customers	
	Change from Previous Rate (¢/m ³)	New Rate (¢/m ³)	Change from Previous Rate (¢/m ³)	New Rate (¢/m ³)
Gas Commodity	3.2174	26.9318	N/A	N/A
Transportation to Union Gas	-0.7580 ⁽¹⁾	2.0612	-0.7580 ⁽¹⁾	2.0612
Delivery to You				
First 100 m ³	-1.1515 ⁽²⁾	8.5338	-1.1515 ⁽²⁾	8.5338
Next 200 m ³	-1.1515 ⁽²⁾	7.8967	-1.1515 ⁽²⁾	7.8967
Next 200 m ³	-1.1515 ⁽²⁾	7.4626	-1.1515 ⁽²⁾	7.4626
Next 500 m ³	-1.1515 ⁽²⁾	7.0892	-1.1515 ⁽²⁾	7.0892
All over 1,000 m ³	-1.1515 ⁽²⁾	3.8858	-1.1515 ⁽²⁾	3.8858
Storage	0.3307	1.9167	0.3307	1.9167
Annual Increase / Decrease in the Bill	\$95		\$11	

Northwestern Rate Zone

Rate Description	System Gas Customers		Direct Purchase Customers	
	Change from Previous Rate (¢/m ³)	New Rate (¢/m ³)	Change from Previous Rate (¢/m ³)	New Rate (¢/m ³)
Gas Commodity	3.2496	27.2108	N/A	N/A
Transportation to Union Gas	-0.7580 ⁽¹⁾	2.1336	-0.7580 ⁽¹⁾	2.1336
Delivery to You				
First 100 m ³	-1.1515 ⁽²⁾	8.5338	-1.1515 ⁽²⁾	8.5338
Next 200 m ³	-1.1515 ⁽²⁾	7.8967	-1.1515 ⁽²⁾	7.8967
Next 200 m ³	-1.1515 ⁽²⁾	7.4626	-1.1515 ⁽²⁾	7.4626
Next 500 m ³	-1.1515 ⁽²⁾	7.0892	-1.1515 ⁽²⁾	7.0892
All over 1,000 m ³	-1.1515 ⁽²⁾	6.8416	-1.1515 ⁽²⁾	6.8416
Storage	0.3307	1.9919	0.3307	1.9919
Annual Increase / Decrease in the Bill	\$96		\$11	

Northern Rate Zone

Rate Description	System Gas Customers		Direct Purchase Customers	
	Change from Previous Rate (¢/m ³)	New Rate (¢/m ³)	Change from Previous Rate (¢/m ³)	New Rate (¢/m ³)
Gas Commodity	3.2911	27.6001	N/A	N/A
Transportation to Union Gas	-0.7580 ⁽¹⁾	2.8301	-0.7580 ⁽¹⁾	2.8301
Delivery to You				
First 100 m ³	-1.1515 ⁽²⁾	8.5338	-1.1515 ⁽²⁾	8.5338
Next 200 m ³	-1.1515 ⁽²⁾	7.8967	-1.1515 ⁽²⁾	7.8967
Next 200 m ³	-1.1515 ⁽²⁾	7.4626	-1.1515 ⁽²⁾	7.4626
Next 500 m ³	-1.1515 ⁽²⁾	7.0892	-1.1515 ⁽²⁾	7.0892
All over 1,000 m ³	-1.1515 ⁽²⁾	6.8416	-1.1515 ⁽²⁾	6.8416
Storage	0.3307	2.4440	0.3307	2.4440
Annual Increase / Decrease in the Bill	\$97		\$11	

Eastern Rate Zone

Rate Description	System Gas Customers		Direct Purchase Customers	
	Change from Previous Rate (¢/m ³)	New Rate (¢/m ³)	Change from Previous Rate (¢/m ³)	New Rate (¢/m ³)
Gas Commodity	-3.3227	27.9231	N/A	N/A
Transportation to Union Gas	-0.7580 ⁽¹⁾	3.3687	-0.7580 ⁽¹⁾	3.3687
Delivery to You				
First 100 m ³	-1.1515 ⁽²⁾	8.5338	-1.1515 ⁽²⁾	8.5338
Next 200 m ³	-1.1515 ⁽²⁾	7.8967	-1.1515 ⁽²⁾	7.8967
Next 200 m ³	-1.1515 ⁽²⁾	7.4626	-1.1515 ⁽²⁾	7.4626
Next 500 m ³	-1.1515 ⁽²⁾	7.0892	-1.1515 ⁽²⁾	7.0892
All over 1,000 m ³	-1.1515 ⁽²⁾	6.8416	-1.1515 ⁽²⁾	6.8416
Storage	0.3307	2.8308	0.3307	2.8308
Annual Increase / Decrease in the Bill	\$97		\$11	

(1) The transportation rate decrease of 0.7580 cents per cubic metre consists of an increase of 0.0669 cents in the new rate and a temporary credit of 0.8249 cents. The temporary credit, for the period July 1, 2005 to December 31, 2005, will amount to a decrease of about \$8.

(2) The delivery rate decrease of 1.1515 cents per cubic metre consists of a temporary credit of 1.1515 cents. The temporary credit, for the period July 1, 2005 to December 31, 2005, will amount to a decrease of about \$12.

Southern Rate Zone

The average residential system gas customer living in the Southern rate zone will see an increase to their bill of about \$94 annually.

Southern rate zone consumers purchasing their natural gas commodity from a natural gas marketer (direct purchase customers) will typically see a net increase to their bill of about \$5 annually reflecting only the changes in the costs for transportation and delivery.

Southern Rate Zone

Rate Description	System Gas Customers		Direct Purchase Customers	
	Change from Previous Rate (¢/m ³)	New Rate (¢/m ³)	Change from Previous Rate (¢/m ³)	New Rate (¢/m ³)
Gas Commodity	3.4217	29.0447	N/A	N/A
Transportation to Union Gas	0.0151	4.0221	0.0151	4.0221
Delivery to You				
First 1,400 m ³	0.4717 ⁽¹⁾	5.0915	0.4717 ⁽¹⁾	5.0915
Next 4,600 m ³	0.4717 ⁽¹⁾	3.4766	0.4717 ⁽¹⁾	3.4766
Next 124,000 m ³	0.4717 ⁽¹⁾	2.2845	0.4717 ⁽¹⁾	2.2845
Next 270,000 m ³	0.4717 ⁽¹⁾	1.5489	0.4717 ⁽¹⁾	1.5489
All over 400,000 m ³	0.4717 ⁽¹⁾	1.4050	0.4717 ⁽¹⁾	1.4050
Annual Increase / Decrease in the Bill	\$94		\$5	

(1) The delivery rate decrease of 0.4717 cents per cubic metre consists of an increase of 0.1763 cents in the new rate and a temporary credit of 0.6480 cents. The temporary credit, for the period July 1, 2005 to December 31, 2005, will amount to a decrease of about \$36.

The Ontario Energy Board regulates the province's electricity and natural gas sectors in the public interest. It envisions a healthy and efficient energy sector with informed consumers, and works towards this vision through regulatory processes that are effective, fair and transparent.

For more information on the Board, please visit our web site at www.oeb.gov.on.ca or contact the Consumer Relations Centre at 416-314-2455 or toll-free at 1-877- 632-2727.

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